

4	4	2.67%
5	5	3.33%
6	6	4.00%
7	7	4.67%
8	8	5.33%
9	9	6.00%
10	10	6.67%
11	11	7.33%
12	12	8.00%

Scoring Key – Admin SLAs (7-22)		
Lower	Upper	Service Credit/Debit
-4	9	-2%
10	12	-1%
13	13	0%
14	14	1%
15	16	2%

9.3 Contract Performance MI against any SLA's should be made available as a management dashboard and at case level, through standard monthly reporting. SLA's will be monitored and assessed internally by the Supplier on a monthly basis and a self-assessment score sent to the Authority CM with supporting reporting evidence. The Authority CM would then assess and assure the monthly score provided by the Supplier.

9.4 Where a service credit or debit is applied, it will be applied to the invoice value of the Services of the month in which those Services are provided. The credit or debit will then be applied to the value of that month's Services in the following month's invoice.

9.5 Where the Supplier is in breach of its obligations under Service Legal Agreements or where the overall level of performance is materially deficient then the Authority may serve a default notice upon the Supplier.

9.6 Where:

- a) The Authority serves a default notice; or

- b) The aggregate number of Performance Points accrued each Month over any consecutive 3 month period is less than -6 against Collections SLAs (1-6) and less than 10 against Admin SLAs (7-22),

the Supplier shall, unless notified otherwise by the Authority, prepare a written rectification plan ("Services Rectification Plan").

The Services Rectification shall be issued to the Authority by the Supplier and shall provide the following information:

- a) identification of the scale of the problem; and
- b) the steps that the Supplier proposes to take to rectify or improve its performance including all failures to meet Service Levels; and
- c) a statement as to how success in implementing the Services Rectification Plan will be measured; and
- d) a statement as to the timescales within which the Service Rectification Plan will be implemented; and
- e) such other information as may be reasonably requested by the Authority.

- 9.7 The Supplier shall submit the Services Rectification Plan by 5pm, 5 working days following but excluding the day of submission of the Monthly Report in which performance points are accrued. The Supplier shall make amendments to the Services Rectification Plan as may reasonably be requested by the Authority and approve (or amend) the plan within 10 working days of its submission.
- 9.8 As soon as the Authority has approved the Services Rectification Plan, the Supplier shall fully implement the plan in accordance with its terms.
- 9.9 If the Supplier fails to fully implement the Services Rectification Plan in accordance with its terms, the Authority may:
- a) make such arrangements through another provider, third party or by itself, to provide and perform the Services in whole or in part to which the Supplier is in default. Any expenditure incurred, performing the services defaulted by the Supplier shall be paid in full by the Supplier to the Authority upon request.
 - b) treat such failure as a fundamental breach of the Agreement and terminate the Agreement with immediate effect upon giving notice in writing.
- 9.10 Should the Supplier:
- a) incur aggregate performance points each month of less than 17 for 6 or more consecutive months or less than 204 performance points in any Services Year; or
 - b) be issued with 6 or more default notices in any period of 12 consecutive months;

then the Authority shall have the right to terminate the Agreement with immediate effect upon giving notice in writing without incurring any liability.

10. Assurance

- 10.1 The Authority must be satisfied that the Supplier has sufficiently robust internal quality and audit mechanisms in place and will conduct spot check audits. The onus will be on the Supplier in order to demonstrate to the Authority CM that robust internal processes are in place and the Supplier must provide the Authority CM with a quarterly report in relation to internal assurance and risk management.
- 10.2 The Authority reserves the right to carry out direct or indirect assurance activity to ensure that all SLAs are complied with and that all cases referred to the Supplier are processed in a timely manner. We also reserve the right to carry out assurance activity to ensure that all money paid to the Supplier is correctly remitted back to the Authority and that all call handling, complaints and correspondence are dealt with to a satisfactory standard. The Supplier must provide all necessary assistance at nil charge to the Authority in supporting this assurance activity.
- 10.3 The National Audit Office (NAO) carry out value for money audits under their statutory powers – either directly themselves or through their appointment of auditors to conduct work on their behalf. The outcome of such audits will be shared between all parties.
- 10.4 The Supplier must also provide International Standards for Assurance Engagements (ISAE) 3402 report annually.
- 10.5 The Supplier will notify the Authority as soon as it identifies:
- Fraud (or attempted fraud)
 - Control weaknesses
 - Any risk in relation to information assurance
 - Any situation that may adversely affect public funds
 - Any situation that may constitute a potential breach of the Supplier's obligations under relevant legislation
- 10.6 The Authority CM will conduct an audit. Should the Authority CM still not be satisfied upon audit, the Supplier will then be subject to a plan targeted towards corrective action. If performance does not improve, or worsens, the Authority CM will then seek to enforce any more severe corrective action available to him/her under the terms of the contract.
- 10.7 The Supplier must have sufficiently robust money laundering detection and fraud awareness processes in place in compliance with relevant legislation including the Money Laundering Regulations 2007, Proceeds of Crime Act 2002 (as amended by the Crime and Courts Act 2013 and the Serious Crime Act 2015) and the Financial Services and Markets Act 2000.
- 10.8 The NAO will review the effectiveness of the Services, and will be particularly interested in the following areas of the scheme:
- Collection of capital evidence and completeness of capital asset disclosures
 - Defendants who default on payments
 - Control of refunds
 - Those Defendants who the write off policy has been applied to

Payment Card Industry Data Security Standard (PCI DSS) Compliance

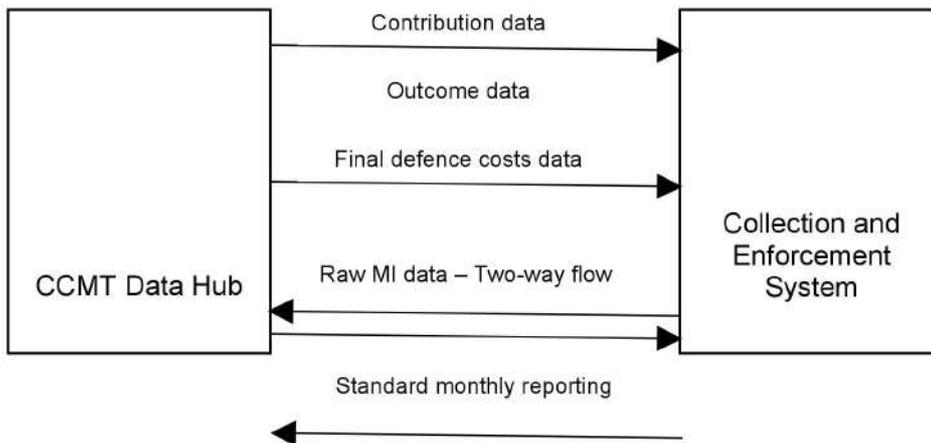
- 10.9 Where the Supplier intends to accept payments by debit/credit card the Supplier must have either:
- Been certified by a Qualified Security Assessor and Approved Scanning Vendor (as applicable) as being compliant with the PCI DSS version 1.1; or
 - completed an internal self-assessment and will adhere at all times to the terms of the PCI DSS and will notify the Authority promptly in writing of any changes in the Supplier's certification.
- 10.10 The Supplier must validate compliance in the manner deemed appropriate by the card scheme industry on an annual basis and provide the Authority with written evidence of compliance annually.
- 10.11 The Supplier will be responsible for any costs incurred to attain and maintain compliance with PCI DSS.
- 10.12 The Supplier must meet all PCI DSS requirements, on a continuing basis, including but not limited to any subsequent versions of the PCI DSS.
- 10.13 The Supplier must be responsible for the security of all Cardholder Data in the Supplier's possession
- 10.14 The Supplier must notify the Authority and the card scheme industry immediately if it knows or suspects that there has been, or will be, a breach of the security of Cardholder Data or of the PCI DSS.
- 10.15 The Supplier must indemnify the Authority, its subsidiaries, affiliates, officers, employees and agents from and against all actions, demands, costs, losses, penalties, damages, liability, claims and expenses (including but not limited to reasonable legal fees) whatsoever incurred by it or them arising from the Supplier's non-compliance with, or breach of, the PCI DSS or breach of Cardholder Data security.
- 10.16 The Supplier must cease taking payments, by debit/credit card, on behalf of the Authority in the event that the Supplier becomes non-compliant with, or suffers a breach of, the PCI DSS or breach of Cardholder Data security.

11. IT Systems

11.1 The current method for the transference of data is via FTPS (File Transfer Protocol Secure). It is anticipated that this method may change, in time, to an HTTPS web service interface. The Supplier should be able to provide a suitable IT interface to accept data from the following systems:

- LAA - XML format

11.2 The diagram below outlines the type of data to be exchanged between the Authority and the Supplier:



11.3 The Authority would expect to see evidence of existing processes in place in relation to good error handling for any corrupt data and sufficient validation processes.

11.4 The Supplier's Case Management System must be sufficiently sophisticated and flexible in order to deal with any update to information and a change in debt balance where a defendant's financial circumstances change.

11.5 Any hardware costs or licensing costs incurred (for any software etc.), associated with the provision of the service, will be considered to be an overhead for the Supplier to incur.

11.6 Applicants must also demonstrate how testing of the service will be provisioned during initial implementation and for any changes to the service made during the life span of the contract.

12. IT & Information Security

- 12.1 The Supplier must, at all times, comply with relevant legislative requirements, with particular reference to the Data Protection Act 1998.
- 12.2 Extract / Export Capability & Format:
 - The Supplier must have the ability to extract and transfer raw data to the Authority.
- 12.3 Secure Data Transfer:
 - Data will be provided in XML format.
 - Information should also be provided in PDF format in relation to case closures.
- 12.4 Receipt of Data:
 - The Supplier will ensure that the target locations (that data will be transferred to) will be available to receive data files within an agreed window.

This includes ensuring the applications/systems providing data have the necessary access permissions and rights.

- The Supplier's system can automatically acknowledge the successful receipt of data files or flag to the "sending" organisation or system when data transfer has been unsuccessful.
- 12.5 Scanning Capability: There may be occasions where photocopied documents are received by the Supplier. It is expected that the Supplier will have the capability to scan the documents and input the data into their Collection System.
 - 12.6 Access:
 - Only a user with a valid and active username and password will be able to log-on to the Collection System.
 - The Collection System must enforce users to define stronger passwords by:
 - o Enforcing a minimum of 8 characters per password
 - o Enforcing the inclusion of both letters and at least one number in the password
 - Ideally the Collection System must enforce users to define stronger passwords by enforcing a non-alpha or numeric character into the password (e.g. £, \$!, *,?)
 - The security and secrecy of a user's password is enhanced by ensuring the user must choose a new password every 31 days
 - 12.7 In addition, the Collection System must be able to amend the password expiry time limit, in the event that the policy changes in the future.
 - 12.8 Security:
 - The secure file transfer mechanism should be proportionate to the sensitivity of the data transferred (and subsequent risk) and could include:
 - o HTTPS
 - o FTPS
 - o SSL
 - o CJSM
 - 12.9 Standards:
 - Any Supplier that hold, manage or transfer CCMT data, on behalf of the Authority, will be expected to demonstrate their adherence to:
 - o The LAA's Security Policy Framework
 - o HMG IA Number 6 (The Handling Information Risk (Hannigan) Report)
 - o ISO/IEC 27001

This includes any Sub-Suppliers or additional service providers that the Supplier has sub-contracted to and has access to CCMT data. Any Sub-Supplier must be approved by the Authority CM.

12.10 Back-Up:

- A full backup of CCMT data must be taken each night.
- Any back-up of data must be encrypted.
- The back-up media will be on a 31-day rotation.
- The Supplier must ensure that media for backups are taken and stored off site within 24 hours of completion; in the intervening time media must be securely stored in the Supplier's fire proof safe
- The Supplier must ensure the Authority are able to audit the Supplier's backup logs and records of test restores
- An estimated timetable for completing the restoration of the CCMT data must be provided by the Supplier within 30 minutes of the request being made.

12.11 Recovery Standards:

In the event of a disaster:

- Fail-over to a secondary data centre or managed service provider
- Recovery within 48-72 hours of DR being instigated
- Minimal data loss – to the last back-up

12.12 Data Retention:

The retention periods are based on the type of information held and are as follows:

- Personal – Name, Date of Birth, NiNo etc.- 6 years after the completed application is received
- Contact – Address, email, landline – 3 years after the completed application is received
- Means – Equity/Capital – 6 years after the means are assessed
- Contribution Amount & Order – 6 years after Issue
- Payments – Made & Missed - 6 years after the Final Contribution balance (debt) has been cleared
- Enforcement Actions - 6 years after the Final Contribution balance (debt) has been cleared
- Final Contribution Order – 6 years after the Final Contribution balance (debt) has been cleared

The retention schedule clock should be "reset" if –

- The Defendant provides an update or additional information to the data previously provided
- Data that a Defendant has previously supplied is reused for a new legal aid application (i.e. previous address or bank account number are still the same at the point of a later application).

12.13 Data Disposal:

- CCMT data will be permanently deleted from all systems, and MI repositories/warehouses at the point of their retention period being reached.
- An audit record will be kept of any instance of a Defendant's personal data being viewed, and the time a specific user has accessed/viewed it.
- This will be maintained in an audit history associated against the Defendant, and will be accessible on demand (e.g. in the event of a Data Protection query).

12.14 The Supplier must have a fully tested Disaster Recovery Plan. This should include alternative options and how often they are tested.

13. Flexibility, Innovation and Continuous Improvement

- 13.1 Flexibility is required from the Supplier throughout the Contract, with an ability to respond to changing requirements, for example, to implement any future process amendments required through changes to legislation. In addition, the Supplier shall work strategically with the Authority to meet the objectives of the contract and assist in achieving ongoing increased performance against any set targets.
- 13.2 The Supplier will be required to review the various elements of the Services to develop and continuously improve processes and procedures, working proactively to add value to the Services to the Authority throughout the duration of the Contract. This may include piloting of new ideas and initiatives, proposing and implementing advances in technology or software, and streamlining processes.
- 13.3 Proposals are to be presented with clear identified benefits and risks. Those involving a cost element are to be fully costed, with payback timescales identified, and any reductions to the fees.
- 13.4 The Authority is open to negotiating the gain sharing of cost benefits of any new cost saving initiatives implemented during the Contract period. The Authority would therefore propose to apply a performance driven payment/gain share model in relation to the new initiative as it is believed this will further drive the right behaviour between the two parties.
- 13.5 As part of the Supplier's day-to-day operations, feedback obtained from any customer surveys and quality reviews should be part of the basis for ongoing continuous improvement of the Services provided.
- 13.6 The Supplier and Authority CM will conduct quarterly review meetings in order to identify any areas for improvement in the services.

14. Payments between the Authority and Supplier

- 14.1 The Supplier shall pay all monies received from Defendants into the Authority's account separate from all other monies administered by the Supplier.
- 14.2 The Supplier shall remit all monies collected from Defendants to Authority on a daily basis. Monies shall be remitted to the Authority no later than 5 Working Days after collection, except for cheque payments from Defendants, which shall be retained in the Supplier's client account for up to 5 Working Days until cleared before being remitted to the Authority. This will ensure that no payment made by a Defendant to the Authority is dishonoured, however, if any payment following this period of time is reversed, the Supplier will be liable to honour the payment.
- 14.3 Each remittal shall be by use of the BACS payment system, and shall be accompanied by a schedule detailing the following information:
- Full name;
 - MAAT number;
 - Amount being remitted to the Authority.
- 14.4 In addition, each schedule shall include a statement of the amount being held awaiting clearance together with details of which Defendants are affected.
- 14.5 The Supplier will be entitled to submit an invoice for payment for providing the Services in accordance with the Conditions of Contract. The payment terms of such invoices are thirty days from receipt of such correct invoice. The invoice must be presented in summary form and supported by a case level breakdown of service delivery costs.
- 14.6 At the end of each Month of the Agreement Period the Supplier will send to the Authority a tax invoice in accordance with the Value Added Tax Act (VAT) 1994 in respect of sums due to the Supplier as follows:
- the agreed Fee;
 - any sum agreed or determined in accordance with Clause 9.3 of VAT 1994
 - less any amounts due to the Authority in accordance with the Specification (including a credit note in respect of any Service Credits due to the Supplier and a debit note in respect of any Service Debits due from the Authority each as provided for in the Service Level Agreement. Such invoice shall be accompanied by full substantiating documentation, including the Monthly Service Statement and a breakdown by Defendants against Authority and Supplier Defendant unique references, as is necessary to satisfy the Authority that the sums shown in the invoice are correct.
- 14.7 The Authority shall notify the Supplier not later than five (5) days after receipt of an invoice specifying the amount (if any) of the payment made or proposed to be made by the Authority and the basis on which that amount was calculated. If the Authority notifies the Supplier in writing that it disagrees with the invoice, the Parties shall co-operate in good faith to resolve the disagreement as amicably and promptly as possible.
- 14.8 Subject to the above, the Authority shall pay invoices correctly submitted on or before the final date for payment, which shall be 30 Working Days after the date on which such invoice was received.

- 14.9 The Fee together with any other payments due from the Authority to the Supplier shall be exclusive of Value Added Tax and all references to Fees in this Agreement shall be regarded as exclusive of Value Added Tax. The Authority shall pay to the Supplier a sum equal to the Value Added Tax properly chargeable on the value of the provision of any Services under this Agreement.
- 14.10 If the Authority wishes to make any deduction or set-off from any amounts due to the Supplier it shall give the Supplier notice of the same which notice shall specify: -
- the amount proposed to be withheld and the ground for withholding payment; or
 - if there is more than one ground, each ground and the amount attributable to it.
 - Such notice shall be given not later than five (5) Working Days before the final date for payment of each invoice under Clause 10.3 of the Value Added Tax Act 1994.

Payment of Contributions Collected, Reconciliation & Refunds

- 14.11 During the Operational Services Period the Supplier shall:
- open and operate Defendant Accounts and collect Contributions from Defendants;
 - transfer Contributions Collected plus interest accrued on late payments (less any Contributions Collected which are not Cleared Funds and any Deductions) to the Supplier on a daily basis on Working Days agreed in advance by the Authority; and
 - reconcile Defendant Accounts and make Refunds to Defendants, where applicable in each case in accordance with the requirements, processes and time limits set out.
- 14.12 Where the value of any Refund is significantly greater than the Contributions Collected, the Supplier may make a request to the Authority for a sum equivalent to the Refund less Contributions Collected as further provided in the Specification. Any such requests must be made on a weekly basis with each such request being supported by a full case breakdown. Subject to its reasonable verification of any such requests, the Authority shall pay the Supplier the sum requested within 7 days of its receipt of the request.
- 14.13 The Supplier must make any requests for payment by the Authority of Unrecovered Enforcement Costs by means of a Monthly invoice supported by a full breakdown. Subject to its reasonable verification of any such requests, the Authority shall pay the Supplier the Unrecovered Enforcement Costs requested within 30 days of its receipt of the request.
- 14.14 The Authority reserves the right to refuse to pay un-recovered Enforcement costs back to the Supplier where it is agreed that the enforcement costs were incurred in error by the Supplier

15. The Supplier and the Supplier's Staff

- 15.1 The Debt Collection and Enforcement Supplier shall:
- Not unlawfully discriminate whether in relation to race, gender, religion, age or otherwise
 - Comply with its obligations under all relevant legislation and, in particular, the Equality Act 2010 (specifically sections 149 and 150) and the Data Protection Act 1998.
 - Comply with the regulations of the Financial Conduct Authority and the Market and Competition Authority.
 - Ensure that staff comply with the National Standards for Enforcement Agents, published by the MoJ in 2014 (<http://www.justice.gov.uk/downloads/courts/bailiffs-enforcement-officers/national-standards-enforcement-agents.pdf>).
- 15.2 The Supplier's staff shall operate under the direction and control of the Supplier, who shall be responsible for their conduct and discipline at all times.
- 15.3 The Supplier's staff shall at all times during their engagement in the delivery of the Services under the Contract be servants of the Supplier and this includes the self-employed.
- 15.4 Where the Supplier engages self-employed staff, or work is sub-contracted out, the Supplier shall not seek to transfer any responsibilities from themselves to self-employed staff so as to dilute the Supplier's responsibilities in respect of the Services provided to the Authority.
- 15.5 The Supplier should detail and agree any sub-contracting or outsourcing arrangements they wish to enter into with the Authority CM in advance.
- 15.6 All staff engaged by the Supplier shall possess the qualifications, competencies, licences and identification appropriate to the tasks for which they are employed.
- 15.7 The Supplier's staff undertaking door step services shall be certificated, security vetted, trained in Health & Safety and be aware of their duties under the Human Rights Act 1998. The Supplier shall ensure the certification is renewed every two years as required by current legislation including The Credit Services Association Code of Practice.
- 15.8 The Supplier shall issue each individual authorised to execute warrants or orders with an identity card displaying a photograph of that individual and that these are carried at all times and whether demanded or not shall be shown to every person against whom the Supplier is executing a process.
- 15.9 The Supplier shall ensure that the Authority has current details of recruitment and selection procedures, security vetting procedures and training programme for its Enforcement Agents. It shall also supply details of how Enforcement Agents are monitored for performance, and how convictions are declared.
- 15.10 The Supplier's Enforcement Agents and other employees shall at all time operate in a professional and appropriate manner. They shall be sensitive to the need to ensure they do not discriminate against anyone on the grounds of any protected characteristic outlined in the Equality Act 2010. They shall not bring the relevant procedures or the Authority into disrepute.
- 15.11 The Supplier shall supply a copy of its code of conduct, plus any updates as they are adopted.

- 15.12 The Supplier should undertake 'on the street' auditing of Enforcement Agents and vehicles should be tracked by GPS devices. Any concerns should be raised with the Authority.
- 15.13 The Supplier's procedures and working methods should be transparent and known to and followed by its entire staff. Guidance should be updated regularly and communicated to all staff.
- 15.14 The Supplier shall disclose details of its management structure and senior staffing levels annually, upon request from the Authority CM, or when any changes occur during the period of the Contract.
- 15.15 The Supplier's staff should be experienced in working with the public and vulnerable groups in society.
- 15.16 The Supplier should have a recruitment policy for filling vacancies and induction policy for new starters. This should be shared with the Authority.
- 15.17 Staff should have regular appraisals with their line manager to promote their development and to monitor their performance.

16. Identity and Integrity of Employees

- 16.1 The Authority operates the agreed Government security checks and its security policies require that appropriate checks must be made on Supplier's employees to give assurance as to their reliability.
- 16.2 The Supplier must make full use of criminal records checks in assessing suitability of individuals to hold certain posts. Such checks are used where the security of people, information or property are assessed to be at a particular risk from potentially unreliable employees, and where it is considered that a basic employer check gives insufficient assurance.
- 16.3 In addition to basic employer checks we may specify, all staff employed by the Supplier, including temporary, sub-contracting staff and those employed on contracts for services, and however involved in the processing and execution of warrants must undertake a standard disclosure check through the Criminal Records Bureau. These checks shall be renewed every 3 years and any costs associated in the undertaking of such checks will be incurred as an overhead by the Supplier.
- 16.4 The Supplier shall keep a record of the Standard Check and as part of the regular contract management procedures; the CM will carry out checks of the appropriate records as part of the performance management.
- 16.5 The Supplier is advised that the level and type of checks required may change during the period of the Contract. The Supplier is expected to co-operate with the Authority in implementing any required changes. The Criminal Records Bureau can be accessed at www.crb.gov.uk.
- 16.6 The Supplier shall inform the Authority CM by a report, as specified below, and in writing within 24 hours, of any situation listed below occurring where:
- The MoJ/LAA (the Authority) will be, or likely to be held in disrepute
 - Any gross misconduct, suspected or known, involving an employee or agent, in respect of any of the following:
 - Any criminal offence or conviction involving dishonesty or violence
 - Falsifying records, or knowingly aiding and abetting others to do so
 - Misappropriation of money
 - Abusive or threatening behaviour
 - Assault or offence against the person
 - Any investigation by the Supplier or any other organisation (e.g. police) in relation to any of the instances above is being conducted
 - Any investigation of the Supplier by the police / FCA.
- 16.7 The report referred to above shall be in writing and shall be sent immediately by signed or recorded delivery to the Authority CM. It shall specify the person, to whom it applies, indicating what disciplinary action has been taken by the Supplier.

- 16.8 Confidentiality Agreement - Each employee shall be briefed on organisational security procedures and the provisions of the Official Secrets Act –1911-1989 and shall abide by the security procedures and the regulations of the Official Secrets Act 1911-1989. Each employee must also be aware of their obligations under the Data Protection Act 1998.
- 16.9 The Supplier and its staff must comply with Sections 33 and 34 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012. These sections of the act outline restrictions on the disclosure of information of those in receipt of legal aid. Criminal penalties applicable to individuals disclosing information in contravention to these sections are also outlined.
- 16.10 The Supplier shall ensure that their managers maintain the standards of security expected and brief employees about the protection of assets and processes under their control. In particular, they should be on the lookout for any potential difficulties or conflicts of interests among staff and, where identified, report any concerns as soon as possible to the Authority CM.

17. Company Registration and Insurance

- 17.1 The Supplier shall be, and remain, registered at Companies House (the Supplier to forward proof annually) during the period of the Contract. The status of partnerships and consortia will be checked by the Authority before entering into the Contract.
- 17.2 The Supplier must be aware of and comply with any necessary legislative and regulatory requirements and changes in order for them to legally discharge their duties under the Contract.
- 17.3 The Supplier must comply with the Code of Conduct of the Financial Conduct Authority, the Market and Competition Authority and the Credit Services Association.
- 17.4 The Supplier shall ensure that they have in place a bond or similar insurance policy, of a sum adequate to cover the total amount of money collected from Defendants likely to be being held by the Supplier awaiting remittal to the Authority at any one time. Should volumes change, the Supplier shall adjust this bond or insurance policy accordingly.
- 17.5 The Supplier shall accept full responsibility for any wrongful act or misdoing arising during the enforcement process, and agrees to indemnify the Authority against any claim against the Authority arising from any such wrongful act or misdoing by the Supplier.

18. Customer Service & Complaints

- 18.1 All customer feedback, Complaints, queries and issues must be recorded and reported in the monthly MI report.
- 18.2 All press enquiries and external communications should be referred to the Authority CM.
- 18.3 The Supplier must have processes in place to refer Data Protection and Freedom of Information Act requests and should notify the Authority CM immediately should these circumstances arise.
- 18.4 The Supplier must adhere to an agreed complaints process with Authority.

Identifying a Complaint

- 18.5 A complaint is any communication received which expresses a negative comment regarding the services provided and seeking specific redress ("Complaint").
- 18.6 A Complaint can be verbal, written (e-mail or letter), or made in person but, in all cases, the same consistent procedures should be followed by the Supplier.
- 18.7 If the Supplier receives any Complaints about anything other than the Services or itself the Supplier shall notify the Authority CM in writing immediately.
- 18.8 If the Supplier receives any Complaints about itself or the Services, the Supplier shall follow the procedures outlined below.
- 18.9 If the Supplier becomes aware of any act or omission of itself that may justify a claim being made against the Supplier, or the Authority, the Supplier shall, in addition to following the Complaint procedure set out below, promptly advise the originator of the Complaint in writing to seek independent advice.

Internal Complaints Procedure

- 18.10 The Supplier shall initially handle all Complaints received through mutually agreed internal Complaints procedure. At a minimum, the complaints procedure shall include:
 - A process for informing complainants about how and to whom they should complain;
 - A process for identifying any rapidly and fairly dealing with Complaints;
 - How Complaints are recorded;
 - How to identify the cause of a Complaint and respond to it (including acknowledging Complaints, telling the complainant when they will receive a substantive response, explaining to whom they should take matters if they remain dissatisfied at any stage, providing options for redress and for correcting any underlying problem or unsatisfactory procedure or process);
 - A process for recording information to prevent any future similar Complaints;
 - Identification of who has responsibility for Complaints handling (generally and ultimately, including who is responsible for Complaints made about the person who would ordinarily have ultimate responsibility); and
 - The process for reviewing Complaints (what is reviewed, when and by whom).
- 18.11 The Supplier shall ensure that all of the Supplier's Staff dealing with Complaints are adequately trained and supported in order to comply with the requirements of this Specification.

- 18.12 Within 1 Working Day of receipt of a Complaint the Supplier shall send a letter to all complainants including the following details:
- An acknowledgement of receipt of the Complaint;
 - A description of the next steps to be taken in resolving the Complaint; and
 - Contact details of the person dealing with the Complaint.
- 18.13 Complaints received after 4pm on a Working Day or on a day other than a Working Day shall be deemed to have been received on the next Working Day.
- 18.14 The Supplier shall keep a central record of every Complaint received. For each Complaint, the Supplier shall record the details specified below and copies of all documentation (usually correspondence) showing how it was resolved. Documentation should be held on the central record or the case file with a cross reference in the central record.
- 18.15 The Supplier shall review the central record at least quarterly to identify trends and to determine whether action can be taken as a result, to improve the Services being delivered. The results of these reviews must be documented and stored on the central record and should be shared with the Authority.
- 18.16 In relation to assurance activities, Authority is entitled to access and take copies of this central record, or any documents relating to individual Complaints at any time. The Supplier shall provide the Authority with this information within 2 working days, on request.

Complaints Escalation

- 18.17 If, following the conclusion of the Supplier's agreed internal Complaints procedure, a complainant is not satisfied with the outcome of their Complaint, or the way in which the Complaint was handled, the Supplier shall contact the Authority CM for the matter to be dealt with in accordance with the LAA Complaints Procedure. A copy of the LAA Complaints Procedure can be provided on request.
- 18.18 Where a Complaint is escalated in accordance with this Paragraph, the Authority will use reasonable endeavours to resolve the Complaint and the Supplier shall provide all assistance required by the Authority to assist the Authority in resolving the Complaint in accordance with the LAA Complaints Procedure.

Timescale for the Resolution of Complaints

- 18.19 The Supplier shall deal with all Complaints promptly from notification. In the letter of acknowledgement described above, the complainant must be provided with an initial estimate of the timescale for resolution of the Complaint. The complainant must be provided with a regular update on the status of the Complaint (including any changes to the likely timescale for resolution) and in any event, not more than 5 Working Days from the previous update.

Timescale for the Resolution of Complaints & Correspondence received by Authority

- 18.20 The Supplier shall provide the Authority with any reports or copies of correspondence within 24 hours to enable the Authority to deal with any complaints sent directly to the Authority by the complainant.

Reporting Complaints

- 18.21 The Supplier shall record details of every Complaint received. This will form a "Complaints Log" showing the following information:

- Complainant's name;
- Complaint reference number;
- MAAT Ref. No;
- Owner of the Complaint;
- Delivery type e.g. letter, e-mail etc.;
- Date Complaint received;
- Description of the Complaint;
- Date holding letter was sent;
- Date full response was sent;
- Equalities monitoring data – complainant's age, gender and ethnicity;
- Action taken; and
- Whether the complaint was justified or unjustified.

In addition to maintaining the Complaints Log the Supplier shall collate Complaints and carry out an analysis of their root cause at least once a quarter.

This analysis shall include:

- Rolling Volume of Complaints broken down by Quarter;
- Rolling Volume of complaints upheld, partially upheld and not upheld by Quarter;
- A rolling summary of Complaints by reason category broken down by Quarter;
- An investigation into the cause/ findings of any Complaints with details reported monthly;
- Recommendations to improve the level of service offered to customers; and a plan setting out all actions necessary to address the causes of justified complaints within a period of three (3) months.

19. Exit Arrangements

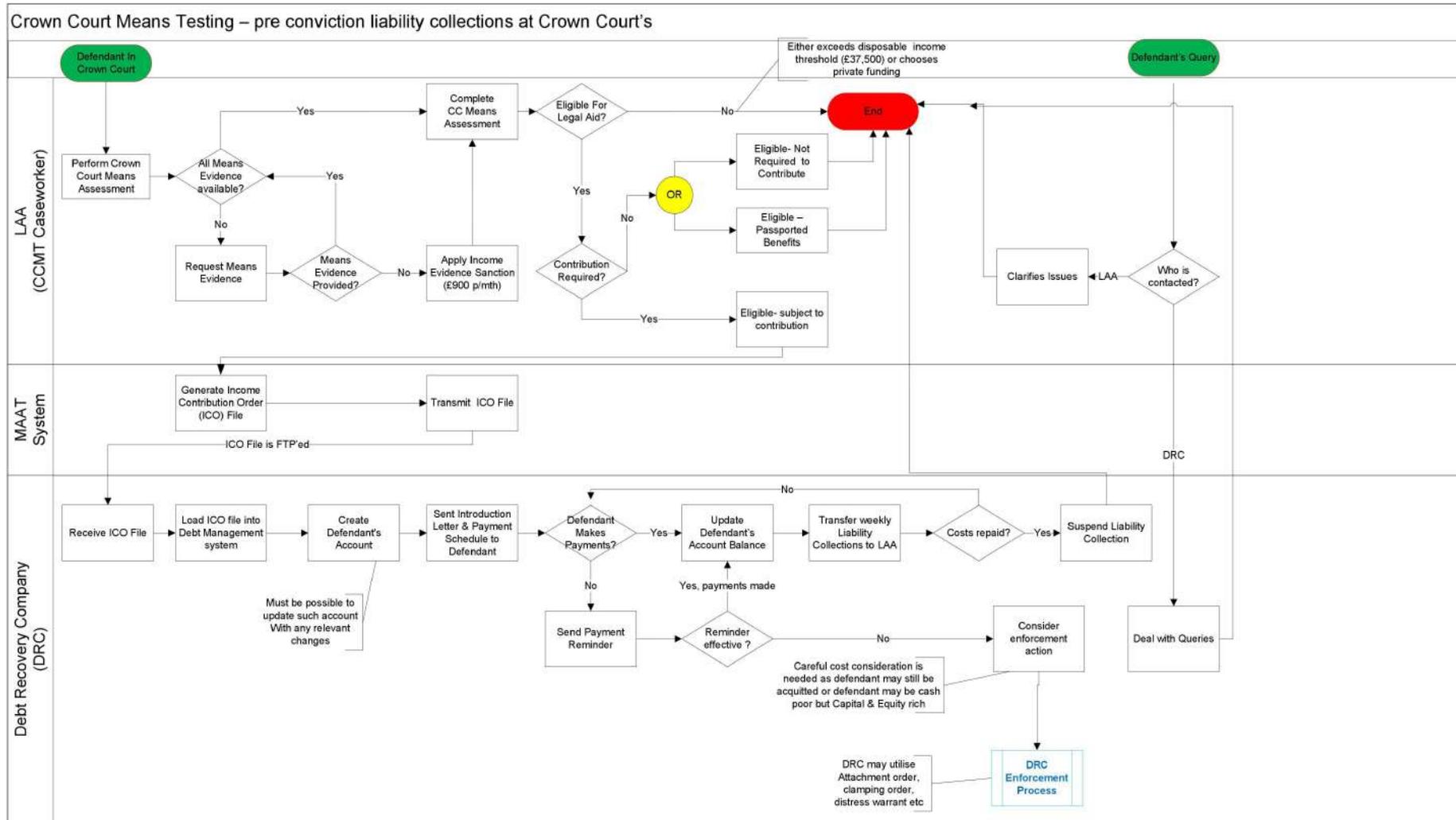
In addition to Section H9 (Exit Arrangements) of the Contract the Supplier will also:

- 19.1 Allow full access to existing accounts and closed records within the LAA retention period (see Section 12.12) to include all reports, Collection and enforcement case records, call centre, and administration notes on systems and copies of correspondence and complaints and any other information necessary to achieve an effective transition without disruption to routine operational requirements.
- 19.2 All open and closed records in para 19.1 (up to agreed retention period – see 12.12) shall be transferred back to the Authority on completion of or earlier than the termination of the contract with minimum disruption to routine operational requirements in an agreed accessible/readable format for transfer to any new Service Provider.
- 19.3 If in the performance of the above obligations in paras 19.1 to 19.5, the Service Provider does not have to use resources which are used to deliver normal operational requirements prior to termination or expiry of the contract, there shall be no change to the Price. If the Service Provider reasonably incurs additional costs in the performance of such obligations, the Parties shall agree a Variation to the Price based on the Service Providers rates set out in Schedule 2 (Pricing) for forming the basis for Price.
- 19.4 Charging Orders on Expiry or Termination if there is a replacement Service Provider - The Service Provider shall not less than 30 days before expiry or termination of the contract provide a categorised list to the Authority of all Warrants and Orders, by category, that are in its possession to include details of Issuing Court and stage of execution (Application pending, Granted, awaiting lapse of appeal period) where the case is still open.
- 19.5 The Service Provider shall also provide separate lists of all Attachment of Earnings applications, Interim Charging Order applications and Final Charging Order applications not yet granted and Final Charging Orders awaiting lapse of appeal period in order to allow the new Service Provider obtain consent of the Issuing Court to continue to undertake execution activity.
- 19.6 After confirmed transfer by both Parties of all records and obligations above in paras 19.1 to 19.6, all data will be permanently deleted from all Service Provider systems, and MI repositories / warehouses. The Supplier CM will confirm this to the Authority CM in writing, within 7 days after confirmation by both Parties of transfer of all records and obligations.

Annex A – Process Flow Diagrams

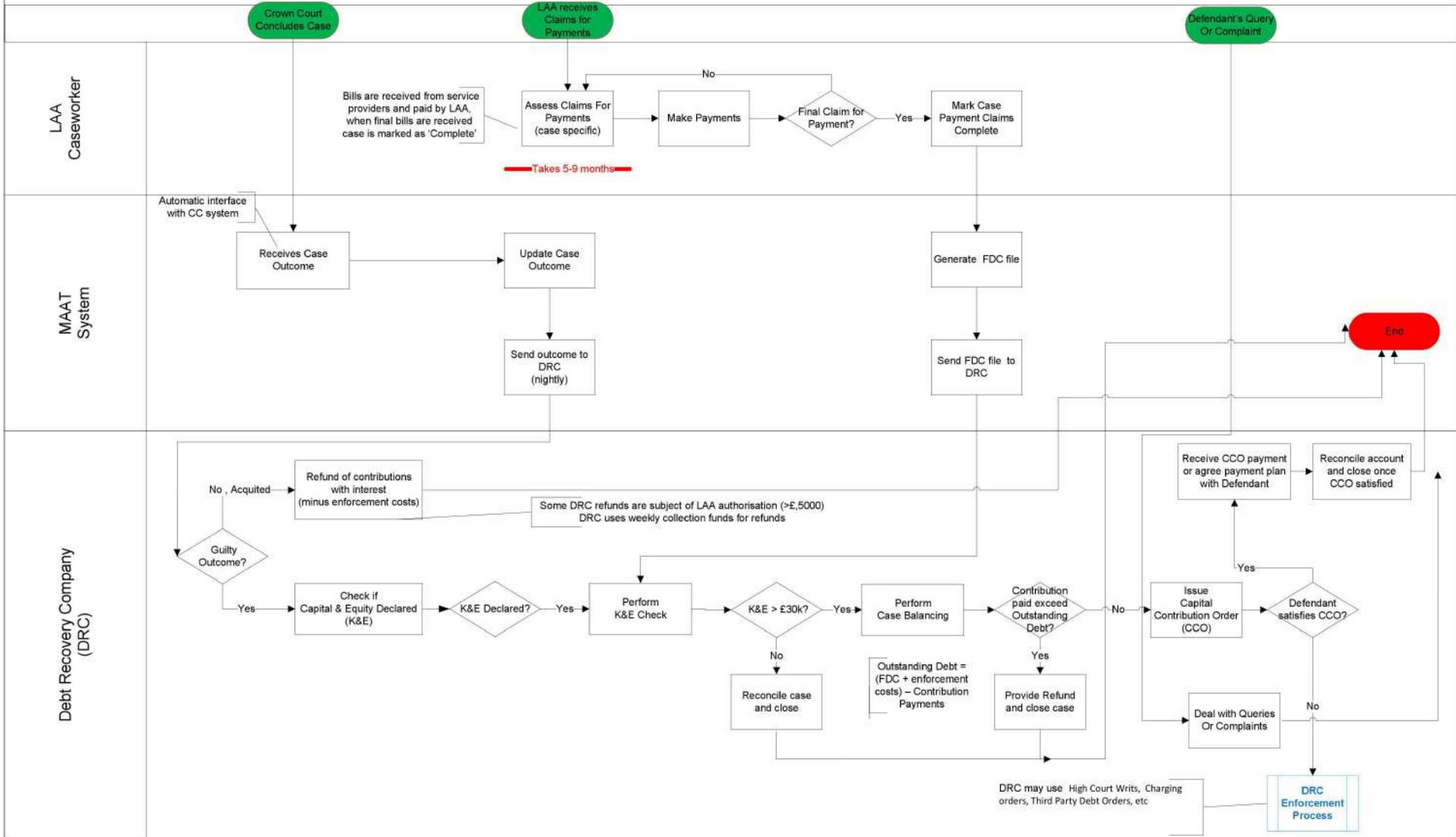
Defendant's case will first be heard in a Magistrate's court and then they may be committed, sent or transferred for trial at the Crown's Court.
 The liability (ICO file) will only be created at Crown Court, if relevant, and sent to the Debt Recovery Company (DRC).
 All LAA Crime Legal Aid Debt is stored in OneStep - Rossendale's debt management system.

If a defendant is found not guilty the contributions must be refunded by the DRC.
 The defendant's liability schedule includes 6 monthly payments (each > £255) – if a defendant makes one overall payment or makes regular monthly, timely payments – they are only required to cover 5 month's liability – they get one month payment bonus.
 The business process below is a 'happy path' – a scenario which excludes change of circumstances re-assessment and hardship assessment.



This happens only after the case has been concluded in the Crown Court – defendant was either acquitted or was found guilty .

Crown Court Means Testing – post conviction Capital and Equity debt collections for defendants who are a subject of Legal Aid Contributions



Annex B – Pricing Model

B1. The pricing model is based upon a unit price by case type. Further to this there is provision for service credits / service debits based on performance against Service Level Agreements (SLA's).

B2. The Units of work are categorised as follows:

- Income Contribution Order Cases
- Capital Contribution Order Cases
- Capital and Equity Checks
- Appeal Cases
- Enforcement Fees – costs incurred by the Supplier in order to undertake these activities will be remunerated at the rates outlined in Annex C. The Defendant is liable for the fees incurred under this unit of work and any costs incurred are to be remitted back to the Authority once recovered from the defendant.

B3. This model provides a degree of certainty in relation to expenditure or income for both the Authority and the Supplier. Due to the nature of the Services, the Supplier may realise profit on some cases but also may realise a comparative loss in relation to more administratively onerous cases.

Payment by performance

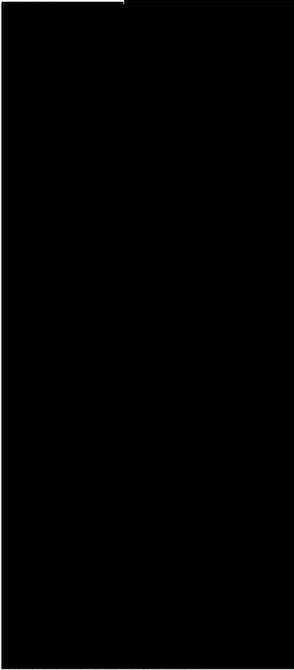
B4. Under this model, the Authority will also remunerate based upon performance against the SLA measures (see Section 11). These measures are to ensure that the Supplier is achieving the optimum levels of Debt Collection and Enforcement actions and performing at the most effective level.

B5. Performance against the SLAs will be reported upon monthly, as detailed above, and may result in service credit or debit, dependent upon Supplier performance.

B6. This particular aspect provides for an initial certainty of expenditure or income for the Authority and the Supplier subject to satisfactory performance. It is anticipated that this would also drive positive behaviours in order to maximise debt collection targets and rates.

Annex C – Enforcement Costs

The following enforcement costs will be recovered from the Defendant, however, any unrecovered enforcement costs will be invoiced to the Authority:

<u>LAA Name</u>	<u>Price</u>
Charging Order – Court Lodging Fee	
Charging Order – Court Fees	
Charging Order Fixed Costs	
Charging Order – Disbursements (Solicitors Fee)	
Charging Order – Solicitors Attendance Fee	
Land Registry Fees – Fee to Land Registry to register the Award	
Charging Orders – Admin Copies	
Attachment of Earnings – Court Lodging Fee	
Attachment of Earnings – Court Fees	
Attachment of Earnings – Fixed Costs	
Attachment of Earnings – Solicitors Fee	
High Court Writ – Court Lodging Fee	
High Court Writ – Court Fee	
High Court Writ – Fixed Costs	
High Court Writ – Fixed Court Cost	
MVC	
Third Party Debt Order – Court Lodging Fee	
Third Party Debt Order – Court Fee	
Third Party Debt Order – Fixed Costs	
Third Party Debt Order – Agent Fee	

SCHEDULE 2 – PRICING AND PERFORMANCE

PART A – PRICING

1. PRICE

The Price payable to the Supplier by the Authority for the full and proper performance by the Supplier of its obligations under the Contract shall be calculated on a monthly basis as follows:

Price = *Unit Charge per each new case type + applicable Enforcement Costs + applicable Service Credit / Debit adjustment*

WHERE

- (a) the "Unit Charge" is calculated based on the applicable amount specified in Table A of Annex 1 for each new case type/activity handled during the relevant Month *plus*
- (b) any applicable enforcement costs as specified in Table B of Annex 1 ("Enforcement Costs") authorised by the Authority during the relevant Month (to be invoiced separately) *plus*
- (c) any "Service Credit / Debit" adjustment based on the application of the service levels (as specified in Annex 2) to the Services delivered by the Supplier during the relevant Month.

2. EXPENSES AND OVERHEADS

- 2.1 Unless specifically referred to in the Contract, the Authority shall not be liable for any expenses incurred by the Supplier in connection with the delivery of the Services or the performance of its obligations under the Contract.
- 2.2 The Authority shall not pay the Suppliers overhead costs unless specifically agreed in writing by the Authority and overhead costs shall include, without limitation: facilities, utilities, insurance, tax, head office overheads, indirect staff costs and other costs not specifically and directly ascribable solely to the provision of the Services.

3. NO INDEXATION

- 3.1 Neither the Price nor any other costs, expenses, fees or charges shall be adjusted to take account of any inflation, change to exchange rate, change to interest rate or any other factor or element which might otherwise increase the cost to the Supplier or Sub-Contractors of the performance of their obligations.

4. SERVICE LEVEL AGREEMENT TARGETS

- 4.1 Prior to the Commencement date the Authority and the Supplier shall agree the monthly/ yearly targets contained within the Service Level Agreements specified in Annex 2 to this Schedule and as further referred to in Schedule 1.

PART B – INVOICING

5. PAYMENT

5.1 In respect of all invoices:

- (a) the Supplier shall submit all invoices to the Authority monthly in arrears;
- (b) invoices shall be submitted to the Authority on or before the 10th Working Day following the end of the Month to which they relate.

5.2 The Supplier shall work with the Authority and its nominated agent to agree an electronic invoice format which meets the requirements of a Valid Invoice.

5.3 The Supplier shall provide a separate invoice in respect of any Enforcement Costs claimed for payment by the Authority.

5.4

5.5 All Supplier invoices shall be expressed in sterling or any other currency which is approved.

5.6 A Valid Invoice is an invoice which includes:

- (a) the Suppliers full name, address and title of the Contract;
- (b) the invoice reference number and corresponding remittance reference number;
- (c) the purchase order number;
- (d) the Suppliers VAT Number;
- (e) the Date of invoice and dates of the period being invoiced for
- (f) the Suppliers Sort Code and Account number;
- (g) an accurate breakdown of service costs or enforcement costs separated by case type
- (h) also to be supplied with the invoice:
 - (i) Case level detail ordered by ID/MAAT ref numbers;
- (i) such further information as may reasonably be required by the Authority.

[Bidder Note: the reference number to be included on invoices will include a 4-digit Operating Unit Code and a 8 digit Cost Centre Code (SOP Code). These will be provided by the Authority in advance of the Commencement Date.]

5.7 If the Authority pays the Supplier prior to the submission of a Valid Invoice this payment shall be on account of and deductible from the next payment to be made.

5.8 If any overpayment has been made or the payment or any part is not supported by a Valid Invoice the Authority may recover this payment against future invoices raised or directly from the Supplier. All payments made by the Authority to the Supplier are on an interim basis pending final resolution of an account with the Supplier in accordance with the terms of this paragraph 5.

5.9 Subject to paragraph 6.3, the Authority shall pay all undisputed sums due to the Supplier within 30 days of Receipt of a Valid Invoice. The Supplier shall send all invoices to the Authority's finance team at the following address (or such other address as the Authority may advise from time to time):

Postal address: SSCL, PO Box 745, Newport, Gwent, NP10 8FZ

Email address: [CCMT@laa.cjsm.net]

Any changes to the Authority finance team will be notified to the Supplier who will make the required change at no cost to the Authority.

- 5.10 Any late payment of undisputed invoices by the Authority will be subject to interest at the rate of a maximum of 3% above the base rate from time to time of the Bank of England.
- 5.11 The Authority shall not pay an invoice which is not a Valid Invoice.