

SCHEDULE 14 - CONTINUOUS IMPROVEMENT PLAN

1. Continuous Improvement Programme

1.1 The Contractor shall for the Contract Period, establish and implement a Continuous Improvement Programme which details measures designed to secure Continuous Improvement at no risk to or reduction in the quality of the Services delivered by the Contractor and measured under this Contract In particular the Contractor shall make proposals in respect of Schedule 2.17 of the SOR.

1.2 The Contractor shall:

- a. record its performance against the Continuous Improvement Programme, in line with the criteria in clause 23.2 (Continuous Improvement) and Schedule 9 (Contractor Management Plans) in the Level 3 Progress Report and review and summarise this performance at the Level 3 Meetings;
- b. implement Contractor CI pursuant to paragraph 4;
- c. implement Authority Approved CI pursuant to Schedule 5 (Change and Change Management);
- d. report the output of the Continuous Improvement Programme to the Authority at the Level 2 Meeting; and
- e. provide a Continuous Improvement Report to the Authority annually for discussion for the Level 1 Meeting.

1.3 The Continuous Improvement Programme is a live document and the Authority may propose changes to the Continuous Improvement Programme, which will be discussed at the Level 2 and Level 3 Meetings.

1.4 The Contractor shall ensure that its Sub-Contractors are incentivised to continuously improve their performance and provide evidence to the Contractor of its achievement.

2. Continuous Improvement Review

2.1 The Authority may conduct a Continuous Improvement Review in accordance with its rights in clause 23.4 of this Contract.

3. Authority Approved CI

3.1 Either Party may propose an Authority Approved CI opportunity at the Level 3 Meeting for inclusion in the Continuous Improvement Programme. If the opportunity is subsequently agreed by the Parties, the Continuous Improvement management process at paragraph 9 to Schedule 5 (Change and Change Management) shall apply.

3.2 In the event that the Level 2 Chairman identifies an Authority Approved CI opportunity that impacts on more than one Establishment then the Level 2 Chairman shall nominate a Level 3 Chairman to lead on the initiative.

4. Contractor CI

4.1 The Contractor may implement Contractor CI during the course of its delivery of the Services as appropriate. There is no requirement to amend the Contract in respect of Contractor CI.

5. Continuous Improvement Report

- 5.1 The Continuous Improvement Report shall include, as appropriate:
- a. lessons learned from the reviews referred to in paragraph 1.2a;
 - b. actions taken as a result of such reviews and building upon the lessons learned;
 - c. the expected benefits to Authority and the Contractor as a result of such actions; and
 - d. the extent to which the expected benefits from actions taken in previous periods have been or will be realised (with guaranteed timescales in this latter respect), including in terms of improved service delivery and improved Value for Money to the Authority.

6. Continuous Improvement Annual Benefits Statement

6.1 The Contractor shall provide an annual benefits statement as part of the Continuous Improvement Report showing the financial and performance benefits resulting from CI activities for that year. The statement shall include cost reductions and details of estimated indirect savings to the Authority such as reduced cost of equipment ownership, reduced use of accommodation and reduced man training days on Establishments.

6.2 This annual benefits statement shall be used by the Authority and used to evaluate the Contractor's performance as part of the Contract Review in accordance with clause 22 (Contract Review).