



Home Office

AUTHORITY: The Secretary of State for the Home Department

## **SCHEDULE 4**

### **PRICING, PAYMENT AND INVOICING**

#### **Provision of Adult Victims of Modern Slavery Care and Co-ordination Services**

## Scope

This Schedule sets out the charging arrangements including the pricing mechanism and the process with which the Contractor must comply, in order for the Authority to pay the amounts due for delivery of Services under this Contract promptly.

### 1 Invoices

1.1 The Contractor shall submit invoices for the payment (as further described below), monthly and in arrears.

1.1.1 Each invoice shall clearly state, as appropriate:

- a) The relevant purchase order number;
- b) The month to which the invoice applies;
- c) The Services (broken down per Assignment) to which the invoice relates;
- d) The total Contract Price;
- e) Any Service Credit deduction, as agreed with the Authority as described within Schedule 5 (**Performance Regime**) paragraph 3;
- f) The VAT if applicable.

1.1.2 All invoice values to be submitted in GBP.

### 1.2 Invoice Processing

#### Submission of Invoices for Payment

1.2.1 All invoices shall be submitted by the Contractor to the Authority at the address shown below, with the relevant purchase order reference specific to the Contractor, provided by the Authority:

Home Office Shared Service Centre  
HO Box 5015  
Newport  
Gwent, NP20 9BB

NB: Invoices should be sent electronically to [hossaint@homeoffice.gsi.gov.uk](mailto:hossaint@homeoffice.gsi.gov.uk) or by first class post. Special delivery and recorded postal services are not received directly by the invoicing processing team and therefore, if they are used, processing of the relevant invoice may be delayed.

1.2.2 Duplicate electronic copies of each and every invoice shall also be provided simultaneously to the Authority's Representative at the address shown below:

<Redacted>

Home Office Commercial  
Bedford Point  
2<sup>nd</sup> Floor  
35 Dingwall Road  
Croydon  
CR9 2EF

Electronic copies should be emailed to:

<Redacted>

And also to:

<Redacted>

Modern Slavery Unit  
Crime and Policing Group  
Home Office  
5th Floor Fry  
2 Marsham Street  
London  
SW1P 4DF

Electronic copies should be emailed to:

<Redacted>

- 1.2.3 For the avoidance of doubt, failure to provide the original invoice, or the duplicate copy, with the relevant purchase order clearly displayed may result in late payment. If this occurs, no late payment charges under Paragraph 1.4 below shall apply.

### **1.3 Authority Approval of Invoices**

- 1.3.1 The Authority shall validate and certify each invoice within 5 Working Days of receipt of invoices and the associated evidence, whichever is the later.
- 1.3.2 The Authority shall pay the Contractor within 30 calendar days of receiving the Contractor's valid and properly drawn up invoice at its nominated address for invoices.
- 1.3.3 The Authority shall have the right to dispute in good faith, any amount specified in an invoice submitted by the Contractor under the provisions of this Contract.
- 1.3.4 Minor Discrepancies- Where the Authority considers that there is a minor discrepancy, the Authority will authorise payment of the invoice. The Authority shall give notice to the Contractor of the

discrepancy within 5 working days of receipt of that invoice, providing any supporting evidence. Subject to agreement between the Authority and Contractor, an adjustment shall be made by the Contractor to the next invoice submitted to the Authority. If agreement cannot be reached the discrepancy will be managed in accordance with Paragraphs 1.3.4 to 1.3.9 (inclusive) of this Schedule 4.

- 1.3.5 Other discrepancies- Where the Authority disputes, in good faith, an invoice and the Authority does not consider this to be in respect of a minor discrepancy, it shall give notice to the Contractor of the discrepancy within 5 working of receipt of that invoice, providing supporting evidence and confirming that the invoice has been put into dispute.
- 1.3.6 The Contractor shall, within 5 working days, either confirm its agreement to the disputed amount or provide further evidence in to support of the claim for payment.
- 1.3.7 Where the Parties agree that the disputed payment should be made the Authority will authorise payment of the disputed invoice.
- 1.3.8 Where the parties agree that the disputed payment should not be made the Contractor will submit a credit note to the Authority addressee at 1.2.1. On receipt of a valid Credit Note the Authority will authorise payment of the disputed invoice.
- 1.3.9 Where the parties cannot reach agreement the invoice will remain in dispute and the Authority shall be under no obligation to make payment in accordance with 1.3.3 above and shall not be obliged to do so until such time as the reason for the disputed payment is resolved.
- 1.3.10 All payments will be made via the Bankers' Automated Clearance System (BACS).

## 2. PAYMENT

2.1 The Authority will pay to the Contractor the total Contract Price based on the management charges and volume of services provided in the relevant calendar month using the fee structure as follows:

- Management costs will be paid regardless of volumes.
- All other fees will be volume related and paid in direct relation to the volume of the services provided.
- Necessary travel costs for service users or support workers will be reimbursed. HMRC approved mileage rates will be used as a maximum allowance per mile.
- The initial £10.00 of necessary service user travel costs in any single week are to be met from their subsistence payments.

### 3. VARIATION OF CHARGES

3.1 The Contract Price (monthly fees) shall be fixed for the first year of the Contract. Thereafter, and during any extension periods, it shall be reviewed annually in accordance with this paragraph.

3.2. For the avoidance of doubt:

The Authority shall be using the Consumer Price Index (CPI) as the 'index'.

I. From 1 April 2016 and in respect of each Contract Year, the Contract Charges will be adjusted to take account of indexation.

II. The formula to be used for the calculation of the Contract Charges in respect of any Contract Year is:

$$\text{IRBF} = \text{BBF} \times \text{IM}$$

III. Where:

- IRBF is the Indexed Relevant Baseline Figure, effective upon the commencement of, and for the duration of, the relevant Contract Year
- BBF is the Indexed Relevant Baseline Figure for the preceding Contract Year
- IM is the indexation multiplier for a given contract year, calculated in accordance with the example below.

IV. The Indexation Multiplier is calculated based on the Annual Consumer Price Index data series D7BT, published by the Office for National Statistics. It is calculated by taking the ratio of the index for the current price year to that of the preceding price year. A worked example of applying the index is provided as follows:

**V. Example:**

The following represents an example of how the contract charges will be indexed for Contract Year 3.

The following assumption is assumed to have held constant for the first two contract years.

Rate of CPI Growth = 2%

Indexed Relevant Baseline Figure (IRBF), for England and Wales for the preceding Contract Year is assumed to be £5,000,000

$$\begin{aligned} \text{IM}_{\text{CY3}} &= \text{CPI}_{\text{CY3}} / \text{CPI}_{\text{CY2}} \\ &= 136.5 / 133.8 = 1.02 \end{aligned}$$

$$\text{IRBF}_{\text{CY3}} = \text{BBF} \times \text{IM} = £5,000,000 \times 1.02 = £5,100,000$$

Thus in Contract Year 3, on the basis of the assumptions used, applying the indexation multiplier for Contract Year 3 to the preceding year IRBF, would result in a Service Charge of £5,100,000

VI. Contract price adjustment shall be capped at 5% annually for any extension of the Contract.

3.4 Where the Authority approves a variation of the Services or the Contract Price, it shall do so using the governance process set out within clause 37 (Variation).