

EFAC Contract – Variation 52

Appendix 6

Schedule E Amendments

A. Schedule E (Service Requirements and Key Performance Indicators) Amendments

The title of **Schedule E** (and any references to it in the Contract) will be amended to "Service requirements and Performance Indicators"

Paragraph E1.8 of **Schedule E** will be deleted and replaced with the words "Not Used".

Paragraphs E1.17 through **E2** of **Schedule E** (inclusive) will be deleted and replaced with the following provisions:

E2. Performance Indicators

- E2.1 Appendix 1 sets out the Performance Indicators which shall be used to measure the performance of the Services by the Contractor.
- E2.2 For each Measurement Period, the Contractor shall achieve the Target Performance Level for each Performance Indicator. Key Performance Indicators and the Quality Performance Indicator shall be measured by Campaign during each Measurement Period. Standard Performance Indicators shall be measured across all Campaigns during each Measurement Period.
- E2.3 The Contractor shall monitor its performance against each Performance Indicator and shall send the Authority a report detailing the level of performance actually achieved in accordance with paragraph E7.

E3. Performance Failures

- E3.1 If the Contractor reasonably believes that a Performance Failure will occur as a result of a Default by the Authority, it shall:
 - (a) promptly notify the Authority and provide the Authority with full details of the alleged Default; and
 - (b) use its reasonable endeavours to eliminate or mitigate the consequences of the Default on the Services.
- E3.2 Subject to paragraph E4 and without prejudice to any other rights set out in this Contract in respect of a Performance Failure, if a Performance Failure occurs in respect of:
 - (a) the Quality Performance Indicator, the Authority shall have the right to reduce the Commission payable to the Contractor in accordance with paragraph B7.4 of Schedule B; and
 - (b) a Key Performance Indicator, Service Points shall accrue to the Contractor and the number of Service Points that accrue shall be the applicable number as set out in table 2 of Appendix 1.
- E3.3 If a Performance Failure occurs the Contractor shall use its reasonable endeavours to remedy such Performance Failure before the end of the next Measurement Period.

E4. Performance Failure Relief

E4.1 If a Performance Failure occurs and the Contractor demonstrates, in accordance with the process set out in this paragraph E4, that the Performance Failure would not have occurred but for a Default by the Authority, then:

- (a) the Contractor shall not be in breach of this Contract to the extent that it has demonstrated that the Performance Failure was caused by the Default by the Authority;
- (b) the Contractor shall be deemed to have achieved the relevant Performance Indicator for that Measurement Period; and
- (c) Service Points shall not accrue in respect of that Performance Failure.

E4.2 In order to claim any of the rights and/or relief set out in paragraph E4.1, the Contractor shall notify the Authority promptly and in any event within 10 Working Days of becoming aware of that Default and such notice shall:

- (i) identify the Performance Failure; and
- (ii) provide full details of the Default by the Authority,

(each a "**Relief Notice**").

E4.3 If the Authority receives a Relief Notice, it shall consider the Performance Failure and the reasons provided for the Performance Failure and it shall notify the Contractor within 5 Working Days whether or not it agrees with the Contractor's application for relief under paragraph E4.1.

E5. Service Credits

E5.1 At the end of each Campaign, the aggregate Service Points which have accrued in respect of that Redacted FOIA 2000 S43 (2)

E5.2 Redacted FOIA 2000 S43 (2).

E6. Correction Plans

E6.1 In the event of:

- (a) any KPI Performance Failure;
- (b) any QPI Performance Failure;
- (c) 5 or more SPI Performance Failures in any 4 consecutive Measurement Periods; or
- (d) any failure by the Contractor to remedy an SPI Performance Failure within the timeframes stated in a Performance Monitoring Report,

the Contractor shall, unless agreed otherwise with the Authority in writing, submit a draft Correction Plan to the Authority as soon as possible and, in any event, within 5 Working Days of the end of the Measurement Period which triggered the requirement for a Correction Plan.

E6.2 The draft Correction Plan shall set out:

- (a) the Performance Failures that have occurred;

- (b) an explanation for each Performance Failure;
- (c) the steps which the Contractor proposes to take to remedy each of the Performance Failures and prevent the reoccurrence of such Performance Failures; and
- (d) the date by which each Performance Failure shall be remedied.

The Contractor shall promptly provide to the Authority any further documentation that the Authority reasonably requires to assess the draft Correction Plan.

E6.3 The Authority may reject the draft Correction Plan by notice to the Contractor if, acting reasonably, it considers that the draft Correction Plan is inadequate, for example because the draft Correction Plan:

- (a) is insufficiently detailed to be capable of proper evaluation;
- (b) will take too long to complete; and/or
- (c) will not prevent reoccurrence of the Performance Failure.

E6.4 The Authority shall notify the Contractor whether it, acting reasonably, consents to or rejects the draft Correction Plan as soon as reasonably practicable and in any event within 5 Working Days of receipt of the draft Correction Plan. If the Authority, acting reasonably, rejects the draft Correction Plan, the Authority shall give reasons for its decision and the Contractor shall take the reasons into account in the preparation of a revised Correction Plan. The Contractor shall submit the revised draft of the Correction Plan to the Authority for review within 5 Working Days (or such other period as agreed between the Parties) of the Authority's notice rejecting the first draft. The Authority shall notify the Contractor whether it, acting reasonably, consents to or rejects the revised draft Correction Plan as soon as reasonably practicable and in any event within 5 Working Days of receipt of the revised draft Correction Plan.

E6.5 In the event that the Authority, acting reasonably, rejects the revised draft Correction Plan, the Parties shall, within 2 Working Days of notice of such rejection escalate the matter to appropriate members of senior management within each Party. If such members of senior management are unable to resolve the matter within 15 Working Days of escalation, either Party may refer the matter to mediation in accordance with Clause H2.5.

E6.6 If the Authority consents to the Correction Plan the Contractor shall:

- (a) comply with its obligations set out in the Correction Plan; and
- (b) provide the Authority with weekly updates of progress against the Correction Plan.

E7. Key Performance Indicator and Standard Performance Indicator Reporting

E7.1 Within 24 hours of the end of each Measurement Period, the Contractor shall provide a report to the Authority which summarises the performance by the Contractor against each of the Key Performance Indicators and Standard Performance Indicators (other than the Quality SPIs) during the relevant Measurement Period as more particularly described in Paragraph E7.2 (the "**Performance Monitoring Report**").

E7.2 The Performance Monitoring Report shall be in such format as agreed between the Parties from time to time and contain, as a minimum, the following information set out (by Campaign in respect

of Key Performance Indicators and across all Campaigns in respect of the Standard Performance Indicators):

- (a) the Actual Performance Level achieved by the Contractor for each Key Performance Indicator and Standard Performance Indicator;
- (b) the number of KPI Performance Failures and SPI Performance Failures that occurred during the Measurement Period;
- (c) in respect of each KPI Performance Failure, the number of:
 - (i) Amber Green Performance Failures;
 - (ii) Amber Performance Failures;
 - (iii) Red Performance Failures and
 - (iv) Black Performance Failures;
- (d) a rolling total of the number of KPI Performance Failures and SPI Performance Failures that have occurred:

Redacted FOIA 2000 S43 (2)

shown in the aggregate and by Measurement Period;
- (e) in respect of each SPI Performance Failure:
 - (i) a brief explanation for the cause of such SPI Performance Failure; and
 - (ii) the timeframe by which the Contractor expects to resolve the cause for the SPI Performance Failure and achieve the Target Performance Level for that Standard Performance Indicator;
- (f) the number of Service Points which have accrued during that Measurement Period;
- (g) the total Service Points which could have accrued during that Measurement Period; and
- (h) the total number of Service Points which have accrued during the Campaign.

E7.3 The Parties shall consider the Performance Monitoring Reports at the monthly Contract management meetings held in accordance with Schedule D.

E7.4 The Authority shall be entitled to raise any additional questions and/or request any further information from the Contractor regarding any Performance Failure and any Performance Monitoring Report.

E8. Supporting Documentation and Performance Records

E8.1 The Contractor shall provide to the Authority such supporting documentation as the Authority may reasonably require in order to verify the Actual Performance Level achieved by the Contractor in respect of each Performance Indicator during each Measurement Period.

E8.2 The Contractor shall ensure that the Performance Monitoring Report and any variations or amendments thereto, any supporting documents and any other document or record reasonably

required by the Authority are available to the Authority via a shared workspace and are capable of being printed.

E9. Quality Measurements

- E9.1 The Authority shall determine the Actual Performance Level achieved in respect of the Quality Performance Indicator and each of the Quality SPIs by reviewing a sample of the relevant decisions made by the Contractor during the relevant Measurement Period. Such sample decisions shall be randomly selected by the Authority. The Authority shall determine the sample size for each Measurement Period which, in the case of the Quality Performance Indicator, Redacted FOIA 2000 S43 (2) (unless the number of decisions made by the Contractor in the Measurement Period Redacted FOIA 2000 S43 (2) in which case the Authority shall be entitled to review all such decisions).
- E9.2 Within 15 Working Days of the end of each Measurement Period, the Authority shall deliver to the Contractor a report setting out:
- (a) the decisions which the Authority has determined have failed to meet all the Quality Criteria for each of the Quality Performance Indicator and the Quality SPIs (the **"Failed Decisions"**); and
 - (b) the Actual Performance Level achieved for each of the Quality Performance Indicator and the Quality SPIs.
- E9.3 Within 7 Working days of receipt of such report, the Contractor shall notify the Authority in writing if it disputes any of the Failed Decisions. Such notice shall identify the disputed Failed Decisions and the reasons for disputing such Failed Decisions.
- E9.4 Within 5 Working Days of the Contractor's notice, the Authority shall review the disputed Failed Decisions and notify the Contractor in writing:
- (a) which (if any) of such disputed Failed Decisions in fact meet the Quality Criteria; and
 - (b) any revised Actual Performance Level achieved for each of the Quality Performance Indicator and the Quality SPIs.
- E9.5 The Authority's decision made following such review shall be final.

Appendix 1 Performance Indicators

Table 1: Quality Performance Indicators

No.	Definition	Target Performance Level
QPI1	The number of the sampled decisions made by the Contractor under S16, S18 and S24 of the Tax Credits Act 2002 which meet all of the Quality Criteria as a percentage of the sample size.	≥ 97%

Table 2: Key Performance Indicators

No.	Title	Definition	Performance Level	Service Points
KPI1	Telephony Performance	The number of customer calls answered by an agent within 5 minutes of the call being made as a percentage of the total number of calls attempted.	Target Performance Level: ≥ 90% Amber Green: 80% to 89.99% Amber: 60% to 79.99% Red: 40% to 59.99% Black: < 40%	0 2 4 10 20
KPI2	Post (15 Working Days)	Percentage of post opened, scanned, and any documents returned to the customer or disposed of as appropriate within 15 Working Days of receipt.	Target Performance Level: ≥ 80% Amber Green: 70.00% to 79.99% Amber: 60.00% to 69.99% Red: 50.00% to 59.99% Black: <50%	0 0.5 1 2.5 5
KPI3	Post (40 Working Days)	Percentage of post opened, scanned, and any documents returned to the customer or disposed of as appropriate within 40 Working Days of receipt.	Target Performance Level: 100% Amber Green: 95.00% to 99.99% Amber: 90.00% to 94.99% Red: 80.00% to 89.99% Black: <80.00%	0 0.5 1 2.5 5

Table 3: Standard Performance Indicators

No.	Definition	Target Performance Level
SPI1	The Contractor will return 100% of de-selected cases to the Authority within 20 Working Days of receipt.	100%
SPI2	The Contractor will ensure that 95% of outbound letters are accurate including customer details and fact sheets.	≥ 95%
SPI3	The Contractor will ensure that 80% of opened tax credits interventions are closed within an average of 75 days (excluding reconsiderations), and 100% are closed within an average of 90 days. This applies to HRCC Campaign only.	≥ 75% within 75 days 100% within 90 days
SPI4	The Contractor will ensure that 97% of decisions made by the Contractor under S16, S18 and S24 of the Tax Credits Act 2002 are accurate measured against the Quality Criteria.	≥ 97%
SPI5	The Contractor will ensure that 97% of decisions made by the Contractor under S31 and S32 of the Tax Credits Act 2002 (penalty determinations) are accurate measured against the Quality Criteria.	≥ 97%
SPI6	The Contractor will ensure that 97% of reconsideration decisions made by the Contractor are accurate measured against the Quality Criteria.	≥ 97%
SPI7	The Contractor will ensure that 95% of original identification documents (e.g. passport, birth certificates (list not exhaustive)) are dispatched by post back to the customer within 2 Working Days of the Contractor identifying that it has received original identification documents.	≥ 95%
SPI8	The Contractor will ensure that 100% of original identification documents (e.g. passport, birth certificates (list not exhaustive)) are dispatched by post back to the customer within 5 Working Days of the Contractor identifying that it has received original identification documents.	100%
SPI9	The Contractor will ensure that 97% of all customer contacts by telephone are accurate and in adherence with the HMRC Customer Charter, measured from a random sample size.	≥ 97%
SPI10	The Contractor will ensure that 80% of tone & treatment complaints are actioned and a response sent to the customer within 15 Working Days.	≥ 80%
SPI11	The Contractor will ensure that 100% of tone and treatment complaints are actioned and a response sent to the customer within 40 Working Days.	100%

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No.	Definition	Target Performance Level
SPI12	The Contractor will ensure that tone & treatment complaints are actioned and a response sent to the Customer to 97% accuracy measured against the Quality Criteria.	≥ 97%
SPI13	The Contractor will refer all non tone & treatment complaints to the Authority within 5 Working Days of receipt.	100%
SPI14	The Contractor will ensure that the number of tone and treatment complaints upheld does not exceed 1% of tone and treatment complaints received.	≤ 1%
SPI15	The Contractor will keep 100% of customer data safe on transfer and receipt. The Contractor will have no instance of serious data loss. The Contractor and its personnel should cause no instance of serious security incidents involving the loss or compromise of Authority and / or Customer information.	100%
SPI16	The Contractor will report 100% of security incidents to the Authority's Security Incident Management Team (DST) within 2 Working Days of identification.	100%
SPI17	The Contractor will ensure that 100% of Contractor personnel conform to agreed HMRC management security checks.	100%
SPI18	The Contractor will ensure that all cases where there is a known media or parliamentary interest (as advised by the Authority) are sent to the Authority by email within 24 hours, including weekends, via a named contact.	100%
SPI19	Upon request by the Authority, the Contractor will provide a report, in a format to be agreed, of the facts of the cases giving rise to the media or parliamentary interest and, where appropriate, an assessment of any remedial action to be taken to resolve by the next Working Day.	100%