



**SCHEDULE 1 PART 1:**

**CUSTODIAL SERVICES**

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1. **Definitions and Interpretation**

1.1 In this **Part 1 (Custodial Services)** of **Schedule 1 (Authority's Custodial Service Requirements)**, unless the context otherwise requires:

**"Adult Safeguarding in Prisons"**

means keeping Prisoners safe and protecting them from abuse and neglect. This is underpinned by six key principles as set out at Annex A of PSI 16/2015 (Adult Safeguarding in Prisons) (as amended from time to time);

**"Annual Resourcing Plan Profile Report"**

means a report which includes details of variations between planned and actual resources by staff grade and any actions relating to recruitment and retention including absence and sickness management;

**"Audit Model"**

means the Contractor's model of audits and review that complies with the requirements set out in **paragraph 8.1 (Audit Approach) of this Part 1 (Custodial Services) of Schedule 1 (Authority's Custodial Service Requirements)**;

**"Category" or "Security Category"**

means the following security classifications for:

- (a) "A" to "D" for those aged 21 or over upon initial reception into prison, as more fully set out in the "Security Categorisation Policy Framework" (as amended from time to time); and
- (b) "YOI Open" or "YOI Closed" for those aged 18 to 20 upon initial reception into prison, as more fully set out in the "Security Categorisation Policy Framework" (as amended from time to time),

and references to "Category A", "Category B", "Category C", "Category D", "Category YOI Open" and "Category YOI Closed" shall be interpreted accordingly;



"Cell Call System"	means the system used by Prisoners to raise the alarm in emergencies for Custodial Staff to respond to;
"Cell Share Risk Assessment", "Cell Sharing Risk Assessment" or "CSRA"	means the risk assessment used to determine whether Prisoners can share Prison Cells, these are carried out for every Prisoner in accordance with <a href="#">PSI 20/2015</a> (Cell Sharing Risk Assessment) (as amended from time to time);
"Certified Normal Accommodation" or "CNA"	means the uncrowded capacity of the Prison, as is determined by the Cell Certificate issued;
"Contract Review Meeting Director's Report"	means the report prepared by the Director and delivered to the Authority pursuant to <b>paragraph 7.3 (Contract Review Meetings)</b> this <b>Part 1 (Custodial Services)</b> of <b>Schedule 1 (Authority's Custodial Service Requirements)</b> and containing any Prison-related information requested by the Authority;
"Controller/Director's Meeting"	means a meeting as referred to in <b>paragraph 7.4 (Controller/Director Meetings)</b> of this <b>Part 1 (Custodial Services)</b> of <b>Schedule 1 (Authority's Custodial Service Requirements)</b> ;
"Drug Strategy Monthly Report"	means a Monthly report on the progress of the Annual Drug Strategy and rolling action plan (in such format and detail as required by the Authority) in order to enable the collection of relevant data and information and to facilitate a proactive, solution focused approach to better identify trends, develop services, meet new demand, and improve results;
"Health and Safety and Fire Report"	means a summary report of all health and safety and fire incidents for that Month/quarter, to include the incident type, date, time, location and management action taken as a result, in a format to be agreed between the Authority and the Director, which will form part of the Contract Review



Meeting Director's Report;

**"HMIP Expectations"**

means the requirements or expected outcomes for Prisoners set out by the HMIP as may be amended from time to time.

A copy of the current edition is available at

<https://www.justiceinspectorates.gov.uk/hmiprisons/our-expectations/prison-expectations/> (fifth edition);

**"Incident"**

has the meaning given to it in the Incident Management Policy Framework and the Incident and Definitions Guidance to the Incident Management Policy Framework (in each case, as amended from time to time);

**"Local Safeguarding Children Boards" or "LSCBs"**

means the mechanism for agreeing how the relevant organisations in each local area cooperate to safeguard and promote the welfare of children in that locality;

**"Local Security Strategy"**

means the strategy created by each prison establishment to tackle security risks in their establishment as appropriate while ensuring compliance with the National Security Framework;

**"Offender Management in Custody Model" or "OMiC"**

means the model introduced by HMPPS to support the delivery of Offender Management in a custodial setting which provides the framework to co-ordinate and sequence an individual's journey through custody and post release;

**"Operational Briefing Sheet"**

means a report that complies with the requirements of **paragraph 7.2 (Operational Briefing Sheet)** of this **Part 1 (Custodial Services)** of **Schedule 1 (Authority's Custodial Service Requirements)**;

**"Purposeful Activity"**

has the meaning given to it in **paragraph 5 (Purposeful Activity)**;

**"Purposeful Activity Technical**

means the document entitled 'Purposeful Activity Technical Note' as set out in **Appendix 2 (Purposeful Activity**

<b>Note"</b>	<b>Technical Note</b> ), which details the Authority's Tiered Regime Model for Purposeful Activities, as may be amended from time to time by the Authority, including any replacement document and/or where superseded by a Policy Framework;
<b>"Regime Forecast"</b>	has the meaning given to in the Purposeful Activity Technical Note;
<b>"Resettlement Passport"</b>	means a securely stored personalised digital product covering mental health, drugs, education, skills, work, accommodation, and family ties, which organises, plans and records the information and services that Prisoners, Prison leavers and professionals working with them need to access, including the following examples: <ul style="list-style-type: none"><li>(a) a copy of the Prison leaver's CV;</li><li>(b) details of any arranged employment; and</li><li>(c) confirmed appointments with relevant support agencies.</li></ul>
<b>"Safeguarding Adult Boards"</b>	means the multi-agency partnership arrangements for agreeing how the relevant organisations in each local area cooperate to safeguard and promote the welfare of adults in that locality;
<b>"Safer Custody Report"</b>	means a Monthly summary report arising from the Operational Briefing Sheet which shall include: <ul style="list-style-type: none"><li>(a) a summary of all incidents of self-harm, including type, details of the Prisoners, date, time, location and management actions taken in response;</li><li>(b) a summary of all incidents of serious assault, including type, details of the Prisoners, date, time,</li></ul>

location and management actions taken in response;

(c) a summary of all incidents of assault, including type, details of the Prisoners, date, time, location and management actions taken in response; and

(d) a summary of all incidents of violence, including incident type, details of the Prisoners, reason, outcome, injuries incurred and management actions taken in response;

**"Search Risk Assessment  
Monthly Report"**

means a monthly report providing an update against the Annual Search Risk Assessment and Search Strategy, in such format and detail as required by the Authority;

**"Security Report"**

means a report prepared by the Contractor setting out its compliance with the Local Security Strategy and any other obligations as set out in **paragraph 3.4 (General obligations)**;

**"Security Requirements"**

means those security requirements listed in the COR; and

**"Tiered Regime Model"**

means the new 'tiered regime model' concept that comprises tiers of Purposeful Activity which prisons will develop locally to deliver the best combination of activities to meet local need, as further described in the Purposeful Activity Technical Note;

**2. Purpose**

2.1 The Authority is commissioning the Contractor to provide Custodial Services that are responsive to Prisoners' needs and those of the courts, where Prisoners are held in secure, safe and decent conditions appropriate to the Category and Prison Functions as defined by the Authority in the Authority Policies pursuant to **Schedule 4 (Authority Policies)** and HMIP Expectations. For the purposes of this Contract the following applies:

- 2.2 The Custodial Services delivered by the Contractor shall include a Regime designed by the Contractor to meet the needs of the applicable cohort(s) within the Prison. The Regime must include (but is not limited to) provisions regarding:
- 2.2.1 education (pursuant to **Part 2 (Education) of Schedule 1 (Authority's Custodial Service Requirements)**);
  - 2.2.2 Prison Industries and Prison Work (pursuant to **Part 3 (Prison Industries) of Schedule 1 (Authority's Custodial Service Requirements)**); and
  - 2.2.3 Interventions (pursuant to **Part 4 (Interventions) of Schedule 1 (Authority's Custodial Service Requirements)**).
- 2.3 The Contractor shall ensure the delivery of a consistent and integrated approach to Offender Management in partnership with the Probation Provider deployed for purposes of delivering those elements of OMiC as are retained by the Authority in accordance with Authority Policies as amended from time to time and as specified in the COR.
- 2.4 In maintaining the physical environment, and delivering the Custodial Services and Regime, the Contractor shall ensure that the Custodial Service contributes to the Authority's goals of protecting the public, reducing re-offending and successful resettlement and reintegration of Prisoners back into the community.
3. **Provision for Custodial Services**
- 3.1 **General obligations**
- 3.2 The Contractor will provide the Custodial Service in accordance with the Operating Procedures set out in the Annual Custodial Service Delivery Plan and will test the Operating Procedures in accordance with **clause 13.4 (Testing of Operating Procedures)** whenever the Authority requires.
- 3.3 The Contractor shall at all times provide a secure, safe and decent Custodial Service as described in this **Part 1 (Custodial Services) of Schedule 1 (Authority's Custodial Service Requirements)** including in accordance with the individual Competition Operator Requirements.





- 3.4 The Contractor shall maintain the security, order and control of the Prison at all times. To achieve this the Contractor shall ensure (as a minimum) that it:
- 3.4.1 provides and maintains the physical environment of the Prison pursuant to **Schedule 11 (Property and Facilities Management)**;
  - 3.4.2 provides and maintains the security systems pursuant to **Schedule 11 (Property and Facilities Management)**;
  - 3.4.3 creates, delivers and manages a Local Security Strategy which is aligned to the National Security Framework in accordance with the Security Requirements; and
  - 3.4.4 delivers the security processes and procedures as set out in the Operating Manual and in accordance with Authority Policies.
- 3.5 The Contractor shall maintain the safety of the Prison including the safety of those living, working and visiting in the Prison. To achieve this the Contractor shall ensure (as a minimum) that it complies with:
- 3.5.1 all Health and Safety requirements as specified in Legislation, relevant Authority Policies and in accordance with the Operating Procedures and **Schedule 11 (Property and Facilities Management)**;
  - 3.5.2 the requirements for Cell Sharing Risk Assessments and the Assessment, Care in Custody Teamwork processes including implementing actions identified from the ACCT to reduce the risk to self or others; and
  - 3.5.3 all safety requirements specified in the Competition Operator Requirements.
- 3.6 The Contractor shall provide and maintain the decency (as such term is defined in the HMIP Expectations document), of the Prison environment and provide a decent Regime and service offer to Prisoners. In order to achieve this the Contractor shall ensure (as a minimum) that it:
- 3.6.1 provides and maintains the physical environment pursuant to **Schedule 11 (Property and Facilities Management)**;
  - 3.6.2 complies with the requirements relating to decency specified in the Competition Operator Requirements; and

- 3.6.3 produces and delivers to the Authority the Annual Custodial Service Delivery Plan.
- 3.7 The Contractor shall ensure that:
- 3.7.1 it works with all relevant statutory and non-statutory organisations including those delivering services in the Prison and in the local communities (including Relevant Organisations, Authority Suppliers and other Third Parties) with the express purpose to:
- 3.7.1.1 protect the public;
- 3.7.1.2 reduce re-offending;
- 3.7.1.3 prepare Prisoners for release and support their reintegration into the community; and
- 3.7.1.4 increase public confidence in the criminal justice system;
- 3.7.2 it undertakes such actions necessary to identify the differing needs of all Prisoners and, where a need is identified, enable the relevant Prisoner access to such Purposeful Activities, support, appropriate Third Party services, Interventions and work as may be required to ensure that Prisoners have fair and equal access to such Regimes and services pursuant to **paragraph 2.2 (Purpose)**; and
- 3.7.3 in order to promote equality of access to the Regime, Prisoners have access to translators and other assistance (including but not limited to material available in Easy Read format, British Sign Language assistance, support for Assistive Technology users) where the Prisoner has communication or other difficulties in line with requirements of the Authority from time to time, relevant equalities Legislation, Authority Policies and best practice guidance.
- 3.8 In working with statutory and non-statutory organisations (including Relevant Organisations, Authority Suppliers and other Third Parties), the Contractor shall (to the extent applicable to the Prison) work co-operatively for the purpose of discharging the Contractor's responsibilities to:
- 3.8.1 MAPPA;
- 3.8.2 Local Safeguarding Children Boards and its duties under the Children Act 2004; and



3.8.3 Safeguarding Adult Boards and Adult Safeguarding in Prisons including that pursuant to **Part 6 (Social Care)** of **Schedule 1 (Authority's Custodial Service Requirements)**.

3.9 The Contractor shall ensure that the Contractor's Operational Procedures are (and remain) compatible with the Authority's Custodial Service Requirements.

3.10 The Contractor shall ensure that the delivery of the Custodial Service shall contribute to the overall performance and objectives of HMPPS as measured through the PPT Measures.

#### 4. **Minimum Requirements**

4.1 In order to meet the Authority's minimum requirements for the Custodial Service the Contractor shall ensure that it:

4.1.1 delivers the individual Competition Operator Requirements;

4.1.2 complies with the required actions and key audit baselines contained in the policies and standards applicable to the Custodial Service pursuant to **Schedule 4 (Authority Policies)** including but not limited to:

4.1.2.1 Prison Rules;

4.1.2.2 HMPPS Standards;

4.1.2.3 HMPPS Agency Instructions;

4.1.2.4 Prison Service Instructions;

4.1.2.5 Prison Service Orders;

4.1.2.6 Policy Frameworks; and

4.1.2.7 HMIP Expectations;

4.1.3 provides the Custodial Service in accordance with the COR;

4.1.4 provides the Custodial Service in accordance with the Contractor's Operational Procedures;

- 4.1.5 provides the Custodial Service in accordance with the Annual Custodial Service Delivery Plan;
- 4.1.6 provides Purposeful Activities in accordance with **paragraph 5 (Purposeful Activity)** and **Schedule 7 (Contractor's Proposal)**;
- 4.1.7 provides sufficient facilities so that the Prison can be operated to its required capacity level including in accordance with **Schedule 14 (Payment Mechanism)**;
- 4.1.8 complies with all Prison Rules relating to a Prisoner Place, as defined by the Cell Certificate and the Certified Normal Accommodation, or to a Prisoner occupying that Prisoner Place;
- 4.1.9 takes steps to ensure that no Prisoner (other than when resident in the Healthcare areas of the Prison or in a Care and Separation Unit) is required to share a Prison Cell with any other Prisoner, except as permitted by this Contract or with the prior written approval of the Authority's Representative;
- 4.1.10 takes steps to ensure that any Prisoner permitted to share a Prison Cell in accordance with **paragraph 4.1.9 (Minimum Requirements)** above, has a Cell Sharing Risk Assessment undertaken. Any change in known or identified risk factors relating to a Cell Sharing Risk Assessment must be promptly reviewed by the Contractor in order to ensure the ongoing safety and security of the Prison and Prisoners it holds;
- 4.1.11 takes steps to ensure that any Prisoner occupying a Prisoner Place has available to them three meals daily served at appropriate times of the day that meet the Prisoner's dietary needs, to the extent that such Prisoner is physically present at the Prison at such meal times;
- 4.1.12 takes steps to ensure that any Prisoner occupying a Prisoner Place has available to them clothes to wear which are of a reasonable standard and that the Prisoner has the ability to ensure that such clothes remain clean, either through kit rotation or access to mechanical washing and detergents;
- 4.1.13 takes steps to ensure that any Prisoner occupying a Prisoner Place has access to potable water throughout the Day;

- 4.1.14 takes steps to ensure that any Prisoner occupying a Prisoner Place is provided with a bed with a mattress (and provided clean and adequate bedding) that meets the required standards and is maintained by the Contractor pursuant to **Schedule 11 (Property and Facilities Management)** so it is clean and of adequate repair;
  - 4.1.15 takes steps to ensure that the Prison Cell in which a Prisoner Place is located has heat, light and ventilation that complies with the requirements of Certified Normal Accommodation and such provision is maintained to the same standards required pursuant to **Schedule 11 (Property and Facilities Management)**;
  - 4.1.16 takes steps to ensure that any Prisoner occupying a Prisoner Place and who is present within the Prison establishment on that Day has access to hot water for washing purposes and access to adequate sanitation facilities at the times a Prisoner requires it throughout that Day;
  - 4.1.17 takes steps to ensure that any Prisoner occupying a Prisoner Place shall be provided with toilet articles necessary for their health and cleanliness, which shall be replaced by the Contractor as necessary;
  - 4.1.18 takes steps to ensure that the Prisoner Place has a Cell Call System which is in good working order and provides a Prisoner with a means of communicating with the Contractor's Staff in accordance with the requirements of the Contractor's Operating Documents;
  - 4.1.19 takes steps to ensure that the Cell Call System shall be tested and maintained in accordance with **Schedule 11 (Property and Facilities Management)** ensuring it remains in good working order throughout the life of the Contract; and
  - 4.1.20 takes steps to ensure that all activity required under the OMiC is facilitated including but not limited to ensuring any Prisoner occupying a Prisoner Place and identified as requiring the specialised service under the OMiC (as amended from time to time) has access to Probation Provider staff so that they are able to carry out their case management responsibilities.
- 4.2 The Authority will determine the appropriate numbers of Probation Provider staff to recruit and deploy in line with the OMiC as amended on an annual basis in accordance with the Prison population or any change in policy.

**5. Purposeful Activity**

- 5.1 Guidance on what activities may constitute Purposeful Activity is available in Purposeful Activity Technical Note.
- 5.2 Where the Contractor has any doubt about whether or not an activity constitutes Purposeful Activity, it shall consult with the Authority who shall have the ultimate decision as to the Contractor's compliance with the requirements of this **Part 1 (Custodial Services)** of **Schedule 1 (Authority's Custodial Service Requirements)**.
- 5.3 The Contractor shall operate and report in accordance with the Tiered Regime Model and as detailed on the Performance Hub.
- 5.4 Where the Contractor has any doubt about what tier a Purposeful Activity should be classified under, it shall consult with the Authority who shall have the ultimate decision as to the Contractor's compliance with the requirements of this **Part 1 (Custodial Services)** of **Schedule 1 (Authority's Custodial Service Requirements)**.

**6. Prisoners' Monies**

- 6.1 The Contractor shall ensure that it meets the requirements of PSI 01/2012 (Manage Prisoner Finance) (including any replacement document issued from time to time).
- 6.2 Prisoner monies shall be held by the Contractor in such a way to protect Prisoners from the loss or failure of the Contractor and which maintain Prisoners' rights to access their monies for all lawful use.
- 6.3 Where the Contractor provides an alternative system for the management of Prisoner monies to that provided by the Authority the Contractor shall, following receiving a Prisoner from a Prison operated by the public sector, zero the Prisoners' monies balance on the Authority's ICT System once the balance has been transferred to the Contractor's ICT System. Access and interaction between Authority's ICT System and Contractor's ICT System shall be carried out in accordance with **Schedule 2 (Digital)**.
- 6.4 The Contractor shall ensure that, when transferring Prisoners to other prisons;



- 6.4.1 on the Day of transfer, the Contractor updates the Authority's ICT System in accordance with **Schedule 2 (Digital)** with the Prisoner's monies balance at the point of transfer and that the Prisoner's monies balance is up to date at that point;
- 6.4.2 where the Authority ICT System cannot be updated with a Prisoner's money balance on the Day of transfer (for whatever reason), the Contractor shall ensure that the receiving prison is notified on the Day of transfer of the Prisoner's monies balance and that balance is accurate and up to date at that point and that the monies are transferred to the receiving prison within the time period set out at **paragraph 6.4.4 (Prisoners' Monies)** below;
- 6.4.3 any payment of a Prisoner monies balance made by the Contractor after the Day of transfer to the receiving prison must match the balance stated at the point of the Prisoner's transfer; and
- 6.4.4 any payment by the Contractor after the Day of transfer to the receiving prison must be sent within five (5) Business Days of that Prisoner's transfer to the receiving prison.

## 7. **Monitoring and Reporting**

### 7.1 **Preparation for Service and Mobilisation Meetings**

- 7.1.1 The Contractor shall agree with the Authority, and adhere to, the terms of the Mobilisation, Transition and Transformation Plan and attend the applicable meetings regarding mobilisation in accordance with **Schedule 5 (Mobilisation)**.

### 7.2 **Operational Briefing Sheet**

- 7.2.1 Each Business Day, the Contractor shall provide the Authority with an Operational Briefing Sheet. The Contractor shall ensure that the report contains (as a minimum):
  - 7.2.1.1 details of each incident that has occurred since the previously provided Operational Briefing Sheet, including incident type, use of force, details of the Prisoners and Contractor's Staff involved, date, time, location and management action taken place because of the incident;



- 7.2.1.2 details of Prisoners in the Care and Separation Unit that morning including the Prisoner's name, age, ethnicity, whether a Prisoner is being managed under ACCT procedures, reason for segregation and next review date;
- 7.2.1.3 details of any Prisoners that have not returned from hospital, including the Prisoner's name, age, whether a Prisoner is being managed under ACCT procedures, restraint and escort strength, reason for stay in hospital, expected return date and any management action taken place such as requesting compassionate release; and
- 7.2.1.4 details of the total numbers of Prisoners subject to Prison Rules 45 (vulnerable persons), 51 (segregation) and 53 (adjudications) in a format agreed by the Authority.

### 7.3 **Contract Review Meetings**

- 7.3.1 In addition to its obligations under **paragraph 7.4 (Controller/Director Meetings)** below, the Contractor shall:
  - 7.3.1.1 within thirty (30) Days prior to the Service Commencement Date, provide to the Authority, and subsequently adhere to, a schedule of Contract Review Meetings. These meetings shall be held once every thirty (30) Days until such time as the Authority notifies the Contractor that the Contract Review Meetings shall be held once each Performance Quarter;
  - 7.3.1.2 ensure the Director or the Director's senior representative (with the appropriate level of authority from the Director to make decisions on the Director's behalf) attends each Contract Review Meeting;
  - 7.3.1.3 at least ten (10) Business Days prior to any Contract Review Meeting, provide all information requested by the Authority in respect of that Contract Review Meeting in the Contract Review Meeting Director's Report referred to in **Appendix 2 (Contract Delivery Indicators)** to **Schedule 15 (Performance Mechanism)** as well as all other information as required by the Authority including but not limited to:
    - (a) a Health and Safety and Fire Report;





- (b) an exceptions report against the Annual Custodial Service Delivery Plan;
- (c) any audit or audit exceptions reports;
- (d) an exceptions reports against any action plans arising from the Controller/Director Meetings pursuant to **paragraph 7.4 (Controller/ Director Meetings)**;
- (e) the information defined in **clause 29.9 (Equality and Diversity Reports)**;
- (f) a financial report providing an update on the Contractor's financial performance (including the costs of providing the Services and performance against the Base Case) in such a form as is provided by the Authority; and
- (g) and any other information required pursuant to **Schedule 15 (Performance Mechanism)**;

7.3.1.4 discuss the status of any current Authority Changes or Contractor Changes at each Contract Review Meeting and the actions agreed; and

7.3.1.5 complete any actions which are agreed at the Contract Review Meeting within timescales agreed between the Contractor and the Authority at those meetings.

7.3.2 Each Contract Review Meeting shall be chaired by a senior contract manager of the Authority.

7.3.3 Matters for discussion at Contract Review Meetings include, but are not limited to, performance, safety, security, resourcing, continuous improvement and changes.

#### 7.4 **Controller/ Director Meetings**

7.4.1 The Contractor shall:

7.4.1.1 within thirty (30) Days prior to the Services Commencement Date, agree with the Controller, and subsequently adhere to, a schedule of Controller /

Director Meetings. The Controller/ Director Meetings shall be held once every thirty (30) Days unless and until the Controller and Director agree otherwise;

7.4.1.2 ensure that the Director or the Director's representative (who shall be of sufficient seniority and with the appropriate level of authority from the Director to make decisions on the Director's behalf) attends each Controller/Director Meeting;

7.4.1.3 at least five (5) Business Days prior to any Controller/ Director Meeting provide all information requested by the Controller in respect of that Controller/Director Meeting including but not limited to:

- (a) self-audit programme progress reports;
- (b) self-audit quality assurance report;
- (c) an Annual Resourcing Plan Profile Report;
- (d) copies of all substantiated complaints;
- (e) any up to date action plans arising from any internal or external audit reports;
- (f) a Safer Custody Report;
- (g) a monthly Security Report;
- (h) Search Risk Assessment Monthly Report;
- (i) Drug Strategy Monthly Report; and
- (j) and any other information required pursuant to **Schedule 15 (Performance Mechanism)**; and

7.4.1.4 complete any actions which are agreed at the Controller/ Director Meetings within timescales agreed between the Controller and the Director at those meetings.



7.5 Any failure to reach agreements under **paragraphs 7.3 (Contract Review Meetings) and 7.4 (Controller/ Director Meetings)** above will be subject to the Dispute Resolution Procedure.

## 8. **Audit and Assurance**

### 8.1 **Audit Approach**

8.1.1 The Contractor shall provide and operate as part of their Operating Documents an Audit Model that includes the following three (3) component parts:

8.1.1.1 the provision of self-audits and assurance of, by the Contractor in accordance with **paragraph 8.2 (Self-Audit by the Contractor)** below;

8.1.1.2 self-audit quality assurance of by the Contractor in accordance with **paragraph 8.3 (Self-Audit Quality Assurance)** below; and

8.1.1.3 audit reviews by the Authority in accordance with **paragraph 8.4 (Audit Reviews)** below.

### 8.2 **Self-Audit by the Contractor**

8.2.1 The Contractor shall resource, undertake and provide to the Authority's Representative a programme of self-audits as to the day to day performance of the Custodial Service. The objective of the self-audit programme is to examine:

8.2.1.1 compliance by the Contractor with its obligations under this Contract;

8.2.1.2 the performance of the Custodial Service against the Contract Delivery Indicators; and

8.2.1.3 the management of significant risks to successful provision of the Custodial Service.

8.2.2 Self-audits are in addition to the Daily Reports and Operational Briefing Sheets.

8.2.3 The Contractor's programme of self-audits shall commence on a date to be agreed with the Authority's Representative which shall be not more than the date which is ninety (90) Days following from the Service Commencement Date.



8.2.4 The Contractor shall report in writing its progress and findings on the self-audit programme to the Authority's Representative at least once every thirty (30) Days and, where the progress and findings relate to a Month in which any Controller/Director Meeting is held, the Contractor shall provide such within at least five (5) Business Days of such meeting. These will be reviewed at the Controller/Director Meeting in accordance with **paragraph 7.4 (Controller/Director Meetings)** above.

8.2.5 Where the self-audit programme identifies that the Contractor's performance is falling short of that required within the Authority Custodial Requirements, the Contractor shall, via the Controller/Director Meetings, agree with the Authority any actions on the Contractor that are necessary to address or improve the Custodial Service delivery (including any requirements identified by the Authority's Representative). This is without prejudice to the provisions for improvement and rectification set out in **Schedule 15 (Performance Mechanism)**.

8.2.6 The Contractor shall rectify any incidences of non-compliance that are reported in accordance with **paragraph 8.2.4 (Self-Audits by the Contractor)** in a timely manner in order to meet the requirements of PSO 0250.

### 8.3 **Self-Audit Quality Assurance**

8.3.1 The Contractor shall provide self-audit quality assurance in a manner that is reasonably acceptable to the Authority's Representative, including through the Contractor's external auditor's programme in order that the Authority's Representative can satisfy themselves as to the adequacy and accuracy of the Contractor's self-audit arrangements.

### 8.4 **Audit Reviews**

8.4.1 Without prejudice to **clause 23.2 (Authority Auditing)**, the Contractor shall allow and facilitate any audit, whether carried out by the Authority's Representative or any other person or body on behalf of the Authority's Representative (including Audit Agents), to examine the Contractor's arrangements for self-audit, compliance with its obligations under this Contract and governance arrangements. Any audit carried out by or on behalf of the Authority's Representative shall include:

- 8.4.1.1 a review of the Contractor's self-audit process, any self-audit report, self-audit quality assurance arrangements and any quality assurance report;
  - 8.4.1.2 a review of the compliance by the Contractor with its obligations to provide the Custodial Services; and
  - 8.4.1.3 confirmation that the Contractor continues to operate sound governance arrangements for the duration of the Custodial Service Period.
- 8.4.2 Where Authority's audit of the Contractor's self-audit programme identifies a failure to meet the industry standards as set out in the terms of that audit, the Contractor shall, via the Controller/Director Meetings, agree with the Authority any actions on the Contractor necessary to address those failures or issues with the Authority's Representative and any timescales in which such actions shall be implemented.



## **APPENDIX 1: Competition Operator Requirements**

The Competition Operator Requirements are set out in the document with file name 'Forest Bank – Schedule 1 Part 1 App 1 - COR' contained in the folder entitled 'USB Documents' made available at the Commencement Date to the Contractor on the Authority's procurement software, Jaggaer.

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**APPENDIX 2: Purposeful Activity Technical Note**

The Purposeful Activity Technical Note is set out overleaf.

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