



**SCHEDULE 14:**

**PAYMENT MECHANISM**

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## 1. Monthly Payment

### 1.1 Monthly Payment Formula

1.1.1 The Authority will commence payment of the Monthly Payment following the Services Commencement Date save in respect of the Monthly Mobilisation Payment which may commence prior to such date in accordance with **paragraph 1.2 (Monthly Mobilisation Payment)**. Any failure by the Contractor to meet the requirements of the Services Commencement Date will result in no payment being made by the Authority (save in accordance with **paragraph 1.2 (Monthly Mobilisation Payment)**) until the Contractor has met its requirements and is in a position to receive Prisoners.

1.1.2 The Monthly Payment for each Month shall be calculated in accordance with the following formula:

$$MP = MSP + MMP$$

where:

MP = the Monthly Payment;

MSP = the Monthly Service Payment calculated in accordance with **paragraph 1.3 (Monthly Service Payment)**; and

MMP = the Monthly Mobilisation Payment calculated in accordance with **paragraph 1.2 (Monthly Mobilisation Payment)**.

### 1.2 Monthly Mobilisation Payment

1.2.1 The Monthly Mobilisation Payment for each Month in which it is applicable shall be paid as set out in the Monthly Mobilisation Payment Schedule at **paragraph 14 (Monthly Mobilisation Payment Schedule)**.

### 1.3 Monthly Service Payment

The Monthly Service Payment for each Month shall be calculated in accordance with the following formula:

$$MSP = MCP - CDUPR - PPD$$

where:



- MSP = the Monthly Service Payment;
- MCP = the Monthly Contract Price calculated in accordance with **paragraph 1.4 (Monthly Contract Price)**;
- CDUPR = the Contractor Doubled Up Prisoners Reduction for each Day of that Month, calculated in accordance with **paragraph 1.13 (Contractor Doubled Up Prisoners Reduction – Main Prison only)**; and
- PPD = for the invoice at the end of the second Month following the end of the previous Performance Quarter, the Deduction made for Performance Points for the previous Performance Quarter in accordance with **paragraph 1.14 (Adjustment for Performance Point Deductions)**.

#### 1.4 Monthly Contract Price

The Monthly Contract Price for each Month shall be calculated in accordance with the following formula:

$$\text{MCP} = \text{MDP} + \text{MIP} + \text{RMC} + \text{RDMC} + \text{MUF} \pm \text{AUA} \pm \text{TS} + \text{SCRS} + \text{AMC} + \text{ADMC} + \text{BARC} + \text{MPTC}$$

where:

- MCP = the Monthly Contract Price;
- MDP = the aggregate of the Daily Payment for each Day in the Month;
- MIP = the Monthly Interventions Payment for the Month;
- RMC = any RRAPP Band Mobilisation Costs (in respect only of any Month in which such one-off costs are payable);
- RDMC = any RRAPP Band Demobilisation Costs (in respect only of any Month in which such one-off costs are payable);
- MUF = the Monthly Utility Fee;
- AUA = any Annual Utility Adjustment;
- TS = the TUPE Surcharge (in respect only of those Months during which it applies);
- SCRS = the Service Change Redundancy Surcharge in accordance with **Part 3 (Redundancy Surcharge) of Schedule 18 (TUPE, Employees and**

**Pensions**) (in respect only of any Month in which such one-off costs are payable);

AMC = any APP Band Mobilisation Costs (in respect only of any Month in which such one-off costs are payable);

ADMC = any APP Band Demobilisation Costs (in respect only of any Month in which such one-off costs are payable);

BARC = any Base Case Anticipated Redundancy Cost due to be paid in accordance with **paragraph 1.20 (Anticipated Redundancy Cost)**, together with any adjustment in respect of a Redundancy Risk Premium or Redundancy Risk Reduction calculated in accordance with such paragraph; and

MPTC = the Monthly Pass-through Costs.

1.4.1 The Authority reserves the right to update the calculation set out above in this **paragraph 1.4 (Monthly Contract Price)** to reflect any agreed Change.

## 1.5 Daily Payment

The Daily Payment shall be calculated by multiplying the Operational Services Available Prisoner Place Payment by the number of Available Prisoner Places on the Day for the Main Prison (up to and including the Maximum Available Prisoner Places - Main (MAPP-Main)) and the DTC (up to and including the Maximum Available Prisoner Places – DTC (MAPP-DTC)) and less the reduced requirement for Available Prisoner Places in the Main Prison and the DTC including any Activated RRAPP Bands) and adding the Operational Services Lifecycle Cost multiplied by the Maximum Available Prisoner Places – Whole Prison, more or less the Daily Total RRAPP Adjustment for the Day for the Main Prison and the DTC plus the Daily Total APP Payment for the Main Prison only and less the Daily Total Immediate RRAPP Deduction for the Main Prison and the DTC in accordance and with the following formula:

$$DP = ((OSP - OSLC) \times (NAPP - NRRAPP)) + (OSLC \times MAPP - WP) +/- DTRA + DTAPP - DTIRD$$

where:

DP = the Daily Payment;

OSP = the aggregate Operational Services Available Prisoner Place Payment for the Day for both the Main Prison and the DTC;

- OSLC = the Operational Services Lifecycle Costs for the Day, as set out in **paragraph 11.3 (Operational Services Available Prisoner Place Payment)**;
- NAPP = the aggregate number of Available Prisoner Places on that Day for the Main Prison, up to and including the Maximum Available Prisoner Places - Main (MAPP-Main) and for the DTC, up to and including the Maximum Available Prisoner Places – DTC (MAPP-DTC);
- NRRAPP = the aggregate number of Available Prisoner Places on any Day that the Authority does not require to be provided under an Active RRAPP Band for the Main Prison and the DTC, as determined in the column headed "Cumulative RRAPP Limit" in the relevant RRAPP Band Table as set out at **paragraph 12.1.8 (RRAPP Band Tables)**;
- MAPP-WP = the Maximum Available Prisoner Places – Whole Prison (MAPP-WP);
- DTRA = the aggregate Daily Total RRAPP Adjustment for the Day for the Main Prison and the DTC;
- DTAPP = the aggregate Daily Total APP Payment for the Day for the Main Prison only; and
- DTIRD = the aggregate Daily Total Immediate RRAPP Deduction for the Day for the Main Prison and the DTC.

### 1.5.1 **Operational Services Available Prisoner Place Payment**

- 1.5.1.1 The Operational Services Available Prisoner Place Payment, payable for the delivery of Operational Services, shall be calculated by adding together the Operational Services Non-Staff Costs, the Operational Services Staff Costs and the Operational Services Fixed Costs for the relevant Day, in accordance with the following formula:

$$\text{OSP} = \text{OSNSC} + \text{OSSC} + \text{OSFC} + \text{OSLC}$$

where:

- OSP = the aggregate Operational Services Available Prisoner Place Payment for the Day for both the Main Prison and the DTC;

- OSNSC = the aggregate Operational Services Non-Staff Costs for the Day for the Main Prison and the DTC, as set out in **paragraph 11.3 (Operational Services Available Prisoner Place Payment)**;
- OSSC = the aggregate Operational Services Staff Costs for the Day for the Main Prison and the DTC, as set out in **paragraph 11.3 (Operational Services Available Prisoner Place Payment)**;
- OSFC = the aggregate Operational Services Fixed Costs for the Day for the Main Prison and the DTC, as set out in **paragraph 11.3 (Operational Services Available Prisoner Place Payment)**; and
- OSLC = the Operational Services Lifecycle Costs for the Day, as set out in **paragraph 11.3 (Operational Services Available Prisoner Place Payment)**.

1.5.1.2 The Operational Services Available Prisoner Place Payment shall be subject to indexation in accordance with **paragraph 3 (Indexation)**.

## 1.5.2 Calculation of Daily Total RRAPP Adjustment

1.5.2.1 Where there is one or more Active RRAPP Band for either the Main Prison or the DTC, the Daily Total RRAPP Adjustment for each Day shall be calculated in accordance with the following formula:

$$DTRA = \sum RAs$$

where:

DTRA = the aggregate Daily Total RRAPP Adjustment for that Day for the Main Prison and the DTC; and

RAs = the aggregate of the RRAPP Adjustments for each Active RRAPP Band for that Day determined in accordance with **paragraph 12 (Prison Specific**

**Information)** for the Main Prison and the DTC.

1.5.2.2 This Daily Total RRAPP Adjustment shall be subject to indexation in accordance with **paragraph 3 (Indexation)**.

1.5.3 **Calculation of Daily Total APP Payment (DTAPP) – Main Prison only**

1.5.3.1 Where there is one or more Active APP Band, the Daily Total APP Payment for each Day shall be calculated in accordance with the following formula:

$$\text{DTAPP} = \sum \text{AFs}$$

where:

DTAPP = the Daily Total APP Payment for that Day; and

AFs = the aggregate of the fee paid for each Active APP Band for that Day determined in accordance with **paragraph 7 (Additional Prisoner Places)** with particular reference to **paragraph 7.5.3 (Additional Prisoner Place Fees – Main Prison only)**.

1.5.3.2 This Daily Total APP Payment shall be subject to indexation in accordance with **paragraph 3 (Indexation)**.

1.5.4 The calculation of Daily Total Immediate RRAPP Deduction (DTIRD) is in accordance with **paragraph 1.19 (Calculation of Daily Total Immediate RRAPP Deduction)**.

1.6 **Monthly Interventions Payment – Main Prison only**

1.6.1 The Monthly Interventions Payment shall cover the staff costs associated with the delivery of Interventions.

1.6.2 The Annual Interventions Cost for each Contract Year shall be calculated as follows:

$$\text{AIC} = \text{ISC} + \text{INSC}$$

where:

- AIC = the Annual Interventions Cost;
- ISC = the Interventions Staff Cost; and
- INSC = the Interventions Non-Staff Cost.

1.6.3 The Monthly Interventions Payment for each Month in each Contract Year shall be calculated as follows:

$$\text{MIP} = \frac{\text{AIC}}{12}$$

where:

- MIP = the Monthly Interventions Payment; and
- AIC = the Annual Interventions Cost.

1.6.4 The Annual Interventions Cost for the first, second and third Contract Years shall be as set out in **paragraph 11.4 (Annual Interventions Cost)**, and for subsequent Contract Years shall be subject to any adjustment proposed by the Contractor and approved by the Authority in accordance with **paragraph 1.6.6 (Monthly Interventions Payment – Main Prison only)** below and **paragraph 4.4 (Annual Interventions Cost) of Part 4 (Interventions) of Schedule 1 (Authority's Requirements (Custodial Services))**.

1.6.5 Where any Contract Year is more or less than twelve (12) months, the Monthly Interventions Payment will be calculated by pro-rating the Annual Interventions Cost to the number of months in the Contract Year, and:

1.6.5.1 where the Services Commencement Date is not the first day of a Month, the proportion of that Month to be used in the pro-rating calculation for that Contract Year shall be determined by dividing the number of calendar days from (and including) the Services Commencement Date to the end of that Month by the total number of calendar days in that Month; and

1.6.5.2 where the Expiry Date or the Termination Date (as the case may be) is not the last day of a Month, the proportion of that Month to be used in the pro-rating calculation for that Contract Year shall be determined by dividing the number of calendar days from the start of that Month up to (and including) the Expiry Date or Termination Date by the total number of calendar days in that Month.

1.6.6 At the end of the third and each subsequent Contract Year, the Authority and the Contractor will perform a reconciliation between the expected volume of Interventions as identified within the Annual Interventions Plan and the actual volume of Interventions delivered in that Contract Year. In the event that the Contractor has delivered fewer Interventions than those so identified, the Contractor will apply a credit to the invoice for the first Month of the next Contract Year (or make a payment to the Authority within thirty (30) Days of a written request) in an amount calculated in accordance with **paragraph 11.4 (Annual Interventions Cost)** which will be updated from time to time to reflect the Interventions cost for each Contract Year. For the avoidance of doubt, if the Contractor has delivered more Interventions than those so identified, no additional payment shall be made by the Authority.

1.6.7 The Annual Interventions Cost shall be subject to indexation in accordance with **paragraph 3 (Indexation)**.

## 1.7 Insurance

1.7.1 If the Contractor believes that there has been a material change within the global insurance market that arises from events beyond the reasonable control of the Contractor (or any Contractor Related Party) or the Authority, and such change causes a substantial increase in the overall cost of maintaining the Required Insurances (to the levels set out therein) that is not provided for within the contingency or margin components (or any other components) of the Contract Price:

1.7.1.1 the Contractor may initiate a Contractor Change under the process set out in **Schedule 16 (Change Protocol)** in respect of the level of the insurance costs; and

1.7.1.2 the Authority (without commitment) will consider the Contractor Change in accordance with the process set out in such Schedule.

## 1.8 RRAPP Band Mobilisation Costs

1.8.1 This **paragraph 1.8 (RRAPP Band Mobilisation Costs)** applies to the Activation of a RRAPP Band in the Main Prison and in addition to the Activation of a RRAPP Band in the DTC.

1.8.2 Not less than three (3) Months after the Month in which a RRAPP Band or group of RRAPP Bands is Activated, the Authority shall pay the Contractor any RRAPP Band Mobilisation Costs and any Service Change Redundancy Surcharge calculated in accordance with **Part 3 (Redundancy Surcharge)** of **Schedule 18 (TUPE,**

**Employees and Pensions)** resulting directly from a reduction in the staffing levels required to deliver a lower number of Available Prisoner Places, in each case which are actually incurred by the Contractor due to the Activation of one or more RRAPP Bands.

1.8.3 The Contractor shall take all reasonable steps to mitigate any RRAPP Band Mobilisation Costs and Service Change Redundancy Surcharge, for example (without limitation) through the effective redeployment of staff. The Contractor shall demonstrate to the Authority what steps it is taking in this regard and provide clear documented evidence of the RRAPP Band Mobilisation Costs and Service Change Redundancy Surcharge actually incurred.

## 1.9 RRAPP Band Demobilisation Cost

1.9.1 This **paragraph 1.9 (RRAPP Band Demobilisation Cost)** applies to the Deactivation of a RRAPP Band in the Main Prison and in addition to the Deactivation of a RRAPP Band in the DTC.

1.9.2 Not less than three (3) Months after the Month in which:

1.9.2.1 a RRAPP Band or group of RRAPP Bands is Deactivated, or

1.9.2.2 the Authority gives the Contractor an emergency notice pursuant to **paragraph 6.4.1 (Emergency Prisoner Places)**,

the Authority shall pay the Contractor the RRAPP Band Demobilisation Costs.

1.9.3 The Contractor shall take all reasonable steps to mitigate any RRAPP Band Demobilisation Costs, for example (without limitation) through the effective redeployment and recruitment of staff. The Contractor shall demonstrate to the Authority what steps it is taking in this regard and provide clear documented evidence of the RRAPP Band Demobilisation Costs actually incurred.

## 1.10 Monthly Utility Fee

### 1.10.1 The Monthly Utility Fee

1.10.1.1 The Monthly Utility Fee is the aggregate of the payments made to the supplier for each utility service and is based on an estimated fee which is calculated at the start of each Contract Year as set out in **paragraph 1.10.2 (Annual Utility Services Cost Estimate)**.



1.10.1.2 The Annual Utility Services Consumption Target for the utility service will be as bid by the Contractor during the procurement and is as set out in **paragraph 12.1.9.2 (Utility Target)**.

1.10.1.3 The Contractor is mandated to use the Authority's utility supplier in accordance with **Schedule 3 (Authority Third Party Contracts)** and pay that supplier directly.

1.10.2 **Annual Utility Services Cost Estimate**

1.10.2.1 The Annual Utility Services Cost Estimate in respect of each utility service shall be calculated as follows:

$$AUSCE_1 = \sum_{\text{All utilities}} (U \times C_t) + S + CCL$$

where:

AUSCE<sub>1</sub> = the Annual Utility Services Cost Estimate;

U = the Estimated Unit Cost of the utility service for the relevant Contract Year as agreed between the Authority and the Contractor at the start of the Contract Year. The Estimated Unit Cost of the utility service should be based on the most recently available unit cost information as provided by the relevant utility service supplier;

C<sub>t</sub> = the Annual Utility Services Consumption Target for the utility service for that Contract Year as set out in **paragraph 12.1.9.2 (Utility Target)**;

S = the expected Standing Charge for the utility service for the Contract Year as agreed between the Authority and the Contractor at the start of the Contract Year; and

CCL = the expected Climate Change Levy for the utility service for the Contract Year as agreed between the Authority and the Contractor at the start of the Contract Year.

1.10.3 The calculation set out in **paragraph 1.10.2.1 (Annual Utility Services Cost Estimate)** will be repeated for each utility service required at the Prison as set out in **paragraph 12.1.9.2 (Utility Target)**.



- 1.10.4 The Annual Utility Services Cost Estimate will be calculated by adding together the Annual Utility Services Cost Estimate for each utility service as follows:

$$\text{AUSCE} = \text{AUSCE}_1 + \text{AUSCE}_2 + \text{AUSCE}_3 + \text{AUSCE}_4 \dots$$

- 1.10.5 The Monthly Utility Fee for each Month shall be calculated in accordance with the following formula:

$$\text{MUF} = \frac{\text{AUSCE}}{12}$$

where:

MUF = the Monthly Utility Fee; and

AUSCE = the Annual Utility Services Cost Estimate as calculated in accordance with **paragraph 1.10.2 (Annual Utility Services Cost Estimate)**.

- 1.10.6 Where any Contract Year is more or less than twelve (12) months, the Monthly Utility Fee will be paid by pro-rating the AUSCE to the number of months in the period.

- 1.10.7 To the extent that the Authority designates the contracts for utility services as an Optional Authority Third Party Contract (as defined in **Schedule 3 (Authority Third Party Contracts)**), and where the Contractor elects to use its own utilities supplier as a result, the Parties shall agree, in accordance with the process outlined in that Schedule, any appropriate amendments to this Schedule to take account of the Contractor's election.

- 1.10.8 The Utility Services Fee shall not be subject to indexation.

## 1.11 Annual Utility Adjustment

- 1.11.1 The amount payable by the Authority in respect of the second Month following the end of each Contract Year shall be adjusted by way of the Annual Utility Adjustment calculated in accordance with this **paragraph 1.11 (Annual Utility Adjustment)**, to reflect performance against the Annual Utility Services Cost Estimate for each utility service.

- 1.11.2 The Utility Targets for each Contract Year shall be as set out in **paragraph 12.1.9.2 (Utility Target)**, save that:

1.11.2.1 where the Authority proposes to change the number of Available Prisoner Places, the Utility Targets shall be amended as a Change in accordance with **Schedule 16 (Change Protocol)**, provided that until any such Change is implemented, the Annual Utility Adjustment mechanism and the Utility Targets existing immediately prior to such Change shall apply.

1.11.3 NOT USED.

1.11.4 NOT USED.

1.11.5 Annual Utility Adjustment – unit cost

1.11.5.1 On 1 April each year, starting from the Second Contract Year, the actual average unit cost of each utility service over the previous Contract Year shall be calculated and compared to the relevant Annual Utility Services Cost Estimate.

1.11.5.2 Where the actual unit cost in the previous Contract Year is less than the relevant Estimated Unit Cost of the utility service, the Contractor shall pay to the Authority, the Annual Utility Adjustment being a sum equal to:

$$AUA = \sum_{\text{All utilities}} (U - UA) \times Ca \pm SCA \pm CCLA$$

where:

AUA = the Annual Utility Adjustment as may be applicable in respect of the preceding Contract Year;

U = the Estimated Unit Cost of the utility service for the relevant Contract Year as agreed between the Authority and the Contractor at the start of the Contract Year;

UA = the actual unit cost of the utility service over the Contract Year;

Ca = the Annual Utility Services Consumption Target for the relevant utility service for the relevant Contract Year;

SCA = the Standing Charge Adjustment as set out in **paragraph 1.11.6 (Annual Utility Adjustment)**; and

CCLA = the Climate Change Levy Adjustment as set out in **paragraph 1.11.7 (Annual Utility Adjustment)**,

and the Authority shall deduct the Annual Utility Adjustment from the Monthly Contract Price for the second Month of the Contract Year following the Contract Year to which the review relates.

1.11.5.3 Where the actual unit cost in the previous Contract Year is more than the relevant Annual Utility Services Cost Estimate, the Authority shall pay to the Contractor, the Annual Utility Adjustment being a sum equal to:

$$AUA = \sum_{\text{All utilities}} (UA - U) \times Ca \pm SCA \pm CCLA$$

where:

AUA = the Annual Utility Adjustment as may be applicable in respect of the preceding Contract Year;

UA = the actual unit cost of the utility service over the Contract Year;

U = the Estimated Unit Cost of the utility service for the relevant Contract Year as agreed between the Authority and the Contractor at the start of that Contract Year;

Ca = the Annual Utility Services Consumption Target for the relevant utility service for the relevant Contract Year;

SCA = the Standing Charge Adjustment as set out in **paragraph 1.11.6 (Annual Utility Adjustment)**; and

CCLA = the Climate Change Levy Adjustment as set out in **paragraph 1.11.7 (Annual Utility Adjustment)**,

and the Authority shall add the Annual Utility Adjustment to the Monthly Contract Price for the second Month of the Contract Year next following the Contract Year to which the review relates.

1.11.6 In each Contract Year, a Standing Charge Adjustment shall be applied as an addition to or deduction from, as the case may be, the Monthly Contract Price for the second Month of that Contract Year to reflect the difference between the actual standing

charge paid by the Contractor (by reference to utility services bills) for the previous Contract Year and the amount paid as part of the Monthly Contract Price pursuant to **paragraph 1.10.2 (Annual Utility Services Cost Estimate)** in respect of the Standing Charge for that previous Contract Year.

1.11.7 In each Contract Year, a Climate Change Levy Adjustment shall be applied as an addition to or deduction from, as the case may be, the Monthly Contract Price as part of the Annual Utility Adjustment for the second Month of that Contract Year to reflect the difference between the actual Climate Change Levy paid by the Contractor (by reference to utility services bills) for the previous Contract Year and the amount paid as part of the Monthly Contract Price pursuant to **paragraph 1.10.2 (Annual Utility Services Cost Estimate)** in respect of the Climate Change Levy for that previous Contract Year.

1.11.8 Subject to the other provisions of **paragraph 1.11.5 (Annual Utility Adjustment)**, if the actual consumption of the utility services over each Contract Year is higher or lower than the Annual Utility Services Consumption Target, there shall be no further adjustment to the Monthly Contract Price.

1.11.9 **Implementation of Energy Saving Solutions by Contractor and Introduction of New Energy Saving Solutions**

1.11.9.1 In relation to the Energy Saving Solutions that, as at the Commencement Date, the Contractor is required to implement following the Services Commencement Date (as set out in the Contractor's Proposals):

- (a) the Energy Saving Solutions shall be implemented from such date as set out in the Contractor's Proposals; and
- (b) the impact of the Energy Saving Solutions on the Annual Utility Services Consumption Target of the relevant utility service is set out in the Contractor's Proposals and is already incorporated into this Schedule and the Base Case.

1.11.9.2 Following the Commencement Date, either Party may propose the introduction of new Energy Saving Solutions (over and above the Contractor's Energy Saving Solutions referred to in **paragraph 1.11.9.1 (Implementation of Energy Saving Solutions by Contractor and Introduction of New Energy Saving Solutions)**), following which:

- (a) such proposed new Energy Saving Solutions may be implemented as a Change in accordance with **Schedule 16 (Change Protocol)**; and
- (b) both Parties will agree how the Energy Saving Solution impacts the Annual Utility Services Consumption Target and the Estimated Unit Cost of the utility service at that time in accordance with **Schedule 16 (Change Protocol)**.
- 1.11.9.3 The Contractor acknowledges the Contractor has no right or entitlement to make use of any Energy Infrastructure installed at or adjacent to the Prison until such use is approved by the Authority in writing as part of the Change implemented in accordance with the provisions of **Schedule 16 (Change Protocol)**.
- 1.11.10 Both the Authority and the Contractor reserve the right to request a review of the agreed Consumption Targets during the Contract Period and the parties agree that any change agreed to the Consumption Targets will be a Contractor Change under **Schedule 16 (Change Protocol)**. As an example, the Parties expect that a change in Consumption Targets would need to be agreed in the event that the Activation or Deactivation of a RRAPP Band or, at the Main Prison, an APP Band led to a material change in the consumption of a utility service.
- 1.11.11 The Annual Utility Adjustment shall not be subject to indexation.
- 1.12 TUPE Surcharge**
- 1.12.1 In accordance with **Part 2 (TUPE Surcharge and Redundancy Cost Adjustment)** of **Schedule 18 (TUPE, Employees and Pensions)**, a TUPE Surcharge may apply. The Contractor is responsible for calculating the TUPE Surcharge payment which will require the review and approval of the Authority in accordance with such Schedule.
- 1.12.2 For any Contract Year in which a TUPE Surcharge applies, the Authority shall notify the Contractor in writing to confirm the TUPE Risk Premium or TUPE Risk Reduction to apply and to confirm whether this will be applied as an adjustment to the Monthly Contract Price in accordance with **Part 2 (TUPE Surcharge and Redundancy Cost Adjustment)** of **Schedule 18 (TUPE, Employees and Pensions)**.
- 1.12.3 The TUPE Surcharge be subject to indexation in accordance with **paragraph 3 (Indexation)** where it shall be indexed in line with the Operational Services Staff Costs indexation.

**1.13 Contractor Doubled Up Prisoners Reduction – Main Prison only**

1.13.1 This **paragraph 1.13 (Contractor Doubled Up Prisoners Reduction – Main Prison only)** applies to Prisoner Places in the Main Prison only. The Contractor shall not permit any Doubled Up Prisoners in the DTC.

1.13.2 On each Day:

1.13.2.1 the number of Doubled Up Prisoners on that Day shall be counted; and

1.13.2.2 the number of Contractor Doubled Up Prisoners shall be calculated by deducting the number of Authority Required Doubled Up Prisoners on that Day from the number of Doubled Up Prisoners, in accordance with the following formula:

$$\text{CDUPs} = \text{NDUP} - \text{ARDUP}$$

where:

CDUPs = the number of Contractor Doubled Up Prisoners on that Day;

NDUP = the number of Doubled Up Prisoners on that Day; and

ARDUP = the number of Authority Required Doubled Up Prisoners.

1.13.3 If on any Day the number of Contractor Doubled Up Prisoners for Legitimate Operational Reasons (and not caused, or contributed to, by the Unavailability of Prison Cells) is less than or equal to the Permitted Level, there shall be no reduction to the Daily Payment for that Day pursuant to this **paragraph 1.13 (Contractor Doubled Up Prisoners Reduction – Main Prison only)**.

1.13.4 The Permitted Level of Contractor Doubled Up Prisoners for Legitimate Operational Reasons (and not caused by, or contributed to, by the Unavailability of Prison Cells) in the Main Prison is a number of Prisoners that is equivalent to the number of unoccupied Cells in the DTC (up to a maximum of thirty (30)).

1.13.5 If a Prisoner Place has been certified as an Unavailable Prisoner Place in line with **paragraph 5 (Prisoner Places and Unavailability)** (or is otherwise subject to Unavailability due to PPM or Unavailability due to Reactive Maintenance as noted



in paragraph 4.3 (Available Prisoner Place)) in the Main Prison or the DTC, the Contractor must take all reasonable steps to place that Prisoner in another Available Prisoner Place in the Main Prison (where the Prisoner Place concerned is in the Main Prison) or DTC (where the Prisoner Place concerned is in the DTC) or, where no other such Available Prisoner Place exists, arrange for the Authority to remove the Prisoner (in which case the indemnity set out in clause 66.1.1.5 (Contractor's Indemnity) shall apply). In the event that in the Main Prison the Contractor has been unable to place the Prisoner in an Available Prisoner Place other than by doubling up, the Prisoner will be classed as an Authority Required Doubled Up Prisoner and accordingly the Contractor Doubled Up Prisoners Reduction shall not apply.

1.13.6 If on any Day the number of Contractor Doubled Up Prisoners in the Main Prison for any reason is more than the Permitted Level, the Contractor Doubled Up Prisoners Reduction for that Day shall be calculated in accordance with the following provisions:

1.13.6.1 the CDUP Excess on that Day shall be calculated in accordance with the following formula:

$$CDUPE = CDUPs - PL$$

where:

CDUPE = the CDUP Excess;

CDUPs = the number of Contractor Doubled Up Prisoners on that Day; and

PL = the Permitted Level on that Day;

1.13.6.2 the Contractor Doubled Up Prisoners Reduction is the monthly deduction applied to the Monthly Service Payment and shall be calculated in accordance with the following formula:

$$CDUPR = CDUPE \times OSP \times 0.35$$

where:

CDUPR = the Contractor Doubled Up Prisoners Reduction for that Day;

CDUPE = the CDUP Excess on that Day; and

OSP = the aggregate Operational Services Available Prisoner Place Payment for that Day for both the Main Prison and the DTC.

#### 1.14 Adjustment for Performance Point Deductions

The invoice for the second Month following the end of each Performance Quarter shall be reduced in respect of any Performance Points accrued for the previous Performance Quarter in accordance with the following formula:

$$PPD = PP \times AQP \times 0.0001$$

where:

PPD = the Performance Point Deduction;

PP = the cumulative number of Performance Points incurred during the previous Performance Quarter, up to (and including) the last Day of the Performance Quarter, pursuant to the provisions of **Schedule 15 (Performance Mechanism)** subject to **paragraph 1.14.1 (Adjustment for Performance Point Deductions)**; and

AQP = the Aggregate Quarterly Payment, which shall be the aggregate of the Monthly Contract Price for each Month in any Performance Quarter.

##### 1.14.1 Performance Points to be Disregarded

1.14.1.1 If the Contractor accepts any Prisoners in accordance with **paragraph 6.4 (Emergency Prisoner Places)**, then:

- (a) the Contractor shall not be relieved of any of its obligations under this Contract;
- (b) the Contractor shall maintain and submit reports in accordance with **paragraph 9 (Reporting)**;
- (c) any Performance Points accruing in respect of those Prisoner Places only shall, for the purposes of calculating any adjustment to the Monthly Contract Price pursuant to **paragraph 1.14 (Adjustment for Performance Point Deductions)**, be disregarded; and
- (d) any Performance Points accruing in respect of those Prisoner Places only, shall be disregarded for the purposes of the Authority's right to terminate this Contract for a Contractor Default falling under

**paragraph (m)** of the definition of Contractor Default.

1.14.1.2 If a Relief Event or a Force Majeure Event occurs, Performance Points which accrue as a direct result of the Relief Event or Force Majeure Event in the period in which the Relief Event or Force Majeure Event (as the case may be) is subsisting shall be disregarded for the purposes of the Authority's right to terminate this Contract for a Contractor Default falling under **paragraph (m)** of the definition of Contractor Default.

1.14.1.3 No Deductions may be made if, and to the extent that, it has been demonstrated to the reasonable satisfaction of the Authority that the Deduction is a direct result of a Compensation Event.

## 1.15 Rates

1.15.1 The Authority shall be responsible for paying any local council rates (or their equivalent) in relation to the Prison.

## 1.16 Monthly Lifecycle Transfer

The Contractor shall, each Month, effect the Monthly Lifecycle Transfer into the Lifecycle Reserve Account calculated in accordance with **paragraph 1.16.1 (Monthly Lifecycle Transfer)** and the following provisions shall apply:

1.16.1 the Monthly Lifecycle Transfer in each Month shall be the aggregate of the OSLC payable in the relevant Month (after applying the  $(OSLC \times MAPP-WP)$  multiplier in accordance with **paragraph 1.5 (Daily Payment)**) (and, for the avoidance of doubt, the OSLC amount used for such transfer excludes any Contractor profit and/or margin);

1.16.2 in the event that the Contractor wishes to bring forward any expenditure to which the Annual Lifecycle Cost relates, the Authority will review the request on a case by case basis following issue by the Contractor of a Contractor Change under the process set out in **Schedule 16 (Change Protocol)**;

1.16.3 the Contractor shall, prior to the Services Commencement Date, set up the Lifecycle Reserve Account and shall only use the monies in the Lifecycle Reserve Account for the delivery of Lifecycle works that have been costed in the workbook tab entitled "10a. Lifecycle Costs" of the Base Case, or to fund any such Lifecycle works which resulted in the Lifecycle Reserve Account being overdrawn, as set out in the Lifecycle Cost Programme referred to in **paragraph 13 (Lifecycle Cost Programme)**. At the end of the Service Period, the Contractor's total spend on such

Lifecycle works will be compared to the expected spend as set out in the Lifecycle Cost Programme. Any surplus held in the Lifecycle Reserve Account will be shared in a ratio of:

- 1.16.3.1 75% of any surplus to the Authority and 25% of any surplus to the Contractor where the Service Period ends on the Expiry Date or on any Termination Date not provided for in **paragraphs 1.16.3.2 or 1.16.3.3 (Monthly Lifecycle Transfer)**;
- 1.16.3.2 100% of any surplus to the Authority and 0% of any surplus to the Contractor where the Service Period ends on the Termination Date pursuant to **clause 44 (Termination on Contractor Default), clause 48 (Termination for Prohibited Act and Prohibited Equality and Diversity Act) or clause 49 (Voluntary Termination by the Authority)** or on the Early Termination Date; or
- 1.16.3.3 0% of any surplus to the Authority and 100% of any surplus to the Contractor where the Service Period ends on the Termination Date pursuant to **clause 43 (Termination on Authority Default)**.

Where the Service Period ends on the Expiry Date or Early Termination Date, the Contractor shall pay to the Authority a sum equal to the Authority's share of any such surplus no later than the Expiry Date or Early Termination Date (as applicable), failing which the Authority shall be entitled to deduct a sum equal to its unpaid share from any sums otherwise payable to the Contractor on or after the Expiry Date or Early Termination Date (as applicable) and/or recover such unpaid share from the Contractor as a debt. Where the Service Period ends on the Termination Date, the Authority shall be entitled to deduct its share (if any) of any such surplus from any sums otherwise payable to the Contractor (including any Termination Sum payable by the Authority pursuant to **Part X** of this Contract), or (at the Authority's option) to recover such unpaid share from the Contractor as a debt;

- 1.16.4 for the avoidance of doubt, the Contractor's obligations **under clause 64.3.2 (Maintenance of Records)** shall include the obligation to keep detailed records of:
  - 1.16.4.1 all Lifecycle works carried out in the performance of the Contractor's Lifecycle obligations pursuant to **Schedule 11 (Property and Facilities Management)**; and
  - 1.16.4.2 the Lifecycle Spend; and

1.16.5 without prejudice to the generality of **clause 64 (Contractor's Records and Provision of Information)**, the Contractor shall upon written request permit the Authority access to all the Contractor's records, receipts, invoices, reports, drawings, technical specifications and performance logs relating to any Lifecycle works and Lifecycle Spend, so as to enable the Authority to obtain an accurate assessment of the figures quoted. The Contractor shall provide all reasonable co-operation and assistance to the Authority to allow it access to such documents and information and shall in a bona fide manner respond promptly to all reasonable requests for further documents and information made by the Authority in respect of any Lifecycle Assets and the condition of the same and Lifecycle Spend.

**1.17 APP Band Mobilisation Costs – Main Prison only**

1.17.1 This **paragraph 1.17 (APP Band Mobilisation Costs – Main Prison only)** applies to the Activation of an APP Band in the Main Prison only.

1.17.2 Not more than three (3) Months after the Month in which:

1.17.2.1 an APP Band or group of APP Bands is Activated; or

1.17.2.2 the Authority gives the Contractor an emergency notice pursuant to **paragraph 6.4 (Emergency Prisoner Places)**,

the Contractor shall invoice the Authority with the APP Band Mobilisation Costs.

1.17.3 The Contractor shall take all reasonable steps to mitigate any APP Band Mobilisation Costs, for example (without limitation) through the effective redeployment and recruitment of staff. The Contractor shall demonstrate to the Authority what steps it is taking in this regard and provide clear documented evidence of the APP Band Mobilisation Costs actually incurred.

**1.18 APP Band Demobilisation Cost – Main Prison only**

1.18.1 This **paragraph 1.18 (App Band Demobilisation Cost – Main Prison only)** applies to the Deactivation of an APP Band in the Main Prison only.

1.18.2 Not more than three (3) Months after the Month in which an APP Band or group of APP Bands is Deactivated, the Contractor shall invoice the Authority the APP Band Demobilisation Costs and the Service Change Redundancy Surcharge.

1.18.3 The Contractor shall take all reasonable steps to mitigate any APP Band Demobilisation Costs and any Service Change Redundancy Surcharge in accordance with **Schedule 18 (TUPE, Employees and Pensions)**, for example (without

limitation) through the effective redeployment of staff. The Contractor shall demonstrate to the Authority what steps it is taking in this regard and provide clear documented evidence of the APP Band Demobilisation Costs and Service Change Redundancy Surcharge actually incurred.

#### 1.19 **Calculation of Daily Total Immediate RRAPP Deduction**

- 1.19.1 Where there is one or more Active Immediate RRAPP Band, the Daily Total Immediate RRAPP Deduction for each Day shall be calculated in accordance with the relevant Immediate RRAPP Band Table as presented in **paragraph 15.5 (Daily Total Immediate RRAPP Deductions)**.
- 1.19.2 The DTIRD shall be subject to indexation in accordance with **paragraph 3 (Indexation)** where it shall be indexed in line with the OSNSC indexation.
- 1.19.3 No payment shall be made by the Authority for the mobilisation or demobilisation costs incurred by the Contractor as a result of the Authority Activating or Deactivating an Immediate RRAPP Band.

#### 1.20 **Anticipated Redundancy Cost**

- 1.20.1 The Anticipated Redundancy Cost relates to certain anticipated redundancy costs in respect of employees whose contracts of employment have transferred to the Contractor as described in **Part 2 (TUPE Surcharge and Redundancy Cost Adjustment)** of **Schedule 18 (TUPE, Employees and Pensions)**.
- 1.20.2 The Base Case Anticipated Redundancy Cost is set out in the Table at **paragraph 11.6 (Base Case Anticipated Redundancy Cost)** and represents the Contractor's tendered amounts in respect of Anticipated Redundancy Costs for the twelve (12) month period following the Services Commencement Date.
- 1.20.3 The Base Case Anticipated Redundancy Cost shall be payable by the Authority during such twelve (12) month period as part of the Monthly Contract Price in accordance with **paragraph 1.4 (Monthly Contract Price)** provided that, in accordance with **Part 2 (TUPE Surcharge and Redundancy Cost Adjustment)** of **Schedule 18 (TUPE, Employees and Pensions)**, no later than the expiry of that period the Contractor shall conduct a reconciliation of its Actual Redundancy Cost against the Anticipated Redundancy Cost. Any resultant Redundancy Risk Premium or Redundancy Risk Reduction that has been agreed or determined to be due (in accordance with the provisions of **Part 2 (TUPE Surcharge and Redundancy Cost Adjustment)** of **Schedule 18 (TUPE, Employees and Pensions)**), shall be applied

as an increase or, as the case may be, reduction against the Monthly Contract Price on such basis as is agreed with the Authority.

1.20.4 The Base Case Anticipated Redundancy Cost shall not be subject to indexation.

#### 1.21 Calculation of Monthly Pass-through Costs

1.21.1 Monthly Pass-through Costs shall be paid in accordance with this **paragraph 1.21 (Calculation of Monthly Pass-through Costs)**.

1.21.2 During the Service Period, the Authority shall pay the Contractor on a Pass-through Basis for Subsistence Payments made to Prisoners each month, calculated by multiplying the number of Prisoners that have been discharged from the Prison in the month by the prevailing value of the applicable Subsistence Payment provided that:

1.21.2.1 Subsistence Payments shall not be subject to indexation;

1.21.2.2 the Contractor shall include such Subsistence Payments in its monthly invoice in the month following the month in which the Subsistence Payments were made by the Contractor; and

1.21.2.3 the Contractor shall promptly provide evidence of the Subsistence Payments made as requested by the Authority from time to time.

**2. Monthly Contract Price Adjustments**

- 2.1 Where pursuant to any of the provisions of this Contract an adjustment is made to the Monthly Contract Price (including where such adjustment is made under **Schedule 16 (Change Protocol)**), the Monthly Service Payment and any relevant underlying component parts as set out in **paragraph 1 (Monthly Payment)** shall be adjusted accordingly and thereafter all relevant calculations shall be carried out on the basis of such adjustments.
- 2.2 All amounts within the Monthly Contract Price (and within Tab 6a. “Schedule 14” of the Base Case) shall be rounded to two decimal places (by rounding upwards for any value of 0.005 or more and rounding downwards for any value of less than 0.005).

### 3. Indexation

3.1 Where elements of the Monthly Payment are expressly stated to be subject to indexation, such indexation shall take place on the Indexation Review Date in accordance with this **paragraph 3 (Indexation)** and, prior to its application to the relevant components of the Contract Price, shall be subject to the two decimals rounding principle stated at **paragraph 2.2 (Monthly Contract Price Adjustments)**.

#### 3.2 Indexation of Operational Services Non-Staff Costs

The indexation set out in this **paragraph 3.2 (Indexation of Operational Services Non-Staff Costs)** applies to the Operational Services Non-Staff Costs for the Main Prison and to the Operational Services Non-Staff Costs for the DTC.

The Operational Services Non-Staff Costs for each Day shall be adjusted on each Indexation Review Date in accordance with the following formula:

$$\text{OSNSC} = \text{OSNSC}_n \times \text{OSNSCF}_n$$

where:

OSNSC = the Operational Services Non-Staff Costs;

OSNSC<sub>n</sub> = the amount of Operational Services Non-Staff Costs per Available Prisoner Place per Day for the relevant Price Year for the Main Prison and the DTC as set out in the table in **paragraph 11.3 (Operational Services Available Prisoner Place Payment)**;

OSNSCF<sub>n</sub> = the CPI factor by which price inflation is applied to the Operational Services Non-Staff Costs as follows:

- (a) at the first Indexation Review Date this number shall be calculated in accordance with the following formula:

$$\text{OSNSCF}_n = 1 + \left( \frac{\text{CPI}_A - \text{CPI}_B}{\text{CPI}_B} \right)$$

- (b) at each subsequent Indexation Review Date this number shall be calculated in accordance with the following formula:



$$OSNSCF_n = OSNSCF_{n-1} \times \left( 1 + \left( \frac{CPI_A - CPI_B}{CPI_B} \right) \right)$$

where:

OSNSCF<sub>n-1</sub> = OSNSCF<sub>n</sub> as at the previous Indexation Review Date;

CPI<sub>A</sub> = the level of CPI for the Month preceding the relevant Indexation Review Date by three (3) Months; and

CPI<sub>B</sub> = at the first Indexation Review Date, the level of CPI published for the Month preceding the Base Date for Indexation by three (3) months; and at each subsequent Indexation Review Date, the level of CPI<sub>A</sub> as at the last Indexation Review Date.

3.2.1 Any subsequent update to the CPI index, after the indexation calculation set out above has been performed, should be ignored unless the Office for National Statistics specifically identifies it as a restatement due to error.

3.2.2 In the event that the CPI ceases to be published by the Office for National Statistics, the Authority shall notify the Contractor of the replacement index to be used, such index to be introduced using the process set out in **Schedule 16 (Change Protocol)**.

**3.3 Indexation of Operational Services Staff Costs**

The indexation set out in this **paragraph 3.3 (Indexation of Operational Services Staff Costs)** applies to the Operational Services Staff Costs for the Main Prison and to the Operational Services Staff Costs for the DTC. Once calculated, it shall also be applied to the rates in the Schedule of Wage Rates and, in accordance with **paragraph 1.12 (TUPE Surcharge)**, to any TUPE Surcharge (regardless of whether this resulted in a downwards or upwards adjustment).

The Operational Services Staff Costs for each Day shall be adjusted on each Indexation Review Date in accordance with the following formula:

$$OSSC = OSSC_n \times OSSCF_n$$

where:

OSSC = the Operational Services Staff Costs;

OSSC<sub>n</sub> = the amount of Operational Services Staff Costs per Available Prisoner

Places per Day for the relevant Price Year for the Main Prison and the DTC as set out in the table in **paragraph 11.3 (Operational Services Available Prisoner Place Payment)**;

OSSCF<sub>n</sub> = the AWE factor by which price inflation is applied to the Operational Services Staff Costs, as follows:

- (a) at the first Indexation Review Date this number shall be calculated in accordance with the following formula:

$$\text{OSSCF}_n = 1 + \left( \frac{\text{AWE}_A - \text{AWE}_B}{\text{AWE}_B} \right)$$

- (b) at each subsequent Indexation Review Date this number shall be calculated in accordance with the following formula

$$\text{OSSCF}_n = \text{OSSCF}_{n-1} \times \left( 1 + \left( \frac{\text{AWE}_A - \text{AWE}_B}{\text{AWE}_B} \right) \right)$$

where:

OSSCF<sub>n-1</sub> = OSSCF<sub>n</sub> as at the previous Indexation Review Date;

AWE<sub>A</sub> = the level of AWE for the Month preceding the relevant Indexation Review Date by three (3) Months;

AWE<sub>B</sub> = at the first Indexation Review Date, the level of AWE published for the Month preceding the Base Date for Indexation by three (3) months; and at each subsequent Indexation Review Date, the level of AWE<sub>A</sub> as at the last Indexation Review Date.

3.3.1 Any subsequent update to the AWE index, after the indexation calculation set out above has been performed, should be ignored unless the Office for National Statistics specifically identifies it as a restatement due to error.

3.3.2 In the event that the AWE index ceases to be published by the Office for National Statistics, the Authority shall notify the Contractor of the replacement index to be used, such index to be introduced using the process set out in **Schedule 16 (Change Protocol)**.

### 3.4 Indexation of RRAPP Adjustment

- 3.4.1 The indexation set out in this **paragraph 3.4 (Indexation of RRAPP Adjustment)** applies to the RRAPP Adjustments for the Main Prison and to the RRAPP Adjustments for the DTC.
- 3.4.2 At each Indexation Review Date, the RRAPP Adjustment for each RRAPP Band for the Main Prison and the DTC shall be adjusted in two separate parts as follows:
- (a) RRAPP Adjustment 1 in the RRAPP Band Tables shall be increased or decreased by the percentage equal to the percentage increase or decrease (as the case may be) in the level of Operational Services Staff Costs occurring on the relevant Indexation Review Date pursuant to **paragraph 3.2 (Indexation of Operational Services Non-Staff Costs)**; and
  - (b) RRAPP Adjustment 2 in the RRAPP Band Tables shall be increased or decreased by the percentage equal to the percentage increase or decrease (as the case may be) in the level of Operational Services Non-Staff Costs occurring on the relevant Indexation Review Date pursuant to **paragraph 3.3 (Indexation of Operational Services Staff Costs)**.

### 3.5 Indexation of APP Fee – Main Prison only

- 3.5.1 The indexation set out in this **paragraph 3.5 (Indexation of APP Fee – Main Prison only)** applies to the APP Fee for the Main Prison only.
- 3.5.2 At each Indexation Review Date, the APP Fee for each APP Band shall be adjusted in two separate parts as follows:
- (a) APP Fee<sub>1</sub> shall be increased or decreased by the percentage equal to the percentage increase or decrease (as the case may be) in the level of Operational Services Staff Costs occurring on the relevant Indexation Review Date pursuant to **paragraph 3.3 (Indexation of Operational Services Staff Costs)**; and
  - (b) APP Fee<sub>2</sub> shall be increased or decreased by the percentage equal to the percentage increase or decrease (as the case may be) in the level of Operational Services Non-Staff Costs occurring on the relevant Indexation Review Date pursuant to **paragraph 3.2 (Indexation of Operational Services Non-Staff Costs)**.

**3.6 Indexation of Interventions Payment – Main Prison only**

At each Indexation Review Date, the Interventions Staff Cost shall be increased or decreased by the percentage equal to the percentage increase or decrease (as the case may be) in the level of Operational Services Staff Costs occurring on the relevant Indexation Review Date pursuant to **paragraph 3.3 (Indexation of Operational Services Staff Costs)**.

At each Indexation Review Date, the Interventions Non-Staff Cost shall be increased or decreased by the percentage equal to the percentage increase or decrease (as the case may be) in the level of Operational Services Non-Staff Costs occurring on the relevant Indexation Review Date pursuant to **paragraph 3.2 (Indexation of Operational Services Non-Staff Costs)**.

**3.7 Indexation of Operational Services Lifecycle Cost**

The Operational Services Lifecycle Cost for each Day shall be adjusted on each Indexation Review Date in accordance with the following formula:

$$OSLC = OSLC_n \times OSLCF_n$$

where:

OSLC = the Operational Services Lifecycle Cost;

OSLC<sub>n</sub> = the amount of Operational Services Lifecycle Costs per Available Prisoner Places per Day for the relevant Price Year as set out in the table in **paragraph 11.3 (Operational Services Available Prisoner Place Payment)**;

OSLCF<sub>n</sub> = the CPI factor by which price inflation is applied to the Operational Services Lifecycle Costs as follows:

- (a) at the first Indexation Review Date this number shall be calculated in accordance with the following formula:

$$OSLCF_n = 1 + \left( \frac{CPI_A - CPI_B}{CPI_B} \right)$$

- (b) at each subsequent Indexation Review Date this number shall be calculated in accordance with the following formula:

$$\text{OSLCF}_n = \text{OSLCF}_{n-1} \times \left( 1 + \left( \frac{\text{CPI}_A - \text{CPI}_B}{\text{CPI}_B} \right) \right)$$

where:

$\text{OSLCF}_{n-1}$  =  $\text{OSLCF}_n$  as at the previous Indexation Review Date;

$\text{CPI}_A$  = the level of CPI for the Month preceding the relevant Indexation Review Date by three (3) Months; and

$\text{CPI}_B$  = at the first Indexation Review Date, the level of CPI published for the Month preceding the Base Date for Indexation by three (3) months; and at each subsequent Indexation Review Date, the level of  $\text{CPI}_A$  as at the last Indexation Review Date.

3.7.1 Any subsequent update to the CPI index, after the indexation calculation set out above has been performed, should be ignored unless the Office for National Statistics specifically identifies it as a restatement due to error.

3.7.2 In the event that the CPI ceases to be published by the Office for National Statistics, the Authority shall notify the Contractor of the replacement index to be used, such index to be introduced using the process set out in **Schedule 16 (Change Protocol)**.

### 3.8 **Indexation of Daily Total Immediate RRAPP Deduction (DTIRD)**

The indexation set out in this **paragraph 3.8 (Indexation of Daily Total Immediate RRAPP Deduction (DTIRD))** applies to the Daily Total Immediate RRAPP Deduction for the Main Prison and to the Daily Total Immediate RRAPP Deduction for the DTC.

At each Indexation Review Date, the DTIRD shall be increased or decreased by the percentage equal to the percentage increase or decrease (as the case may be) in the level of Operational Services Non-Staff Costs occurring on the relevant Indexation Review Date pursuant to **paragraph 3.2 (Indexation of Operational Services Non-Staff Costs)**.

### 3.9 **Indexation of Monthly Mobilisation Payment**

3.9.1 At each Indexation Review Date, the element of the Monthly Mobilisation Payment which relates to staff costs as set out in the relevant column of the table in **paragraph 14.4 (Monthly Mobilisation Payment Schedule)** shall be increased or decreased by the percentage equal to the percentage increase or decrease (as the case may be) in the level of Operational Services Staff Costs occurring on the relevant Indexation

Review Date pursuant to **paragraph 3.3 (Indexation of Operational Services Staff Costs)**.

- 3.9.2 At each Indexation Review Date, the element of the Monthly Mobilisation Payment which relates to non-staff costs as set out in the relevant column of the table in **paragraph 14.4 (Monthly Mobilisation Payment Schedule)** shall be increased or decreased by the percentage equal to the percentage increase or decrease (as the case may be) in the level of Operational Services Non-Staff Costs occurring on the relevant Indexation Review Date pursuant to **paragraph 3.2 (Indexation of Operational Services Non-Staff Costs)**.
- 3.9.3 The fixed element of the Monthly Mobilisation Payment as set out in **paragraph 14.4 (Monthly Mobilisation Payment Schedule)** shall not be subject to indexation.

#### 4. Prisoner Places and Availability

##### 4.1 Cell Certificates

4.1.1 On or before the commencement of the Lease, the Authority shall provide the Contractor with:

4.1.1.1 the Cell Certificate Schedule;

4.1.1.2 the Cell Certificate Schedule Summary Sheet;

4.1.1.3 the Prisoner Accommodation (Operational Availability) document;  
and

4.1.1.4 the Prisoner Accommodation (Notification of Change) document  
(where relevant),

each signed by the Authority's Representative. These documents shall (inter alia) indicate in respect of each Prison Cell whether it has a Cell Certificate.

4.1.2 In respect of any Prison Cell which at the Services Commencement Date (or if later the date of commencement of the Lease) is in compliance with the Cell Certificate Requirements but for which the relevant signed documentation as set out in **paragraph 4.1 (Cell Certificates)** has not been issued, any Prisoner Places in that Prison Cell shall solely for the purposes of this Schedule be treated as Available Prisoner Places until a Cell Certificate or a Non-Compliance Notice is issued for that Prison Cell.

##### 4.2 Occupancy

4.2.1 A Prison Cell which is:

4.2.1.1 a Care and Separation Unit; or

4.2.1.2 within the healthcare area and is not designated for multiple occupancy,

4.2.1.3 within the DTC,

may only contain one (1) Prisoner Place.

4.2.2 The Contractor shall not accommodate more than two (2) Prisoners in any Prison Cell (whether a Single Prison Cell or a Double Prison Cell), except in Prison Cells designated for multiple occupancy in the healthcare area.

- 4.2.3 The Contractor may Relocate a Prisoner if the Prisoner Place which such Prisoner is occupying has become an Unavailable Prisoner Place, or otherwise as the Contractor deems necessary, provided that such Relocation does not prejudice the safety and security of the Prison or Prisoners.

### 4.3 Available Prisoner Place

- 4.3.1 A Prisoner Place shall constitute an Available Prisoner Place on any Day during the Service Period, if:

4.3.1.1 the Prison Cell in which that Prisoner Place is contained has a Cell Certificate; and

4.3.1.2 that Prisoner Place complies with the Minimum Requirements on that Day.

- 4.3.2 Notwithstanding the other provisions of this Contract (including **paragraph 4.3.1 (Available Prisoner Place)**), during the scheduled period for Planned Preventative Maintenance as specified in the Asset Forward Maintenance Plan, the Contractor shall not suffer Unavailability Deductions for Unavailability in respect of any Unavailable Prisoner Place due to PPM. During this period:

4.3.2.1 the relevant Prisoner Place will be deemed to constitute an Available Prisoner Place for the purposes of calculating the Daily Payment (and therefore the Monthly Contract Price) in accordance with **paragraph 1 (Monthly Payment)**;

4.3.2.2 the Contractor shall have relief from the associated Unavailability Deductions that would otherwise have applied; and

4.3.2.3 the Unavailability shall be disregarded for the purposes of the Authority's right to terminate this Contract for a Contractor Default under **paragraph (k)** of the definition of Contractor Default.

In relation to such Unavailability:

(a) the Contractor shall provide the Authority with written notice of the PPM (and its scheduled duration) no later than ninety (90) Days prior to its scheduled commencement date;

(b) the Contractor shall provide a written response to any Authority requests for further information or other queries promptly and in any event within two (2) Business Days;

- (c) the Contractor shall use all reasonable endeavours to minimise the duration of the Unavailability due to PPM; and
  - (d) the Contractor shall provide the Authority written notice of the date on which the PPM was completed within two (2) Business Days of completion, providing the Authority with suitable access to the relevant Cell for the purposes of inspection of the works (at the Authority's option).
- 4.3.3 Following the end of the scheduled period for Planned Preventative Maintenance (or, if the Planned Preventative Maintenance is completed early, following the earlier date on which it is completed), if there is any ongoing Unavailability due to PPM:
- 4.3.3.1 the reliefs referred to in **paragraph 4.3.2 (Available Prisoner Place)** shall cease to apply;
  - 4.3.3.2 the Contractor shall incur Unavailability Deductions in the normal way; and
  - 4.3.3.3 the Unavailability shall no longer be disregarded for the purposes of the Authority's right to terminate this Contract for a Contractor Default under **paragraph (k)** of the definition of Contractor Default.
- 4.3.4 During any period where Unavailability Deductions are being incurred by the Contractor (and where the reason for Unavailability is either Unavailability due to PPM or Unavailability due to Reactive Maintenance):
- 4.3.4.1 the Authority will disregard any failures by the Contractor to meet Contract Delivery Indicators 3.3 to 3.5 of **Table 1 of Appendix 2 (Contract Delivery Indicators)** of **Schedule 15 (Performance Mechanism)** specific to Reactive Maintenance and Planned Preventative Maintenance;
  - 4.3.4.2 the failures shall not be taken into account when calculating Performance Points and the related Performance Point Deductions; and
  - 4.3.4.3 the failures shall not count towards the Authority's right to terminate this Contract for a Contractor Default under **paragraph (m)** of the definition of Contractor Default.

- 4.3.5 The provisions of **paragraph 5 (Prisoner Places and Unavailability)** apply to Unavailable Prisoner Places due to PPM and Unavailable Prisoner Places due to Reactive Maintenance save that:
- 4.3.5.1 there shall be no Logged Unavailability Time and Logged Rectification Time in respect of such Unavailability as such and that instead there is a scheduled window of time during which the Planned Preventative Maintenance or Reactive Maintenance shall take place; and
- 4.3.5.2 the provisions of **paragraph 5.4 (Commencement of Unavailability)**, **paragraph 5.6 (Rectification for Failure to Comply with the Minimum Requirements)** and **paragraph 5.7 (Cell Certificate Rectification)** shall not apply.

## 5. Prisoner Places and Unavailability

### 5.1 Notification of Unavailability

5.1.1 If a Prisoner Place becomes an Unavailable Prisoner Place the Contractor shall notify the Authority as soon as reasonably practicable and either:

5.1.1.1 relocate any Prisoner occupying the Prisoner Place which has become an Unavailable Prisoner Place into an alternative Available Prisoner Place within the Main Prison or the DTC (as the case may be, according to the location of the Unavailable Prisoner Place); or

5.1.1.2 where there is no alternative Available Prisoner Place in the relevant location, request that the Authority remove the Prisoner occupying such Prisoner Place from the Prison.

5.1.2 The Authority shall, within a reasonable time after receipt of a request pursuant to **paragraph 5.1 (Notification of Unavailability)**, arrange for the Prisoner identified in the request to be removed from the Prison, and the provisions of **clause 66.1.1.5 (Contractor's Indemnity)** of the Contract shall apply.

5.1.3 The Contractor shall, as soon as reasonably practicable after the Logged Unavailability Time, issue the Authority with a notice specifying (to the extent that each of the following can be determined by the Contractor using all reasonable endeavours):

5.1.3.1 the cause of the Unavailability; and

5.1.3.2 the Contractor's plans for rectifying any such Unavailability and the estimated period in which such Unavailability shall be rectified.

### 5.2 Unavailability Reports

The Contractor shall provide to the Authority:

5.2.1 on a daily basis, as part of the Daily Report, for so long as any Prisoner Place remains an Unavailable Prisoner Place, an update on the progress made in rectifying such Unavailability, together with any revised estimate as to when such Unavailability shall be rectified; and

5.2.2 on a Monthly basis, a report in accordance with **paragraph 9.3 (Monthly Reporting)** of all Unavailable Prisoner Places, together with confirmation of the lapsed time between the Logged Unavailability Time and the Logged Rectification

Time.

### 5.3 **Dispute**

If the Authority and the Contractor disagree over whether an incident of Unavailability has arisen, or as to its duration, the Authority's decision shall prevail for the purposes of calculating the Monthly Payment and the Contractor may refer the matter to the Dispute Resolution Procedure.

### 5.4 **Commencement of Unavailability**

5.4.1 If any Unavailability of a Prisoner Place notified in accordance with **paragraph 5.1 (Notification of Unavailability)** has been rectified by the end of the Rectification Period, then it shall be deemed that no Unavailability of that Prisoner Place occurred on that occasion for the purpose of calculating the number of Available Prisoner Places on that Day.

5.4.2 If any Unavailability of a Prisoner Place notified in accordance with **paragraph 5.1 (Notification of Unavailability)** has not been rectified by the end of the Rectification Period, then it shall be deemed that the relevant Prisoner Place was an Unavailable Prisoner Place from the Logged Unavailability Time up to (and including) the Logged Rectification Time for the purpose of calculating the number of Available Prisoner Places on that Day.

### 5.5 **Refusal to Accept Prisoners**

If at any time after the Services Commencement Date the Contractor refuses to accept a Prisoner to occupy any Available Prisoner Place, that Available Prisoner Place shall be deemed to be an Unavailable Prisoner Place from the time of such refusal by the Contractor until the earlier of:

5.5.1 the date on which the Prisoner is placed in an Available Prisoner Place; and

5.5.2 the date on which Prisoners have occupied Available Prisoner Places up to the level of the MAPP-Main or MAPP-DTC (depending on the location in which the relevant Prisoner was intended to be accommodated) and any Activated APP Bands (relevant to the Main Prison only) at any time after the date of the Contractor's refusal,

unless in requesting that the Prisoner occupy such Available Prisoner Place, the Authority is not acting in accordance with any Authority Policies concerning the allocation of Prisoners.

### 5.6 **Rectification for Failure to Comply with the Minimum Requirements**

If a Prisoner Place is an Unavailable Prisoner Place because of a failure to comply with the

Minimum Requirements, the period of Unavailability shall be determined in accordance with the following procedure:

5.6.1 the Contractor shall immediately issue a Minimum Requirement Rectification Notice to the Authority;

5.6.2 the Authority's Representative or other nominated officer of the Authority shall:

5.6.2.1 be entitled to inspect the Prisoner Place that is the subject of the Minimum Requirement Rectification Notice; and

5.6.2.2 carry out such inspection and notify the Contractor of whether or not it agrees that the Unavailability has been rectified by no later than three (3) Business Days after the Minimum Requirement Rectification Notice;

5.6.3 if the Authority:

5.6.3.1 notifies the Contractor that it agrees that the Unavailability has been rectified; or

5.6.3.2 does not notify the Contractor pursuant to **paragraph 5.6.2.2 (Rectification for Failure to Comply with the Minimum Requirements)**,

the relevant Prisoner Place shall be deemed to be an Available Prisoner Place from the Logged Rectification Time;

5.6.4 if the Authority notifies the Contractor pursuant to **paragraph 5.6.2.2 (Rectification for Failure to Comply with the Minimum Requirements)** that it does not agree that the Unavailability has been rectified, the relevant Prisoner Place shall be deemed to be an Unavailable Prisoner Place from the Logged Unavailability Time until such time as the Authority notifies the Contractor that it agrees that the Unavailability has been rectified; and

5.6.5 the Authority's decision shall prevail for the purposes of determining whether the relevant Unavailability has been rectified, provided that the Contractor may refer the matter to the Dispute Resolution Procedure.

## 5.7 Cell Certificate Rectification

5.7.1 If a Prisoner Place is an Unavailable Prisoner Place because that Prisoner Place is in a Prison Cell:

- 5.7.1.1 that does not have a Cell Certificate;
- 5.7.1.2 in relation to which a Non-Compliance Notice has been issued under **clause 18.2 (Inspection and Non-Compliance)**; or
- 5.7.1.3 in relation to which an event has occurred as referred to in **clause 18.3 (Notification of Events affecting Cell Certificates or Availability)** which could reasonably be expected to result in a Cell Certificate being withdrawn,

the period of Unavailability shall be determined in accordance with the procedure set out in **paragraph 5.7.2 (Cell Certificate Rectification)**.

5.7.2 The period of Unavailability referred to in **paragraph 5.7.1 (Cell Certificate Rectification)** shall be determined as follows:

- 5.7.2.1 the Contractor shall immediately issue a Cell Certificate Rectification Notice to the Authority when it believes that any such Unavailability has been rectified and the Contractor has remedied the matter referred to in the Non-Compliance Notice;
- 5.7.2.2 the Authority's Representative shall within three (3) Business Days after the Cell Certificate Rectification Notice inspect any relevant Prison Cell for the purposes of ascertaining whether a Cell Certificate should be reinstated and either:
  - (a) issue a Cell Certificate confirming that the Authority's Representative is satisfied that the Prison Cell in question complies with the Cell Certificate Requirements; or
  - (b) issue a further Non-Compliance Notice;
- 5.7.2.3 if the Authority's Representative:
  - (a) issues a Cell Certificate in respect of the Prison Cell in question; or
  - (b) fails to issue a Cell Certificate or a Non-Compliance Notice in respect of the Prison Cell in question pursuant to **paragraph 5.7.2.2 (Cell Certificate Rectification)**, and such Prison Cell would, but for such failure by the Authority's Representative, have been treated as being an Available Prisoner Place,

the relevant Prisoner Place shall be deemed to be an Available Prisoner Place from the Logged Rectification Time until such time as the Authority's Representative issues a Cell Certificate;

5.7.2.4 if the Authority's Representative issues a Non-Compliance Notice:

- (a) the Contractor shall attend to such matters referred to in the Non-Compliance Notice and shall give the Authority a further Cell Certificate Rectification Notice in accordance with **paragraph 5.7.2.1 (Cell Certificate Rectification)** (but dealing only with the matters referred to in the Non-Compliance Notice) so that the procedures in this **paragraph 5.7.2 (Cell Certificate Rectification)** are repeated as often as necessary to ensure that all outstanding matters in the Non-Compliance Notice are attended to and a Cell Certificate is issued in respect of such Prison Cell; and
- (b) the relevant Prisoner Place shall be deemed to be an Unavailable Prisoner Place from the Logged Unavailability Time until such time as a Cell Certificate is issued pursuant to **paragraph 5.7.2.3 (Cell Certificate Rectification)**;

5.7.2.5 the Authority's decision shall prevail for the purposes of determining whether the relevant Unavailability has been rectified, provided that the Contractor may refer the matter to the Dispute Resolution Procedure.

5.8 **Not Used**

## 6. **Notification of Reduction in Requirement for Available Prisoner Places (RRAPPs)**

This **paragraph 6 (Notification of Reduction in Requirement for Available Prisoner Places (RRAPPs))** applies to the Activation of a RRAPP Band in the Main Prison and of a RRAPP Band in the DTC.

### 6.1 **RRAPP Bands**

6.1.1 The Authority shall be entitled to reduce its requirement for Available Prisoner Places at the Main Prison and/or at the DTC in accordance with the provisions of this **paragraph 6 (Notification of Reduction in Requirement for Available Prisoner Places (RRAPPs))**.

- 6.1.2 Subject to **paragraph 6.1.3 (Notification of Reduction in Requirement for Available Prisoner Places (RRAPPs))**, the Contractor may choose which Prison Cells and which Prisoner Places within those Prison Cells to make unavailable in order to reduce the Available Prisoner Places to meet such reduced requirement.
- 6.1.3 Where the Authority proposes to specify which Prison Cells or which Prisoner Places within those Prison Cells shall be made unavailable in order to reduce the Available Prisoner Places to meet such reduced requirement, the Authority shall issue a Change Notice and the remaining provisions of this **paragraph 6 (Notification of Reduction in Requirement for Available Prisoner Places (RRAPPs))** shall not apply, save that the RRAPP Adjustments which would otherwise apply in accordance with this **paragraph 6 (Notification of Reduction in Requirement for Available Prisoner Places (RRAPPs))** shall be used by the Contractor to support and evidence any cost reductions proposed by the Authority pursuant to **Schedule 16 (Change Protocol)**.
- 6.1.4 The numbers of Available Prisoner Places required for the Main Prison and the DTC shall be divided into a number of RRAPP Bands in the form set out in the table below:
- [Redacted under FOIA section 43, Commercial interests]
- 6.1.5 The Authority may reduce the number of Available Prisoner Places required for the Main Prison and/or the DTC by Activating one or more RRAPP Bands in accordance with **paragraph 6.2 (RRAPP Band Activation)** and from the date on which the RRAPP Band(s) becomes Active make a RRAPP Adjustment from the Daily Payment in respect of the Available Prisoner Places in the Activated RRAPP Band calculated in accordance with **paragraph 1.5.2 (Calculation of Daily Total RRAPP Adjustment)**.
- 6.1.6 Where the Authority has reduced the number of Available Prisoner Places in accordance with **paragraph 6.2 (RRAPP Band Activation)**, it may subsequently require the Contractor to provide that number of Available Prisoner Places in the Main Prison and/or the DTC (as the case may be) by Deactivating one or more RRAPP Bands in accordance with **paragraph 6.3 (RRAPP Band Deactivation)**, and from the date on which any such RRAPP Bands becomes Deactivated at the Main Prison and/or the DTC (as the case may be) the RRAPP Adjustments made in respect of the Available Prisoner Places in such RRAPP Bands shall cease to be made.

6.1.7 The applicable RRAPP Band details for the Main Prison and for the DTC are set out in **paragraph 12 (Prison Specific Information)**.

## 6.2 RRAPP Band Activation

6.2.1 The Authority may Activate one or more RRAPP Bands for the Main Prison and/or the DTC by issuing to the Contractor a RRAPP Band Activation Notice in accordance with **paragraph 6.2.7 (RRAPP Band Activation)**.

6.2.2 Where one or more RRAPP Bands are Activated, the number of Available Prisoner Places required by the Authority for the Main Prison and/or the DTC (as the case may be) shall be reduced by the number of Available Prisoner Places specified for such RRAPP Bands in the relevant RRAPP Band Table.

6.2.3 The RRAPP Band Mobilisation Period for each RRAPP Band shall be a minimum of:

6.2.3.1 one (1) Month for the first five (5) RRAPP Bands; and

6.2.3.2 three (3) Months for each RRAPP Band thereafter.

6.2.4 Where a planned RRAPP Band Activation has been agreed by the Parties in writing at the Commencement Date, the provisions in **paragraph 6.2.3 (RRAPP Band Activation)** shall not apply and in this instance there will be no minimum length for the RRAPP Band Mobilisation Period.

6.2.5 The Minimum RRAPP Band Period for each RRAPP Band shall be six (6) months (save where a planned RRAPP Band Activation has been agreed by the Parties in writing at the Commencement Date in which case **paragraph 6.2.4 (RRAPP Band Activation)** shall apply).

6.2.6 Where two or more RRAPP Bands are Activated in a single RRAPP Band Activation Notice, such periods shall run concurrently.

6.2.7 The RRAPP Band Activation Notice shall specify:

6.2.7.1 any RRAPP Bands which the Authority wishes to Activate; and

6.2.7.2 the date on which such RRAPP Bands become Active, which shall be a date no earlier than the expiry of the relevant RRAPP Band Mobilisation Period after the date of the RRAPP Band Activation Notice.

6.2.8 The Authority may only Activate RRAPP Bands in ascending numerical order,

commencing with RRAPP Band 1.

- 6.2.9 Subject to **paragraph 6.3 (RRAPP Band Deactivation)**, the Contractor's obligation to provide Available Prisoner Places in any Active RRAPP Band shall cease on the date specified in the RRAPP Band Activation Notice.

### 6.3 RRAPP Band Deactivation

- 6.3.1 If the Authority no longer requires one or more RRAPP Bands in the Main Prison and/or the DTC to be Active, it shall issue a RRAPP Band Deactivation Notice to the Contractor containing the date on which the RRAPP Band(s) will cease to be Active, provided that:

6.3.1.1 such date is no earlier than the expiry of the relevant RRAPP Band Demobilisation Period; and

6.3.1.2 such date will not result in the RRAPP Band(s) being Active for less than the Minimum RRAPP Band Period.

- 6.3.2 The RRAPP Band Demobilisation Period for each RRAPP Band shall be:

6.3.2.1 one (1) Month for the first five (5) RRAPP Bands; and

6.3.2.2 three (3) Months for each RRAPP Band thereafter.

- 6.3.3 Where a planned RRAPP Band Activation has been agreed by the Parties in writing at the Commencement Date, the provisions in **paragraph 6.3.2 (RRAPP Band Deactivation)** shall not apply and in this instance there will be no minimum length for the RRAPP Band Demobilisation Period.

- 6.3.4 The Authority may only Deactivate RRAPP Bands in descending numerical order, commencing with the Active RRAPP Band for the Main Prison or the DTC (as the case may be) that has the highest number.

- 6.3.5 If the Authority intends to Deactivate RRAPP Bands, it shall consult with the Contractor regarding the required RRAPP Bands to be Deactivated and the RRAPP Band Demobilisation Period for each RRAPP Band (in accordance with **paragraph 6.3.2 (RRAPP Band Deactivation)**), prior to serving the Contractor with a RRAPP Band Deactivation Notice.

### 6.4 Emergency Prisoner Places

- 6.4.1 Notwithstanding **paragraphs 6.2 (RRAPP Band Activation)** and **6.3 (RRAPP Band Deactivation)**, the Authority may give the Contractor an emergency notice

that it requires Available Prisoner Places within Active RRAPP Bands to be provided at the Main Prison or DTC as soon as reasonably practicable to meet an urgent requirement, provided that the Authority may only give such notification in respect of Active RRAPP Bands in descending numerical order commencing with the Active RRAPP Band for the Main Prison or the DTC (as the case may be) that has the highest number.

- 6.4.2 The Contractor shall provide the Available Prisoner Places notified pursuant to **paragraph 6.4.1 (Emergency Prisoner Places)** as soon as reasonably practicable, and from the date of provision of such Available Prisoner Places the applicable RRAPP Bands shall cease to be Active and the RRAPP Adjustments in respect of the Available Prisoner Places in any such RRAPP Bands shall cease to be made.
- 6.4.3 All RRAPP Bands must be Deactivated before the Authority can Activate an APP Band for Additional Prisoner Places at the Main Prison.

**7. Additional Prisoner Places**
**7.1 APP Bands - Main Prison only**

The Contractor shall provide no less than 960 Available Prisoner Places at the Main Prison, subject to the provisions of **paragraph 6 (Notification of Reduction in Requirement for Available Prisoner Places (RRAPP))** and the other provisions of this Schedule relating to adjustments to the number of Prisoner Places. This paragraph sets out the process for Activating Additional Prisoner Places (APPs) at the Main Prison. On and from the Services Commencement Date, the Contractor shall make available to the Authority up to:

7.1.1.1 0 Additional Prisoner Places at the Main Prison,

in accordance with this **paragraph 7 (Additional Prisoner Places)**. There is no Additional Prisoner Places mechanism for the DTC.

7.1.2 The Additional Prisoner Places for the Main Prison shall be divided into zero (0) bands of zero (0) (APP Bands) as set out in the table, where APP Band [N/A] is the lowest and APP Band [N/A] is the highest APP Band:

<b>APP Band (Main Prison)</b>	<b>Maximum No of Additional Prisoner Places in APP Band (Main Prison)</b>	<b>Start of APP Band (Prisoner Places) (Main Prison)</b>	<b>End of APP Band (Prisoner Places) (Main Prison)</b>	<b>Minimum Contracted Capacity (Prisoner Places) (Main Prison)</b>	<b>Aggregate Number of Additional Prisoner Places (Main Prison)</b>
N/A	N/A	N/A	N/A	N/A	N/A

7.1.3 The Authority may increase the number of Available Prisoner Places required for the Main Prison by Activating one or more APP Bands in accordance with **paragraph 7.2 (APP Band Activation)** and from the date on which the APP Band(s) becomes Active pay the APP Fees in respect of the Additional Prisoner Places in the Activated APP Band calculated in accordance with **paragraph 1.5.3 (Calculation of Daily Total APP Payment (DTAPP))**.

7.1.4 Where the Authority has increased the number of Available Prisoner Places in accordance with **paragraph 7.2 (APP Band Activation)**, it may subsequently require the removal of those Additional Prisoner Places by Deactivating one or more APP Bands in accordance with **paragraph 7.3 (APP Band Deactivation)**, and from

the date on which any such APP Bands becomes Deactivated the APP Fees paid in respect of the Available Prisoner Places in such APP Bands shall cease to be payable.

## 7.2 APP Band Activation

7.2.1 The Authority may Activate one or more APP Bands for the Main Prison by issuing to the Contractor an APP Band Activation Notice in accordance with **paragraph 7.2.6 (APP Band Activation)**.

7.2.2 The Contractor shall not be obliged to make available an Additional Prisoner Place under any of APP Bands if in requesting that a Prisoner occupy such Additional Prisoner Place, the Authority is not acting in accordance with any Authority Policies concerning the allocation of Prisoners.

7.2.3 If the Authority requires Additional Prisoner Places in the Main Prison, it shall give the Contractor:

7.2.3.1 not less than seven (7) Days' written notice for the first two (2) APP Bands; and

7.2.3.2 thereafter not less than thirty (30) Days' written notice for the remaining APP Bands for the APP Band or APP Bands it requires,

prior to the date from which such APP Band or APP Bands is or are required.

7.2.4 Where two or more APP Bands are activated in a single APP Band Activation Notice, such periods shall run concurrently.

7.2.5 The Contractor shall make available to the Authority the aggregate number of Additional Prisoner Places applicable to the highest APP Band so notified for the Main Prison from the date specified in the APP Band Activation Notice (or in any notice amending such notice) until the date it is no longer obliged to make them available in accordance with **paragraph 7.3 (APP Band Deactivation)**.

7.2.6 The APP Band Activation Notice shall specify:

7.2.6.1 any APP Bands which the Authority wishes to activate; and

7.2.6.2 the date on which such APP Bands become Active, which shall be a date no earlier than the expiry of the relevant notice period in accordance with **paragraph 7.2.3 (App Band Activation)**.

7.2.7 The Authority may only Activate APP Bands in ascending numerical order, commencing with APP Band 1.

**7.3 APP Band Deactivation**

7.3.1 If the Authority no longer requires one or more APP Bands for the Main Prison to be Active, it shall issue an APP Band Deactivation Notice to the Contractor not less than thirty (30) Days prior to the date on which the APP Band(s) will cease to be Active and the APP Band shall cease to be Active on the earliest to occur of:

7.3.1.1 such date; or

7.3.1.2 the expiry of the Minimum APP Band Period.

7.3.2 The Authority may only Deactivate APP Bands in descending numerical order, commencing with the Active APP Band that has the highest number.

7.3.3 If the Authority requires any APP Band under **paragraph 7.1 (APP Bands – Main Prison only)**, the APP Band shall be deemed required for a minimum period of three (3) months from the date specified in the notice.

**7.4 Emergency Prisoner Places**

7.4.1 The notice periods required under **paragraph 7.2 (APP Band Activation)** shall not apply in the case of emergencies; in such cases, notwithstanding any of the other provisions of this Contract, the Authority may require Additional Prisoner Places at the Main Prison within any of APP Bands to be provided by the Contractor with immediate effect, but will afford the Contractor such assistance as is reasonably required in the circumstances.

**7.5 Additional Prisoner Place Fees – Main Prison Only**

7.5.1 The APP Fee (AF) payable per Additional Prisoner Place per Day for Additional Prisoner Places in an APP Band for the Main Prison shall be as set out in the following table:

**APP Fee**

<b>APP Band (Main Prison)</b>	<b>Number of Additional Prisoner Places (Main Prison)</b>	<b>APP Fee<sub>1</sub> (AF) (Main Prison) (£)</b>	<b>APP Fee<sub>2</sub> (AF) (Main Prison) (£)</b>	<b>Total APP Fee (AF) (Main Prison) (£)</b>	<b>Minimum Additional Contracted Capacity (Main Prison)</b>
N/A	N/A	N/A	N/A	N/A	N/A

- 7.5.2 From the date on which the APP Band becomes Active until it is Deactivated:
- 7.5.2.1 the Additional Prisoner Places comprised within all but the highest Activated APP Band at any given time shall be paid for on an **Availability Basis** at the APP Fee applicable to that APP Band or APP Bands; and
- 7.5.2.2 the Additional Prisoner Places in the highest Activated APP Bands at any given time in respect of which such notice was served shall be paid for on a **Utilised Basis** at the APP Fee applicable to that APP Band. The Utilised Basis calculation will be performed daily by pro rating the total payment for the APP Band by the number of occupied Prison Cells.
- 7.5.3 The aggregate APP Fee shall be the sum of the APP Fees payable per Additional Prisoner Place per Day as determined in accordance with **paragraphs 7.5.2.1 and 7.5.2.2 (Additional Prisoner Place Fees – Main Prison only)**.
- 7.5.4 APP Band Mobilisation Costs and APP Band Demobilisation Costs will be paid by the Authority as set out in **paragraphs 1.17 (APP Band Mobilisation Costs – Main Prison only) and 1.18 (APP Band Demobilisation Cost – Main Prison only)**.
- 7.5.5 The Additional Prisoner Places Fee in **paragraph 7.5.1 (Additional Prisoner Place Fees – Main Prison only)** is the real rate at the Contract Commencement Date, and shall be increased on each Indexation Review Date in accordance with **paragraph 3.5 (Indexation of APP Fee – Main Prison only)**.

7.6 NOT USED.

7.7 **Certified Normal Accommodation Level**

Where as a result of the Activation or Deactivation of one or more RRAPP Bands in respect of the Main Prison and/or the DTC or APP Bands in respect of the Main Prison either Party proposes that the Certified Normal Accommodation Level – Main, Certified Normal Accommodation Level – DTC and/or Certified Normal Accommodation Level – Whole Prison at the Prison should be amended, such proposed amendment shall be dealt with as an Authority Change or a Contractor Change (as relevant) in accordance with the provisions of **Schedule 16 (Change Protocol)**.

8. Escapes

8.1 Type of Escape

If an event identified in the left hand column of the table below occurs, the Contractor shall pay to the Authority the sum identified in the right hand column of the table below for each Prisoner that the event applies to:

Event	Base Sum payable per Prisoner <sup>1</sup>
An Escape occurs that falls within limb (a) of its definition.	[Redacted under FOIA section 43, Commercial interests]
An Escape occurs that falls within limb (b) of its definition and persists for more than fifteen (15) minutes.	[Redacted under FOIA section 43, Commercial interests]
An Escape occurs that falls within limb (b) of its definition and persists for fifteen (15) minutes or less.	[Redacted under FOIA section 43, Commercial interests]
An Escape occurs that falls within limb (b) of its definition and the Prisoner concerned commits a further offence (regardless of how long the Prisoner is unlawfully at liberty).	[Redacted under FOIA section 43, Commercial interests]

8.2 Payment for Escapes

8.2.1 If an event of Prisoner Escape is such that it can be classified as an occurrence of more than one of the events identified in the table at **paragraph 8.1 (Type of Escape)**, then the Authority shall only be entitled to payment in respect of one (1) such event, but shall be entitled to payment by reference to the applicable event which attracts the highest payment.

8.2.2 At each Indexation Review Date, the sums referred to in this **paragraph 8 (Escapes)** shall be increased or decreased by the percentage equal to the percentage increase or decrease (as the case may be) in the level of the Consumer Prices Index (CPI) indexation applied from June 2018 to the Indexation Review Date in the Price Year

<sup>1</sup> The Base Sum payable (as set out in the table under **paragraph 8.1 (Type of Escape)**) for each type of Escape as identified in the table at **paragraph 8.1 (Type of Escape)** are presented with a Price Base Date of June 2018.



in which the escape has taken place.

- 8.2.3 The Authority shall invoice the Contractor directly and the Contractor shall make all payments due under this **paragraph 8 (Escapes)** as soon as reasonably practicable, but in any event within ten (10) Days following receipt of invoice.

**9. Reporting****9.1 Daily Report**

9.1.1 In respect of each Day during the Service Period, the Contractor shall produce and provide the Authority with copies of a Daily Report for the Main Prison and a Daily Report for the DTC each of which shall include details of the following for their respective Prisoner cohorts:

9.1.1.1 all Available Prisoner Places;

9.1.1.2 all Unavailable Prisoner Places and all Logged Unavailability Times (noting separately the Unavailable Prisoner Places due to PPM and Unavailable Prisoner Places due to Reactive Maintenance);

9.1.1.3 the number of Prisoners accommodated,

and for the Main Prison only:

9.1.1.4 the number of Prisoners sharing a Prison Cell;

9.1.1.5 total number of Contractor Doubled Up Prisoners;

9.1.1.6 the number Contractor Doubled Up Prisoners for a Legitimate Operational Reason;

9.1.1.7 the number of Authority required Doubled Up Prisoners; and

9.1.1.8 the number of Contractor Doubled Up Prisoners exceeding the Permitted Level.

9.1.2 The Contractor shall:

9.1.2.1 provide each Daily Report to the Controller by nine (9) a.m. on the Day following the Day to which such Daily Report refers; and

9.1.2.2 enter full details of each Daily Report into NOMIS within one (1) hour after lock-up on the Day to which it relates.

**9.2 Incorrect Daily Reports**

9.2.1 The Controller and/or the Authority's Representative may at any time inspect the Prison to verify the information in any Daily Report.

9.2.2 If there is an Incorrect Daily Report in respect of any Days for which the Authority

has made payment and as a result the Contractor has received an Incorrect Overpayment:

9.2.2.1 the Contractor shall, within five (5) Business Days of the date on which such Incorrect Daily Report is found to be incorrect, notify the Authority of the Incorrect Overpayment. The Authority will raise an invoice for an amount equal to the Incorrect Overpayment. The Contractor will pay the invoice as soon as possible and in any event within thirty (30) Days plus interest at the Prescribed Rate calculated from the date of the Incorrect Overpayment until the date of such payment by the Contractor; and

9.2.2.2 the Daily Reports for any Days in respect of which the Authority has not yet made payment shall be altered to the extent required to correct all occurrences of the error and any invoice already issued in respect of such Days shall be amended to reflect such alteration.

9.2.3 If any Incorrect Daily Report arises solely as the result of an error or omission by the Authority and the Contractor demonstrates to the reasonable satisfaction of the Authority that such error or omission has resulted in the Contractor receiving an Incorrect Underpayment in respect of the Day to which such Incorrect Daily Report relates, then:

9.2.3.1 the Authority shall, within thirty (30) Days of receipt of invoice from the Contractor, after the Contractor demonstrates to the reasonable satisfaction of the Authority that such error or omission resulted in the Incorrect Underpayment, pay to the Contractor the difference between the amount of such Incorrect Underpayment and the correct amount which should have been paid to the Contractor, plus interest at the Prescribed Rate calculated from the date of the Incorrect Underpayment until the date of such payment by the Authority; and

9.2.3.2 the Daily Reports for any Days in respect of which the Authority has not yet made payment shall be altered to the extent required to correct all occurrences of the error and any invoice already issued in respect of such Days shall be amended to reflect such alteration.

### **9.3 Monthly Reporting**

9.3.1 Within five (5) Business Days after the end of each Month, the Contractor shall submit a report to the Authority containing in respect of the Month just ended the following information (noting the information separately for the Main Prison and

separately for the DTC for their respective Prisoner cohorts where this is relevant):

- 9.3.1.1 a summary of the number of Available Prisoner Places on each Day of that Month and how many of such Available Prisoner Places are to be paid for as APPs;
- 9.3.1.2 a summary of the number of Unavailable Prisoner Places on each Day of the Month;
- 9.3.1.3 a summary of the Active RRAPP Bands on each Day of that Month and any Daily Total RRAPP Adjustment to be made pursuant to **paragraph 1.5.2 (Calculation of Daily Total RRAPP Adjustment)**;
- 9.3.1.4 a summary of the Active Additional Prisoner Places on each Day of that Month and any Daily Total APP Payment to be made pursuant to **paragraph 1.5.3 (Calculation of Daily Total APP Payment (DTAPP))**;
- 9.3.1.5 a summary of the utility service usage in that Month for each utility service;
- 9.3.1.6 a summary of the number of Contractor Doubled Up Prisoners, the Permitted Level and the CDUP Excess (if any) on each Day of the Month and any reduction to be made pursuant to **paragraph 1.13 (Contractor Doubled Up Prisoners Reduction – Main Prison only)**;
- 9.3.1.7 a summary of the performance of the Services, together with a list of all Performance Points which have accrued in that Month and a description of the failure in providing the Custodial Service that led to such Performance Point accruing;
- 9.3.1.8 in respect of the last Month in each Performance Quarter, details of the Performance Points which have accrued in that Performance Quarter;
- 9.3.1.9 a report showing for that Month the Monthly Payment and, individually, each item taken into account in calculating the Monthly Payment for that Month;
- 9.3.1.10 if relevant, a summary of the actual Prisoner work hours percentage on each Day of the Month and any other reporting information requested by the Authority;



- 9.3.1.11 any matters in respect of which a payment would be owed by the Contractor to the Authority; and
- 9.3.1.12 a summary of the Active Immediate RRAPP Bands on each Day of that Month and any Daily Total Immediate RRAPP Deductions to be made pursuant to **paragraph 1.19 (Calculation of Daily Total Immediate RRAPP Deduction)**.

**10. Invoicing and Payment**

- 10.1 The Contractor shall submit all invoices in accordance with **clause 39.2 (Report and Invoice)** by email (or such other method of delivery as the Authority may reasonably require) to the Authority's nominated invoice processing centre: HMPS Shared Service Centre at email address [APinvoices-NMS-U@gov.sssl.com](mailto:APinvoices-NMS-U@gov.sssl.com) (or such other email address as is notified by the Authority from time to time). For the avoidance of doubt, no element of the Monthly Contract Price shall be due or payable prior to the Services Commencement Date (and accordingly no invoice shall be raised in respect of any Month prior to such date), save as permitted under **paragraph 1.2 (Monthly Mobilisation Payment)**.
- 10.2 The Authority shall accept for processing any valid, undisputed and compliant electronic invoice that complies with the Electronic Invoice Standard and the requirements of the Authority's e-invoicing system.

**11. Prices**

11.1 Subject to indexation if applicable, the amount payable by the Authority to the Contractor in respect of the APP Fee, the Operational Services Available Prisoner Place Payment, the Monthly Interventions Payment, the RRAPP Adjustment, the Monthly Mobilisation Payment and the Immediate RRAPP Deduction Costs shall be as set out in the tables in **paragraphs 7.5 (Additional Prisoner Place Fees), 11.3 (Operational Services Available Prisoner Place Payment), 11.4 (Annual Interventions Cost), 12.1.8 (RRAPP Band Tables), 13 (Lifecycle Cost Programme), 14 (Monthly Mobilisation Payment Schedule) and 15.5 (Daily Total Immediate RRAPP Deductions).**

11.2 In accordance with **Part 2 (TUPE Surcharge and Redundancy Cost Adjustment) of Schedule 18 (TUPE, Employees and Pensions)**, the Contractor may be required to apply a TUPE Surcharge which the Authority may grant and, in addition, a Redundancy Risk Reduction or Redundancy Risk Premium may apply as an adjustment to the amount payable in respect of the Base Case Anticipated Redundancy Cost in accordance with **paragraph 1.4 (Monthly Contract Price)**. Payment for the TUPE Surcharge will be in accordance with **paragraph 1.12 (TUPE Surcharge)** and the adjustment for a Redundancy Risk Reduction or a Redundancy Risk Premium will be in accordance with **paragraph 1.20 (Anticipated Redundancy Cost)**.

**11.3 Operational Services Available Prisoner Place Payment**

11.3.1 The Operational Services Non-Staff Costs, Operational Services Staff Costs, Operational Services Fixed Costs and the Operational Services Lifecycle Costs used to calculate the Operational Services Available Prisoner Place Payment for each Day for the Main Prison and for the DTC are based on the average daily cost for each cost category, listed in this **paragraph 11.3 (Operational Services Available Prisoner Place Payment)**, for each Available Prisoner Place:

11.3.1.1 in the Main Prison, in respect of calculating the Operational Services Non Staff Costs, Operational Services Staff Costs and Operational Services Fixed Costs for the Day for the Main Prison;

11.3.1.2 in the DTC, in respect of respect of calculating the Operational Services Non Staff Costs, Operational Services Staff Costs and Operational Services Fixed Costs for Day for the DTC; and

11.3.1.3 comprised within the MAPP – WP, in respect of calculating the OSLC for the Day for the Prison.

A daily cost per Available Prisoner Place for the Main Prison and for the DTC (and for the Prison as a whole for the OSLC) is shown below:



Main Prison:

Average Daily Cost (Main Prison)	Operational Services Non-Staff Costs (OSNSC) (Main Prison)	Operational Services Staff Costs (OSSC) (Main Prison)	Operational Services Fixed Costs (OSFC) (Main Prison)
Total Cost	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
Daily Cost	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
Daily cost Per Available Prisoner Place	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]

DTC:

Average Daily Cost (DTC)	Operational Services Non-Staff Costs (OSNSC) (DTC)	Operational Services Staff Costs (OSSC) (DTC)	Operational Services Fixed Costs (OSFC) (DTC)
Total Cost	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
Daily Cost	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
Daily cost Per Available Prisoner Place	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



Prison (Whole)

Average Daily Cost  Whole Prison	Operational Services Lifecycle Costs (OSLC)  Whole Prison
Total Cost	[Redacted under FOIA section 43, Commercial interests]
Daily Cost	[Redacted under FOIA section 43, Commercial interests]
Daily cost Per Available Prisoner Place	[Redacted under FOIA section 43, Commercial interests]

11.3.2 In any case where:

11.3.2.1 following the Commencement Date, a Relevant Pay Award occurs; or

11.3.2.2 following the Services Commencement Date, a Relevant Headcount Adjustment occurs,

then the provisions in **paragraphs 11.3.3 to 11.3.6 (Operational Services Available Prisoner Place Payment)** shall apply in respect of adjustments to the Operational Services Staff Costs and/or (as applicable) Interventions Staff Costs component of the Annual Intervention Costs (and the associated Monthly Interventions Payment) for the Main Prison and/or the DTC (as the case may be) provided that it is agreed that these **paragraphs 11.3.3 to 11.3.6 (Operational Services Available Prisoner Place Payment)** shall not in any circumstance apply to any 2026 pay award / increase (that is, a pay award / increase which relates to 2026 or is due to be made and take effect from a date in 2026).

11.3.3 In the case of a Relevant Pay Award:

11.3.3.1 the Contractor’s Operational Services Staff Costs and/or (as applicable) Interventions Staff Costs component of the Annual Intervention Costs (and the associated Monthly Interventions Payment) for the Main Prison and/or DTC shall be adjusted to reflect the salary increase for the relevant roles with effect from the Commencement Date);

11.3.3.2 indexation of the amount of the increase identified pursuant to paragraph 11.3.3.1 (Operational Services Available Prisoner Place

Payment) shall be applied with effect from the Indexation Review Date that immediately follows the Commencement Date (on account of the increase being effective from the Commencement Date), and subsequently in accordance with the annual cycle of indexation of the overall Operational Services Staff Costs and (as applicable) Interventions Staff Costs pursuant to paragraph 3 (Indexation).

11.3.4 In the case of a Relevant Headcount Adjustment, for each individual affected role:

11.3.4.1 where the Relevant Headcount Adjustment relates to the number of Transferring Previous Contractor Employees being less than the number expected to transfer (as described in **paragraph 6.2 (Relevant Headcount Adjustment) of Part 2 (TUPE Surcharge and Redundancy Cost Adjustment) of Schedule 18 (TUPE, Employees and Pensions)**), then:

(a) with effect from the Commencement Date the costs that were included in the Base Case at Commencement Date for that role shall be removed from the Operational Services Staff Costs and/or (as applicable) Interventions Staff Costs component of the Annual Intervention Costs (and the associated Monthly Interventions Payment) for the Main Prison and/or DTC; and

(b) where Authority has determined, in accordance with **paragraph 6.2 (Relevant Headcount Adjustment) of Part 2 (TUPE Surcharge and Redundancy Cost Adjustment) of Schedule 18 (TUPE, Employees and Pensions)**, that the Contractor or a Sub-Contractor needs to employ an individual to fulfil the relevant role, then with effect from the Commencement Date a cost for that role shall be added to the Operational Services Staff Costs and/or (as applicable) Interventions Staff Costs component of the Annual Intervention Costs (and the associated Monthly Interventions Payment) for the Main Prison and/or DTC using the rate for a person in an equivalent role from the Schedule of Wage Rates (and not the Contractor's or Sub-Contractor's actual costs of employing the person or engaging the backfill role);

11.3.4.2 where:

(a) the Relevant Headcount Adjustment relates to the number of Transferring Previous Contractor Employees being more than the number expected to transfer (as described in **paragraph 6.3**

**(Relevant Headcount Adjustment) of Part 2 (TUPE Surcharge and Redundancy Cost Adjustment) of Schedule 18 (TUPE, Employees and Pensions)); and**

- (b) the Authority and the Contractor have determined together, in accordance with **paragraph 6.3.2 (Relevant Headcount Adjustment) of Part 2 (TUPE Surcharge and Redundancy Cost Adjustment) of Schedule 18 (TUPE, Employees and Pensions)**, that the additional individual should be retained (instead of redundancy) and, in addition, the Authority has determined in accordance with such paragraph, that an associated cost adjustment should be made,

then with effect from the Commencement Date:

(1) any costs that were included in the Base Case at Commencement Date for the role performed by the additional Transferring Previous Contractor Employee shall be removed from the Operational Services Staff Costs and/or (as applicable) Interventions Staff Costs component of the Annual Intervention Costs (and the associated Monthly Interventions Payment) for the Main Prison and/or DTC; and

(2) a cost for that role shall be added to the Operational Services Staff Costs and/or (as applicable) Interventions Staff Costs component of the Annual Intervention Costs (and the associated Monthly Interventions Payment) for the Main Prison and/or DTC using the actual contractual salary and benefit costs that apply to that role under the individual Transferring Previous Contractor Employee's contract of employment; and

- 11.3.4.3 indexation of the adjustment amount identified pursuant to **paragraph 11.3.4.2 (Operational Services Available Prisoner Place Payment)** shall be applied with effect from the Indexation Review Date that immediately follows the Commencement Date and subsequently in accordance with the annual cycle of indexation of the overall Operational Services Staff Costs and (as applicable) Interventions Staff Costs pursuant to **paragraph 3 (Indexation)**.

- 11.3.5 The Parties shall agree an updated Base Case, and an amended version of this Schedule, to reflect the adjustments to the Operational Services Staff Costs and/or Intervention Staff Costs for the Main Prison and/or DTC (as the case may be) from

the Commencement Date using the processes described in **paragraph 11.5 (Amendments to the Base Case)**.

- 11.3.6 To the extent that the adjustments carried out pursuant to this paragraph result in:
- 11.3.6.1 a requirement on the Contractor to apply a credit to invoices that have previously been issued; or
  - 11.3.6.2 a requirement for the Contractor to invoice additional amounts in respect of periods covered by invoices that have been previously issued,

then the Contractor shall apply a single, one-time balancing adjustment (by way of a credit or additional invoiced sum) the invoice for the month following the month in which the amendment to the Base Case and this Schedule was agreed and signed, provided that in the case of a credit, the Contractor shall (at the Authority’s option) instead repay the amount of such credit to the Authority as a debt, within ten (10) Business Days of the Authority’s request.

- 11.3.7 For the avoidance of doubt the TUPE Risk Premium shall not be available to the Contractor in respect of pay awards of any kind and nor shall the TUPE Surcharge be available to the Contractor if the number of Transferring Previous Contractor Employees differs from the number expected to transfer and included within the Anticipated TUPE Costs.

**11.4 Annual Interventions Cost – Main Prison only**

The Annual Interventions Cost used to calculate the Monthly Interventions Payment for Contract Year 1, Contract Year 2 and Contract Year 3 shall be as set out below. The Interventions will be reviewed at the end of Contract Year 3 and each subsequent Contract Year and a new Interventions programme agreed:

<b>Contract Year</b>	1	2	3
Interventions Staff Costs including Project Profit Margin	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



Interventions Non-Staff Costs including Project Profit Margin	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
Annual Interventions Cost (AIC)	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
Monthly Interventions Payment (MIP)	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
Volume of Interventions	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]

11.5 Amendments to the Base Case

11.5.1 Where the Base Case is amended or updated pursuant to **clause 59 (Financial Adjustments)** or **Schedule 16 (Change Protocol)**, the relevant figures set out in this **paragraph 11 (Prices)** or elsewhere in this Schedule shall be adjusted accordingly using the process for updating the Contract set out in **Schedule 16 (Change Protocol)**.

11.5.2 At the Authority’s option and request at any time (but without prejudice to the express provisions of this Contract requiring an update to the Base Case), the Contractor shall submit to the Authority an updated version of the Base Case to reflect any changes to the Contract Price that have occurred prior to the request including changes as a result of:

11.5.2.1 indexation pursuant to **paragraph 3 (Indexation)**;

11.5.2.2 Relevant Events;

11.5.2.3 other relevant Changes agreed pursuant to **Schedule 16 (Change Protocol)** including to implement agreed savings sharing provisions; and/or

11.5.2.4 the application (where relevant and approved as necessary and appropriate by the Authority) of the adjustments described in **paragraphs 11.3.2 to 11.3.3.2 (Operational Services Available Prisoner Place Payment)** relating to Relevant Pay Awards and Relevant Headcount Adjustments,

and following this the Parties shall agree the updated version pursuant to the process for updating Controlled Documents under **Schedule 16 (Change Protocol)**.

11.5.3 For the avoidance of doubt, amendments and updates to the Base Case as set out in **paragraphs 11.5.1 and 11.5.2 (Amendments to the Base Case)** shall be subject, without limitation, to the provisions of **clauses 59.2 and 59.3 (Financial Adjustments)** in respect of the Contractor being left in a "no better and no worse position".

**11.6 Base Case Anticipated Redundancy Cost**

The monthly Base Case Anticipated Redundancy Cost (BARC) in each relevant month shall be as set out below:

<b>Month</b>	<b>Base Case Anticipated Redundancy Cost (BARC) (REAL)</b>
31/07/2026	[Redacted under FOIA section 43, Commercial interests]
31/08/2026	[Redacted under FOIA section 43, Commercial interests]
30/09/2026	[Redacted under FOIA section 43, Commercial interests]
31/10/2026	[Redacted under FOIA section 43, Commercial interests]
30/11/2026	[Redacted under FOIA section 43, Commercial interests]



31/12/2026	[Redacted under FOIA section 43, Commercial interests]
31/01/2027	[Redacted under FOIA section 43, Commercial interests]
28/02/2027	[Redacted under FOIA section 43, Commercial interests]
31/03/2027	[Redacted under FOIA section 43, Commercial interests]
30/04/2027	[Redacted under FOIA section 43, Commercial interests]
31/05/2027	[Redacted under FOIA section 43, Commercial interests]
30/06/2027	[Redacted under FOIA section 43, Commercial interests]
31/07/2027	[Redacted under FOIA section 43, Commercial interests]
<b>Total</b>	[Redacted under FOIA section 43, Commercial interests]

**12. Prison Specific Information**
**12.1 HMP Dovegate**

12.1.1	Maximum Available Prisoner Places – Whole Prison	1,160
12.1.2	Maximum Available Prisoner Places – Main Prison	960
12.1.3	Maximum Available Prisoner Places – DTC	200
12.1.4	Certified Normal Accommodation Level – Whole Prison	1,060
12.1.5	Certified Normal Accommodation Level – Main Prison	860
12.1.6	Certified Normal Accommodation Level – DTC	200

**12.1.7 Permitted Levels**

Permitted Level – Main Prison (see **paragraph 1.13.4 (Contractor Doubled Up Prisoners Reduction - Main Prison only)**) up to 30

Permitted Level – DTC N/A

**12.1.8 RRAPP Band Tables**

At the Main Prison, there are forty-eight (48) RRAPP Bands of ten (10) as set out in the table, where RRAPP Band 1 is the lowest and RRAPP Band 48 is the highest RRAPP Band. For this Prison, RRAPP Band 1 for the Main Prison is applied against



the number of Prisoner Places comprised within the MAPP-Main (so would reduce the number of Prisoner Places from 960 to 950).



RRAPP Band (Main Prison)	Number of Available Prisoner Places in RRAPP Band (Main Prison)	Cumulative RRAPP Limit (Main Prison)	RRAPP Adjustment1 (RA) (Main Prison)  (Staff Costs)	RRAPP Adjustment2 (RA) (Main Prison)  (Non-Staff Costs)	Daily Total RRAPP Adjustment (DTRA) (Main Prison)
1	10	10	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
2	10	20	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
3	10	30	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
4	10	40	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



5	10	50	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
6	10	60	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
7	10	70	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
8	10	80	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
9	10	90	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



10	10	100	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
11	10	110	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
12	10	120	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
13	10	130	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
14	10	140	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



15	10	150	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
16	10	160	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
17	10	170	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
18	10	180	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
19	10	190	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



20	10	200	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
21	10	210	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
22	10	220	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
23	10	230	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
24	10	240	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



25	10	250	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
26	10	260	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
27	10	270	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
28	10	280	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
29	10	290	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



30	10	300	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
31	10	310	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
32	10	320	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
33	10	330	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
34	10	340	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



35	10	350	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
36	10	360	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
37	10	370	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
38	10	380	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
39	10	390	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



40	10	400	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
41	10	410	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
42	10	420	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
43	10	430	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
44	10	440	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]

45	10	450	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
46	10	460	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
47	10	470	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
48	10	480	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]

At the DTC there are ten (10) RRAPP Bands; ten (10) bands of ten (10) as set out in the table, where RRAPP Band 1 is the lowest and RRAPP Band 10 is the highest RRAPP Band. For this Prison, RRAPP Band 1 for the DTC is applied against the number of Prisoner Places comprised within the MAPP-DTC (so would reduce the number of Prisoner Places from 200 to 190).



RRAPP Band (DTC)	Number of Available Prisoner Places in RRAPP Band (DTC)	Cumulative RRAPP Limit (DTC)	RRAPP Adjustment1 (RA) (DTC)	RRAPP Adjustment2 (RA) (DTC)	Daily Total RRAPP Adjustment (DTRA) (DTC)
1	10	10	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
2	10	20	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
3	10	30	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
4	10	40	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



5	10	50	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
6	10	60	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
7	10	70	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
8	10	80	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
9	10	90	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



10	10	100	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
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12.1.9 Annual Utility Adjustments

12.1.9.1 The table below sets out the Utility Target for each utility service in each Contract Year for the Prison.

12.1.9.2 Utility Target (UT)

Prison

	Electricity (Kwh)	Gas (Kwh)	Water (m <sup>3</sup> )
<b>Contract Year 1</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
<b>Contract Year 2</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
<b>Contract Year 3</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
<b>Contract Year 4</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
<b>Contract Year 5</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
<b>Contract Year 6</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]

<b>Contract Year 7</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
<b>Contract Year 8</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
<b>Contract Year 9</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
<b>Contract Year 10</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
<b>Contract Year 11</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
<b>Contract Year 12</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
<b>Contract Year 13</b>	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]

**13. Lifecycle Cost Programme**

The following table sets out the Annual Lifecycle Cost for the Prison for each year in the Service Period. This represents the anticipated annual Lifecycle spend for each such year. The total sum is then converted into a daily payment through the Operational Services Lifecycle Cost as set out in **paragraph 11.3 (Operational Services Available Prisoner Place Payment)**.

<b>Contract Year</b>	<b>Annual Lifecycle Cost (ALC)</b>
1	[Redacted under FOIA section 43, Commercial interests]
2	[Redacted under FOIA section 43, Commercial interests]

3	[Redacted under FOIA section 43, Commercial interests]
4	[Redacted under FOIA section 43, Commercial interests]
5	[Redacted under FOIA section 43, Commercial interests]
6	[Redacted under FOIA section 43, Commercial interests]
7	[Redacted under FOIA section 43, Commercial interests]
8	[Redacted under FOIA section 43, Commercial interests]
9	[Redacted under FOIA section 43, Commercial interests]
10	[Redacted under FOIA section 43, Commercial interests]
11	[Redacted under FOIA section 43, Commercial interests]
12	[Redacted under FOIA section 43, Commercial interests]
13	[Redacted under FOIA section 43, Commercial interests]
<b>Total</b>	[Redacted under FOIA section 43, Commercial interests]

**14. Monthly Mobilisation Payment Schedule**

- 14.1 The Monthly Mobilisation Payment shall be payable in the Mobilisation Period
- 14.2 The Monthly Mobilisation Payment in respect of Mobilisation Period is paid monthly as set out at **paragraph 14.4 (Monthly Mobilisation Payment Schedule)**. The Monthly Mobilisation Payment shall be subject to indexation in accordance with **paragraph 3 (Indexation)**.
- 14.3 The Monthly Mobilisation Payment is subject to a retention of the Mobilisation Retention Amount in each Month it is payable. The retained amount will be paid in full to the Contractor following Authority approval of the Annual Custodial Services Delivery Plan for the second Contract Year as set out in **clause 24 (Annual Custodial Service Delivery Plan)**.
- 14.4 The following table sets out the Monthly Mobilisation Payment for each Contract Month it is payable:



<b>Contract Year</b>	<b>Contract Month ending</b>	<b>Monthly Mobilisation Payment – Staff (MMP1) (£)</b>	<b>Monthly Mobilisation Payment – Non-Staff (MMP1) (£)</b>	<b>Monthly Mobilisation Payment – Fixed (MMP1) (£)</b>	<b>Monthly Mobilisation Payment – Total (MMP1) (£)</b>	<b>Monthly Mobilisation Payment (MMP1) (£) - 95% adjustment</b>
0	31 December 2025	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
0	31 January 2026	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
0	28 February 2026	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
0	31 March 2026	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
0	30 April 2026	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
0	30 May 2026	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
0	30 June 2026	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
0	08 July 2026	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]

15. **Notification of Immediate Reduction in Requirement for Available Prisoner Places (IRRAPPs)**

15.1 **Immediate RRAPP Bands**

15.1.1 The Authority shall be entitled to reduce its requirement for Available Prisoner Places at the Main Prison and/or at the DTC in accordance with the provisions of this **paragraph 15 (Notification of Immediate Reduction in Requirement for Available Prisoner Places (IRRAPPs))**.

15.1.2 The numbers of Available Prisoner Places required for the Main Prison and for the DTC shall be divided into Immediate RRAPP Bands in the form set out in the table below:

[Redacted under FOIA section 43, Commercial interests]

15.1.3 The Authority may reduce the number of Available Prisoner Places required for the Main Prison and/or for the DTC by Activating one or more Immediate RRAPP Bands in accordance with **paragraph 15.2 (Immediate RRAPP Band Activation)** and from the date on which the Immediate RRAPP Band(s) becomes Active apply Immediate RRAPP Deduction Costs from the Daily Payment in respect of the Available Prisoner Places in the Activated Immediate RRAPP Band calculated in accordance with **paragraph 1.19 (Calculation of Daily Total Immediate RRAPP Deduction)**.

15.1.4 Where the Authority has reduced the number of Available Prisoner Places in accordance with **paragraph 15.2 (Immediate RRAPP Band Activation)**, it may subsequently require the Contractor to provide that number of Available Prisoner Places by Deactivating one or more Immediate RRAPP Bands in accordance with **paragraph 15.3 (Immediate RRAPP Band Deactivation)**, and from the date on which any such Immediate RRAPP Bands become Deactivated the DTIRD at the Main Prison and/or the DTC (as the case may be) made in respect of the Available Prisoner Places in such Immediate RRAPP Bands shall cease to be made.

15.1.5 The applicable Immediate RRAPP Band details for the Main Prison and for the DTC are set out in **paragraph 15.5 (Daily Total Immediate RRAPP Deductions)**. In the event that the Authority wishes to Activate an Immediate RRAPP Band where there is already one or more Active RRAPP Band(s), the first Immediate RRAPP Band to be Activated will be the next available non-Active RRAPP Band for the Main Prison or the DTC (as the case may be) (for example if RRAPP Bands 1-5 are already Active, the first Immediate RRAPP Band to be Activated will be Immediate RRAPP Band 6).

**15.2 Immediate RRAPP Band Activation**

- 15.2.1 The Authority may Activate one or more Immediate RRAPP Bands for the Main Prison and/or for the DTC by issuing to the Contractor an Immediate RRAPP Band Activation Notice in accordance with this **paragraph 15.2 (Immediate RRAPP Band Activation)**.
- 15.2.2 Where one or more Immediate RRAPP Bands are Activated, the number of Available Prisoner Places required by the Authority for the Main Prison and/or the DTC (as the case may be) shall be reduced by the number of Available Prisoner Places specified for such Immediate RRAPP Bands in the relevant Immediate RRAPP Band Table.
- 15.2.3 The Immediate RRAPP Band Mobilisation Period shall be a minimum of seven (7) Days for each Immediate RRAPP Band.
- 15.2.4 Where two or more Immediate RRAPP Bands are Activated in a single Immediate RRAPP Band Activation Notice, such periods shall run concurrently.
- 15.2.5 The Immediate RRAPP Band Activation Notice shall specify:
- 15.2.5.1 any Immediate RRAPP Bands which the Authority wishes to Activate; and
  - 15.2.5.2 the date on which such Immediate RRAPP Bands become Active which shall be a date no earlier than the expiry of the relevant Immediate RRAPP Band Mobilisation Period after the date of the Immediate RRAPP Band Activation Notice.
- 15.2.6 During the Immediate RRAPP Band Mobilisation Period, and in any event within three (3) Days of the Immediate RRAPP Band Activation Notice the Contractor can submit written representations to justify their opposition to the Immediate RRAPP Band Activation Notice for the Authority to consider. However, the Authority reserves the right to proceed with Activation after seven (7) Days regardless of any Contractor representations.
- 15.2.7 The Authority may only Activate Immediate RRAPP Bands in ascending numerical order, commencing with Immediate RRAPP Band 1.
- 15.2.8 The Minimum Immediate RRAPP Band Period for each Immediate RRAPP Band shall be three (3) months. At the end of the three (3) month period, the Authority, at its full discretion, may do as follows:

- 15.2.8.1 deactivate the Immediate RRAPP Band in accordance with **paragraph 15.3 (Immediate RRAPP Band Deactivation)**;
- 15.2.8.2 extend the Immediate RRAPP Band Activation period for a period to be determined by the Authority; or
- 15.2.8.3 convert the Immediate RRAPP Band into a RRAPP Band in accordance with **paragraph 15.4 (Immediate RRAPP Band Conversion)**.

### 15.3 Immediate RRAPP Band Deactivation

- 15.3.1 If the Authority no longer requires one or more Immediate RRAPP Band(s) in the Main Prison and/or the DTC to be Active it shall issue an Immediate RRAPP Band Deactivation Notice to the Contractor containing the date on which the Immediate RRAPP Band(s) will cease to be Active, provided that:
  - 15.3.1.1 such date is no earlier than the expiry of the relevant Immediate RRAPP Band Demobilisation Period; and
  - 15.3.1.2 such date will not result in the Immediate RRAPP Band(s) being Active for less than the Minimum Immediate RRAPP Band Period.
- 15.3.2 The Immediate RRAPP Band Demobilisation Period for each Immediate RRAPP Band shall be seven (7) Days for each Immediate RRAPP Band.
- 15.3.3 The Authority may only Deactivate Immediate RRAPP Bands in descending numerical order, commencing with the Active Immediate RRAPP Band that for the Main Prison or the DTC (as the case may be) has the highest number.
- 15.3.4 The Contractor shall provide the Authority with the number of Available Prisoner Places in a Deactivated Immediate RRAPP Band from the date specified in the relevant Immediate RRAPP Band Deactivation Notice.

### 15.4 Immediate RRAPP Band Conversion

- 15.4.1 The Authority may, at any time, choose to make an Immediate RRAPP Band Conversion by converting one or more Immediate RRAPP Bands into a RRAPP Band by issuing to the Contractor an Immediate RRAPP Band Conversion Notice in accordance with this **paragraph 15.4 (Immediate RRAPP Band Conversion)**.
- 15.4.2 The minimum period of notice for the conversion of each Immediate RRAPP Band shall be:



- 15.4.2.1 one (1) Month for the first five (5) Immediate RRAPP Bands; and
- 15.4.2.2 three (3) Months for each Immediate RRAPP Band thereafter.
- 15.4.3 The Immediate RRAPP Band Conversion Notice shall specify:
  - 15.4.3.1 any Immediate RRAPP Bands which the Authority wishes to convert to RRAPP Bands; and
  - 15.4.3.2 the date on which such Immediate RRAPP Bands become Active, in accordance with **paragraph 15.4.2 (Immediate RRAPP Band Conversion)**.
- 15.4.4 The Authority shall pay any RRAPP Band Mobilisation Costs in relation to an Immediate RRAPP Band Conversion in accordance with **paragraph 1.8 (RRAPP Band Mobilisation Costs)**.
- 15.4.5 Following an Immediate RRAPP Band Conversion, the provisions of **paragraph 6 (Notification of Reduction in Requirement for Available Prisoner Places (RRAPPs))** shall apply.

**15.5 Daily Total Immediate RRAPP Deductions**

- 15.5.1 The tables below set out the costs which are included in the Daily Total Immediate RRAPP Deduction for the Day (DTIRD) in respect of the Main Prison and the DTC:

**Main Prison**

<b>Contract Year 1 Total Costs for Immediate RRAPP Deductions (Main Prison)</b>	<b>Immediate RRAPP Band Deduction Costs (IRRAPPBDC) (£) (Main Prison)</b>
Food	[Redacted under FOIA section 43, Commercial interests]
Postage	[Redacted under FOIA section 43, Commercial interests]
Prisoner Earnings/Wages	[Redacted under FOIA section 43, Commercial interests]
<b>Immediate RRAPP Band Deduction Costs – sub-total</b>	[Redacted under FOIA section 43, Commercial interests]



<b>Project Profit Margin</b>	[Redacted under FOIA section 43, Commercial interests]
<b>Immediate RRAPP Deduction Costs – total</b>	[Redacted under FOIA section 43, Commercial interests]

**DTC**

<b>Contract Year 1 Total Costs for Immediate RRAPP Deductions (DTC)</b>	<b>Immediate RRAPP Band Deduction Costs (IRRAPPBDC) (£) (DTC)</b>
Food	[Redacted under FOIA section 43, Commercial interests]
Postage	[Redacted under FOIA section 43, Commercial interests]
Prisoner Earnings/Wages	[Redacted under FOIA section 43, Commercial interests]
<b>Immediate RRAPP Band Deduction Costs – sub-total</b>	[Redacted under FOIA section 43, Commercial interests]
<b>Project Profit Margin</b>	[Redacted under FOIA section 43, Commercial interests]
<b>Immediate RRAPP Deduction Costs – total</b>	[Redacted under FOIA section 43, Commercial interests]

15.5.2 The tables below set out the Immediate RRAPP Band Deduction Costs for each Immediate RRAPP Band. For this Prison, Immediate RRAPP Band 1 for the Main Prison is applied against the number of Prisoner Places comprised within the MAPP-Main (so would reduce the number of Prisoner Places from 960 to 950).



**Immediate RRAPP Band Table – Main Prison**

Immediate RRAPP Band (Main Prison)	Number of Available Prisoner Places in Immediate RRAPP Band (Main Prison)	Cumulative Immediate RRAPP Limit (Main Prison)	Immediate RRAPP Band Deduction Costs (IRRAPPBDC) (Main Prison) (£)	Daily Total Immediate RRAPP Deduction (DTIRD) (Main Prison) (£)
1	10	10	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
2	10	20	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
3	10	30	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
4	10	40	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
5	10	50	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
6	10	60	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
7	10	70	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
8	10	80	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
9	10	90	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]



Immediate RRAPP Band (Main Prison)	Number of Available Prisoner Places in Immediate RRAPP Band (Main Prison)	Cumulative Immediate RRAPP Limit (Main Prison)	Immediate RRAPP Band Deduction Costs (IRRAPPBDC) (Main Prison) (£)	Daily Total Immediate RRAPP Deduction (DTIRD) (Main Prison) (£)
			section 43, Commercial interests]	section 43, Commercial interests]
10	10	100	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
11	10	110	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
12	10	120	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
13	10	130	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
14	10	140	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
15	10	150	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
16	10	160	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
17	10	170	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
18	10	180	[Redacted under FOIA	[Redacted under FOIA



Immediate RRAPP Band (Main Prison)	Number of Available Prisoner Places in Immediate RRAPP Band (Main Prison)	Cumulative Immediate RRAPP Limit (Main Prison)	Immediate RRAPP Band Deduction Costs (IRRAPPBDC) (Main Prison) (£)	Daily Total Immediate RRAPP Deduction (DTIRD) (Main Prison) (£)
			section 43, Commercial interests]	section 43, Commercial interests]
19	10	190	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
20	10	200	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
21	10	210	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
22	10	220	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
23	10	230	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
24	10	240	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
25	10	250	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
26	10	260	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
27	10	270	[Redacted under FOIA	[Redacted under FOIA



Immediate RRAPP Band (Main Prison)	Number of Available Prisoner Places in Immediate RRAPP Band (Main Prison)	Cumulative Immediate RRAPP Limit (Main Prison)	Immediate RRAPP Band Deduction Costs (IRRAPPBDC) (Main Prison) (£)	Daily Total Immediate RRAPP Deduction (DTIRD) (Main Prison) (£)
			section 43, Commercial interests]	section 43, Commercial interests]
28	10	280	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
29	10	290	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
30	10	300	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
31	10	310	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
32	10	320	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
33	10	330	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
34	10	340	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
35	10	350	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
36	10	360	[Redacted under FOIA	[Redacted under FOIA



Immediate RRAPP Band (Main Prison)	Number of Available Prisoner Places in Immediate RRAPP Band (Main Prison)	Cumulative Immediate RRAPP Limit (Main Prison)	Immediate RRAPP Band Deduction Costs (IRRAPPBDC) (Main Prison) (£)	Daily Total Immediate RRAPP Deduction (DTIRD) (Main Prison) (£)
			section 43, Commercial interests]	section 43, Commercial interests]
37	10	370	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
38	10	380	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
39	10	390	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
40	10	400	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
41	10	410	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
42	10	420	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
43	10	430	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
44	10	440	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
45	10	450	[Redacted under FOIA	[Redacted under FOIA



Immediate RRAPP Band (Main Prison)	Number of Available Prisoner Places in Immediate RRAPP Band (Main Prison)	Cumulative Immediate RRAPP Limit (Main Prison)	Immediate RRAPP Band Deduction Costs (IRRAPPBDC) (Main Prison) (£)	Daily Total Immediate RRAPP Deduction (DTIRD) (Main Prison) (£)
			section 43, Commercial interests]	section 43, Commercial interests]
46	10	460	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
47	10	470	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
48	10	480	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]

**Immediate RRAPP Band Table – DTC**

For this Prison, Immediate RRAPP Band 1 for the DTC is applied against the number of Prisoner Places comprised within the MAPP-DTC (so would reduce the number of Prisoner Places from 200 to 190).

Immediate RRAPP Band (DTC)	Number of Available Prisoner Places in Immediate RRAPP Band (DTC)	Cumulative Immediate RRAPP Limit (DTC)	Immediate RRAPP Band Deduction Costs (IRRAPPBDC) (DTC) (£)	Daily Total Immediate RRAPP Deduction (DTIRD) (DTC) (£)
1	10	10	[Redacted under FOIA section 43,	[Redacted under FOIA section 43,



Immediate RRAPP Band (DTC)	Number of Available Prisoner Places in Immediate RRAPP Band (DTC)	Cumulative Immediate RRAPP Limit (DTC)	Immediate RRAPP Band Deduction Costs (IRRAPPBDC) (DTC) (£)	Daily Total Immediate RRAPP Deduction (DTIRD) (DTC) (£)
			Commercial interests]	Commercial interests]
2	10	20	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
3	10	30	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
4	10	40	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
5	10	50	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
6	10	60	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
7	10	70	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
8	10	80	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
9	10	90	[Redacted under FOIA section 43, Commercial interests]	[Redacted under FOIA section 43, Commercial interests]
10	10	100	[Redacted under FOIA section 43,	[Redacted under FOIA section 43,

Immediate RRAPP Band (DTC)	Number of Available Prisoner Places in Immediate RRAPP Band (DTC)	Cumulative Immediate RRAPP Limit (DTC)	Immediate RRAPP Band Deduction Costs (IRRAPPBDC) (DTC) (£)	Daily Total Immediate RRAPP Deduction (DTIRD) (DTC) (£)
			Commercial interests]	Commercial interests]

## 16. Operation of Prisoner Amenities Funds

### 16.1 Introduction

16.1.1 This **paragraph 16** sets out the Contractor's obligation to:

- 16.1.1.1 establish and maintain the Prisoner Amenities Funds (and an associated IPAF Account and GPAF Account);
- 16.1.1.2 maintain the PAF Management Accounts and PAF Annual Accounts for the Industries Prisoner Amenities Fund and for the General Prisoner Amenities Fund; and
- 16.1.1.3 ensure that the Prisoner Amenities Funds are utilised only for the restricted purposes set out herein.

### 16.2 Operation of the Prisoner Amenities Funds

16.2.1 On and from the Services Commencement Date, the Contractor shall operate and maintain two separate funds:

- 16.2.1.1 an Industries Prisoner Amenities Fund; and
- 16.2.1.2 a General Prisoner Amenities Fund.

16.2.2 The Prisoner Amenities Funds shall be comprised of the Industries Prisoner Generated Profits and General Prisoner Generated Profits which shall be deposited into the:

- 16.2.2.1 IPAF Account on an annual basis within twenty five (25) Working Days of the end of the Contract Year to which those profits relate; and, as the case may be, the

- 16.2.2.2 GPAF Account on a Quarterly basis within twenty five (25) Working Days of the end of the Quarter to which those profits relate.
- 16.2.3 If requested to do so by the Authority, the Contractor shall within two (2) Working Days of any such request provide written details to the Authority of the bank and account names, sort codes and account numbers of the IPAF Account and GPAF Account and the related applicable rates of interest.
- 16.2.4 The Contractor will ensure that the Industries Prisoner Generated Profit and General Prisoner Generated Profit will be:
- 16.2.4.1 allocated to cover (in whole or in part) the costs of specific initiatives that will provide specified benefits to Prisoners that have been proposed by the Contractor as part of the regular review process referred to in **paragraph 16.3.7** and, where approved in principle by the Authority under that process, approved by the Authority under **Schedule 16 (Change Protocol)**; or
- 16.2.4.2 reinvested in new Contractor Assets for use within Prison Industries and/or for the purpose of generating revenues from Prisoner expenditure, subject to the reinvestment having received the prior written approval of the Authority; or
- 16.2.4.3 retained in the relevant Prisoner Amenities Fund for distribution on the Early Termination Date, Termination Date or Expiry Date in accordance with **paragraph 16.4**.

No withdrawal or expenditure shall be made from the Industries Prisoner Amenities Fund or the General Prisoner Amenities Fund without the prior written approval of the Authority.

### 16.3 **Accounts and Reporting**

- 16.3.1 No later than twenty (20) Working Days following the expiry of each Contract Year, the Contractor shall produce in respect of that Contract Year:
- 16.3.1.1 PAF Annual Accounts for Prison Industries other than Prison Operations Industries (and for the Industries Prisoner Amenities Fund); and
- 16.3.1.2 PAF Annual Accounts for the General Prisoner Amenities Fund.

16.3.2 The PAF Annual Accounts for Prison Industries other than Prison Operations Industries (and for the Industries Prisoner Amenities Fund) shall for that Contract Year:

- (a) contain a full breakdown of revenues and relevant costs for each Prison Industry and for Prison Industries as a whole (excluding Prison Operations Industries), ‘relevant costs’ here being the subset of costs that are required to be enumerated for the purposes of identifying the Industries Prisoner Generated Profit (noting that these will include PAF Permitted Costs and exclude and disregard the PAF Excluded Costs);
- (b) separately itemise all other costs (which shall include PAF Excluded Costs) for each Prison Industry and for Prison Industries as a whole other than Prison Operations Industries;
- (c) contain an accurate calculation of Industries Prisoner Generated Profit for that Contract Year;
- (d) show, in accordance with **paragraph 16.2.2** amounts credited to the Industries Prisoner Amenities Fund and deposited in the IPAF Account; and
- (e) show, in accordance with **paragraph 16.2.4**, amounts debited from the Industries Prisoner Amenities Fund and withdrawn from the IPAF Account.

16.3.3 The PAF Annual Accounts for the General Prisoner Amenities Fund shall:

- (a) full breakdown of revenues and relevant costs for the activities generating Prisoner expenditure (on an individual activity basis and for all activities as a whole) including for Prison Operations Industries, ‘relevant costs’ here being the subset of costs that are required to be enumerated for the purposes of identifying the General Prisoner Generated Profit (noting that these will include PAF Permitted Costs and exclude and disregard the PAF Excluded Costs);
- (b) separately itemise all other costs (which shall include PAF Excluded Costs) for the activities to which the General Prisoner Amenities Fund relates and for the Prison Operations Industries;
- (c) contain an accurate calculation of General Prisoner Generated Profit for that Contract Year;

- (d) show, in accordance with **paragraph 16.2.2** amounts credited to the General Prisoner Amenities Fund and deposited in the GPAF Account; and
  - (e) show, in accordance with **paragraph 16.2.4**, amounts debited from the General Prisoner Amenities Fund and withdrawn from the GPAF Account.
- 16.3.4 The Contractor shall produce PAF Management Accounts as follows:
- 16.3.4.1 for Prison Industries other than Prison Operations Industries (and for the Industries Prisoner Amenities Fund), no later than five (5) Working Days following the expiry of each half of each Contract Year (and in the initial Contract Year “half” shall include shorter periods ending, as the case may be, on 30 September or 31 March and in the final Contract Year “half” shall include such shorter period ending, as the case may be, on the Early Termination Date or Early Termination Date or Expiry Date); and
  - 16.3.4.2 for the General Prisoner Amenities Fund, no later than five (5) Working Days following the expiry of each Quarter.
- 16.3.5 The PAF Management Accounts shall contain the same information as that required for the PAF Annual Accounts but with respect to the relevant period (being a half Contract Year or Quarter as the case may be).
- 16.3.6 Each set of PAF Annual Accounts (including those for the final Contract Year) shall be certified by the Contractor’s Chief Financial Officer or Director of Finance (or equivalent as agreed in writing by the Authority in advance of the issue of the relevant PAF Annual Accounts), acting with express authority, as:
- 16.3.6.1 being accurate and not misleading;
  - 16.3.6.2 being a true and fair reflection of the information included within the Contractor’s management and statutory accounts; and
  - 16.3.6.3 being compliant with the requirements of this **paragraph 16**.
- 16.3.7 Following provision of:
- 16.3.7.1 the PAF Annual Accounts each Contract Year, for the Industries Prisoner Amenities Fund; and

16.3.7.2 the PAF Management Accounts each Quarter, for the General Prisoner Amenities Fund,

the Parties shall conduct a review of the operation of the relevant Prisoner Amenities Fund during which the Contractor will identify its proposal for initiatives and/or investments of the kind described in **paragraphs 16.2.4.1** and **16.2.4.2** for consideration by the Authority. Where the Authority approves an initiative under **paragraph 16.2.4.1** in principle, it may request that the Contractor submit a detailed proposal with respect to any such initiative as a Contractor Change for further consideration under **Schedule 16 (Change Protocol)**.

16.3.8 When providing the PAF Annual Accounts, the Contractor shall provide detailed financial projections for Prison Industries for the next three (3) Contract Years to include details of income and expenditure, capital investment and funding, rates of return and profit levels.

16.3.9 To the extent that the PAF Annual Accounts or PAF Management Accounts show that the:

16.3.9.1 Industries Prisoner Amenities Fund; and/or

16.3.9.2 General Prisoner Amenities Fund,

would if the PAF Excluded Costs were not excluded show a loss or deficit then:

16.3.9.3 the Contractor will bear such loss or deficit in full and shall not be entitled to apply any charge to the Authority to cover such loss or deficit or set off or deduct the loss or deficit (or any part of it) from the relevant Prisoner Amenities Fund (or the other Prisoner Amenities Fund); and

16.3.9.4 the PAF Annual Accounts and relevant PAF Management Accounts shall record a zero balance for the Industries Prisoner Generated Profit and/or General Prisoner Generated Profit (as the case may be) in the relevant Prisoner Amenities Fund(s) and not a negative balance.

#### 16.4 **Prisoner Amenities Funds ownership and position on termination or expiry**

16.4.1 The Contractor acknowledges and agrees that the amounts that are (or should be) held in the Prisoner Amenities Funds are the property of the Authority and are held by the Contractor for the benefit of the Authority. The Contractor shall pay to the Authority as a debt a sum equal to the monies held (or which should have been held) in each of the Prisoner Amenities Funds on termination or expiry of this Contract no

later than the Early Termination Date or Termination Date or Expiry Date (as applicable).

**16.5 Authority queries**

16.5.1 The Contractor shall make available suitably skilled and knowledgeable financial experts from the Contractor's Staff who will be available to the Authority at reasonable times and on reasonable notice to answer any queries that the Authority may have on any of the PAF Management Accounts or the PAF Annual Accounts (including the PAF Annual Accounts for the final Contract Year in which case their availability at reasonable times shall subsist for a minimum period of six (6) Months following the expiry of the Service Period)).

**16.6 Open Book Accounting and Audit Rights**

16.6.1 The information and accounts required under this **paragraph 16** shall be subject to (and shall be provided in compliance with) **clause 64.1 (Records and Open Book Accounting)** and shall be available for audit pursuant to **clause 64.4 (Auditor)**.



**EMBEDDED BASE CASE**

The Base Case as at the Commencement Date is contained in the folder entitled 'USB Documents' made available at the Commencement Date to the Contractor on the Authority's procurement software, Jaggaer.