

SCHEDULE 18**TUPE, EMPLOYEES AND PENSIONS**

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PART 1: STAFF TRANSFER ON COMMENCEMENT

1. DEFINITIONS

In this Schedule, the following definitions shall apply:

"Actuary"	means a Fellow of the Institute and Faculty of Actuaries;
"Administering Authority"	means, in relation to the Fund, the relevant Administering Authority of that Fund for the purposes of the Local Government Pension Scheme Regulations 2013;
"Admission Agreement"	means either or both of the CSPA Admission Agreement or the LGPS Admission Agreement, as the context requires;
"Broadly Comparable"	means: <ul style="list-style-type: none">(a) in respect of a pension scheme, a status satisfying the condition that there are no identifiable employees who will suffer material detriment overall in terms of future accrual of pension benefits as assessed in accordance with Annex A of New Fair Deal and demonstrated by the issue by the Government Actuary's Department of a broad comparability certificate; and/or(b) in respect of benefits provided for or in respect of a member under a pension scheme, benefits that are consistent with that pension scheme's certificate of broad comparability issued by the Government Actuary's Department, and " Broad Comparability " shall be construed accordingly;
"Contractor's Final Contractor Personnel List"	means a list provided by the Contractor of all Contractor's Staff who will transfer under the Employment Regulations on the Service Transfer Date;
"Contractor's Provisional Contractor Personnel List"	means a list prepared and updated by the Contractor of all Contractor's Staff who are at the date of the list wholly or mainly engaged in or assigned to the provision of the Services or any relevant part of the Services which it is envisaged as at the date of such list will no longer be provided by the Contractor;

"CSPS"	means the "Alpha" pension scheme introduced under The Public Service (Civil Servants and Others) Pensions Regulations 2014 available to Civil Servants and employees of bodies under Schedule 1 of the Superannuation Act 1972 (and eligible employees of other bodies admitted to participate under a determination under section 25 of the Public Service Pensions Act 2013), as governed by rules adopted by Parliament; the Partnership Pension Account and its (i) Ill health Benefits Arrangements and (ii) Death Benefits Arrangements and the Civil Service Additional Voluntary Contribution Scheme;
"CSPS Admission Agreement"	means an admission agreement in the form available on the Civil Service Pensions website immediately prior to the Relevant Transfer Date, and including any variation of such admission agreement as directed by Civil Service Pensions, to be entered into for the CSPS in respect of the Services;
"CSPS Eligible Employee"	means any Fair Deal Employee who at the relevant time is an eligible employee as defined in the CSPS Admission Agreement;
"Direction Letter"	means a NHS Pensions Direction or Determination (as appropriate) issued by the Secretary of State in exercise of the powers conferred by section 7 of the Superannuation (Miscellaneous Provisions) Act 1967 or by section 25 of the Public Service Pensions Act 2013 (as appropriate) and issued to the Contractor or a Sub-Contractor (as appropriate) relating to the terms of participation of the Contractor or Sub-Contractor in the NHSPS in respect of the NHSPS Eligible Employees;
"Employment Regulations"	means the Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006/246) as amended or replaced;
"Excess Amount"	means any Pension Costs incurred by the Contractor or its Sub-Contractors in any Pension Period that exceed the Pension Base Cost;

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"Exit Period"	has the meaning given to it in Schedule 24 (Handover and Exit Management) ;
"Fair Deal Employees"	<p>means any of:</p> <ul style="list-style-type: none"> (a) Transferring Former Contractor Employees; (b) employees who are not Transferring Former Contractor Employees but to whom the Employment Regulations apply on the Relevant Transfer Date to transfer their employment to the Contractor or a Sub-Contractor, and whose employment is not terminated in accordance with the provisions of paragraph 2.3 of Part A (Not Used) and Part B (Transferring Former Contractor Employees at Commencement of Services) of this Schedule 18 (TUPE, Employees and Pensions); and (c) employees of the Former Contractor where the Former Contractor becomes the Contractor, <p>where such employees at the Commencement Date or Relevant Transfer Date (as appropriate) are or become entitled to New Fair Deal protection in respect of any of the Statutory Schemes as notified by the Authority;</p>
"Fair Deal Schemes"	means the relevant Statutory Scheme or a Broadly Comparable pension scheme;
"Former Contractor"	means a contractor supplying services to the Authority before any Relevant Transfer Date that are the same as or substantially similar to the Services (or any part of the Services) and shall include any sub-contractor of such contractor (or any sub-contractor of any such sub-contractor);
"Fund"	means [not applicable], a pension fund within the LGPS;
"Fund Actuary"	means the actuary to a Fund appointed by the Administering Authority of that Fund;

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"LGPS"	means the Local Government Pension Scheme as governed by the LGPS Regulations, and any other regulations (in each case as amended from time to time) which are from time to time applicable to the Local Government Pension Scheme;
"LGPS Admission Agreement"	means an admission agreement within the meaning in Schedule 1 of the Local Government Pension Scheme Regulations 2013;
"LGPS Admission Body"	means an admission body (within the meaning of Part 3 of Schedule 2 of the Local Government Pension Scheme Regulations 2013);
"LGPS Eligible Employees"	means any Fair Deal Employee who at the relevant time is an eligible employee as defined in the LGPS Admission Agreement or otherwise any Fair Deal Employees who immediately before the Relevant Transfer Date was a member of, or was entitled to become a member of, or but for their compulsory transfer of employment would have been entitled to be or become a member of, the LGPS or of a scheme Broadly Comparable to the LGPS;
"LGPS Regulations"	means the Local Government Pension Scheme Regulations 2013 (SI 2013/2356) and The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014, and any other regulations (in each case as amended from time to time) which are from time to time applicable to the LGPS;
"New Fair Deal"	<p>means the revised Fair Deal position set out in the HM Treasury guidance: "Fair Deal for staff pensions: staff transfer from central government" issued in October 2013 including:</p> <ul style="list-style-type: none">(a) any amendments to that document immediately prior to the Relevant Transfer Date; and(b) any similar pension protection in accordance with the Part D, Annexes D1 to D3 inclusive to Part 1 (Staff Transfer on Commencement) of this Schedule 18

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(TUPE, Employees and Pensions) as notified to the Contractor by the Authority;

- "New Sub-Contractor"** means a sub-contractor of the New Contractor to whom Transferring Contractor Employees will transfer on a Service Transfer Date (or any sub-contractor of any such sub-contractor);
- "NHS Body"** has the meaning given to it in section 275 of the National Health Service Act 2006 as amended by section 138(2)(c) of Schedule 4 to the Health and Social Care Act 2012;
- "NHSPS Eligible Employees"** means each of the Fair Deal Employees who at a Relevant Transfer Date was a member of, or was entitled to become a member of, or but for their compulsory transfer of employment would have been entitled to be or become a member of, the NHSPS as a result of either:
- (a) their employment with the Authority, an NHS Body or other employer which participates automatically in the NHSPS; or
 - (b) their employment with a Former Contractor who provides access to the NHSPS pursuant to an NHS Pensions Direction or Determination (as appropriate) issued by the Secretary of State in exercise of the powers conferred by section 7 of the Superannuation (Miscellaneous Provisions) Act 1967 or by section 25 of the Public Service Pensions Act 2013 (as appropriate) in respect of their employment with that Former Contractor (on the basis that they are entitled to protection under New Fair Deal and were permitted to re-join the NHSPS, having been formerly in employment with the Authority, an NHS Body or other employer who participated automatically in the NHSPS in connection with the Services, prior to being employed by the Former Contractor),

and, in each case, being continuously engaged for more than fifty per cent (50%) of their employed time in the delivery of services (the same as or similar to the Services).

For the avoidance of doubt, an individual who is in or entitled to become a member of the NHSPS as a result of being engaged in the Services and being covered by an "open" Direction Letter or other NHSPS "access" facility but who has never been employed directly by an NHS Body (or other body which participates automatically in the NHSPS) is not an NHSPS Eligible Employee;

"NHS Pensions"

means NHS Pensions as the administrators of the NHSPS or such other body as may from time to time be responsible for relevant administrative functions of the NHSPS;

"NHS Pension Scheme Arrears"

means any failure on the part of the Contractor or its Sub-Contractors (if any) to pay employer's contributions or deduct and pay across employee's contributions to the NHSPS or meet any other financial obligations under the NHSPS or any Direction Letter in respect of the NHSPS Eligible Employees;

"NHS Pension Scheme Regulations"

means, as appropriate, any or all of the National Health Service Pension Scheme Regulations 1995 (SI 1995/300), the National Health Service Pension Scheme Regulations 2008 (SI 2008/653), the National Health Service Pension Scheme Regulations 2015 (2015/94) and any subsequent regulations made in respect of the NHSPS, each as amended from time to time;

"NHS Premature Retirement Rights"

means any rights to which any Fair Deal Employee (had they remained in the employment of the Authority, an NHS Body or other employer which participates automatically in the NHSPS) would have been or are entitled under the NHS Pension Scheme Regulations, the NHS Compensation for Premature Retirement Regulations 2002 (SI 2002/1311), the NHS (Injury Benefits) Regulations 1995 (SI 1995/866) and section 45 of the General Whitley Council conditions of service, or any other legislative

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or contractual provision which replaces, amends, extends or consolidates the same from time to time;

"NHSPS"

means the National Health Service Pension Scheme for England and Wales, established pursuant to the Superannuation Act 1972 and governed by subsequent regulations under that Act including the NHS Pension Scheme Regulations;

**"Notified
Sub-Contractor"**

means a Sub-Contractor identified in **Part 1, Part B, Annex B1** of this **Schedule 18 (TUPE, Employees and Pensions)** to whom Transferring Former Contractor Employees will transfer on a Relevant Transfer Date;

"Pension Base Cost"

means in relation to the LGPS Eligible Employees, who are at the relevant time members of the LGPS:

- (a) [not applicable]% of pensionable pay for those who are members of [not applicable];
- (b) [not applicable]% of pensionable pay for those who are members of [not applicable]; and
- (c) [not applicable]% of pensionable pay for those who are members of [not applicable];

("pensionable pay" for these purposes as defined under the LGPS Regulations);

"Pension Benefits"

means any benefits payable in respect of an individual (including but not limited to pensions related allowances and lump sums) relating to old age, invalidity or survivor's benefits provided under an occupational pension scheme;

"Pension Costs"

means the costs of complying with the Pension Requirements, but excluding any costs relating to:

- (a) the provision of any bond or indemnity that the Contractor or its Sub-Contractors are required to provide under the terms of any LGPS Admission Agreement; and

- (b) the provision of advice from the actuary to the LGPS arising from the instruction from the Contractor or its Sub-Contractors in relation to the Pension Requirements;

which will be covered by the Contractor or Sub-Contractor, as appropriate;

"Pension Period"

means [not applicable];

"Pension Requirements"

means the terms and conditions set out in:

- (a) **paragraph 2 (Right of Set-Off) of Annex D3 to Part D and paragraph 4 (Discretionary Benefits) of Annex D3 to Part D, to Part 1 (Staff Transfer on Commencement) of this Schedule 18 (TUPE, Employees and Pensions); and**

- (b) the LGPS Admission Agreement,

but in each case in respect of LGPS Eligible Employees only;

"Relevant Transfer"

means a transfer of employment to which the Employment Regulations applies;

"Relevant Transfer Date"

means, in relation to a Relevant Transfer, the date upon which the Relevant Transfer takes place or the Commencement Date where the Former Contractor and the Contractor remain the same legal entity;

"Replacement Sub-Contractor"

means any person who has entered or who will enter into a new Sub-Contract with the Contractor to replace an existing Sub-Contract;

"Retirement Benefits Scheme"

means a pension scheme registered under Chapter 2 of Part 4 of the Finance Act 2004;

"Service Transfer"

means any transfer of the Services (or any part of the Services), for whatever reason, from the Contractor or any Sub-Contractor to a New Contractor or a New Sub-Contractor;

"Service Transfer Date"	means the date of a Service Transfer or, if more than one, the date of the relevant Service Transfer as the context requires;
"Staffing Information"	means in relation to all persons identified on the Contractor's Provisional Contractor Personnel List or Contractor's Final Contractor Personnel List, as the case may be, all information required in Part 4, Annex 1: Staffing Information in the format specified and with the identities of Data Subjects anonymised where possible. The Authority may acting reasonably make changes to the format or information requested in Part 4, Annex 1: Staffing Information from time to time;
"Statutory Schemes"	means the CSPS, NHSPS or LGPS;
"Transferring Former Contractor Employees"	means in relation to a Former Contractor, those employees of the Former Contractor to whom the Employment Regulations will apply on the Relevant Transfer Date and whose names are provided to the Contractor on or prior to the Relevant Transfer Date; and
"Transferring Contractor Employees"	means those employees of the Contractor and/or the Contractor's Sub-Contractors to whom the Employment Regulations will apply on the Service Transfer Date.

2. **INTERPRETATION**

Where a provision in this **Schedule 18 (TUPE, Employees and Pensions)** imposes an obligation on the Contractor to provide an indemnity, undertaking or warranty, the Contractor shall procure that each of its Sub-Contractors shall comply with such obligation and provide such indemnity, undertaking or warranty to the Authority, Former Contractor, New Contractor or New Sub-Contractor, as the case may be.

PART A: NOT USED

**PART B: TRANSFERRING FORMER CONTRACTOR EMPLOYEES AT
COMMENCEMENT OF SERVICES**

1. RELEVANT TRANSFERS

1.1 The Authority and the Contractor agree that:

1.1.1 the commencement of the provision of the Services or of any relevant part of the Services will be a Relevant Transfer in relation to the Transferring Former Contractor Employees;

1.1.2 as a result of the operation of the Employment Regulations, the contracts of employment between each Former Contractor and the Transferring Former Contractor Employees (except in relation to any terms disapplied through the operation of regulation 10(2) of the Employment Regulations) shall have effect on and from the Relevant Transfer Date as if originally made between the Contractor and/or Notified Sub-Contractor and each such Transferring Former Contractor Employee; and

1.1.3 notwithstanding the acknowledgement and agreement in **paragraph 1.1.1 (Relevant Transfers)** of this **Part B** above, should it be considered or determined that there is not a Relevant Transfer or that the Employment Regulations do not apply in relation to any of the Transferring Former Contractor Employees, the Contractor shall (and shall procure that any Notified Sub-Contractor shall), with effect from the commencement of the provision of the Services, treat such Transferring Former Contractor Employees as if the Employment Regulations did and do apply and that they had and have been subject to a Relevant Transfer to the Contractor (or Notified Sub-Contractor).

1.2 The Authority shall seek to ensure that the Special Purpose Vehicle and any Former Contractor shall discharge all obligations in respect of all the Transferring Former Contractor Employees in respect of the period up to (but not including) the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions which in any case are attributable in whole or in part in respect of the period up to (but not including) the Relevant Transfer Date but excluding accrued but untaken holiday pay) and the Contractor shall make, and the Authority shall seek to ensure that the Special Purpose Vehicle and any Former Contractor makes, any necessary apportionments in respect of any periodic payments (excluding untaken holiday pay).

2. FORMER CONTRACTOR INDEMNITIES

2.1 Subject to **paragraphs 2.2 and 2.3 (Former Contractor Indemnities)** of this **Part B**, the Authority shall indemnify the Contractor and any Notified Sub-Contractor against any Employee Liabilities arising from or as a result of:

2.1.1 any act or omission by the Former Contractor in respect of any Transferring Former Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Contractor Employee arising before the Relevant Transfer Date;

2.1.2 the breach or non-observance by the Former Contractor arising before the Relevant Transfer Date of:

2.1.2.1 any collective agreement applicable to the Transferring Former Contractor Employees; and/or

2.1.2.2 any custom or practice in respect of any Transferring Former Contractor Employees which the Former Contractor is contractually bound to honour; and/or

2.1.3 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

2.1.3.1 in relation to any Transferring Former Contractor Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before the Relevant Transfer Date; and

2.1.3.2 in relation to any employee who is not a Transferring Former Contractor Employee and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer their employment from the Former Contractor to the Contractor and/or any Notified Sub-Contractor as appropriate, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations in respect of the period to (but excluding) the Relevant Transfer Date;

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- 2.1.4 a failure of the Former Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Contractor Employees in respect of the period to (but excluding) the Relevant Transfer Date;
- 2.1.5 any claim made by or in respect of any person employed or formerly employed by the Former Contractor other than a Transferring Former Contractor Employee for whom it is alleged the Contractor and/or any Notified Sub-Contractor as appropriate may be liable by virtue of this Agreement and/or the Employment Regulations; and
- 2.1.6 any claim made by or in respect of a Transferring Former Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Contractor Employee relating to any act or omission of the Former Contractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Contractor or any Sub-Contractor to comply with regulation 13(4) of the Employment Regulations.
- 2.2 The indemnities in **paragraph 2.1 (Former Contractor Indemnities)** of this **Part B** shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Contractor or any Sub-Contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities:
- 2.2.1 arising out of the resignation of any Transferring Former Contractor Employee before the Relevant Transfer Date on account of substantial detrimental changes to their working conditions proposed by the Contractor or any Sub-Contractor to occur in the period from (and including) the Relevant Transfer Date; or
- 2.2.2 arising from the failure by the Contractor and/or any Sub-Contractor to comply with its obligations under the Employment Regulations.
- 2.3 The indemnities provided in **paragraph 2.1 (Former Contractor Indemnities)** shall be subject to:
- 2.3.1 the Contractor and/or any Notified Sub-Contractor using all reasonable endeavours to mitigate the Employee Liabilities;

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- 2.3.2 the Contractor and/or any Notified Sub-Contractor complying with all relevant contractual and statutory obligations; and
- 2.3.3 any claim in respect of the indemnities being notified to the Authority by the Contractor within three (3) months of the Relevant Transfer Date, after such time the indemnity provided in **paragraph 2.1 (Former Contractor Indemnities)** shall cease to be effective.
- 2.4 If any person who is not identified as a Transferring Former Contractor Employee claims, or it is determined, that their contract of employment has been transferred from a Former Contractor to the Contractor and/or any Notified Sub-Contractor pursuant to the Employment Regulations then:
- 2.4.1 the Contractor shall, or shall procure that the Notified Sub-Contractor shall, as soon as reasonably possible and in any event by no later than 5 Days of becoming aware of that fact, give notice in writing to the Authority and, where required by the Authority, to the Former Contractor; and
- 2.4.2 the Former Contractor may offer (or may procure that a third party may offer) employment to such person or take such other reasonable steps as the Former Contractor considers appropriate to deal with the matter provided that such steps are in compliance with applicable Legislation.
- 2.5 If an offer referred to in **paragraph 2.4.2 (Former Contractor Indemnities)** of this **Part B** is accepted, or if the situation has otherwise been resolved by the Former Contractor and/or the Authority, the Contractor shall, or shall procure that the Notified Sub-Contractor shall, immediately release the person from their employment or alleged employment.
- 2.6 If:
- 2.6.1 no such offer of employment has been made;
- 2.6.2 such offer has been made but not accepted; or
- 2.6.3 the situation has not otherwise been resolved,
- the Contractor and/or any Notified Sub-Contractor may within 10 Days of becoming aware of the person's claim give notice to terminate the employment or alleged employment of such person.



- 2.7 Subject to the Contractor and/or any Notified Sub-Contractor acting in accordance with the provisions of **paragraphs 2.4 to 2.6 (Former Contractor Indemnities)** of this **Part B** and, where possible, in accordance with all applicable proper employment procedures set out in Law, the Authority shall indemnify the Contractor and/or any Notified Sub-Contractor (as appropriate) against all Employee Liabilities arising out of the termination of employment pursuant to the provisions of **paragraph 2.6 (Former Contractor Indemnities)** of this **Part B** provided that the Contractor takes, or shall procure that the Notified Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.
- 2.8 The indemnity in **paragraph 2.7 (Former Contractor Indemnities)** of this **Part B**:
- 2.8.1 shall not apply to:
- 2.8.1.1 any claim for:
- (a) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
- (b) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,
- 2.8.1.2 in any case in relation to any alleged act or omission of the Contractor and/or any Sub-Contractor; and
- 2.8.2 shall apply only where the notification referred to in **paragraph 2.4.1 (Former Contractor Indemnities)** of this **Part B** is made by the Contractor and/or any Notified Sub-Contractor (as appropriate) to the Authority and, if applicable, the Former Contractor, within six (6) months of the Relevant Transfer Date.
- 2.9 If any such person as is described in **paragraph 2.4 (Former Contractor Indemnities)** of this **Part B** is neither re-employed by the Former Contractor nor dismissed by the Contractor and/or any Notified Sub-Contractor within the time scales set out in **paragraph 2.6 (Former Contractor Indemnities)** of this **Part B**, such person shall be treated as having transferred to the Contractor or Notified Sub-Contractor and the Contractor shall, or shall procure that the Notified Sub-Contractor shall, (a) comply with such obligations as may be imposed upon it under the applicable Legislation and (b) comply with the provisions of **Part D (Pensions)** and its **Annexes** of this Schedule.

3. CONTRACTOR INDEMNITIES AND OBLIGATIONS

3.1 Subject to **paragraph 3.2 (Contractor Indemnities and Obligations)** of this **Part B**, the Contractor shall indemnify the Authority and/or the Former Contractor against any Employee Liabilities arising from or as a result of:

3.1.1 any act or omission by the Contractor or any Sub-Contractor in respect of any Transferring Former Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Contractor Employee whether occurring before, on or after the Relevant Transfer Date;

3.1.2 the breach or non-observance by the Contractor or any Sub-Contractor on or after the Relevant Transfer Date of:

3.1.2.1 any collective agreement applicable to the Transferring Former Contractor Employee; and/or

3.1.2.2 any custom or practice in respect of any Transferring Former Contractor Employees which the Contractor or any Sub-Contractor is contractually bound to honour;

3.1.3 any claim by any trade union or other body or person representing any Transferring Former Contractor Employees arising from or connected with any failure by the Contractor or a Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or after the Relevant Transfer Date;

3.1.4 any proposal by the Contractor or a Sub-Contractor prior to the Relevant Transfer Date to make changes to the terms and conditions of employment or working conditions of any Transferring Former Contractor Employees to their material detriment on or after their transfer to the Contractor or a Sub-Contractor (as the case may be) on the Relevant Transfer Date, or to change the terms and conditions of employment or working conditions of any person who would have been a Transferring Former Contractor Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Relevant Transfer Date as a result of or for a reason connected to such proposed changes;

3.1.5 any statement communicated to or action undertaken by the Contractor or a Sub-Contractor to, or in respect of, any Transferring Former Contractor Employee



before the Relevant Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Authority and/or the Former Contractor in writing;

3.1.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:

3.1.6.1 in relation to any Transferring Former Contractor Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date; and

3.1.6.2 in relation to any employee who is not a Transferring Former Contractor Employee, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer their employment from the Former Contractor to the Contractor or a Sub-Contractor, to the extent that the proceeding, claim or demand by the HMRC or other statutory authority relates to financial obligations arising on or after the Relevant Transfer Date;

3.1.7 a failure of the Contractor or any Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Former Contractor Employees in respect of the period from (and including) the Relevant Transfer Date;

3.1.8 any claim made by or in respect of a Transferring Former Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Former Contractor Employee relating to any act or omission of the Contractor or any Sub-Contractor in relation to obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the Former Contractor's failure to comply with its obligations under regulation 13 of the Employment Regulations; and

3.1.9 a failure by the Contractor or any Sub-Contractor to comply with its obligations under **paragraph 2.9 (Former Contractor Indemnities)** of this **Part B**.



3.2 The indemnities in **paragraph 3.1 (Contractor Indemnities and Obligations)** of this **Part B** shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Former Contractor whether occurring or having its origin before, on or after the Relevant Transfer Date including, without limitation, any Employee Liabilities arising from the Former Contractor's failure to comply with its obligations under the Employment Regulations.

3.3 The Contractor shall comply, and shall procure that each Sub-Contractor shall comply, with all its obligations under the Employment Regulations (including without limitation its obligation to inform and consult in accordance with regulation 13 of the Employment Regulations) and shall perform and discharge, and shall procure that each Sub-Contractor shall perform and discharge, all its obligations in respect of all the Transferring Former Contractor Employees, on and from the Relevant Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and any other sums due under the Admission Agreement which in any case are attributable in whole or in part to the period from (and including) the Relevant Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between the Contractor and the Former Contractor.

4. **INFORMATION**

The Contractor shall, and shall procure that each Sub-Contractor shall, promptly provide to the Authority and/or at the Authority's direction, the Former Contractor, in writing such information as is necessary to enable the Authority and/or the Former Contractor to carry out their respective duties under regulation 13 of the Employment Regulations. The Authority shall seek to ensure that the Former Contractor shall promptly provide to the Contractor and each Notified Sub-Contractor in writing such information as is necessary to enable the Contractor and each Notified Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.

5. **PRINCIPLES OF GOOD EMPLOYMENT PRACTICE**

5.1 The Contractor shall, and shall procure that each Sub-Contractor shall, comply with any requirement notified to it by the Authority relating to pensions in respect of any Transferring Former Contractor Employee as set down in:

5.1.1 the Cabinet Office Statement of Practice on Staff Transfers in the Public Sector of January 2000, revised December 2013;

- 5.1.2 HM Treasury's guidance "Staff Transfers from Central Government: A Fair Deal for Staff Pensions of 1999;
- 5.1.3 HM Treasury's guidance: "Fair deal for staff pensions: procurement of Bulk Transfer Agreements and Related Issues" of June 2004; and/or
- 5.1.4 the New Fair Deal.
- 5.2 Any changes necessary to this Contract as a result of changes embodied to, or any replacement of any statement of practice, paper or other guidance that replaces any of the documentation referred to in **paragraph 5.1 (Principles of Good Employment Practice)** of this **Part B** shall be agreed in accordance with **Schedule 16 (Change Protocol)**.
- 6. **PENSIONS**
- 6.1 The Contractor shall, and shall procure that each Sub-Contractor shall, comply with:
 - 6.1.1 the requirements of Part 1 of the Pensions Act 2008, section 258 of the Pensions Act 2004 and the Transfer of Employment (Pension Protection) Regulations 2005 for all transferring staff; and
 - 6.1.2 the provisions in **Part D of Part 1 (Staff Transfer on Commencement)** of this **Schedule 18 (TUPE, Employees and Pensions)**, if applicable.

PART B, ANNEX B1: LIST OF NOTIFIED SUB-CONTRACTORS

None identified.

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PART C: NOT USED

PART D: PENSIONS**1. PARTICIPATION**

- 1.1 In respect of all or any Fair Deal Employees each of **Part D, Annex D1, Annex D2** and/or **Annex D3** shall apply, as appropriate.
- 1.2 The Contractor undertakes to do all such things and enter into any documents (including any relevant Admission Agreement and/or Direction Letter, if necessary) as may be required to enable the Contractor to participate in the appropriate Statutory Scheme in respect of the Fair Deal Employees and shall bear its own costs in such regard.
- 1.3 The Contractor undertakes:
- 1.3.1 to pay to the Statutory Schemes all such amounts as are due under the relevant Admission Agreement and/or Direction Letter or otherwise and shall deduct and pay to the Statutory Schemes such employee contributions as are required; and
 - 1.3.2 subject to **Part 2 (TUPE Surcharge)** and **paragraph 5 (Funding)** of **Annex D3** to **Part D** of this **Schedule 18 (TUPE, Employees and Pensions)**, to be fully responsible for all other costs, contributions, payments and other amounts relating to its participation in the Statutory Schemes, including for the avoidance of doubt any exit payments and the costs of providing any bond, indemnity or guarantee required in relation to such participation.

2. PROVISION OF INFORMATION

- 2.1 The Contractor undertakes to the Authority:
- 2.1.1 to provide all information which the Authority may reasonably request concerning matters referred to in this **Part D** as expeditiously as possible; and
 - 2.1.2 not to issue any announcements to any Fair Deal Employee prior to the Relevant Transfer Date concerning the matters stated in this **Part D** without the consent in writing of the Authority (such consent not to be unreasonably withheld or delayed).

3. INDEMNITIES

- 3.1 The Contractor undertakes to the Authority to indemnify and keep indemnified NHS Pensions, the Authority and/or any New Contractor and/or any Replacement Sub-Contractor

and/or any New Sub-Contractor on demand from and against all and any Losses whatsoever arising out of or in connection with any liability towards all and any Fair Deal Employees arising in respect of service on or after the Relevant Transfer Date which arise from any breach by the Contractor of this **Part D**, and/or the CSPA Admission Agreement and/or the Direction Letter and/or the LGPS Admission Agreement or relates to the payment of benefits under and/or participation in an occupational pension scheme (within the meaning provided for in section 1 of the Pension Schemes Act 1993) or the Fair Deal Schemes.

- 3.2 The Contractor hereby indemnifies the NHS Pensions, the Authority and/or any New Contractor and/or Replacement Sub-Contractor and/or any New Sub-Contractor from and against all Losses suffered or incurred by it or them which arise from claims by Fair Deal Employees of the Contractor and/or of any Sub-Contractor or by any trade unions, elected employee representatives or staff associations in respect of all or any such Fair Deal Employees which Losses:

3.2.1 relate to pension rights in respect of periods of employment on and after the Relevant Transfer Date until the date of termination or expiry of this Contract; or

3.2.2 arise out of the failure of the Contractor and/or any relevant Sub-Contractor to comply with the provisions of this **Part D** before the date of termination or expiry of this Contract.

- 3.3 The indemnities in this **Part D** and its **Annexes**:

3.3.1 shall survive termination of this Contract; and

3.3.2 shall not be subject to any of the caps of liability contained in **clause 66 (Indemnities and Liabilities)**.

4. **DISPUTES**

- 4.1 The Dispute Resolution Procedure will not apply to this **Part D** and any dispute the Authority and/or the Contractor or between their respective actuaries or the Fund Actuary about any of the actuarial matters referred to in this **Part D** and its **Annexes** shall in the absence of agreement between the Authority and/or the Contractor be referred to an independent Actuary:

4.1.1 who will act as an expert and not as an arbitrator;

4.1.2 whose decision will be final and binding on the Authority and/or the Contractor; and

- 4.1.3 whose expenses shall be borne equally by the Authority and/or the Contractor unless the independent Actuary shall otherwise direct.

5. **THIRD PARTY RIGHTS**

- 5.1 The Parties agree that, in respect of **clause 78 (Third Party Rights)**, the Contracts (Rights of Third Parties) Act 1999 applies to this **Part D** to the extent necessary to ensure that the NHS Pensions, New Contractor, any Replacement Sub-Contractor and/or any New Sub-Contractor and/or any Fair Deal Employee will have the right to enforce any obligation owed to them or it by the Contractor under this **Part D**, in their or its own right under section 1(1) of the Contracts (Rights of Third Parties) Act 1999.

- 5.2 Further, the Contractor must ensure that the Contracts (Rights of Third Parties) Act 1999 will apply to any Sub-Contract to the extent necessary to ensure that the NHS Pensions, New Contractor, any Replacement Sub-Contractor and/or any New Sub-Contractor and/or any Fair Deal Employee will have the right to enforce any obligation owed to them by the Sub-Contractor in their or its own right under section 1(1) of the Contracts (Rights of Third Parties) Act 1999.

6. **TRANSFER TO ANOTHER EMPLOYER/ SUB- CONTRACTORS**

- 6.1 Save on expiry or termination of this Contract, if the employment of any Fair Deal Employee transfers to another employer (by way of a transfer under the Employment Regulations) the Contractor shall and shall procure that any relevant Sub-Contractor shall:

- 6.1.1 consult with and inform those Fair Deal Employees of the pension provisions relating to that transfer; and

- 6.1.2 procure that the employer to which the Fair Deal Employees are transferred (the "**New Employer**") complies with the provisions of this **Part D** and its **Annexes** provided that references to the "Contractor" will become references to the New Employer, references to "Relevant Transfer Date" will become references to the date of the transfer to the New Employer and references to "Fair Deal Employees" will become references to the Fair Deal Employees so transferred to the New Employer.

7. **PENSION ISSUES ON EXPIRY OR TERMINATION**

The provisions of **Part 4** of this **Schedule 18 (TUPE, Employees and Pensions)** apply in relation to pension issues on expiry or termination of this Contract.

8. BROADLY COMPARABLE PENSION SCHEMES**8.1 If either:**

8.1.1 the terms of any of **paragraph 1.2 (Future Service Benefits)** of **Annex D1 to Part D**, **paragraph 4.2 (Breach and Cancellation of any Direction Letter(s) and Right of Set-off)** of **Annex D2 to Part D** and/or **paragraph 3 (Contractor ceases to be an LGPS Admission Body)** of **Annex D3 to Part D** apply; and/or

8.1.2 the Authority agrees, having considered the exceptional cases provided for in New Fair Deal, (such agreement not to be unreasonably withheld) that the Contractor (and/or its Sub-Contractors, if any) need not continue to provide the Fair Deal Employees, who continue to qualify for New Fair Deal protection, with access to the appropriate Statutory Scheme;

the Contractor must (and must, where relevant, procure that each of its Sub-Contractors will) ensure that, with effect from the Relevant Transfer Date or if later cessation of participation in the Statutory Scheme until the day before the Service Transfer Date, the relevant Fair Deal Employees will be eligible for membership of a pension scheme under which the benefits are Broadly Comparable to those provided under the relevant Statutory Scheme, and then on such terms as may be decided by the Authority.

8.2 Where the Contractor has set up a Broadly Comparable pension scheme or schemes pursuant to the provisions of **paragraph 8.1 (Broadly Comparable Pension Schemes) of this **Part D**, the Contractor shall (and shall procure that any of its Sub-Contractors shall):**

8.2.1 supply to the Authority details of its (or its Sub-Contractor's) Broadly Comparable pension scheme and provide a full copy of the valid certificate of broad comparability covering all relevant Fair Deal Employees, as soon as it is able to do so and, in any event, no later than 28 days before the Relevant Transfer Date;

8.2.2 fully fund any such Broadly Comparable pension scheme in accordance with the funding requirements set by that Broadly Comparable pension scheme's Actuary or by the Government Actuary's Department for the period ending on the Service Transfer Date;

8.2.3 instruct any such Broadly Comparable pension scheme's Actuary to, and to provide all such co-operation and assistance in respect of any such Broadly Comparable pension scheme as the New Contractor and/or NHS Pension and/or CSPA and/or the relevant Administering Authority and/or the Authority may



reasonably require, to enable the New Contractor to participate in the appropriate Statutory Scheme in respect of any Fair Deal Employee that remain eligible for New Fair Deal protection following a Service Transfer;

- 8.2.4 provide a replacement Broadly Comparable pension scheme with immediate effect for those Fair Deal Employees who are still employed by the Contractor and/or relevant Sub-Contractor and are still eligible for New Fair Deal protection in the event that the Contractor and/or Sub-Contractor's Broadly Comparable pension scheme is terminated;
- 8.2.5 allow and make all necessary arrangements to effect, in respect of any Fair Deal Employee that remains eligible for New Fair Deal protection, following a Service Transfer, the bulk transfer of past service from any such Broadly Comparable pension scheme into the relevant Statutory Scheme and as is relevant on a day for day service basis and to give effect to any transfer of accrued rights required as part of participation under New Fair Deal. For the avoidance of doubt, should the amount offered by the Broadly Comparable pension scheme be less than the amount required by the appropriate Statutory Scheme to fund day for day service ("Shortfall"), the Contractor or the Sub-Contractor (as agreed between them) must pay the Statutory Scheme, as required, provided that in the absence of any agreement between the Contractor and any Sub-Contractor, the Shortfall shall be paid by the Contractor; and
- 8.2.6 indemnify the Authority and/or NHS Pension and/or CSPA and/or the relevant Administering Authority and/or on demand for any failure to pay the Shortfall as required under **paragraph 8.2.5 (Broadly Comparable Pension Schemes)** of this **Part D**.

Part D, Annex D1: CSPS**1. FUTURE SERVICE BENEFITS**

- 1.1 The Contractor shall procure that the Fair Deal Employees, shall be either admitted into, or offered continued membership of, the relevant section of the CSPS that they currently contribute to, or were eligible to join immediately prior to the Relevant Transfer Date or became eligible to join on the Relevant Transfer Date and the Contractor shall procure that the Fair Deal Employees continue to accrue benefits in accordance with the provisions governing the relevant section of the CSPS for service from (and including) the Relevant Transfer Date.
- 1.2 The Contractor undertakes that should it cease to participate in the CSPS for whatever reason at a time when it has CSPS Eligible Employees, that it will, at no extra cost to the Authority, provide to any Fair Deal Employee who immediately prior to such cessation of participation remained a CSPS Eligible Employee with access to a pension scheme which is Broadly Comparable to the CSPS on the date the CSPS Eligible Employees ceased to participate in the CSPS.

Part D, Annex D2: NHSPS**1. MEMBERSHIP OF THE NHSPS**

- 1.1 In accordance with New Fair Deal, the Contractor and/or any of its Sub-Contractors to which the employment of any NHSPS Eligible Employee compulsorily transfers as a result of the award of this Contract, if not an NHS Body or other employer which participates automatically in the NHSPS, must by or as soon as reasonably practicable after the Relevant Transfer Date, each secure a Direction Letter to enable the NHSPS Eligible Employees to retain either continuous active membership of or eligibility for, the NHSPS for so long as they remain employed in connection with the delivery of the Services under this Contract, and have a right to membership or eligibility of that scheme under the terms of the Direction Letter.
- 1.2 The Contractor must supply to the Authority by or as soon as reasonably practicable after the Relevant Transfer Date a complete copy of each Direction Letter.
- 1.3 The Contractor must ensure (and procure that each of its Sub-Contractors (if any) ensure) that all of its NHSPS Eligible Employees have a contractual right to continuous active membership of or eligibility for the NHSPS for so long as they have a right to membership or eligibility of that scheme under the terms of the Direction Letter.
- 1.4 The Contractor will (and will procure that its Sub-Contractors (if any) will) comply with the terms of the Direction Letter, the NHS Pension Scheme Regulations (including any terms which change as a result of changes in applicable Legislation) and any relevant policy issued by the Department of Health and Social Care (or its successor) in respect of the NHSPS Eligible Employees for so long as it remains bound by the terms of any such Direction Letter.
- 1.5 Where any employee omitted from the Direction Letter supplied in accordance with **paragraph 2 (Future Service Benefits in the NHSPS) of Part D, Annex D2** are subsequently found to be an NHSPS Eligible Employee, the Contractor will (and will procure that its Sub-Contractors (if any) will) treat that person as if they had been an NHSPS Eligible Employee from the Relevant Transfer Date so that their Pension Benefits and NHS Premature Retirement Rights are not adversely affected.
- 1.6 The Contractor will (and will procure that its Sub-Contractors (if any) will) as soon as reasonably practicable and at its (or its Sub-Contractor's) cost, obtain any guarantee, bond or indemnity that may from time to time be required by the Secretary of State for Health and Social Care (or their successor).

2. FUTURE SERVICE BENEFITS IN THE NHSPS

The Contractor will procure that with effect from the Relevant Transfer Date the NHSPS Eligible Employees shall be either eligible for or remain in continuous active membership of (as the case may be) the NHSPS for employment from (and including) the Relevant Transfer Date.

3. NHS PREMATURE RETIREMENT RIGHTS

From the Relevant Transfer Date until the Service Transfer Date, the Contractor must provide (and/or must ensure that its Sub-Contractors (if any) provide) NHS Premature Retirement Rights in respect of the NHSPS Eligible Employees that are identical to the benefits they would have received had they remained employees of the Authority, an NHS Body or other employer which participates automatically in the NHSPS.

4. BREACH AND CANCELLATION OF ANY DIRECTION LETTER(S) AND RIGHT OF SET-OFF

4.1 The Contractor agrees that the Authority is entitled to make arrangements with NHS Pensions for the Authority to be notified if the Contractor (or its Sub-Contractor) breaches the terms of its Direction Letter. Notwithstanding the provisions of the foregoing, the Contractor shall notify the Authority in the event that it (or its Sub-Contractor) breaches the terms of its Direction Letter.

4.2 If the Authority is entitled to terminate the Contract or the Contractor (or its Sub-Contractor, if relevant) ceases to participate in the NHSPS for whatever other reason, the Authority may in its sole discretion, and instead of exercising its right to terminate this Contract where relevant, permit the Contractor (or any such Sub-Contractor, as appropriate) to offer Broadly Comparable Pension Benefits, on such terms as decided by the Authority. The provisions of **paragraph 8 (Broadly Comparable Pension Schemes)** of this **Part D** of this **Part 1 (Staff Transfer on Commencement)** shall apply in relation to any Broadly Comparable pension scheme established by the Contractor or its Sub-Contractors.

4.3 In addition to the Authority's right to terminate the Contract, if the Authority is notified by NHS Pensions of any NHS Pension Scheme Arrears, the Authority will be entitled to deduct all or part of those arrears from any amount due to be paid under this Contract or otherwise.

5. COMPENSATION

5.1 If the Contractor (or its Sub-Contractor, if relevant) is unable to provide the NHSPS Eligible Employees with either:

5.1.1 membership of the NHSPS (having used its best endeavours to secure a Direction Letter); or

5.1.2 access to a Broadly Comparable pension scheme,

the Authority may in its sole discretion permit the Contractor (or any of its Sub-Contractors) to compensate the NHSPS Eligible Employees in a manner that is Broadly Comparable or equivalent in cash terms, the Contractor (or Sub-Contractor as relevant) having consulted with a view to reaching agreement with any recognised trade union or, in the absence of such body, the NHSPS Eligible Employees. The Contractor must meet (or must procure that the relevant Sub-Contractor meets) the costs of the Authority determining whether the level of compensation offered is reasonable in the circumstances.

5.2 This flexibility for the Authority to allow compensation in place of Pension Benefits is in addition to and not instead of the Authority's right to terminate the Contract.

6. CONTRACTOR INDEMNITIES

6.1 The Contractor must indemnify and keep indemnified the Authority and any New Contractor against all Losses arising out of any claim by any NHSPS Eligible Employee that the provision of (or failure to provide) Pension Benefits and NHS Premature Retirement Rights from the Relevant Transfer Date, or the level of such benefit provided, constitutes a breach of their employment rights.

6.2 The Contractor must indemnify and keep indemnified the Authority, NHS Pensions and any New Contractor against all Losses arising out of the Contractor (or its Sub-Contractor) allowing anyone who is not an NHSPS Eligible Employee to join or claim membership of the NHSPS at any time during the Contract Period.

7. SUB-CONTRACTORS

7.1 If the Contractor enters into a Sub-Contract for the delivery of all or part or any component of the Services which will involve the transfer of employment of any NHSPS Eligible Employee it will impose obligations on its Sub-Contractor in identical terms as those imposed on the Contractor in relation to Pension Benefits and NHS Premature Retirement Rights by this **Part D, Annex D2**, including requiring that:

- 7.1.1 if the Contractor has secured a Direction Letter, the Sub-Contractor also secures a Direction Letter in respect of the NHSPS Eligible Employees for their future service with the Sub-Contractor as a condition of being awarded the Sub-Contract and the Contractor shall be responsible for ensuring that the Authority receives a complete copy of each such Sub-Contractor direction letter as soon as reasonably practicable; or
- 7.1.2 if, in accordance with **paragraph 3 (NHS Premature Retirement Rights)** of this **Part D, Annex D2**, the Contractor has offered the NHSPS Eligible Employees access to a pension scheme under which the benefits are Broadly Comparable to those provided under the NHSPS, the Sub-Contractor either secures a Direction Letter in respect of the NHSPS Eligible Employees or (with the prior consent of the Authority) provides NHSPS Eligible Employees with access to a scheme with Pension Benefits which are Broadly Comparable to those provided under the NHSPS whereupon the provisions of **paragraph 8 (Broadly Comparable Pension Schemes)** of **Part D of Part 1 (Staff Transfer on Commencement)** of this **Schedule 18 (TUPE, Employees and Pensions)** shall apply.
- 7.2 The Contractor shall procure that each Sub-Contractor provides indemnities to the Authority, NHS Pensions and/or any New Contractor and/or Replacement Sub-Contractor and/or any New Sub-Contractor that are identical to the indemnities set out in **paragraph 3 (Contractor Indemnities and Obligations)** of **Part B of Part 1 (Staff Transfer on Commencement)** of this **Schedule 18 (TUPE, Employees and Pensions)**. Where a Sub-Contractor fails to satisfy any claim made under such one or more indemnities, the Contractor will be liable for satisfying any such claim as if it had provided the indemnity itself.

Part D, Annex D3: LGPS**1. CONTRACTOR TO BECOME AN LGPS ADMISSION BODY**

- 1.1 Where the Contractor employs any LGPS Eligible Employees from a Relevant Transfer Date, the Contractor shall become an LGPS Admission Body and shall by or as soon as reasonably practicable after the Relevant Transfer Date enter into a LGPS Admission Agreement with the Administering Authority which will have effect from and including the Relevant Transfer Date.
- 1.2 The LGPS Admission Agreement must ensure that all LGPS Eligible Employees covered by that Agreement who were active LGPS members immediately before the Relevant Transfer Date are admitted to the LGPS with effect on and from the Relevant Transfer Date. Any LGPS Eligible Employees who were eligible to join the LGPS but were not active LGPS members immediately before the Relevant Transfer Date must retain the ability to join the LGPS after the Relevant Transfer Date if they wish to do so.
- 1.3 The Contractor shall provide any indemnity, bond or guarantee required by an Administering Authority in relation to an LGPS Admission Agreement.
- 1.4 The Contractor shall not automatically enrol or re-enrol for the purposes of the Pensions Act 2008 any LGPS Eligible Employees in any pension scheme other than the LGPS.

2. RIGHT OF SET-OFF

The Authority shall have a right to set off against any payments due to the Contractor under the Contract an amount equal to any overdue employer and employee contributions and other payments (and interest payable under the LGPS Regulations) due from the Contractor (or from any relevant Sub-Contractor) under an LGPS Admission Agreement and shall pay such amount to the relevant Fund.

3. CONTRACTOR CEASES TO BE AN LGPS ADMISSION BODY

If the Contractor employs any LGPS Eligible Employees from a Relevant Transfer Date and the Contractor either cannot or does not participate in the LGPS, the Contractor shall offer such LGPS Eligible Employee membership of a pension scheme Broadly Comparable to the LGPS.

4. DISCRETIONARY BENEFITS

Where the Contractor is an LGPS Admission Body, the Contractor shall award benefits to the LGPS Eligible Employees under the LGPS in circumstances where the LGPS Eligible Employees would have received such benefits had they still been employed by their previous employer. Where such benefits are of a discretionary nature, they shall be awarded on the basis of the previous employer's written policy in relation to such benefits at the time of the Relevant Transfer Date.

5. FUNDING

5.1 The Authority hereby undertakes that it shall procure that the funding of the accrued rights of LGPS Eligible Employees in the LGPS in respect of pensionable service up to the first Relevant Transfer Date under the Contract shall be calculated on the basis that the LGPS had assets equal to its liabilities, as at that Relevant Transfer Date, based on the LGPS' ongoing actuarial valuation basis.

5.2 Subject to **paragraph 5.3 (Funding)** of this **Part D, Annex D3**, any Excess Amount shall be the sole responsibility of the Authority and shall be dealt with as set out in **paragraphs 5.4 to 5.7 (Funding)** of this **Part D, Annex D3**.

5.3 Nothing in **paragraph 5.2 (Funding)** of this **Part D, Annex D3** shall require the Authority to be responsible for any Excess Amount to the extent that such Excess Amount has arisen as a result of:

5.3.1 a decision or exercise of discretion by the Contractor or any Sub-Contractor which:

5.3.1.1 increases the pensionable pay of LGPS Eligible Employees above the greater of:

(a) the increases assumed in the relevant actuarial valuations of the LGPS; and

(b) the increases the Contractor and/or any Sub-Contractor are contractually bound to provide on the Relevant Transfer Date;

5.3.1.2 otherwise increases the benefits payable to a LGPS Eligible Employee and in particular:

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- 5.3.1.3 the immediate payment of benefits with:
 - (a) the Contractor's or Sub-Contractor's consent under Regulation 30 of the LGPS Regulations, including waiving any reduction of benefits under Regulation 30(8) of the LGPS Regulations or otherwise; or
 - (b) the Contractor or Sub-Contractors waiving any reduction of benefits on compassionate grounds under Schedule 2 of The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014); and/or
 - (c) an award to additional pension under Regulation 31 of the LGPS Regulations;
 - 5.3.2 the early retirement of LGPS Eligible Employees due to dismissal or termination of employment under Regulation 30(7) of the LGPS Regulations;
 - 5.3.3 the early retirement of LGPS Eligible Employees under the provisions of regulations 35 to 39 of the LGPS Regulations;
 - 5.3.4 any contribution required by the Administering Authority towards the cost of the administration of the Fund relating to the Contractor that are not met through the Contractor's or Sub-Contractor's' payments under the applicable rates and adjustment certificate under regulation 62 of the LGPS Regulations, including without limitation an amount specified in a notice given by the Administering Authority under Regulation 70 of the LGPS Regulations and the costs of any reports and advice requested by the Contractor from an actuary appointed by the Administering Authority; and/or
 - 5.3.5 any interest payable under the LGPS Regulations or LGPS Administration Agreement.
 - 5.4 Within twenty (20) Business Days of the end of each Contract Year the Contractor shall notify the Authority in writing of any Excess Amount in the immediately preceding Contract Year together with a reasonable summary of how the Contractor has arrived at its calculation of such amount.
 - 5.5 On receipt of the Contractor's calculation in accordance with **paragraph 5.4 (Funding)** of this **Part D, Annex D3** the Authority shall either:
 - 5.5.1 notify the Contractor in writing of acceptance of the Excess Amount;



- 5.5.2 request further information/evidence; and/or
- 5.5.3 request a meeting to discuss/clarify the evidence provided.
- 5.6 Where the pension adjustment notified under **paragraph 5.4 (Funding)** of this **Part D, Annex D3** is agreed following the receipt of further information/evidence or following a meeting, the Authority shall notify the Contractor in writing. In the event that the Contractor and the Authority are unable to agree the pension adjustment, they shall follow the Dispute Resolution Procedure.
- 5.7 Any Excess Amount agreed by the Authority shall be paid within timescales as agreed between Authority and Contractor. In respect of any Excess Amount the amount to be paid by the Authority shall be an amount equal to the Excess Amount (less an amount equal to any corporation tax relief which has been claimed in respect of the Excess Amount by the Contractor or its Sub-Contractors).

PART 2: TUPE SURCHARGE AND REDUNDANCY COST ADJUSTMENT

In this **Part 2 (TUPE Surcharge and Redundancy Cost Adjustment)**, the following words have the following meanings:

"Actual Redundancy Cost" means the actual cost of:

- (a) any statutory redundancy payment made in accordance with section 162 of the Employment Rights Act 1996; and
- (b) any contractual redundancy payment, provided that such Transferring Former Contractor Employee was entitled to such contractual redundancy payment immediately prior to their transfer to the Contractor (or Notified Sub-Contractor) pursuant to the Relevant Transfer and provided that this sum does not include any statutory redundancy payment; and
- (c) the Direct Employment Costs up to the date of termination (i.e the end of the notice period) by reason of redundancy or the anticipated redundancy date included in Tab 21 of the Base Case and Transition Plan (whichever is earlier);

made to each Transferring Former Contractor Employee who was identified, or in respect of whom a role was identified, as potentially

surplus to requirements in Tab 21 of the Base Case and for whom, or in respect of which role, an Anticipated Redundancy Cost was therefore included and calculated in accordance with the ITT and FRT Guidance and to the extent those costs arise directly from the terms and conditions of employment which applied to the Transferring Former Contractor Employee immediately before the Relevant Transfer Date;

"Actual TUPE Costs"

means the actual total costs to employ Transferring Former Contractor Employees, to the extent those costs arise directly from the terms and conditions of employment which applied to those employees immediately before the Relevant Transfer Date and which transferred to the Contractor or a Notified Sub-Contractor pursuant to the Employment Regulations, and/or New Fair Deal, and/or sections 257 and 258 of the Pensions Act 2004 and the Transfer of Employment (Pension Protection) Regulations (SI 2005/649) as amended, but excluding any GIP Costs. For the avoidance of doubt Actual TUPE Costs excludes the costs of any Transferring Former Contractor Employee for whom any Redundancy Cost Adjustment is sought in accordance with **paragraph 6** of this **Part 2** or any Headcount Adjustment in accordance with **paragraph 5** of this **Part 2**;

"Anticipated Redundancy Cost"

means the anticipated cost of:

- (a) statutory redundancy payment calculated in accordance with the guidance given in the ITT and FRT Guidance;
- (b) any contractual redundancy payment calculated in accordance with the guidance given in the ITT and FRT Guidance and the data in the data room;
- (c) the Direct Employment Costs up to the anticipated termination

date (i.e the end of their notice period) by reason of redundancy as set out in the Contractor's Transition Plan and the Base Case which shall, in any event, be no longer than twelve (12) months following the Relevant Transfer Date;

to be made to each individual who is expected to be a Transferring Former Contractor Employee and whom the Contractor identifies as being surplus to requirements (whether individually or by virtue of a pool situation), calculated in accordance with the TUPE Information and the ITT and FRT Guidance provided to the Contractor for the purposes of its bid for this Contract and as set out within Tab 21 of the Base Case;

"Anticipated TUPE Costs" means the total costs of employing those individuals who are expected to be Transferring Former Contractor Employees calculated in accordance with the guidance given in the ITT and FRT Guidance and the relevant TUPE Information provided to the Contractor for the purpose of its bid for this Contract and as set out in Columns E to H in Tab 8(a) and Columns D to G in Tab 17 within the Base Case, but excluding any GIP Costs;

"Direct Employment Costs" means:

- (a) annual salary;
- (b) annual national insurance cost;
- (c) employer pension contributions;
and
- (d) contractual allowances and other contractual employment benefits but excluding any GIP Costs

for the period set out in the relevant definition of either Actual Redundancy Cost or Anticipated Redundancy Cost;

"GIP Costs"	means any costs, expenses or liabilities relating to the provision of any insured or self-insured group income protection scheme or any payments to which a Transferring Former Contractor Employee is entitled or may become entitled under a group income protection scheme;
"ITT and FRT Guidance"	means the ITT and FRT Guidance provided to the Contractor by the Authority as part of the Mini-Competition as updated by the ISFT or otherwise from time to time;
"Redundancy Cost Adjustment"	means the Redundancy Risk Premium or Redundancy Risk Reduction as applicable;
"Redundancy Risk Premium"	means where the Actual Redundancy Cost is greater than the Anticipated Redundancy Cost, the amount by which the Actual Redundancy Cost exceeds the Anticipated Redundancy Cost;
"Redundancy Risk Reduction"	means where the Actual Redundancy Cost is less than the Anticipated Redundancy Cost, the amount by which the Actual Redundancy Cost is less than the Anticipated Redundancy Cost;
"TUPE Count"	means the total number of Transferring Former Contractor Employees; but, for the avoidance of doubt, excluding any employee of the Former Contractor who is not identified as a Transferring Former Contractor Employee but who claims and/or it is determined in relation to that employee that their contract has been transferred to the Contractor and/or any Notified Sub-Contractor under the Employment Regulations;

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means information relating to the:

- (a) annual salary;
- (b) annual national insurance cost;
- (c) pensions;
- (d) annual life insurance cost;
- (e) annual sick pay entitlement;
- (f) maternity/paternity costs;
- (g) statutory redundancy pay and for any Transferring Former Contractor Employees contractual redundancy pay where such Transferring Former Contractor Employee was entitled to such contractual redundancy pay immediately prior to transfer to the Contractor and/or Notified Sub-Contractor under the Employment Regulations;
- (h) notice pay; and
- (i) any other cost arising directly from the contract of employment;

of the Transferring Former Contractor Employees;

"TUPE Risk Premium"

means, where the Actual TUPE Costs are greater than the Anticipated TUPE Costs, the amount payable on an annual basis based on the difference between:

- (a) the Actual TUPE Costs; and
- (b) the Anticipated TUPE Costs,

in respect of payments due under contracts of employment in respect of the following:

- (i) annual salary;

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- (ii) annual national insurance cost;
- (iii) standard employer pension contributions paid in accordance with the relevant pension scheme rules;
- (iv) annual life insurance cost;
- (v) annual sick pay entitlement;
- (vi) maternity/paternity costs; and
- (vii) any other cost arising directly from the contract of employment of the Transferring Former Contractor Employee, but excluding redundancy and notice costs and GIP Costs;

"TUPE Risk Reduction"

means, where the Actual TUPE Costs are less than the Anticipated TUPE Costs, the amount payable on an annual basis based on the difference between:

- (a) the Actual TUPE Costs; and
- (b) the Anticipated TUPE Costs,

in respect of payments due under contracts of employment in respect of the following:

- (i) annual salary;
- (ii) annual national insurance cost;
- (iii) standard employer pension contributions paid in accordance with the relevant pension scheme rules;
- (iv) annual life insurance cost;
- (v) annual sick pay entitlement;
- (vi) maternity/paternity costs; and

- (vii) any other cost arising directly from the contract of employment of the Transferring Former Contractor Employee, but excluding redundancy and notice costs and GIP Costs; and

"TUPE Surcharge" means the TUPE Risk Premium or TUPE Risk Reduction as applicable, and as calculated on a monthly basis or on such other basis as agreed between the parties.

1. TUPE COST VERIFICATION

1.1 The Contractor has priced the Anticipated TUPE Costs in the Base Case.

1.2 Where a Relevant Transfer takes place, or will take place, the Contractor (or Notified Sub-Contractor) shall, no later than thirty (30) Business Days after the Relevant Transfer Date, compare its Anticipated TUPE Costs against its Actual TUPE Costs and:

1.2.1 the Contractor shall submit to the Authority:

1.2.1.1 notice that no TUPE Risk Premium or TUPE Risk Reduction is required, together with a breakdown and supporting evidence for the Authority to corroborate and assess that this is the case;

1.2.1.2 notice that a TUPE Risk Reduction is required together with a breakdown and supporting evidence as may be reasonably required for the Authority to corroborate and assess the calculation of the TUPE Risk Reduction; or

1.2.1.3 notice that a TUPE Risk Premium is required together with a breakdown and supporting evidence as may be reasonably required for the Authority to corroborate and assess the calculation of the TUPE Risk Premium.

1.3 The Contractor will be required to comply with **paragraph 1.2 of this Part 2** notwithstanding the fact that it may have been the incumbent Former Contractor and accordingly there is not a Relevant Transfer. In these circumstances, the "Relevant Transfer Date" shall be read as meaning the date on which the employees of the Former Contractor would have transferred had there been a Relevant Transfer.

1.4 Where a TUPE Risk Premium or TUPE Risk Reduction relates in whole or in part to any Notified Sub-Contractor, the Contractor shall be entitled to submit a request for payment of a

TUPE Risk Premium or notice of a TUPE Risk Reduction in accordance with this Part on behalf of itself and any Notified Sub-Contractor.

- 1.5 Where the number and/or identity of Transferring Former Contractor Employees differ from those expected to transfer when Anticipated TUPE Costs were priced, **paragraph 5 (Headcount Adjustments)** of this **Part 2** shall apply before **paragraphs 2 (TUPE Risk Premium)** to **4 (TUPE Risk Reduction)** of this **Part 2** inclusive.
- 1.6 The Contractor shall not be prevented from submitting a request for a TUPE Risk Premium by virtue of the fact that it was the incumbent Former Contractor and accordingly there is not a Relevant Transfer of any Transferring Former Contractor Employees except in circumstances where such TUPE Risk Premium results from inaccurate or incomplete data provided by the Contractor, any member of the Contractor's Group, the SPV or any other Former Contractor. Where the Contractor was the incumbent Former Contractor, the Authority can still recover a TUPE Risk Reduction under **paragraphs 4 (TUPE Risk Reduction)** and **5.2 (Headcount Adjustments)** of this **Part 2**. In these circumstances, the definition of Transferring Former Contractor Employee shall be read as meaning those employees of the Former Contractor who would have been identified as Transferring Former Contractor Employees had there been a Relevant Transfer.

2. **TUPE RISK PREMIUM**

- 2.1 The Contractor may request a TUPE Risk Premium on behalf of itself or a Notified Sub-Contractor and the Authority may grant the request, if the Contractor can evidence any inaccuracies or omissions in the relevant TUPE Information provided by the Authority at mini competition for the purpose of the Contractor's bid for this Contract and included in the Contractor's Anticipated TUPE Costs in relation to any costs arising directly from the contract of employment of the Transferring Former Contractor Employee assigned to the Services or any part of the Services, and where the ITT and FRT Guidance has been followed and a full breakdown and supporting evidence is submitted in support of a request for a TUPE Risk Premium. Where the Contractor and/or Notified Sub-Contractor does not use the TUPE Information provided and/or does not calculate the Anticipated TUPE Costs in accordance with the TUPE Information and/or ITT and FRT Guidance then it shall not be permitted to recover any TUPE Risk Premium but this shall not prevent the Authority recovering under the TUPE Risk Reduction provisions.

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- 2.2 On receipt of the Contractor's calculation of the TUPE Risk Premium the Authority shall either:
- 2.2.1 notify the Contractor in writing of acceptance of the TUPE Risk Premium;
 - 2.2.2 request further information/evidence; and/or
 - 2.2.3 request a meeting to discuss/clarify the evidence provided.
- 2.3 Where the TUPE Risk Premium is accepted in accordance with **paragraph 2.2.1 (TUPE Risk Premium)** or agreed following the receipt of further information/evidence or following a meeting in accordance with **paragraphs 2.2.2 and/or 2.2.3 (TUPE Risk Premium)**, the Authority shall notify the Contractor in writing to confirm the TUPE Risk Premium to apply and to confirm whether this will be applied as an adjustment to the Monthly Contract Price in accordance with **Schedule 14 (Payment Mechanism)** or by way of some other means to be agreed between the Parties.
- 2.4 In the event that the Parties are unable to agree the TUPE Risk Premium the Parties shall follow the Dispute Resolution Procedure.
3. **ANNUAL REVIEW OF TUPE RISK PREMIUM**
- 3.1 The TUPE Risk Premium shall be reviewed by the Authority at the commencement of each Contract Year starting with the year commencing 1 April 2024, unless as otherwise agreed with the Authority.
- 3.2 The Contractor shall submit to the Authority, no later than twenty (20) Business Days prior to the beginning of each Contract Year, evidence of any change to the TUPE Count in the previous Contract Year or since it was last adjusted.
- 3.3 The Authority shall cease to be liable to pay the TUPE Risk Premium in respect of a particular Transferring Former Contractor Employee assigned to the Services or any part of the Services from the date upon which they cease to be employed by the Contractor or a Notified Sub-Contractor or assigned to the Services or any part of the Services (whichever occurs the earliest).
- 3.4 If an employee ceases to be employed part way through the year the TUPE Risk Premium allocated to that employee will be deducted on a pro rata basis.
- 3.5 On receipt of the Contractor's calculation of the TUPE Risk Premium submitted pursuant to **paragraph 3.2 (Annual Review of TUPE Risk Premium)** the Authority shall either:

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- 3.5.1 notify the Contractor in writing of acceptance of the adjusted TUPE Risk Premium; or
- 3.5.2 request further information/evidence; and/or
- 3.5.3 request a meeting to discuss/clarify the evidence provided.
- 3.6 Where the adjustment to the TUPE Risk Premium is accepted in accordance with **paragraph 3.5.1 (Annual Review of TUPE Risk Premium)** of this **Part 2** or agreed following the receipt of further information/evidence or following a meeting, in accordance with **paragraphs 3.5.2 and/or 3.5.3 (Annual Review of TUPE Risk Premium)**, the Authority shall notify the Contractor in writing to confirm the adjusted TUPE Risk Premium that will apply and to confirm whether this will be applied as an adjustment to the Monthly Contract Price in accordance with **Schedule 14 (Payment Mechanism)** or by way of some other means to be agreed between the Parties.
- 3.7 In the event that the Contractor and the Authority are unable to agree the adjustment to the TUPE Risk Premium, they shall follow the Dispute Resolution Procedure.
- 3.8 The adjusted TUPE Risk Premium shall be used as the benchmark in the subsequent annual review of the TUPE Risk Premium.
- 3.9 Where the adjusted TUPE Risk Premium is more than the TUPE Risk Premium in the previous Contract Year, the TUPE Risk Premium shall not be adjusted.
4. **TUPE RISK REDUCTION**
- 4.1 On receipt of the Contractors calculation of the TUPE Risk Reduction the Authority shall either:
- 4.1.1 notify the Contractor in writing of acceptance of the TUPE Risk Reduction;
- 4.1.2 request further information/evidence; and/or
- 4.1.3 request a meeting to discuss/clarify the evidence provided.
- 4.2 Where the TUPE Risk Reduction is accepted in accordance with **paragraph 4.1.1 (TUPE Risk Reduction)** or agreed following the receipt of further information/evidence or following a meeting in accordance with **paragraphs 4.1.2 and/or 4.1.3 (TUPE Risk Reduction)**, the Authority shall notify the Contractor in writing to confirm the TUPE Risk Reduction to apply and to confirm how, following discussion with the Contractor, this will be paid, for example

(but not limited to) whether it will be payment of an annual one-off lump sum by the Contractor, an adjustment to the Monthly Contract Price or whether the Contractor will use the payment to re-invest in the Services.

4.3 Where the Contractor or Notified Sub-Contractor has not calculated the Anticipated TUPE Costs in accordance with the ITT and FRT Guidance the Authority may calculate the TUPE Risk Reduction using either the Anticipated TUPE Costs as they should have been calculated or those which have been provided by the Contractor, whichever leads to a higher TUPE Risk Reduction.

4.4 In the event that the Parties are unable to agree the TUPE Risk Reduction the Parties shall follow the Dispute Resolution Procedure.

5. HEADCOUNT ADJUSTMENTS

5.1 It is recognised that the number and/or identity of Transferring Former Contractor Employees expected to transfer and included in the Anticipated TUPE Costs may differ from those that actually transfer to the Contractor or the Notified Sub-Contractor on the Relevant Transfer Date. In these circumstances, the contents of this **paragraph 5 (Headcount Adjustments)** will apply.

5.2 If the number of Transferring Former Contractor Employees is less than the number expected to have transferred and included in the Anticipated TUPE Costs then the Contractor will notify the Authority of this no later than thirty (30) Business Days after the Relevant Transfer Date and the Authority, having consulted with the Contractor, will determine whether the Contractor and/or Notified Sub-Contractor needs to employ any other employee/s to fulfil the role/s of those Transferring Former Contractor Employees who were expected to transfer at bid stage and included in the Anticipated TUPE Costs but who did not actually transfer on the Relevant Transfer Date and, if so, whether any adjustment should be made to the TUPE Risk Premium or TUPE Risk Reduction and if so how this will be paid. In circumstances where the incumbent Former Contractor becomes the Contractor the Authority will determine whether any adjustment is required.

5.3 If the number of Transferring Former Contractor Employees is more than the number who were expected to transfer and included in the Anticipated TUPE Costs then:

5.3.1 the Contractor will notify the Authority of this no later than thirty (30) Business Days after the Relevant Transfer Date; and

- 5.3.2 the Authority and the Contractor will work together to determine how such additional Transferring Former Contractor Employees should be dealt with. For example (but not limited to), whether such employees should be retained within the Services and where retained their costs recoverable under TUPE Surcharge or whether it would be more appropriate for the Contractor and/or the Notified Sub-Contractor to conduct a redundancy exercise, in which case the Parties will work together to agree an appropriate redundancy exercise and the basis on which the Contractor will be re-imbursed in respect of any costs under limbs (a) & (b) of the definition of Actual Redundancy Cost and notice pay and their costs removed from Actual TUPE Costs.
- 5.4 If the Contractor and/or a Notified Sub-Contractor considers that there is a skills mismatch in respect of any of the Transferring Former Contractor Employees compared to the Transferring Former Contractor Employees that it expected to transfer at the bid stage for this Contract (for example, due to the identity of any of the Transferring Former Contractor Employees expected to transfer and included in the Anticipated TUPE Costs being different to the identity of the Transferring Former Contractor Employees) then the Contractor will notify the Authority of this by no later than thirty (30) Business Days after the Relevant Transfer Date together with any suggestions as to how this can be accommodated. The Parties will work together to agree how this will be dealt with but any decision whether to make any adjustment in respect of any such alleged skills mismatch shall rest with the Authority alone.
- 5.5 In circumstances where the incumbent Former Contractor becomes the Contractor or the Former Contractor is a member of the Contractor's Group, the Contractor will not be able to benefit from the Headcount Adjustment provisions contained in this **paragraph 5 (Headcount Adjustments)** of this **Part 2**. If the adjustments arise as a result of events agreed by the Authority that occur between bid stage and the Services Commencement Date then the Authority will consider this on a case by case basis.
- 5.6 Cases will be dealt with on a case by case basis. In the event that the Parties are unable to agree how the provisions of this **paragraph 5 (Headcount Adjustments)** should apply then the Parties shall follow the Dispute Resolution Procedure.
6. **REDUNDANCY RISK PREMIUM AND REDUNDANCY RISK REDUCTION**
- 6.1 Where the Contractor identifies that the expected number of Transferring Former Contractor Employees exceeds the number that it requires to deliver the Services and/or that there is a skills mis-match between any of the expected Transferring Former Contractor Employees and the employees it needs to deliver the services, then it will include within the price it submits

as part of its bid for this Contract the Anticipated Redundancy Cost for each such potential surplus employee as separate line items.

- 6.2 Where a Relevant Transfer takes place (or **paragraph 6.6 (Redundancy Risk Premium and Redundancy Risk Reduction)** below applies), the Contractor shall no later than twelve (12) months following the Relevant Transfer Date compare its Anticipated Redundancy Cost against its Actual Redundancy Cost for each employee for whom an Anticipated Redundancy Cost was included in the Base Case as at the Commencement Date and:

6.2.1 submit to the Authority:

6.2.1.1 notice that no Redundancy Risk Premium or Redundancy Risk Reduction is required, together with a breakdown and supporting evidence for the Authority to corroborate and assess that this is the case;

6.2.1.2 notice that a Redundancy Risk Reduction is required together with a breakdown and supporting evidence as may be reasonably required for the Authority to corroborate and assess the calculation of the Redundancy Risk Reduction; or

6.2.1.3 notice that a Redundancy Risk Premium is required together with a breakdown and supporting evidence as may be reasonably required for the Authority to corroborate and assess the calculation of the Redundancy Risk Premium.

- 6.3 The Contractor will be required to comply with **paragraph 6.2 (Redundancy Risk Premium and Redundancy Risk Reduction)** of this **Part 2** notwithstanding the fact that it may have been the incumbent Former Contractor and accordingly there is not a Relevant Transfer. In these circumstances, the "Relevant Transfer Date" shall be read as meaning the date on which the employees of the Former Contractor would have transferred had there been a Relevant Transfer.

- 6.4 Where a Redundancy Risk Premium or Redundancy Risk Reduction relates in whole or in part to any Notified Sub-Contractor, the Contractor shall be entitled to submit a request for payment of a Redundancy Risk Premium or notice of a Redundancy Risk Reduction in accordance with this Part on behalf of itself and any Notified Sub-Contractor.

- 6.5 For the avoidance of doubt, the Contractor cannot recover under both the TUPE Risk Premium and Redundancy Risk Premium in respect of the same Transferring Former Contractor

Employees. However, where an expected Transferring Former Contractor Employee in respect whom the Contractor has submitted an Anticipated Redundancy Cost in the Base Case as at the Commencement Date is not made redundant due to the non-transfer of a different expected Transferring Former Contractor Employee, then the Authority will consider allowing the Contractor to include such employee in the TUPE Surcharge mechanism.

- 6.6 The Contractor shall not be prevented from submitting a request for a Redundancy Risk Premium by virtue of the fact that it or a Notified Sub-Contractor was the incumbent Former Contractor and accordingly there is not a Relevant Transfer of any Transferring Former Contractor Employees except in circumstances where such Redundancy Risk Premium results from inaccurate or incomplete data provided by the Contractor, any member of the Contractor's Group, the SPV or any other Former Contractor or Sub-Contractor of the Contractor and used for the purposes of Anticipated Redundancy Cost. Where the Contractor or a Notified Sub-Contractor was the incumbent Former Contractor, the Authority can still recover a Redundancy Risk Reduction. In these circumstances, the definition of Transferring Former Contractor Employee shall be read as meaning those employees of the Former Contractor who would have been identified as Transferring Former Contractor Employees had there been a Relevant Transfer and the definition of Relevant Transfer shall be the Services Commencement Date.
- 6.7 Where the Contractor and/or Notified Sub-Contractor does not use the TUPE Information provided and/or does not calculate the Anticipated Redundancy Cost or Actual Redundancy Cost in accordance with the guidance given in the ITT and FRT Guidance then it shall not be permitted to recover any Redundancy Risk Premium, but this shall not prevent the Authority recovering under the Redundancy Risk Reduction.

REDUNDANCY RISK PREMIUM

- 6.8 The Contractor may request a Redundancy Risk Premium on behalf of itself or a Notified Sub-Contractor and the Authority may grant the request, if the Contractor can evidence any inaccuracies or omissions in the relevant TUPE Information provided by the Authority at mini competition for the purpose of the Contractor's bid for this Contract and included in the Contractor's Anticipated Redundancy Cost and where a full breakdown and supporting evidence is submitted in support of a request for a Redundancy Risk Premium and the Contractor can evidence compliance with the ITT and FRT Guidance.

- 6.9 On receipt of the Contractor's calculation of the Redundancy Risk Premium the Authority shall either:
- 6.9.1 notify the Contractor in writing of acceptance of the Redundancy Risk Premium;
 - 6.9.2 request further information/evidence; and/or
 - 6.9.3 request a meeting to discuss/clarify the evidence provided.
- 6.10 Where the Redundancy Risk Premium is accepted in accordance with **paragraph 6.9.1 (Redundancy Risk Premium)** or agreed following the receipt of further information/evidence or following a meeting in accordance with **paragraphs 6.9.2 and/or 6.9.3 (Redundancy Risk Premium)**, the Authority shall notify the Contractor in writing to confirm the Redundancy Risk Premium to apply and to confirm how this will be paid.
- 6.11 In the event that the Parties are unable to agree the Redundancy Risk Premium the Parties shall follow the Dispute Resolution Procedure.

REDUNDANCY RISK REDUCTION

- 6.12 On receipt of the Contractor's calculation of the Redundancy Risk Reduction the Authority shall either:
- 6.12.1 notify the Contractor in writing of acceptance of the Redundancy Risk Reduction;
 - 6.12.2 request further information/evidence; and/or
 - 6.12.3 request a meeting to discuss/clarify the evidence provided.
- 6.13 Where the Redundancy Risk Reduction is accepted in accordance with **paragraph 6.12.1 (Redundancy Risk Reduction)** of this **Part 2** or agreed following the receipt of further information/evidence or following a meeting in accordance with **paragraphs 6.9.2 and/or 6.9.3 (Redundancy Risk Reduction)** of this **Part 2**, the Authority shall notify the Contractor in writing to confirm the Redundancy Risk Reduction to apply and to confirm how, following discussion with the Contractor, this will be paid by the Contractor, for example (but not limited to) whether it will be payment of a one-off lump sum by the Contractor, an adjustment to the Monthly Contract Price or whether the Contractor will use the payment to re-invest in the Services.
- 6.14 For the avoidance of doubt, any Transferring Former Contractor Employees expected to transfer but who did not transfer and in respect of whom an Anticipated Redundancy Cost

was submitted by the Contractor as part of its bid for this Contract the Anticipated Redundancy Cost will either be removed from the Contractor's final Base Case or repaid under the Redundancy Risk Reduction provisions.

6.15 In relation to any Transferring Former Contractor Employee for whom an Anticipated Redundancy Cost was submitted by the Contractor in the Base Case as at the Commencement Date as part of its bid for this contract but who was not made redundant within twelve (12) months of the Relevant Transfer Date (or where **paragraph 6.5 (Redundancy Risk Premium and Redundancy Risk Reduction)** applies within twelve (12) months of the Services Commencement Date), the Authority will be able to recover under the Redundancy Risk Reduction the costs under limbs (a) & (b) of the definition of Anticipated Redundancy Cost included in Tab 21 of the Base Case. The Contractor will be able to retain the Direct Employment Costs submitted as part of its bid for such employee and included in the Base Case as at the Commencement Date.

6.16 In the event that the Parties are unable to agree the Redundancy Risk Reduction the Parties shall follow the Dispute Resolution Procedure.

7. **RIGHT OF AUDIT**

7.1 The Authority reserves the right to review and audit the calculation of the TUPE Risk Premium and/or TUPE Risk Reduction, Headcount Adjustment and/or Redundancy Cost Adjustment at any time.

7.2 Where an overpayment of the TUPE Risk Premium, Headcount Adjustment and/or Redundancy Risk Premium or underpayment of the TUPE Risk Reduction and/or Redundancy Risk Reduction is identified following a review and/or audit carried out or by any other means, the Contractor shall repay to the Authority any over payment of the TUPE Risk Premium and/or Redundancy Risk Premium or make a payment to the Authority in respect of the TUPE Risk Reduction, Headcount Adjustment and/or Redundancy Risk Reduction within twenty (20) Business Days of being notified by the Authority.

8. **GROUP INCOME PROTECTION**

8.1 For the avoidance of doubt, the Authority shall have no liability to the Contractor or any Notified Sub-Contractor in respect of the provision of any group income protection scheme, or any payments which are or may become due under such group income protection scheme, to any Transferring Former Contractor Employees.

PART 3: REDUNDANCY SURCHARGE

In this **Part 3 (Redundancy Surcharge)**, the following words have the following meanings:

- "Applicable Contractor Personnel"** means any Contractor's Staff who:
- (a) are employees of the Contractor;
 - (b) are Dedicated Contractor Personnel;
 - (c) have not transferred (and are not in scope to transfer at a later date) to the Authority or the New Contractor by virtue of the Employment Regulations; and
 - (d) have not resigned or given notice of resignation prior to the date of their dismissal by the Contractor; and
 - (e) the Contractor can demonstrate to the satisfaction of the Authority:
 - (i) are surplus to the Contractor's requirements notwithstanding its obligation to provide services to its other customers;
 - (ii) are genuinely at risk of being dismissed by reason of redundancy (as such term is defined in section 139 of the Employment Rights Act 1996); and
 - (iii) have been selected for redundancy by the Contractor on objective grounds other than the fact that the Contractor is entitled to reimbursement under this provision in respect of such employees;

- "Dedicated Contractor Personnel"** means all Contractor's Staff who the Authority has agreed or deemed to be then assigned to the Services or any part of the Services. If the Contractor is unsure as to whether Contractor's Staff are or should be regarded as so assigned, it shall consult with the Authority whose view shall be determinative provided that the employee has been materially involved in the provision of the Services or any part of the Services;
- "Redundancy Payment"** means the total sum of any of the following sums payable to Applicable Contractor Personnel:
- (a) any statutory redundancy payment made in accordance with section 162 of the Employment Rights Act 1996; or
 - (b) only in respect of an employee who was a Transferring Former Contractor Employee, any contractual redundancy payment, (or where such a contractual benefit on redundancy is a benefit payable from a pension scheme, the increase in cost to the Contractor as a net present value compared to the benefit payable on termination of employment without redundancy), provided that such Transferring Former Contractor Employee was entitled to such contractual redundancy payment immediately prior to their transfer to the Contractor under the Employment Regulations;
 - (c) where it is not reasonably practicable to require the Applicable Contractor Employee to work their notice period, in respect of each such employee, either:
 - (i) where such employee is a Transferring Former Contractor Employee or an employee of the Contractor at the date of the submission of its bid for this contract, payment of damages for breach of the applicable statutory notice entitlement or,



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if higher, the notice entitlement under the terms and conditions of employment to which the relevant employee was entitled at the Reference Date;

- (ii) where such employee does not fall within (i) above, payment of damages for breach of the applicable statutory notice entitlement; or, in either case
- (iii) payment in lieu of any such notice entitlement set out in (i) and (ii) above, made pursuant to such terms and conditions of employment, but for the avoidance of doubt, shall not include any payment of salary or wages or of any benefit in respect of any period of continuing employment (whether during a notice period or otherwise);

"Reference Date"

means:

- (a) in relation to a Transferring Former Contractor Employee the Relevant Transfer Date,
- (b) save that where the Contractor (or, if relevant, Notified Sub-Contractor) and Former Contractor are the same entity such that the Employment Regulations do not apply to transfer staff, the reference date shall be the date the Anticipated TUPE Costs are submitted being at mini competition stage; and
- (c) in relation to Applicable Contractor Personnel who are not Transferring Former Contractor Employees but who are employees of the Contractor at the date the Base Case is submitted being at mini competition

stage, the reference date shall be the date of submission of the Contractor's bid for this Contract;

**"Service Change
Redundancy Surcharge"**

means in relation to the redundancy of Applicable Contractor Personnel as described in **paragraph 2.1 (Service Change Redundancy Surcharge)** of this **Part 3 (Redundancy Surcharge)**, a surcharge on the Charges equal in amount to the proportion of the Redundancy Payment reflecting the elapsed period of the Services (as at the date the relevant Service change referred to in **paragraph 2.1 (Service Change Redundancy Surcharge)** of this **Part 3 (Redundancy Surcharge)** takes effect) as a proportion of what otherwise would have been the total duration of the Services with the Contractor responsible for the proportion reflecting the elapsed period of the Services, which is actually paid by the Contractor and/or the notified Sub-Contractor to the relevant Applicable Contractor Personnel provided they have been made redundant in accordance with the terms of this Schedule.

1. **INTRODUCTION**

- 1.1 Subject to **paragraph 3.1** of this **Part 3 (Redundancy Surcharge)**, this Schedule sets out the process for determining the Service Change Redundancy Surcharge in the event that the Authority makes a change to the Services which results in the removal or reduction of any Services or closure of any of the Authority premises.

2. **SERVICE CHANGE REDUNDANCY SURCHARGE**

- 2.1 Subject to **paragraphs 2.2, 2.3 and 2.4** of this **Part 3 (Redundancy Surcharge)** where the Contractor or any notified Sub-Contractor makes or intends to make a Redundancy Payment in relation to any termination for redundancy made as a direct result of any Authority Change or RRAPP Band Activation Notice or APP Band Deactivation Notice as defined in **Schedule 14 (Payment Mechanism)** which has resulted in a building closure or a reduction or removal of Services, the Contractor may be entitled to a Service Change Redundancy Surcharge.
- 2.2 The Contractor shall not be entitled to a Service Change Redundancy Surcharge under **paragraph 2.1 (Service Change Redundancy Surcharge)** of this **Part 3 (Redundancy Surcharge)** unless it has, before any relevant termination for redundancy is made:

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- 2.2.1 consulted the Authority about the proposal to make any such termination for redundancy;
- 2.2.2 provided the Authority with written estimates of any relevant Redundancy Payment together with a breakdown of such estimates and such supporting evidence as the Authority may reasonably request to corroborate and assess the calculations; and
- 2.2.3 provided the Authority with details of the steps the Contractor, or the Notified Sub-Contractor (as applicable), has taken (or proposes to take) to mitigate such costs in accordance with **paragraph 2.4 (Service Change Redundancy Surcharge)** of this **Part 3 (Redundancy Surcharge)**; and
- 2.2.4 confirmed the employee to whom the Redundancy Payment relates was assigned to the relevant building being closed or Services being removed or reduced on the date on which the Contractor was notified of the Authority Change or RRAPP Band Activation Notice or APP Band Deactivation Notice. If the Contractor is unsure whether an individual is so assigned, it shall consult with the Authority whose view shall be determinative.
- 2.3 The Contractor shall not be entitled to a Service Change Redundancy Surcharge under **paragraph 2.1 (Service Change Redundancy Surcharge)** of this **Part 3 (Redundancy Surcharge)** unless it, or the notified Sub-Contractor (as applicable), has followed a fair dismissal procedure and complied with all contractual and legislative requirements (save for a breach of notice entitlement where payment is made on termination in satisfaction of the employee's claim for damages) in respect of each termination for redundancy to which the Service Change Redundancy Surcharge relates.
- 2.4 The Contractor shall (or, where relevant, shall procure that the notified Sub-Contractor shall) avoid having to make, or mitigate the extent of, any Redundancy Payment by:
- 2.4.1 redeploying any relevant person where it is practicable to do so;
- 2.4.2 where redeployment is not practicable, taking reasonable steps to minimise the amount of Redundancy Payment, including requiring employees to work their notice where this is practicable;
- 2.4.3 complying with the law and any reasonable instructions of the Authority.

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- 2.5 The Contractor shall not be entitled to a Service Change Redundancy Surcharge under **paragraph 2.1 (Service Change Redundancy Surcharge)** of this **Part 3 (Redundancy Surcharge)** unless:
- 2.5.1 the Contractor (or, where relevant, notified Sub-Contractor) has consulted with the Authority, pursuant to **paragraph 2.2 (Service Change Redundancy Surcharge)** of this **Part 3 (Redundancy Surcharge)**, within one month of receiving notice from the Authority of the Authority Change or RRAPP Band Activation Notice or APP Band Deactivation Notice; and
- 2.5.2 the employment of any employee to whom the Redundancy Payment relates is terminated for redundancy no later than one month after the relevant building closure or removal or reduction of Service(s).
- 2.6 On receipt of the Contractor's calculation of the Redundancy Payments in accordance with **paragraph 2.2 (Service Change Redundancy Surcharge)** of this **Part 3 (Redundancy Surcharge)** the Authority shall either:
- 2.6.1 notify the Contractor in writing of acceptance of the Service Change Redundancy Surcharge relating to the Authority Change or RRAPP Band Activation Notice or APP Band Deactivation Notice and/or
- 2.6.2 request further information/evidence; and/ or
- 2.6.3 request a meeting to discuss/clarify the evidence provided.
- 2.7 Where the Service Change Redundancy Surcharge is agreed following the receipt of further information/evidence or following a meeting, the Authority shall notify the Contractor in writing.
- 2.8 In the event that the Contractor and the Authority are unable to agree the Service Change Redundancy Surcharge, they shall follow the Dispute Resolution Procedure.
- 2.9 Where the Service Change Redundancy Surcharge arises and is agreed in accordance with **paragraph 2.7 (Service Change Redundancy Surcharge)** of this **Part 3 (Redundancy Surcharge)**;
- 2.9.1 in respect of that which has arisen as a result of a RRAPP Band Activation or a APP Band Deactivation, the Authority will pay the Service Change Redundancy Surcharge in accordance with **Schedule 14 (Payment Mechanism)**; and



- 2.9.2 in respect of that which has arisen as a result of an Authority Change the Authority will pay the Service Change Redundancy Surcharge within three (3) months of the cost being agreed.
- 2.10 The Authority shall not be liable under this **Part 3 of Schedule 18 (TUPE, Employees and Pensions)** for any costs associated with Applicable Contractor Personnel (whether relating to redundancy, redeployment or otherwise) other than the Redundancy Payments which are recoverable under the Service Change Redundancy Surcharge.
3. **NON-APPLICATION OF THIS PART**
- 3.1 This **Part 3 (Redundancy Surcharge)** shall not apply on the expiry or termination of this Contract (including partial termination).

PART 4: EMPLOYMENT EXIT PROVISIONS**1. PRE-SERVICE TRANSFER OBLIGATIONS**

1.1 The Contractor agrees that within twenty (20) Business Days of the earliest of:

- 1.1.1 receipt of a notification from the Authority of a Service Transfer or intended Service Transfer;
- 1.1.2 receipt of the giving of notice of early termination or any Partial Termination of this Agreement;
- 1.1.3 the date which is twelve (12) months before the end of the Term; and
- 1.1.4 receipt of a written request of the Authority at any time, provided that (without limiting the Authority's ability during the Exit Period to make such requests at any frequency and at any time) the Authority shall only be entitled to make one such request in any six (6) month period during the Contract Period,

it shall provide in a suitably anonymised format so as to comply with the Data Protection Legislation, the Contractor's Provisional Contractor Personnel List, together with the Staffing Information in relation to the Contractor's Provisional Contractor Personnel List and it shall provide an updated Contractor's Provisional Contractor Personnel List at such intervals as are reasonably requested by the Authority.

1.2 At least twenty (20) Business Days prior to the Service Transfer Date, the Contractor shall provide to the Authority or at the direction of the Authority to any New Contractor and/or any New Sub-Contractor:

- 1.2.1 the Contractor's Final Contractor Personnel List, which shall identify which of the Contractor's Staff are Transferring Contractor Employees; and
- 1.2.2 the Staffing Information in relation to the Contractor's Final Contractor Personnel List (insofar as such information has not previously been provided).

1.3 The Authority shall be permitted to use and disclose information provided by the Contractor under **paragraphs 1.1 and 1.2 (Pre-Service Transfer Obligations)** of this **Part 4** for the purpose of informing any prospective New Contractor and/or New Sub-Contractor.

- 1.4 The Contractor warrants, for the benefit of the Authority, any New Contractor, and any New Sub-Contractor that all information provided pursuant to **paragraphs 1.1 and 1.2 (Pre-Service Transfer Obligations)** of this **Part 4** shall be true and accurate in all material respects at the time of providing the information.
- 1.5 From the date of the earliest event referred to in **paragraphs 1.1.1, 1.1.2 and 1.1.3 (Pre-Service Transfer Obligations)** of this **Part 4**, the Contractor agrees, that it shall not, and agrees to procure that each Sub-Contractor shall not, assign any person to the provision of the Services who is not listed on the Contractor's Provisional Contractor Personnel List and shall not without the approval of the Authority (not to be unreasonably withheld or delayed):
- 1.5.1 replace or re-deploy any Contractor's Staff listed on the Contractor Provisional Contractor Personnel List other than where any replacement is of equivalent grade, skills, experience and expertise and is employed on the same terms and conditions of employment as the person they replace;
 - 1.5.2 make, promise, propose, permit or implement any material changes to the terms and conditions of employment of the Contractor's Staff (including pensions and any payments connected with the termination of employment);
 - 1.5.3 increase the proportion of working time spent on the Services (or the relevant part of the Services) by any of the Contractor's Staff save for fulfilling assignments and projects previously scheduled and agreed;
 - 1.5.4 introduce any new contractual or customary practice concerning the making of any lump sum payment on the termination of employment of any employees listed on the Contractor's Provisional Contractor Personnel List;
 - 1.5.5 increase or reduce the total number of employees so engaged, or deploy any other person to perform the Services (or the relevant part of the Services); or
 - 1.5.6 terminate or give notice to terminate the employment or contracts of any persons on the Contractor's Provisional Contractor Personnel List save by due disciplinary process,

and shall promptly notify, and procure that each Sub-Contractor shall promptly notify, the Authority or, at the direction of the Authority, any New Contractor and any New Sub-Contractor of any notice to terminate employment given by the Contractor or relevant Sub-Contractor or received from any persons listed on the Contractor's Provisional Contractor Personnel List regardless of when such notice takes effect.

- 1.6 During the Contract Period, the Contractor shall provide, and shall procure that each Sub-Contractor shall provide, within twenty (20) Business Days to the Authority any information the Authority may reasonably require relating to the manner in which the Services are organised, which shall include:
- 1.6.1 the numbers of Contractor's Staff engaged in providing the Services;
 - 1.6.2 the percentage of time spent by each member of Contractor's Staff engaged in providing the Services;
 - 1.6.3 the extent to which each individual qualifies for membership of any of the Statutory Schemes or any Broadly Comparable scheme set up pursuant to the provisions of any of the **Annexes to Part D of Part 1 (Staff Transfer on Commencement)** of this **Schedule 18 (TUPE, Employees and Pensions)** (as appropriate); and
 - 1.6.4 a description of the nature of the work undertaken by each member of Contractor's Staff by location.
- 1.7 The Contractor shall provide, and shall procure that each Sub-Contractor shall provide, all reasonable cooperation and assistance to the Authority, any New Contractor and/or any New Sub-Contractor to support a future procurement process, timely and full provision of Staffing Information and consultation between employers and to ensure the smooth transfer of the Transferring Contractor Employees on the Service Transfer Date including providing sufficient information in advance of the Service Transfer Date to ensure that all necessary payroll arrangements can be made to enable the Transferring Contractor Employees to be paid as appropriate. Without prejudice to the generality of the foregoing, within five (5) Business Days following the Service Transfer Date, the Contractor shall provide, and shall procure that each Sub-Contractor shall provide, to the Authority or, at the direction of the Authority, to any New Contractor and/or any New Sub-Contractor (as appropriate), in respect of each person on the Contractor's Final Contractor Personnel List who is a Transferring Contractor Employee:
- 1.7.1 the most recent month's copy pay slip data;
 - 1.7.2 details of cumulative pay for tax and pension purposes;
 - 1.7.3 details of cumulative tax paid;
 - 1.7.4 tax code;

- 1.7.5 details of any voluntary deductions from pay;
 - 1.7.6 a copy of any personnel file and/or any other records regarding the service of the Transferring Contractor Employees;
 - 1.7.7 all such data and information as may be required at law or as required by the trustee or manager of the relevant pension scheme/s in which the Contractor or any Sub-Contractor operates from time to time and in which the Transferring Contractor Employees have been members;
 - 1.7.8 a complete copy of the information required to meet the minimum record keeping requirements under the Working Time Regulations 1998 and the National Minimum Wage Regulations 1998; and
 - 1.7.9 bank/building society account details for payroll purposes.
- 1.8 From the date of the earliest event referred to in **paragraphs 1.1.1, 1.1.2 and 1.1.3 (Pre-Service Transfer Obligations)** of this **Part 4**, the Contractor agrees that following within twenty (20) Business Days of a request from the Authority it shall and shall procure that each Sub-Contractor shall use reasonable endeavours to comply with any reasonable request to align and assign Supplier Personnel to any future delivery model proposed by the Authority for Replacement Services within thirty (30) Business Days or such longer timescale as may be agreed.
- 1.9 Any changes necessary to this Contract as a result of alignment referred to in **paragraph 1.8** shall be agreed in accordance with the Change Control Procedure.
2. **EMPLOYMENT REGULATIONS EXIT PROVISIONS**
- 2.1 The Authority and the Contractor acknowledge that subsequent to the commencement of the provision of the Services, the identity of the provider of the Services (or any part of the Services) may change (whether as a result of termination or Partial Termination of this Agreement or otherwise) resulting in the Services being undertaken by a New Contractor and/or a New Sub-Contractor. Such change in the identity of the supplier of such services may constitute a Relevant Transfer to which the Employment Regulations will apply. The Authority and the Contractor further agree that, as a result of the operation of the Employment Regulations, where a Relevant Transfer occurs, the contracts of employment between the Contractor and/or any Sub-Contractor and the Transferring Contractor Employees (except in relation to any contract terms disapplied through operation of regulation 10(2) of the Employment Regulations) will have effect on and from the Service Transfer Date as if

originally made between the New Contractor and/or a New Sub-Contractor (as the case may be) and each such Transferring Contractor Employee.

- 2.2 The Contractor shall, and shall procure that each Sub-Contractor shall, comply with all its obligations under the Employment Regulations and, in particular, obligations in respect of the Transferring Contractor Employees arising under the Employment Regulations in respect of the period up to (but excluding) the Service Transfer Date and shall perform and discharge, and procure that each Sub-Contractor shall perform and discharge, all its obligations in respect of any person identified in the Contractor's Final Contractor Personnel List and all the Transferring Contractor Employees arising in respect of the period up to (but excluding) the Service Transfer Date (including the payment of all remuneration, benefits, entitlements and outgoings, all wages, accrued but untaken holiday pay, bonuses, commissions, payments of PAYE, national insurance contributions and pension contributions and all such sums due as a result of any Fair Deal Employees' participation in the Statutory Schemes and any requirement to set up a broadly comparable pension scheme which in any case are attributable in whole or in part to the period ending on (but excluding) the Service Transfer Date) and any necessary apportionments in respect of any periodic payments shall be made between:

2.2.1 the Contractor and/or the Sub-Contractor (as appropriate);

2.2.2 and the New Contractor and/or New Sub-Contractor.

- 2.3 Subject to **paragraph 2.4 (Employment Regulations Exit Provisions)** of this **Part 4**, the Contractor shall indemnify the Authority and/or the New Contractor and/or any New Sub-Contractor against any Employee Liabilities arising from or as a result of:

2.3.1 any act or omission of the Contractor or any Sub-Contractor in respect of any Transferring Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Contractor Employee whether occurring before, on or after the Service Transfer Date;

2.3.2 the breach or non-observance by the Contractor or any Sub-Contractor occurring before but excluding the Service Transfer Date of:

2.3.2.1 any collective agreement applicable to the Transferring Contractor Employees; and/or

2.3.2.2 any other custom or practice with a trade union or staff association in respect of any Transferring Contractor Employees which the Contractor or any Sub-Contractor is contractually bound to honour;

- 2.3.3 any claim by any trade union or other body or person representing any Transferring Contractor Employees arising from or connected with any failure by the Contractor or a Sub-Contractor to comply with any legal obligation to such trade union, body or person arising before but excluding the Service Transfer Date;
- 2.3.4 any failure by the Contractor or any Sub-Contractor to comply with its obligations (including its obligations to maintain records) under the Working Time Regulations 1998, National Minimum Wage Act 1998 and any/all associated National Minimum Wage Regulations in the period prior to the Service Transfer Date in respect of any Transferring Contractor Employees or workers (current or past) including, but not limited to any failure to maintain adequate records which meet the minimum requirements for record-keeping and/or failure to deliver the same to the Authority, a New Contractor and/or New Sub-Contractor on request;
- 2.3.5 the provision of inaccurate or incomplete information pursuant to **paragraphs 1.1, 1.2 and 1.6 (Pre-Service Transfer Obligations)** of this **Part 4**, irrespective of whether or not the Authority, the New Contractor or any New-Subcontractor has an ability via another contractual mechanism to recover unanticipated employment costs from the Authority;
- 2.3.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
- 2.3.6.1 in relation to any Transferring Contractor Employee, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising on and before the Service Transfer Date; and
- 2.3.6.2 in relation to any employee who is not identified in the Contractor's Final Contractor Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer their employment from the Contractor to the Authority and/or New Contractor and/or any New Sub-Contractor, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising before but excluding the Service Transfer Date;

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- 2.3.7 a failure of the Contractor or any Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Contractor Employees in respect of the period up to (and including) the Service Transfer Date;
- 2.3.8 any claim made by or in respect of any person employed or formerly employed by the Contractor or any Sub-Contractor other than a Transferring Contractor Employee identified in the Contractor's Final Contractor Personnel List for whom it is alleged the Authority and/or the New Contractor and/or any New Sub-Contractor may be liable by virtue of this Agreement and/or the Employment Regulations; and
- 2.3.9 any claim made by or in respect of a Transferring Contractor Employee or any appropriate employee representative (as defined in the Employment Regulations) of any Transferring Contractor Employee relating to any act or omission of the Contractor or any Sub-Contractor in relation to its obligations under regulation 13 of the Employment Regulations, except to the extent that the liability arises from the failure by the Authority and/or New Contractor to comply with regulation 13(4) of the Employment Regulations.
- 2.4 The indemnities in **paragraph 2.3 (Employment Regulations Exit Provisions)** of this **Part 4** shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the New Contractor and/or any New Sub-Contractor whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities:
- 2.4.1 arising out of the resignation of any Transferring Contractor Employee before the Service Transfer Date on account of substantial detrimental changes to their working conditions proposed by the New Contractor and/or any New Sub-Contractor to occur in the period on or after the Service Transfer Date; or
- 2.4.2 arising from the New Contractor's failure, and/or New Sub-Contractor's failure, to comply with its obligations under the Employment Regulations.
- 2.5 If any person who is not identified in the Contractor's Final Contractor Personnel List claims, or it is determined in relation to any person who is not identified in the Contractor's Final Contractor Personnel List, that their contract of employment has been transferred from the Contractor or any Sub-Contractor to the New Contractor and/or New Sub-Contractor pursuant to the Employment Regulations, then:

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- 2.5.1 the Authority shall procure that the New Contractor shall, or any New Sub-Contractor shall, within five (5) Business Days of becoming aware of that fact, give notice in writing to the Contractor; and
- 2.5.2 the Contractor may offer (or may procure that a Sub-Contractor may offer) employment to such person within fifteen (15) Business Days of the notification by the New Contractor and/or any and/or New Sub-Contractor or take such other reasonable steps as it considers appropriate to deal with the matter provided always that such steps are in compliance with the applicable Legislation.
- 2.6 If such offer is accepted, or if the situation has otherwise been resolved by the Contractor or a Sub-Contractor, the Authority shall procure that the New Contractor shall, or procure that the New Sub-Contractor shall, immediately release or procure the release of the person from their employment or alleged employment.
- 2.7 If after the fifteen (15) Business Day period specified in **paragraph 2.5.2 (Employment Regulations Exit Provisions)** of this **Part 4** has elapsed:
- 2.7.1 no such offer of employment has been made;
- 2.7.2 such offer has been made but not accepted; or
- 2.7.3 the situation has not otherwise been resolved,
- the Authority shall advise the New Contractor and/or New Sub-Contractor, as appropriate that it may within five (5) Business Days give notice to terminate the employment or alleged employment of such person.
- 2.8 Subject to the New Contractor and/or New Sub-Contractor acting in accordance with the provisions of **paragraphs 2.5 to 2.7 (Employment Regulations Exit Provisions)** of this **Part 4**, and in accordance with all applicable proper employment procedures set out in applicable Legislation, the Contractor shall indemnify the New Contractor and/or New Sub-Contractor against all Employee Liabilities arising out of the termination of employment pursuant to the provisions of **paragraph 2.7 (Employment Regulations Exit Provisions)** of this **Part 4** provided that the New Contractor takes, or shall procure that the New Sub-Contractor takes, all reasonable steps to minimise any such Employee Liabilities.
- 2.9 The indemnity in **paragraph 2.8 (Employment Regulations Exit Provisions)** of this **Part 4**:
- 2.9.1 shall not apply to:

- 2.9.1.1 any claim for:
- (a) discrimination, including on the grounds of sex, race, disability, age, gender reassignment, marriage or civil partnership, pregnancy and maternity or sexual orientation, religion or belief; or
- (b) equal pay or compensation for less favourable treatment of part-time workers or fixed-term employees,
- in any case in relation to any alleged act or omission of the New Contractor and/or New Sub-Contractor; or
- 2.9.1.2 any claim that the termination of employment was unfair because the New Contractor and/or New Sub-Contractor neglected to follow a fair dismissal procedure; and
- 2.9.2 shall apply only where the notification referred to in **paragraph 2.5.1 (Employment Regulations Exit Provisions)** of this **Part 4** is made by the New Contractor and/or New Sub-Contractor to the Contractor within six (6) months of the Service Transfer Date.
- 2.10 If any such person as is described in **paragraph 2.5 (Employment Regulations Exit Provisions)** of this **Part 4** is neither re-employed by the Contractor or any Sub-Contractor nor dismissed by the New Contractor and/or New Sub-Contractor within the time scales set out in **paragraphs 2.5 to 2.7 (Employment Regulations Exit Provisions)** of this **Part 4**, such person shall be treated as a Transferring Contractor Employee.
- 2.11 The Contractor shall, and shall procure that each Sub-Contractor shall, promptly provide to the Authority and any New Contractor and/or New Sub-Contractor, in writing such information as is necessary to enable the Authority, the New Contractor and/or New Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations. The Authority shall procure that the New Contractor and/or New Sub-Contractor, shall promptly provide to the Contractor and each Sub-Contractor in writing such information as is necessary to enable the Contractor and each Sub-Contractor to carry out their respective duties under regulation 13 of the Employment Regulations.
- 2.12 The Contractor shall, and shall procure that each Sub-Contractor shall, provide all reasonable assistance and documentation required by the Authority, a New Contractor and/or a New Sub-Contractor required by them in connection with any query, claim, dispute or proceedings arising after a Service Transfer Date but relating to a Transferring Contractor Employee.



- 2.13 Subject to **paragraph 2.14 (Employment Regulations Exit Provisions)** of this **Part 4**, the Authority shall procure that the New Contractor indemnifies the Contractor on its own behalf and on behalf of any New Sub-Contractor and its Sub-Contractors against any Employee Liabilities arising from or as a result of:
- 2.13.1 any act or omission of the New Contractor and/or New Sub-Contractor in respect of any Transferring Contractor Employee identified in the Contractor's Final Contractor Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Contractor Employee;
 - 2.13.2 the breach or non-observance by the New Contractor and/or New Sub-Contractor on or after the Service Transfer Date of:
 - 2.13.2.1 any collective agreement applicable to the Transferring Contractor Employees identified in the Contractor's Final Contractor Personnel List; and/or
 - 2.13.2.2 any custom or practice in respect of any Transferring Contractor Employees identified in the Contractor's Final Contractor Personnel List which the New Contractor and/or New Sub-Contractor is contractually bound to honour;
 - 2.13.3 any claim by any trade union or other body or person representing any Transferring Contractor Employees identified in the Contractor's Final Contractor Personnel List arising from or connected with any failure by the New Contractor and/or New Sub-Contractor to comply with any legal obligation to such trade union, body or person arising on or after the Service Transfer Date;
 - 2.13.4 any proposal by the New Contractor and/or New Sub-Contractor to change the terms and conditions of employment or working conditions of any Transferring Contractor Employees identified in the Contractor's Final Contractor Personnel List on or after their transfer to the New Contractor or New Sub-Contractor (as the case may be) on the Service Transfer Date, or to change the terms and conditions of employment or working conditions of any person identified in the Contractor's Final Contractor Personnel List who would have been a Transferring Contractor Employee but for their resignation (or decision to treat their employment as terminated under regulation 4(9) of the Employment Regulations) before the Service Transfer Date as a result of or for a reason connected to such proposed changes;

- 2.13.5 any statement communicated to or action undertaken by the New Contractor or New Sub-Contractor to, or in respect of, any Transferring Contractor Employee identified in the Contractor's Final Contractor Personnel List before but excluding the Service Transfer Date regarding the Relevant Transfer which has not been agreed in advance with the Contractor in writing;
- 2.13.6 any proceeding, claim or demand by HMRC or other statutory authority in respect of any financial obligation including, but not limited to, PAYE and primary and secondary national insurance contributions:
- 2.13.6.1 in relation to any Transferring Contractor Employee identified in the Contractor's Final Contractor Personnel List, to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date; and
- 2.13.6.2 in relation to any employee who is not a Transferring Contractor Employee identified in the Contractor's Final Contractor Personnel List, and in respect of whom it is later alleged or determined that the Employment Regulations applied so as to transfer their employment from the Contractor or Sub-Contractor, to the New Contractor or New Sub-Contractor to the extent that the proceeding, claim or demand by HMRC or other statutory authority relates to financial obligations arising after the Service Transfer Date;
- 2.13.7 a failure of the New Contractor or New Sub-Contractor to discharge or procure the discharge of all wages, salaries and all other benefits and all PAYE tax deductions and national insurance contributions relating to the Transferring Contractor Employees identified in the Contractor's Final Contractor Personnel List in respect of the period from (and including) the Service Transfer Date; and
- 2.13.8 any claim made by or in respect of a Transferring Contractor Employee identified in the Contractor's Final Contractor Personnel List or any appropriate employee representative (as defined in the Employment Regulations) of any such Transferring Contractor Employee relating to any act or omission of the New Contractor or New Sub-Contractor in relation to obligations under regulation 13 of the Employment Regulations.



- 2.14 The indemnities in **paragraph 2.13 (Employment Regulations Exit Provisions)** of this **Part 4** shall not apply to the extent that the Employee Liabilities arise or are attributable to an act or omission of the Contractor and/or any Sub-Contractor (as applicable) whether occurring or having its origin before, on or after the Service Transfer Date, including any Employee Liabilities arising from the failure by the Contractor and/or any Sub-Contractor (as applicable) to comply with its obligations under the Employment Regulations.

PART 4, ANNEX 1: STAFFING INFORMATION**EMPLOYEE INFORMATION (ANONYMISED)****NAME OF TRANSFEROR:****NUMBER OF EMPLOYEES IN-SCOPE TO TRANSFER:****COMPLETION NOTES**

- 1 IF YOU HAVE ANY KEY SUB-CONTRACTORS, PLEASE COMPLETE ALL THE ABOVE INFORMATION FOR ANY STAFF EMPLOYED BY SUCH KEY SUB-CONTRACTOR(S) IN A SEPARATE SPREADSHEET.**
- 2 THIS SPREADSHEET IS USED TO COLLECT INFORMATION FROM THE CURRENT EMPLOYER (TRANSFEROR) ABOUT EMPLOYEES PERFORMING THE RELEVANT SERVICES TO HELP PLAN FOR A POTENTIAL TUPE TRANSFER. SOME OR ALL OF THIS INFORMATION MAY BE DISCLOSED TO BIDDERS AS PART OF A PROCUREMENT PROCESS. THE INFORMATION SHOULD NOT REVEAL THE EMPLOYEES' IDENTITIES.**
- 3 IF THE INFORMATION CANNOT BE INCLUDED ON THIS FORM, ATTACH THE ADDITIONAL INFORMATION, SUCH AS RELEVANT POLICIES, AND CROSS REFERENCE TO THE ITEM NUMBER AND EMPLOYEE NUMBER WHERE APPROPRIATE.**

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EMPLOYEE DETAILS & KEY TERMS							
DETAILS	JOB TITLE	GRADE / BAND	WORK LOCATION	DATE OF BIRTH	EMPLOYMENT STATUS (FOR EXAMPLE, EMPLOYEE, FIXED-TERM EMPLOYEE, SELF-EMPLOYED, AGENCY WORKER)?	CONTINUOUS SERVICE DATE (DD/MM/YY)	DATE EMPLOYMENT STARTED WITH EXISTING EMPLOYER
EMP NO 1							
EMP NO 2							
EMP NO							
EMP NO							
EMP NO							
EMP NO							
EMP NO							
EMP NO							



EMPLOYEE DETAILS & KEY TERMS							
DETAILS	CONTRACT END DATE (IF FIXED TERM CONTRACT OR TEMPORARY CONTRACT)	CONTRACTUAL NOTICE PERIOD	CONTRACTUAL WEEKLY HOURS	REGULAR OVERTIME HOURS PER WEEK	MOBILITY OR FLEXIBILITY CLAUSE IN CONTRACT?	PREVIOUSLY TUPE TRANSFERRED TO ORGANISATION? IF SO, PLEASE SPECIFY (I) DATE OF TRANSFER, (II) NAME OF TRANSFEROR, AND (III) WHETHER EX PUBLIC SECTOR	ANY COLLECTIVE AGREEMENTS?
EMP NO 1							
EMP NO 2							
EMP NO							

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EMP NO							
EMP NO							
EMP NO							
EMP NO							

	ASSIGNMENT	CONTRACTUAL PAY AND BENEFITS						
DETAILS	% OF WORKING TIME DEDICATED TO THE PROVISION OF SERVICES UNDER THE CONTRACT	SALARY (OR HOURLY RATE OF PAY)	PAYMENT INTERVAL (WEEKLY / FORTNIGHTLY / MONTHLY)	BONUS PAYMENT FOR PREVIOUS 12 MONTHS (PLEASE SPECIFY WHETHER CONTRACTUAL OR DISCRETIONARY ENTITLEMENT)	PAY REVIEW METHOD	FREQUENCY OF PAY REVIEWS	AGREED PAY INCREASES	NEXT PAY REVIEW DATE

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EMP NO 1								
EMP NO 2								
EMP NO								
EMP NO								
EMP NO								
EMP NO								
EMP NO								

CONTRACTUAL PAY AND BENEFITS								
DETAILS	ANY EXISTING OR FUTURE COMMITMENT TO TRAINING THAT HAS A TIME-OFF OR	CAR ALLOWANCE (£ PER YEAR)	LEASE OR COMPANY CAR DETAILS	ANY OTHER ALLOWANCES PAID (E.G. SHIFT ALLOWANCE, STANDBY ALLOWANCE,	PRIVATE MEDICAL INSURANCE (PLEASE SPECIFY WHETHER SINGLE OR	LIFE ASSURANCE (XSALARY)	LONG TERM DISABILITY / PHI (% OF SALARY	ANY OTHER BENEFITS IN KIND

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	FINANCIAL IMPLICATION			TRAVEL ALLOWANCE)	FAMILY COVER)			
EMP NO 1								
EMP NO 2								
EMP NO								
EMP NO								
EMP NO								
EMP NO								
EMP NO								

CONTRACTUAL PAY AND BENEFITS

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DETAILS	ANNUAL LEAVE ENTITLEMENT (EXCLUDING BANK HOLIDAYS)	BANK HOLIDAY ENTITLEMENT	METHOD OF CALCULATING HOLIDAY PAY (I.E. BASED ON FIXED SALARY ONLY OR INCL. ENTITLEMENTS TO VARIABLE REMUNERATION SUCH AS BONUSES, ALLOWANCES, COMMISSION OR OVERTIME PAY?)	MATERNITY OR PATERNITY OR SHARED PARENTAL LEAVE ENTITLEMENT AND PAY	SICK LEAVE ENTITLEMENT AND PAY	REDUNDANCY PAY ENTITLEMENT (STATUTORY / ENHANCED / CONTRACTUAL / DISCRETIONARY)
EMP NO 1						
EMP NO 2						
EMP NO						
EMP NO						
EMP NO						

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EMP NO						
EMP NO						

PENSIONS						
DETAILS	EMPLOYEE PENSION CONTRIBUTION RATE	EMPLOYER PENSION CONTRIBUTION RATE	PLEASE PROVIDE THE NAME OF THE PENSION SCHEME AND A LINK TO THE PENSION SCHEME WEBSITE	IS THE SCHEME AN OCCUPATIONAL PENSION SCHEME AS DEFINED IN THE PENSION SCHEMES ACT 1993?	IF THE SCHEME IS NOT AN OCCUPATIONAL PENSION SCHEME, WHAT TYPE OF SCHEME IS IT? E.G. PERSONAL PENSION SCHEME?	TYPE OF PENSION PROVISION E.G. DEFINED BENEFIT (CARE OR FINAL SALARY, AND WHETHER A PUBLIC SECTOR SCHEME E.G. CSPS, NHSPS, LGPS ETC. OR A BROADLY COMPARABLE SCHEME) OR A DEFINED CONTRIBUTION SCHEME OR AN AUTO ENROLMENT MASTER TRUST?

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EMP NO 1						
EMP NO 2						
EMP NO						
EMP NO						
EMP NO						
EMP NO						
EMP NO						

	PENSIONS					
DETAILS	IF THE EMPLOYEE IS IN THE LOCAL GOVERNMENT PENSION SCHEME, PLEASE SUPPLY	IF THE EMPLOYEE IS IN THE CIVIL SERVICE PENSION SCHEME,	IF THE EMPLOYEE IS IN THE NHSPS, PLEASE PROVIDE DETAILS	IF THE EMPLOYEE IS IN A BROADLY COMPARABLE PENSION SCHEME, PLEASE SUPPLY A COPY	DID FAIR DEAL OR ANY OTHER SIMILAR PENSION PROTECTION FOR EX- PUBLIC SECTOR EMPLOYEES APPLY TO THE EMPLOYEE WHEN THEY TUPE TRANSFERRED INTO	IF FAIR DEAL, BEST VALUE OR OTHER PENSION PROTECTION APPLIED, WHICH

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	DETAILS OF FUND AND ADMINISTERING AUTHORITY.	PLEASE PROVIDE DETAILS OF THE ADMISSION AGREEMENT.	OF THE DIRECTION LETTER.	OF THE GAD CERTIFICATE OF BROAD COMPARABILITY.	YOUR EMPLOYMENT? IF SO, WHAT WAS THE NATURE OF THAT PROTECTION (E.G. RIGHT TO PARTICIPATE IN A PUBLIC SECTOR PENSION SCHEME, OR A BROADLY COMPARABLE SCHEME, OR TO BULK TRANSFER PAST PENSION SERVICE INTO THEIR CURRENT SCHEME)?	PUBLIC SECTOR EMPLOYER DID THEY ORIGINALLY TRANSFER OUT OF AND WHEN?
EMP NO 1						
EMP NO 2						
EMP NO						
EMP NO						
EMP NO						
EMP NO						



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EMP NO						
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	OTHER		
DETAILS	SECURITY CHECK LEVEL	SECURITY CLEARANCE EXPIRY DATE	ADDITIONAL INFO OR COMMENTS
EMP NO 1			
EMP NO 2			
EMP NO			
EMP NO			
EMP NO			
EMP NO			
EMP NO			