

# S1 - PRECEDENT CONTRACT FOR THE PURCHASE OF SERVICES

## SECTION A

This Contract is dated 18<sup>th</sup> September 2020.

### Parties

- (1) **Office of Manpower Economics** 8<sup>th</sup> Floor Fleetbank House, 2-6 Sailsbury Square, London, EC4Y 8JX (The Contracting Authority).
- (2) **Swansea University** and registered in United Kingdom with company number RC000639 and registered VAT number 1138342 whose registered office is at Singleton Park, Swansea, SA2 8PP (the Supplier).

### Background

The Contracting Authority wishes the Supplier to supply, and the Supplier wishes to supply, the Services (as defined below) in accordance with the terms of the Contract (as defined below).

### A1 Interpretation

A1-1 **Definitions.** In the Contract (as defined below), the following definitions apply:

**Agent:** Where UK Shared Business Services is not the named Contracting Authority is Parties (1), UK SBS has been nominated as agent on behalf of the Contracting Authority and therefore all communications both written and verbal will be received as issued by the Contracting Authority.

**Associated Bodies and Authorised Entities:** Associated Bodies and Authorised Entities include but are not limited to The Science and Technology Facilities Council, The Medical Research Council, The Engineering and Physical Sciences Research Council, The Economic and Social Research Council, The Natural Environment Research Council, The Arts and Humanities Research Council, The Biotechnology and Biological Sciences Research Council, UK SBS Ltd, Central Government Departments and their Agencies, Non Departmental Public Bodies, NHS bodies, Local Authority's, Voluntary Sector Charities, and/or other private organisations acting as managing agents or procuring on behalf of these UK bodies. Further details of these organisations can be found at:  
<http://www.ukpbs.co.uk/services/procure/contracts/Pages/default.aspx>

**Business Day:** a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business.

**Charges:** the charges payable by the Contracting Authority for the supply of the Services in accordance with clause B4.

**Commencement:** the date and any specified time that the Contract starts

**Conditions:** the terms and conditions set out in this document as amended from time to time in accordance with clause C7-11.

**Confidential Information:** any confidential information, knowhow and data (in any form or medium) which relates to UK SBS, the Contracting Authority or the Supplier, including information relating to the businesses of UK SBS, the Contracting Authority or the Supplier and information relating to their staff, finances, policies and procedures. This includes information identified as confidential in the

Order or the Special Conditions (if any).

**Contract:** the contract between the Contracting Authority and the Supplier for the supply of the Services, in accordance with these Conditions, any Special Conditions and the Order only.

**Contracting Authority:** Office Of Manpower Economics, as specified at Section A (1) and any replacement or successor organisation.

**Delivery Date (Services):** the date or dates specified in the Order when the Services shall commence as set out in the Order and until the end date specified in the Order

**Deliverables:** all Documents, products and materials developed by the Supplier or its agents, contractors and employees as part of or in relation to the Services in any form, including computer programs, data, reports and specifications (including drafts).

**Document:** includes, in addition to any document in writing, any drawing, map, plan, diagram, design, picture or other image, tape, disk or other device or record embodying information in any form.

**EIR:** The Environmental Information Regulations 2004 together with any guidance and/or codes of practice issues by the Information Commissioner or relevant government department in relation to such regulations.

**FOIA:** The Freedom of Information Act 2000 and any subordinate legislation made under the Act from time to time, together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation.

**Information:** has the meaning given under section 84 of FOIA.

**Intellectual Property Rights:** all patents, rights to inventions, utility models, copyright and related rights, trademarks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.

**Order:** the Contracting Authority's order for the Services, as set out in the Contracting Authority's completed purchase order form (including any Specification) which is in the format of the pro forma order form attached at Schedule 2. For the avoidance of doubt, if the Contracting Authority's purchase order form is not in the format of the pro forma order form at Schedule 2, it will not constitute an Order.

**Public Body:** any part of the government of the United Kingdom including but not limited to the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales, local authorities, government ministers and government departments and government agencies.

**Request for Information:** a request for Information or an apparent request under FOIA or EIR.

**Scheme Effective Date:** the date on which the United Kingdom Research and Innovation become a legal entity.

**Services:** The Services, including without limitation any Deliverables, Deliverables and Supplies required to complete the Services, to be provided by the Supplier under the Contract as set out in the Order.

**Special Conditions:** the special conditions (if any) set out in Schedule 1.

**Specification:** any specification for the Services or Supplies, including any related plans and drawings that is supplied to the Supplier by the Contracting Authority, or produced by the Supplier and agreed in writing by the Contracting Authority.

**Supplier or Suppliers:** the parties to the contract as named in Section A (2).

**Supplies:** any such thing that the Supplier is required to Deliver, that does not require or include Services or Deliverables

**Supplier's Associate:** any individual or entity associated with the Supplier including, without limitation, the Supplier's subsidiary, affiliated or holding companies and any employees, agents or contractors of the Supplier and / or its subsidiary, affiliated or holding companies or any entity that provides Services for or on behalf of the Supplier.

**TUPE:** The Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended or replaced from time to time.

**UKRI:** UK Research Council and Innovation, established as a body corporate in accordance with the Higher Education and Research Act 2017.

**UK SBS:** UK Shared Business Services Limited (a limited company registered in England and Wales with company number 06330639). Where UK SBS is not named as the Contracting Authority within section A (1), UK SBS will be acting as an agent on behalf of the Contracting Authority.

**Working Day:** any Business Day excluding 27, 28, 29, 30 and 31 December in any year.

A1-2 **Construction.** In the Contract, unless the context requires otherwise, the following rules apply:

A1-2-1 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

A1-2-2 A reference to a party includes its personal representatives, successors or permitted assigns.

A1-2-3 A reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

A1-2-4 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

A1-2-5 The headings in these Conditions are for ease of reference only and do not affect the interpretation or construction of the Contract.

A1-2-6 A reference to **writing** or **written** includes faxes and e-mails.

## **A2 Basis of contract**

A2-1 Where UK SBS is not the Contracting Authority, UK SBS is the agent of the Contracting Authority for the purpose of procurement and is authorised to negotiate and enter into contracts for the supply of Services on behalf of the Contracting Authority. UK SBS will not itself be a party to, nor have any liability under, the Contract unless it is expressly specified as Contracting Authority in the Order.

A2-2 The terms of this Contract, any Special Conditions and the Order apply to the Contract to the exclusion of all other terms and conditions, including any other

terms that the Supplier seeks to impose or incorporate (whether in any quotation, confirmation of order, in correspondence or in any other context), or which are implied by trade, custom, practice or course of dealing.

- A2-3 If there is any conflict or inconsistency between the terms of this Contract, the Special Conditions (if any) and the Order (including any Specification), the terms of the Contract will prevail over the Special Conditions and the Special Conditions will prevail over the Order (including any Specification), in each case to the extent necessary to resolve that conflict or inconsistency.
- A2-4 The Order constitutes an offer by the Contracting Authority to purchase the Services in accordance with this Contract (and any Special Conditions). This offer shall remain valid for acceptance by the Supplier, in accordance with clause A2-5, for 28 days from the date of the Order. Notwithstanding that after 28 days the offer will have expired, the Contracting Authority may, at its discretion, nevertheless treat the offer as still valid and may elect to accept acceptance by the Supplier, in accordance with clause A2-5, as valid acceptance of the offer.
- A2-5 Subject to clause A2-4, the Order shall be deemed to be accepted on the date on which authorised representatives of both parties have signed a copy of this Contract, at which point the Contract shall come into existence. The Contract shall remain in force until all the parties' obligations have been performed in accordance with the Contract, at which point it shall expire, or until the Contract has been terminated in accordance with clause A3.

### **A3 Termination**

- A3-1 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may terminate the Contract in whole or in part at any time before the Services are provided with immediate effect by giving the Supplier written notice, whereupon the Supplier shall discontinue all work on the Contract. The Contracting Authority shall pay the Supplier fair and reasonable compensation for work-in-progress at the time of termination, but such compensation shall not include loss of anticipated profits or any consequential loss. The Supplier shall have a duty to mitigate its costs and shall on request provide proof of expenditure for any compensation claimed.
- A3-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may terminate the Contract with immediate effect by giving written notice to the Supplier if:
- A3-2-1 the circumstances set out in clauses B2-1-1, C3 or C4-1 apply;
  - A3-2-2 the Supplier breaches any term of the Contract and (if such breach is remediable) fails to remedy that breach within 30 days of being notified in writing of the breach; or
  - A3-2-3 the Supplier suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986, or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986, or (being a partnership) has any partner to whom any of the foregoing apply; or
  - A3-2-4 the Supplier commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors; or
  - A3-2-5 (being a company) a petition is filed, a notice is given, a resolution is

- passed, or an order is made, for or in connection with the winding up of the Supplier; or
- A3-2-6 (being an individual) the Supplier is the subject of a bankruptcy petition or order; or
- A3-2-7 a creditor or encumbrancer of the Supplier attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days; or
- A3-2-8 (being a company) an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the Supplier; or
- A3-2-9 (being a company) a floating charge holder over the Supplier's assets has become entitled to appoint or has appointed an administrative receiver; or
- A3-2-10 a person becomes entitled to appoint a receiver over the Supplier's assets or a receiver is appointed over the Supplier's assets; or
- A3-2-11 any event occurs, or proceeding is taken, with respect to the Supplier in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause A3-2-3 to clause A3-2-10 inclusive; or
- A3-2-12 there is a change of control of the Supplier (within the meaning of section 1124 of the Corporation Tax Act 2010); or
- A3-2-13 the Supplier suspends, or threatens to suspend, or ceases or threatens to cease to carry on, all or substantially the whole of its business; or
- A3-2-14 the Supplier's financial position deteriorates to such an extent that in the Contracting Authority's opinion the Supplier's capability to adequately fulfil its obligations under the Contract has been placed in jeopardy; or
- A3-3 Termination of the Contract, however arising, shall not affect any of the parties' rights and remedies that have accrued as at termination. Clauses which expressly or by implication survive termination or expiry of the Contract shall continue in full force and effect.
- A3-4 Without prejudice to clause A3-3, clauses B1, B2, B5, B6, B7, B8, B9, C1, C2, C3, C4, C6 and C7 shall survive the termination or expiry of the Contract and shall continue in full force and effect.
- A3-5 Upon termination or expiry of the Contract, the Supplier shall immediately:
- A3-5-1 cease all work on the Contract;
- A3-5-2 Deliver to the Contracting Authority all Deliverables and all work-in-progress whether or not then complete. If the Supplier fails to do so, then the Contracting Authority may enter the Supplier's premises and take possession of them. Until they have been returned or delivered, the Supplier shall be solely responsible for their safe keeping and will not use them for any purpose not connected with this Contract;
- A3-5-3 cease use of and return (or, at the Contracting Authority's or UK SBS's acting as an agent on behalf of the Contracting Authority's election, destroy) all of the Contracting Authority's Materials in the Supplier's possession or control; and
- A3-5-4 Cease all use of, and delete all copies of, UK SBS's or the Contracting Authority's or UK SBS's confidential information.

**A3-6 Termination**

The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may terminate the Contract by written notice to the Supplier in any of the following circumstances:

A3-6-1 Where it considers that the Contract has been subject to a substantial modification which would have required a new procurement procedure in accordance with Regulation 72(9) of the Public Contracts Regulations 2015 ("PCR 2015");

A3-6-2 Where it considers that the Supplier has at the time of the award of the Contract been in one of the situations referred to in Regulation 57(1) of the PCR 2015, including as a result of the application of regulation 57(2), and should therefore have been excluded from the procurement procedure;

A3-6-3 Where the Contract should not have been awarded to the Supplier in view of a serious infringement of the obligations under the EU Treaties and Directive 2014/24/EU of the European Parliament and of the Council that has been declared by the Court of Justice of the European Union in a procedure under Article 258 of the TFEU;

A3-6-4 Where the European Commission sends a reasoned opinion to the United Kingdom or brings the matter before the Court of Justice of the European Union under Article 258 of the TFEU alleging that the Contract should not have been awarded to the Supplier in view of a serious infringement of the obligations under the Treaties and Directive 2014/24/EU of the European Parliament and of the Council; or

A3-6-5 Where a third party starts court proceedings against the Contracting Authority seeking a declaration that the Contract is ineffective or should be shortened under Regulations 98 to 101 of the PCR 2015, which the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority considers to have a reasonable prospect of success.

A3-6-6 Such termination shall be effective immediately or at such later date as is specified in the notice. The Contracting Authority shall not incur any liability to the Supplier by reason of such termination and shall not be required to pay any costs, losses or damage to the Supplier. Termination under this clause shall be without prejudice to any other rights of the Contracting Authority.

A3-7 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall at any time have the right for convenience to terminate the Contract or reduce the quantity of Services to be provided by the Supplier in each case by giving to the Supplier reasonable written notice. During the period of notice the Contracting Authority may direct the Supplier to perform all or any of the work under the Contract. Where the Contracting Authority has invoked either of these rights, the Supplier may claim reasonable costs necessarily and properly incurred by him as a result of the termination or reduction, excluding loss of profit, provided that the claim shall not exceed the total cost of the Contract. The Supplier shall have a duty to mitigate its costs and shall on request provide proof of expenditure for any compensation claimed

**SECTION B****B1 Supply of Services**

B1-1 The Supplier shall from the date set out in the Contract and until the end date specified in the Contract provide the Services to the Contracting Authority in accordance with the terms of the Contract.

- B1-2 The Supplier shall meet any performance dates for the Services (including the delivery of Deliverables) specified in the Order (including any Special Conditions and any applicable Specification) or notified to the Supplier by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.
- B1-3 In providing the Services, the Supplier shall:
- B1-3-1 co-operate with the Contracting Authority in all matters relating to the Services, and comply with all instructions of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority;
  - B1-3-2 perform the Services with the best care, skill and diligence in accordance with best practice in the Supplier's industry, profession or trade
  - B1-3-3 use personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with this Contract;
  - B1-3-4 ensure that the Services and Deliverables will conform with all descriptions and specifications set out in the Contract (including any Special Conditions and any applicable Specification), and that the Deliverables shall be fit for any purpose expressly or impliedly made known to the Supplier by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority;
  - B1-3-5 provide all equipment, tools and vehicles and such other items as are required to provide the Services;
  - B1-3-6 use the best quality Supplies, materials, standards and techniques, and ensure that the Deliverables, and all Supplies and materials supplied and used in the Services or transferred to the Contracting Authority, will be free from defects in workmanship, installation and design;
  - B1-3-7 obtain and at all times maintain all necessary licences and consents, and comply with all applicable laws and regulations;
  - B1-3-8 observe all health and safety rules and regulations and any other security requirements that apply at any of the Contracting Authority's premises; and
  - B1-3-9 Not do or omit to do anything which may cause the Contracting Authority to lose any licence, authority, consent or permission on which it relies for the purposes of conducting its business, and the Supplier acknowledges that the Contracting Authority may rely or act on the Services.
- B1-4 The Contracting Authority's rights under the Contract are without prejudice to and in addition to the statutory terms implied in favour of the Contracting Authority under the Supply of Goods and Services Act 1982 and any other applicable legislation.
- B1-5 Without prejudice to the Contracting Authority's statutory rights, the Contracting Authority will not be deemed to have accepted any Deliverables until the Contracting Authority has had at least 14 Working Days after delivery to inspect them and the Contracting Authority also has the right to reject any Deliverables as though they had not been accepted for 14 Working Days after any latent defect in the Deliverables has become apparent.
- B1-6 If, in connection with the supply of the Services, the Contracting Authority permits any employees or representatives of the Supplier to have access to any of the Contracting Authority's premises, the Supplier will ensure that, whilst on the Contracting Authority's premises, the Supplier's employees and representatives comply with:
- B1-6-1 all applicable health and safety, security, environmental and other legislation which may be in force from time to time; and

B1-6-2 any Contracting Authority policy, regulation, code of practice or instruction relating to health and safety, security, the environment or access to and use of any Contracting Authority` laboratory, facility or equipment which is brought to their attention or given to them whilst they are on Contracting Authority's premises by any employee or representative of the Contracting Authority's.

B1-7 The Supplier warrants that the provision of Services shall not give rise to a transfer of any employees of the Supplier or any third party to the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority pursuant to TUPE.

## **B2 Contracting Authority Remedies**

B2-1 If the Supplier fails to perform the Services by the applicable dates, the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall, without limiting its other rights or remedies, have one or more of the following rights:

B2-1-1 to terminate the Contract with immediate effect by giving written notice to the Supplier;

B2-1-2 to refuse to accept any subsequent performance of the Services (including delivery of Deliverables) which the Supplier attempts to make;

B2-1-3 to recover from the Supplier any costs incurred by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority in obtaining substitute Services from a third party;

B2-1-4 where the Contracting Authority has paid in advance for Services that have not been provided by the Supplier, to have such sums refunded by the Supplier; or

B2-1-5 To claim damages for any additional costs, loss or expenses incurred by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority which are in any way attributable to the Supplier's failure to meet such dates.

B2-2 These Conditions shall extend to any substituted or remedial Services provided by the Supplier.

B2-3 The Contracting Authority's rights under this Contract are in addition to its rights and remedies implied by statute and common law.

## **B3 Contracting Authority Obligations**

B3-1 The Contracting Authority shall:

B3-1-1 provide the Supplier with reasonable access at reasonable times to the Contracting Authority's premises for the purpose of providing the Services; and

B3-1-2 Provide such information to the Supplier as the Supplier may reasonably request and the Contracting Authority considers reasonably necessary for the purpose of providing the Services.

## **B4 Charges and Payment**

B4-1 The Charges for the Services shall be set out in the Order and shall be the full and exclusive remuneration of the Supplier in respect of the performance of the Services. Unless otherwise agreed in writing by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority, the Charges shall include every cost and expense of the Supplier directly or indirectly incurred in

connection with the performance of the Services.

- B4-2 Where the Order states that the Services are to be provided on a time and materials basis, the Charges for those Services will be calculated as follows:
- B4-2-1 the charges payable for the Services will be calculated in accordance with the Supplier's standard daily fee rates (as at the date of the Order), subject to any discount specified in the Order;
  - B4-2-2 the Supplier's standard daily fee rates for each individual person will be calculated on the basis of an eight-hour day worked between such hours and on such days as are agreed by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority and the Supplier;
  - B4-2-3 the Supplier will not be entitled to charge pro-rata for part days without the prior written consent of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority;
  - B4-2-4 the Supplier will ensure that every individual whom it engages to perform the Services completes time sheets recording time spent on the Services and the Supplier will use such time sheets to calculate the charges covered by each invoice and will provide copies of such time sheets to the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority upon request; and
  - B4-2-5 the Supplier will invoice the Contracting Authority monthly in arrears for its charges for time, as well as any previously agreed expenses and materials for the month concerned calculated as provided in this clause B4-2 and clause B4-3
- B4-3 The Contracting Authority will reimburse the Supplier at cost for all reasonable travel, subsistence and other expenses incurred by individuals engaged by the Supplier in providing the Services to the Contracting Authority provided that the Contracting Authority's prior written approval is obtained before incurring any such expenses, that all invoices for such expenses are accompanied by valid receipts and provided that the Supplier complies at all times with Contracting Authority's expenses policy from time to time in force.
- B4-4 The Supplier shall invoice the Contracting Authority on completion of the Services. Each invoice shall include such supporting information required by the Contracting Authority to verify the accuracy of the invoice, including but not limited to the relevant purchase order number.
- B4-5 In consideration of the supply of the Services by the Supplier, the Contracting Authority shall pay the invoiced amounts within 30 days of the date of a correctly rendered invoice. Payment shall be made to the bank account nominated in writing by the Supplier unless the Contracting Authority agrees in writing to another payment method.
- B4-6 All amounts payable by the Contracting Authority under the Contract are exclusive of amounts in respect of value added tax chargeable for the time being (VAT). Where any taxable supply for VAT purposes is made under the Contract by the Supplier to the Contracting Authority, the Contracting Authority shall, on receipt of a valid VAT invoice from the Supplier, pay to the Supplier such additional amounts in respect of VAT as are chargeable on the supply of the Services at the same time as payment is due for the supply of the Services.
- B4-7 The Supplier shall maintain complete and accurate records of the time spent and materials used by the Supplier in providing the Services and shall allow the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority to inspect such records at all reasonable times on request.

B4-8 The Supplier shall not be entitled to assert any credit, set-off or counterclaim against the Contracting Authority in order to justify withholding payment of any such amount in whole or in part. The Contracting Authority may, without limiting any other rights or remedies it may have, set off any amount owed to it by the Supplier against any amounts payable by it to the Supplier under the Contract.

B4-9 The Supplier acknowledges and agrees that it will pay correctly rendered invoices from any of its suppliers or other sub-contractors within 30 days of receipt of the invoice.

**B4-10 Payment to Other Parties**

The Supplier shall ensure, pursuant to obligations imposed on the Contracting Authority under Regulation 113(2)(c) of the Public Contracts Regulations 2015 (as amended), that any subcontract awarded by the Supplier contains suitable provisions to impose, as between the parties to the subcontract, requirements that:

B4-10-1 any payment due from the Supplier to the subcontractor under the subcontract is to be made no later than the end of a period of 30 days from the date on which the relevant invoice is regarded as valid and undisputed;

B4-10-2 any invoices for payment submitted by the subcontractor or are considered and verified by the Supplier in a timely fashion and that undue delay in doing so is not to be sufficient justification for failing to regard an invoice as valid and undisputed;  
; and

B4-10-3 any subcontractor will include, in any subcontract which it in turn awards, suitable provisions to impose, as between the parties to that subcontract, requirements to the same effect as those imposed in paragraphs B4-10-1, B4-10-2 and B4-10-3 of this Clause B4-10, subject to suitable amendment to reflect the identities of the relevant parties.

For the avoidance of doubt, in any situations that the Contracting Authority is making payments to the Supplier without being presented with an invoice, the absence of an invoice does not waive any obligation regarding payments made by the Supplier to its subcontractors or supply chain.

B4-11 the Contracting Authority must apply the requirements of PPN 04/19 for all contracts that exceed \*£5m per annum including contracts concluded under any Framework or DPS that are subject to the Public Contracts Regulations 2015 as amended. See PPN 04/19 for further guidance  
[https://www.gov.uk/government/publications/procurement-policy-note-0419-taking-account-of-a-suppliers-approach-to-payment-in-the-procurement-of-major-contracts--?utm\\_source=27a54f33-6013-4417-934c-0d96c5b357e1&utm\\_medium=email&utm\\_campaign=govuk-notifications&utm\\_content=immediate](https://www.gov.uk/government/publications/procurement-policy-note-0419-taking-account-of-a-suppliers-approach-to-payment-in-the-procurement-of-major-contracts--?utm_source=27a54f33-6013-4417-934c-0d96c5b357e1&utm_medium=email&utm_campaign=govuk-notifications&utm_content=immediate)

The Supplier shall ensure, pursuant to the Governments payment objectives that it shall in its performance of this contract meet the standard required of

B4-12 dependent upon the nature and type of contract deliverable and any advanced or stage payments that may apply, this clause will need consideration by the Contracting Authority in setting these timelines. These must be relevant and proportionate to the contract so as not attract any unnecessary cost implications to the Contracting Authority or could be seen as overburdensome upon the supplier#  
The Supplier shall be obliged during its performance of the Contract to provide evidence to the Contracting Authority that payments being made to its

subcontractors or supply chain, by either of the following methods:

B4-12-1 information can be easily be obtained directly and free of charge by the Contracting Authority from a national database, with details provided by the Supplier on how the Contracting Authority may access this information at any time during the performance of the Contract when requested to do so by the Contracting Authority; or

B4-12-2 the information shall be provided to the Contracting Authority by email free of charge on frequency advised below, such as the supplier has a sufficiency of invoice volumes to do so and that the volumes of invoices handled by the Supplier accurately represents the assurance sought.

B4-13 The Supplier shall not be obliged to provide such above assurances to the Contracting Authority during the Contract by either of the above referred methods, in the following circumstances only:

B4-13-1 if the Supplier in its performance of the Contract does not at any time need to engage a subcontractor; or

B4-13-2 if the volumes of invoices processed by the Supplier in its performance of the Contract falls below the above required standard, due to the volumes of invoices processed by the Supplier, being particularly high or particularly low as measurement by percentage may distort the true picture. In such circumstances the Supplier shall suitably inform the Contracting Authority of either of these situations supported by a suitable declaration and supporting evidence in

For the avoidance of doubt, the Contracting Authority reserves the right at any time in considering the Suppliers submission or information secured via access to any national data base, to seek further explanation or declaration from the Supplier to ensure that payments meet the required obligations placed upon the Contracting Authority.

B4-14 The Supplier shall without reservation assist the Contracting Authority to the reasonable extent as is requested, to assist the Contracting Authority to secure these assurances during the Contract.

B4-15 In situations that the Contracting Authority is making payments to the Supplier without an Invoice, the absence of an invoice (e.g. timesheet submissions for services) does not waiver any obligation regarding payments made to the Suppliers subcontractors or supply chain.

## **B5 Contracting Authority Property**

B5-1 The Supplier acknowledges that all information (including confidential information), equipment and tools, drawings, specifications, data, software and any other materials supplied by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority to the Supplier (**Contracting Authority's Materials**) and all rights in the Contracting Authority's Materials are and shall remain at all times the exclusive property of the Contracting Authority and UK SBS (as appropriate). The Supplier shall keep the Contracting Authority's Materials in safe custody at its own risk, maintain them in good condition until returned to the Contracting Authority or UK SBS, and not dispose or use the same other than for the sole purpose of performing the Supplier's obligations under the Contract and in accordance with written instructions or authorisation from the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.

## **B6 Intellectual Property Rights**

B6-1 In respect of any Supplies that are transferred to the Contracting Authority under this Contract, including without limitation the Deliverables or any part of them, the Supplier warrants that it has full clear and unencumbered title to all such items, and

that at the date of delivery of such items to the Contracting Authority, it will have full and unrestricted rights to transfer all such items to the Contracting Authority.

- B6-2 Save as otherwise provided in the Special Conditions, the Supplier assigns to the Contracting Authority, with full title guarantee and free from all third party rights, all Intellectual Property Rights in the products of the Services, including for the avoidance of doubt the Deliverables. Where those products or Deliverables incorporate any Intellectual Property Rights owned by or licensed to the Supplier which are not assigned under this clause, the Supplier grants to the Contracting Authority a worldwide, irrevocable, royalty-free, transferable licence, with the right to grant sub-licences, under those Intellectual Property Rights to maintain, repair, adapt, copy and use those products and Deliverables for any purpose.
- B6-3 The Supplier shall obtain waivers of all moral rights in the products, including for the avoidance of doubt the Deliverables, of the Services to which any individual is now or may be at any future time entitled under Chapter IV of Part I of the Copyright Designs and Patents Act 1988 or any similar provisions of law in any jurisdiction.
- B6-4 The Supplier shall, promptly at the request of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority, do (or procure to be done) all such further acts and things and the execution of all such other documents as the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may from time to time require for the purpose of securing for the Contracting Authority the full benefit of the Contract, including all right, title and interest in and to the Intellectual Property Rights assigned to the Contracting Authority in accordance with clause B6-2.

## **B7 Indemnity**

- B7-1 The Supplier shall indemnify, and shall keep indemnified the Contracting Authority and UK SBS acting as an agent on behalf of the Contracting Authority, in full against all costs, expenses, damages and losses (whether direct or indirect), including any interest, fines, legal and other professional fees and expenses awarded against or incurred or paid by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority as a result of or in connection with:
- B7-1-1 any claim made against the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority by a third party arising out of, or in connection with, the supply of the Services, to the extent that such claim arises out of the breach, negligent performance or failure or delay in performance of the Contract by the Supplier, its employees, agents or subcontractors; and
- B7-1-2 any claim brought against the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority for actual or alleged infringement of a third party's Intellectual Property Rights arising out of, or in connection with, the receipt, use or supply of the Services; and
- B7-1-3 Any claim whether in tort, contract, statutory or otherwise, demands, actions, proceedings and any awards arising from a breach by the Supplier of clause B1-7 of these Conditions.
- B7-2 This clause B7 shall survive termination or expiry of the Contract.

## **B8 Insurance**

- B8-1 During the term of the Contract and for a period of 3 years thereafter, the Supplier shall maintain in force the following insurance policies with reputable insurance companies:

- B8-1-1 professional Indemnity insurance for not less than £1 million per claim;
- B8-1-2 B8-1-2 public liability insurance for not less than £2 million per claim (unlimited claims); and
- B8-1-3 B8-1-3 employer liability insurance for not less than £2 million per claim (unlimited claims); and
- B8-1-4 B8-1-4 product liability insurance for not less than £2 million for claims arising from any single event and not less than £2 million in aggregate for all claims arising in a year.
- B8-1-5 The Supplier shall ensure that the Contracting Authority's interest is noted on each insurance policy, or that a generic interest clause has been included.
- B8-2 On request from the Contracting Authority's or UK SBS acting as an agent on behalf of the Contracting Authority, the Supplier shall provide the Contracting Authority or UK SBS with copies of the insurance policy certificates and details of the cover provided.
- B8-3 The Supplier shall ensure that any subcontractors also maintain adequate insurance having regard to the obligations under the Contract which they are contracted to fulfil.
- B8-4 The Supplier shall:
- B8-4-1 do nothing to invalidate any insurance policy or to prejudice the Contracting Authority's entitlement under it; and
- B8-4-2 notify the Contracting Authority if any policy is (or will be) cancelled or its terms are (or will be) subject to any material change.
- B8-5 If the Supplier fails or is unable to maintain insurance in accordance with clause B8-1, the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may, so far as it is able, purchase such alternative insurance cover as it deems to be reasonably necessary and shall be entitled to recover all reasonable costs and expenses it incurs in doing so from the Supplier.

## **B9 Liability**

- B9-1 In this clause B9, a reference to the Contracting Authority or UK SBS's liability for something is a reference to any liability whatsoever which the Contracting Authority or UK SBS might have for it, its consequences, and any direct, indirect or consequential loss, damage, costs or expenses resulting from it or its consequences, whether the liability arises under the Contract, in tort or otherwise, and even if it results from the Contracting Authority's or UK SBS's negligence or from negligence for which the Contracting Authority's or UK SBS would otherwise be liable.
- B9-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority is not in breach of the Contract, and neither the Contracting Authority nor UK SBS has any liability for anything, to the extent that the apparent breach or liability is attributable to the Supplier's breach of the Contract.
- B9-3 Subject to clause B9-6, neither the Contracting Authority nor UK SBS acting as agent on behalf of the Contracting Authority shall have any liability for:
- B9-3-1 any indirect or consequential loss or damage;
- B9-3-2 any loss of business, rent, profit or anticipated savings;

- B9-3-3 any damage to goodwill or reputation;
- B9-3-4 loss, theft, damage or destruction to any equipment, tools, machinery, vehicles or other equipment brought onto the Contracting Authority's premises by or on behalf of the Supplier; or
- B9-3-5 Any loss, damage, costs or expenses suffered or incurred by any third party.
- B9-4 Subject to clause B9-6, the Contracting Authority and UK SBS's total liability shall be limited to the Charges.
- B9-5 Subject to clause B9-6, the Supplier's total liability in connection with the Contract shall be limited to £1,000,000.
- B9-6 Nothing in the Contract restricts either the Contracting Authority, UK SBS or the Supplier's liability for:
  - B9-6-1 death or personal injury resulting from its negligence; or
  - B9-6-2 its fraud (including fraudulent misrepresentation); or
  - B9-6-3 Breach of any obligations as to title implied by Section 12 of the Sale of Goods Act 1979 or Section 2 of the Supply of Goods and Services Act 1982.

## SECTION C

### C1 Confidential Information

- C1-1 A party who receives Confidential Information shall keep in strict confidence (both during the term of the Contract and after its expiry or termination) all Confidential Information which is disclosed to it. That party shall only disclose such Confidential Information to those of its employees, agents or subcontractors who need to know the same for the purpose of discharging that party's obligations under the Contract, and shall ensure that such employees, agents or subcontractors shall keep all such information confidential in accordance with this clause C1. Neither party shall, without the prior written consent of the other party, disclose to any third party any Confidential Information, unless the information:
  - C1-1-1 was public knowledge or already known to that party at the time of disclosure; or
  - C1-1-2 subsequently becomes public knowledge other than by breach of the Contract; or
  - C1-1-3 subsequently comes lawfully into the possession of that party from a third party; or
  - C1-1-4 Is agreed by the parties not to be confidential or to be disclosable.
- C1-2 To the extent necessary to implement the provisions of the Contract (but not further or otherwise), either party may disclose the Confidential Information to any relevant governmental or other authority or regulatory body, provided that before any such disclosure that party shall make those persons aware of its obligations of confidentiality under the Contract and shall use reasonable endeavours to obtain a binding undertaking as to confidentiality from all such persons.
- C1-3 All documents and other records (in whatever form) containing Confidential Information supplied to or acquired by a party from the other party shall be returned promptly to the other party (or, at the election of the Contracting

Authority or UK SBS acting as an agent on behalf of the Contracting Authority, destroyed) on expiry or termination of the Contract, and no copies shall be kept.

## **C2 Transparency**

- C2-1 The Supplier acknowledges that the United Kingdom Government's transparency agenda requires that contracts, such as the Contract, and any sourcing document, such as the invitation to sourcing, are published on a designated, publicly searchable website.
- C2-2 The Supplier acknowledges that, except for any information which is exempt from disclosure in accordance with the provisions of FOIA, the content of the Contract is not Confidential Information. The Contracting Authority and or UK SBS acting as an agent on behalf of the Contracting Authority shall be responsible for determining in their absolute discretion whether any of the content of the Contract is exempt from disclosure in accordance with the provisions of FOIA.
- C2-3 Notwithstanding any other term of the Contract, the Supplier hereby consents to the Contracting Authority and or UK SBS acting as an agent on behalf of the Contracting Authority publishing the Contract in its entirety, (but with any information which is exempt from disclosure in accordance with the provisions of FOIA redacted) including from time to time agreed changes to the Contract, to the general public.

## **C2 Transparency**

- C2-1 In order to comply with the Government's policy on transparency in the areas of procurement and contracts the Supplier agrees that the Contract and the sourcing documents issued by UK SBS which led to its creation will be published by UK SBS on a designated web site.
- C2-2 The entire Contract and all the sourcing documents issued by UK SBS will be published on the designated web site save where to do so would disclose information the disclosure of which would:
  - C2-2-1 contravene a binding confidentiality undertaking that protects information which the UK SBS, at the time when it considers disclosure, reasonably considers to be confidential to Supplier;
  - C2-2-2 be contrary to regulation 21 of the Public Contracts Regulations 2015; or
  - C2-2-3 if the reasonable opinion of UK SBS is prevented by virtue of one or more of the exemptions in the Freedom of Information Act (FOIA) or one or more of the exceptions in the Environmental Information Regulation (EIR).

If any of the situations in C2-2-1,C2-2-2,C2-2-3 apply the Supplier consents to the Contract or sourcing documents being redacted by UK SBS to the extent necessary to remove or obscure the relevant material and being published on the designated website subject to those redactions

In this entire clause the expression "sourcing documents" means the advertisement issued by UK SBS seeking expressions of interest, any pre-qualification questionnaire stage and the invitation to tender.

## **C3 Force Majeure**

- C3-1 If any event or circumstance that is beyond the reasonable control of the Supplier, and which by its nature could not have been foreseen by the Supplier or, if it could have been foreseen, was unavoidable, (provided that the Supplier shall use all reasonable endeavours to cure any such events or circumstances and resume performance under the Contract) prevent the Supplier from carrying

out its obligations under the Contract for a continuous period of more than 10 Business Days, the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may terminate this Contract immediately by giving written notice to the Supplier

#### **C4 Corruption**

C4-1 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall be entitled to terminate the Contract immediately and to recover from the Supplier the amount of any loss resulting from such termination if the Supplier or a Supplier's Associate:

C4-1-1 offers or agrees to give any person working for or engaged by the Contracting Authority, UK SBS or any Public Body any favour, gift or other consideration, which could act as an inducement or a reward for any act or failure to act connected to the Contract, or any other agreement between the Supplier and Contracting Authority, or UK SBS or any Public Body, including its award to the Supplier or a Supplier's Associate and any of the rights and obligations contained within it;

C4-1-2 has entered into the Contract if it has knowledge that, in connection with it, any money has been, or will be, paid to any person working for or engaged by the Contracting Authority, or UK SBS or any Public Body by or for the Supplier, or that an agreement has been reached to that effect, unless details of any such arrangement have been disclosed in writing to the Contracting Authority, or UK SBS before the Contract is entered into;

C4-1-3 breaches the provisions of the Prevention of Corruption Acts 1889 to 1916, or the Bribery Act 2010; or

C4-1-4 Gives any fee or reward the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.

C4-2 For the purposes of clause C4-1, "loss" shall include, but shall not be limited to:

C4-2-1 The Contracting Authority's or UK SBS's costs in finding a replacement supplier;

C4-2-2 direct, indirect and consequential losses; and

C4-2-3 Any loss suffered by the Contracting Authority or UK SBS as a result of a delay in its receipt of the Services.

#### **C5 Data Protection**

C5-1 The Supplier shall comply at all times with all data protection legislation applicable in the UK.

#### **C6 Freedom of Information**

C6-1 The Supplier acknowledges that the Contracting Authority and or UK SBS may be subject to the requirements of FOIA and EIR and shall assist and co-operate with the Contracting Authority and or UK SBS to enable them to comply with its obligations under FOIA and EIR.

C6-2 The Supplier shall and shall procure that its employees, agents, sub-contractors and any other representatives shall provide all necessary assistance as reasonably requested by the Contracting Authority or UK SBS to enable the Contracting Authority or UK SBS to respond to a Request for Information within the time for compliance set out in section 10 of FOIA or regulation 5 of EIR.

C6-3 The Contracting Authority and or UK SBS acting as an agent on behalf of the Contracting Authority shall be responsible for determining (in its absolute

discretion) whether any Information:

C6-3-1 is exempt from disclosure in accordance with the provisions of FOIA or EIR;

C6-3-2 is to be disclosed in response to a Request for Information,

And in no event shall the Supplier respond directly to a Request for Information unless expressly authorised to do so in writing by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.

C6-4 The Supplier acknowledges that the Contracting Authority and or UK SBS may be obliged under the FOIA or EIR to disclose Information, in some cases even where that Information is commercially sensitive:

C6-4-1 without consulting with the Supplier, or

C6-4-2 Following consultation with the Supplier and having taken its views into account.

C6-5 Where clause C6-4-2 applies the Contracting Authority and or UK SBS shall, in accordance with any recommendations issued under any code of practice issued under section 45 of FOIA, take reasonable steps, where appropriate, to give the Supplier advanced notice, or failing that, to draw the disclosure to the Supplier's attention as soon as practicable after any such disclosure.

C6-6 Where the Supplier organisation is subject to the requirements of the FOIA and EIR, C6-7 will supersede C6-2 – C6-5. Where the Supplier organisation is not subject to the requirements of the FOIA and EIR, C6-7 will not apply.

C6-7 The Contracting Authority and UK SBS acknowledge that the Supplier may be subject to the requirements of the FOIA and EIR and shall assist and co-operate with the Supplier to enable them to comply with its obligations under the FOIA and EIR.

## **C7 General**

### **C7-1 Entire Agreement**

C7-1-1 The Contract constitutes the entire agreement between the Contracting Authority and the Supplier in relation to the supply of the Services and the Contract supersedes any earlier agreements, arrangements and understandings relating to that subject matter.

### **C7-2 Liability**

C7-2-1 Where the Contracting Authority is more than one person, the liability of each such person for their respective obligations and liabilities under the Contract shall be several and shall extend only to any loss or damage arising out of each such person's own breaches.

C7-2-2 Where the Contracting Authority is more than one person and more than one of such persons is liable for the same obligation or liability, liability for the total sum recoverable will be attributed to the relevant persons in proportion to the price payable by each of them under the Contract.

### **C7-3 Assignment and Subcontracting**

C7-3-1 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may at any time assign, transfer, charge, subcontract or deal in any other manner with any or all of its rights or obligations under the Contract.

C7-3-2 The Supplier may not assign, transfer, charge, subcontract or deal in any

other manner with any or all of its rights or obligations under the Contract without prior written consent from the Contracting Authority's or UK SBS acting as an agent on behalf of the Contracting Authority.

C7-3-3 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may (without cost to or liability of the Contracting Authority or UK SBS) require the Supplier to replace any subcontractor where in the reasonable opinion of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority any mandatory or discretionary grounds for exclusion referred to in Regulation 57 of the Public Contracts Regulations 2015 apply to the subcontractors.

#### C7-4 Further Assurance

C7-4-1 The Supplier will promptly at the request of the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority do (or procure to be done) all such further acts and things, including the execution of all such other documents, as either the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority may from time to time require for the purpose of securing for the Contracting Authority the full benefit of the Contract, including ensuring that all title in the Supplies is transferred absolutely to the Contracting Authority.

#### C7-5 Publicity

C7-5-1 The Supplier shall not make any press announcements or publicise this Contract in any way without prior written consent from the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority.

C7-5-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall be entitled to publicise this Contract in accordance with any legal obligation upon Contracting Authority or UK SBS, including any examination of this Contract by the National Audit Office pursuant to the National Audit Act 1983 or otherwise.

C7-5-3 The Supplier shall not do anything or cause anything to be done, which may damage the reputation of the Contracting Authority or UK SBS or bring the Contracting Authority or UK SBS into disrepute.

#### C7-6 Notices

C7-6-1 Any notice or other communication given to a party under or in connection with the Contract shall be in writing, addressed to:

C7-6-1-a in the case of the Contracting Authority: **Office of Manpower Economics 8th Floor Fleetbank House, 2-6 Sailsbury Square, London, EC4Y 8JX**; (and a copy of such notice or communication shall be sent to: **Contract Research, Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF**; Email:

**[REDACTED]** and the Chief Procurement Officer, Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF;

C7-6-1-b in the case of the Supplier: the address, fax number and email address set out in the Order, or any other address, fax number or email address which that party may have specified to the other party in writing in accordance with this clause C7-6, and shall be delivered personally, or sent by pre-paid first-class post, recorded delivery, commercial courier, fax or e-mail.

C7-6-2 A notice or other communication shall be deemed to have been received: if

delivered personally, when left at the address referred to in clause C7-6-1; if sent by pre-paid first-class post or recorded delivery, at 9.00 am on the second Working Day after posting; if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or, if sent by fax or e-mail between the hours of 9.00am and 5.00pm on a Working Day, upon successful transmission (provided that the sender holds written confirmation automatically produced by the sender's fax machine of error free and complete transmission of that fax to the other party's fax number), or if sent by fax or e-mail outside the hours of 9.00am and 5.00pm on a Working Day, at 9.00am on the next Working Day following successful transmission (provided that the sender holds written confirmation automatically produced by the sender's fax machine of error free and complete transmission of that fax to the other party's fax number).

**C7-6-3** This clause C7-6-3 shall only apply where UK SBS is not the Contracting Authority. In such cases, UK SBS may give or receive any notice under the Contract on behalf of the Contracting Authority and any notice given or received by UK SBS will be deemed to have been given or received by the Contracting Authority.

**C7-6-4** Except for clause C7-6-5, the provisions of this clause C7-6 shall not apply to the service of any proceedings or other documents in any legal action.

**C7-6-5** The Supplier irrevocably appoints and authorises [NAME] of [ADDRESS] (or such other person, being a firm of [solicitors] resident in England, as the Supplier may by notice substitute) to accept service on behalf of the Supplier of all legal process, and service on [NAME] (or any such substitute) shall be deemed to be service on the Supplier.

## **C7-7 Severance**

**C7-7-1** If any court or competent authority finds that any provision of the Contract (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of the Contract shall not be affected.

**C7-7-2** If any invalid, unenforceable or illegal provision of the Contract would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

**C7-8 Waiver.** A waiver of any right or remedy under the Contract is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

**C7-9 No Partnership, Employment or Agency.** Nothing in the Contract creates any partnership or joint venture, nor any relationship of employment, between the Supplier and either the Contracting Authority or UK SBS. Nothing in the Contract creates any agency between the Supplier and either the Contracting Authority or UK SBS.

**C7-10 Third Party Rights.** A person who is not a party to this Contract shall not have any rights under or in connection with it, except that UK SBS and any member of the UK SBS, Associated Bodies or Authorised Entities that derives benefit under this Contract may directly enforce or rely on any terms of this Contract.

**C7-11 Variation.** Any variation to the Contract, including any changes to the Services, these Conditions, the Special Conditions or the Order, including the introduction of any additional terms and conditions, shall only be binding when agreed in writing by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority and the Supplier.

**C7-12 Governing Law and Jurisdiction.**

C7-12-1 Subject to clause C7-12-2, the Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

C7-12-2 The Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority shall be free to enforce its intellectual property rights in any jurisdiction.

**C7-13 Modern Slavery Act 2015**

C7-13-1 The Supplier shall not use, or allow its Subcontractors to use, forced, bonded or involuntary prison labour;

C7-13-2 shall not require any Contract or staff or Subcontractor staff to lodge deposits or identify papers with the Employer or deny Supplier staff freedom to leave their employer after reasonable notice;

C7-13-3 warrants and represents that it has not been convicted of any slavery or human trafficking offences anywhere around the world.

C7-13-4 warrants that to the best of its knowledge it is not currently under investigation, inquiry or enforcement proceedings in relation to any allegation of slavery or human trafficking offenses anywhere around the world.

C7-13-5 shall make reasonable enquiries to ensure that its officers, employees and Subcontractors have not been convicted of slavery or human trafficking offences anywhere around the world.

C7-13-6 shall have and maintain throughout the term of each Contract its own policies and procedures to ensure its compliance with the Modern Slavery Act 2015 and shall include in its contracts with its Subcontractors anti-slavery and human trafficking provisions;

C7-13-7 shall implement due diligence procedures to ensure that there is no slavery or human trafficking in any part of its supply chain performing obligations under a Contract;

C7-13-8 shall not use, or allow its employees or Subcontractors to use, physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation of its employees or Subcontractors;

C7-13-9 shall not use, or allow its Subcontractors to use, child or slave labour;

C7-13-10 shall report the discovery or suspicion of any slavery or trafficking by it or its Subcontractors to the Contracting Authority without delay during the performance of this Contract to utilise the following help and advice service, so as to ensure that it suitably discharges its statutory obligations.

The "Modern Slavery Helpline" refers to the point of contact for reporting suspicion, seeking help or advice and information on the subject of modern slavery available

online at <https://www.modernslaveryhelpline.org/report> or by telephone on 08000 121 700

C7-13-11 During the Term or any extension of the Contract, the Contracting Authority is committed to ensuring that its supply chain complies with the above Act.

C7-13-12 The Supplier shall provide a slavery and trafficking report covering the following but not limited to areas as relevant and proportionate to the Contract evidencing the actions taken, relevant to the Supplier and their supply chain associated with the Contract.

C7-13-12-a Impact assessments undertaken

C7-13-12-b Steps taken to address risk/actual instances of modern slavery and how actions have been prioritised

C7-13-12-c Evidence of stakeholder engagement

C7-13-12-d Evidence of ongoing awareness training

C7-13-12-e Business-level grievance mechanisms in place to address modern slavery

C7-13-12-f Actions taken to embed respect for human rights and zero tolerance of modern slavery throughout the organisation

C7-13-13 The Contracting Authority or UK SBS when acting as an agent on behalf of the Contracting Authority reserves the sole right to audit any and all slavery and trafficking reports submitted by the Supplier to an extent as deemed necessary and the Supplier shall unreservedly assist the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority in doing so.

#### **C7-14 Changes in Costs Resulting from Changes to Government Legislation, Levies or Statutory Payments**

The Contracting Authority will reimburse during any term or extension (or, where such costs, awards or damages arise following termination/expiry) of this Agreement, any increases in the Supplier's cost of providing the Services by reason of any modification or alteration to the Government legislation duties or levies or other statutory payments (including but not limited to National Insurance and/or VAT and/or introduction of or amendment to working time minimum wages). Subject always to open book access to the Supplier's records and always after a period of due diligence carried out by the Contracting Authority, relevant and proportionate to the value concerned.

#### **C7-15 Taxation Obligations of the Supplier**

C7-15-1 The relationship between the Contracting Authority, UK SBS and the Supplier will be that of "independent contractor" which means that the Supplier is not an employee, worker, agent or partner of the Contracting Authority or UK SBS and the Supplier will not give the impression that they are.

(1.) The Supplier in respect of consideration shall at all times comply with the income tax Earnings and Pensions Act 2003 (ITEPA) and all other statutes and regulations relating to income tax in respect of that consideration.

(2.) Where Supplier is liable to National Insurance Contributions (NICs) in respect of consideration received under this contract, it shall at all times comply with the Social Security Contributions and Benefits Act 1992 (SSCBA) and all other statutes and regulations relating to NICs in respect of that

consideration.

(3.) The Contracting Authority may, at any time during the term, completion extension or post termination of this contract, request (Supplier) to provide information which demonstrates how Supplier complies with its obligations under tax and National Insurance Clauses (1) and (2) above or why those clauses do not apply to it.

C7-15-2 As this is not an employment Contract the Supplier will be fully responsible for all their own tax including any national insurance contributions arising from carrying out the Services.

C7-15-3 A request under Clause (3) above may specify the information which Supplier shall provide and the period within which that information must be provided.

C7-15-4 In the case of a request mentioned in Clause (3) above, the provision of inadequate information or a failure to provide the information within the requested period, during any term or extension, may result in the Contracting Authority terminating the contract.

C7-15-5 Any obligation by Supplier to comply with Clause (1) and (2) shall survive any extension, completion or termination and Supplier obligations to Indemnify the Contracting Authority shall survive without limitation and until such time as any of these obligations are complied with.

C7-15-6 The Contracting Authority may supply any information, including which it receives under clause (3) to the commissioners of Her Majesty's Revenue and Customs for the purpose of the collection and management of revenue for which they are responsible.

C7-15-7 If the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority has to pay any such tax under clauses (1) and (2) then the Supplier will pay back to the Contracting Authority or UK SBS in full, any money that the Contracting Authority or UK SBS has to pay, and they will also pay back the Contracting Authority or UK SBS for any fine or other punishment imposed on the Contracting Authority or UK SBS because the tax or national insurance was not paid by the Supplier.

#### **C7-16 Cyber Essentials Questionnaire**

The Supplier agrees that during any term or extension it shall complete and return the attached questionnaire as advised below, within 14 days from notice and shall send this information as directed by the Contracting Authority or UK SBS acting as an agent on behalf of the Contracting Authority. The Contracting Authority and UK SBS acting as an agent on behalf of the Contracting Authority is required to provide such assurances to comply with Government advice and guidance.

Note: The Contracting Authority also reserves the right to amend or increase the frequency of the questionnaire submission due dates, as it deems necessary.

The Contracting Authority requires such interim assurances to ensure that the Supplier is still compliant with the security needs of this Contract.

The Supplier agrees that any financial burden associated with the completion and submission of this questionnaire and associated assistance at any time, shall be at the suppliers cost to do so and will not be reimbursable.



Copy as Statement  
of Assurance Questio

**Schedule 1 Special Conditions**

N/A

**Schedule 2**

N/A

**Schedule 3 Purchase order form**

The format of the Proforma Purchase Order will be as follows. Please note that the Purchase Order form will be submitted directly to your chosen email address on completion of the receipt of the signed contract and will contain the confirmed value of goods and services as well as the Purchase Order number that must be used for invoicing purposes.

Purchase Order #0

(Contracting Authority Logo)

<b>Order</b>	
Order Date	
Revision	0
Revision Date	
Payment Terms	As per terms and conditions

Supplier: \_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

Ship to: Contracting authority ship to address      Invoice to: Contracting Authority Invoice Address

PLEASE QUOTE THE PURCHASE ORDER NUMBER ON ALL CORRESPONDENCE. INVOICES NOT QUOTING THE PO NUMBER WILL BE RETURNED UNPAID

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Total								
Grand Total								

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<p style="font-size: x-small;">Commercial In Confidence</p> 	VAT Registration Number GB 818 387 325  (Contracting Authority) , Polaris House, North Star Avenue Swindon, United Kingdom SN2 1EU
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## Schedule 4 The Service

### D1 SCOPE OF SERVICES TO BE PROVIDED

D1-1 To carry out CR20078 - Analysis of ethnicity pay gaps in the public sector as outlined in Annex A – Specification and Annex B – Bid Response.

### D2 COMMENCEMENT AND DURATION

D2-1 This Contract shall commence on Monday 21<sup>st</sup> September 2020 and subject to any provisions for earlier termination contained in the Standard Terms shall end no later than Friday, 30th June 2021.

### D3 MANAGEMENT AND COMMUNICATIONS

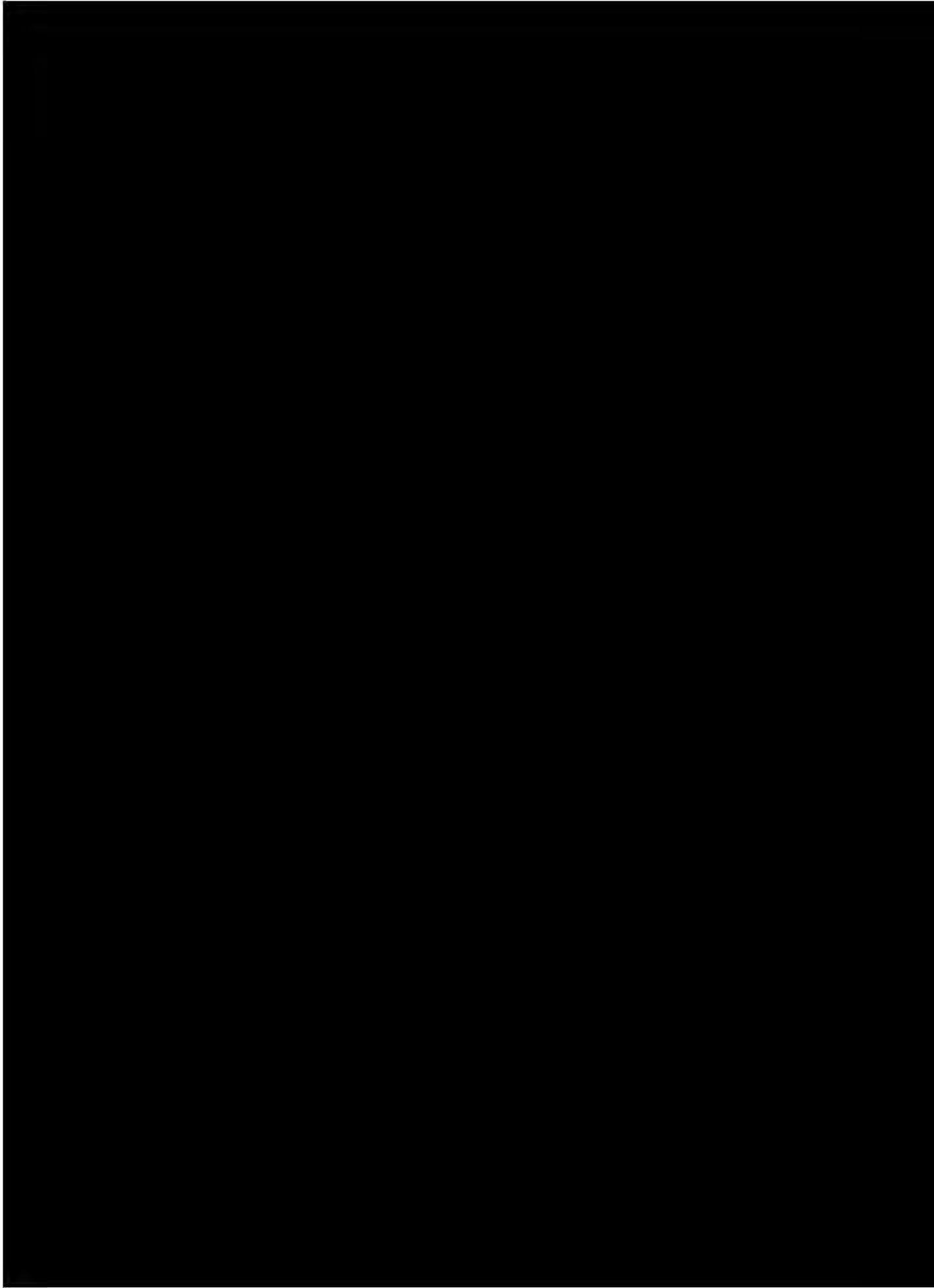
D3-1 The Customer appoints: [REDACTED], Office of Manpower Economics, 8th Floor, Fleetbank House, 2-6 Salisbury Square, London, EC4Y 8AE; Email: [REDACTED], (or such other person as is notified by the Customer to the Supplier in writing) to be the Customer's Contract Manager.

D3-2 The Supplier appoints: [REDACTED], Swansea University, Singleton Park, Swansea, SA2 8PP Email: [REDACTED], Telephone: 01792 604163 (or such other person as is notified by the Supplier to the Customer in writing) to be the Supplier's Contract Manager.

D3-3 UK Shared Business Services appoints: [REDACTED], Category Specialist, Research Team, Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF; Email: [REDACTED]

### D4 – Contract Price

D4-1 Total Contract price shall not exceed £38,100.18 excluding VAT in accordance with the Contract price and breakdown submitted for this contract detailed below:



D4-2 Invoice schedule will be confirmed within inception meeting.

D4-3 All invoices should be sent to [REDACTED], Office of Manpower Economics, 8th Floor, Fleetbank House, 2-6 Salisbury Square, London, EC4Y 8AE.

For and on behalf of **Swansea University**

Signed

Name

Position

Date



14/10/2020

.....

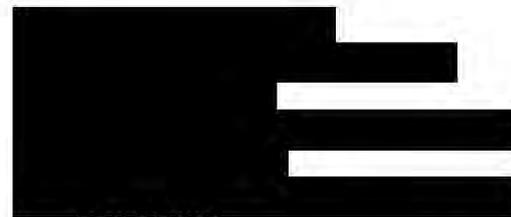
For and on behalf of **Office of Manpower  
Economics**

Signed

Name

Position

Date



.....20/10/2020.....

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## **Annex A – Specification – CR20078 - Analysis of ethnicity pay gaps in the public sector**

### **Background**

There is extensive scholarship on the gender pay gap in the UK, some of which has been commissioned by the OME to investigate the gender pay gap specifically in the public sector. Ethnicity pay gaps have not received the same attention from policy makers and the question of whether pay structures or systems impact ethnicity pay gaps has not been explored by OME.

Poor data has been one of the main barriers to this research: firstly, because the largest income datasets do not include ethnicity; secondly because of small sample sizes even in large data sets as ethnicity is disaggregated into relatively small groups; and thirdly because of the lack of mandatory ethnicity pay gap reporting by employers.

ONS has recently produced income weights for the Annual Population Survey (APS), a sample of 60,000 to 70,000 that records ethnicity, that can be used for ethnicity pay gap research. Using this dataset ONS published its first analysis of ethnicity pay gaps last year and expects to update it this year. This analysis did not include reference to the public sector.

This project will analyse ethnicity pay gaps in the public sector and, where possible, review body remit groups.

### **Aims and Objectives of the Project**

The objectives of the research are as follows:

- a. To understand the distribution of employment by ethnicity in review body remit groups and occupations and compare this to employment more broadly.
- b. To explore different datasets and understand their strengths and weaknesses and the different measures of pay gaps.
- c. To quantify ethnicity pay gaps in as great a detail as possible, both within the UK public sector and, where possible, review body remit groups. Differences within occupational groups are of particular interest.
- d. To assess the evidence on the causes of ethnicity pay gaps.
- e. To explain ethnicity pay gaps in a way analogous to approaches to gender pay gaps.
- f. To highlight the issues and problems that review bodies should be aware of in looking at ethnicity pay gaps.
- g. To interpret this work in terms of its relevance to pay review bodies and other pay setters.

### **Suggested Methodology**

The research would encompass a literature review that covers the ethnicity pay gap literature and existing evidence.

We expect the research to review the different available sources of ethnicity pay data, including workforce data where available. We have highlighted the Annual Population Survey as a source that will be of particular value. This can be freely accessed through the ONS. Information on access to the APS is available here <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/annualpopulationsurveyapsqmi> This allows identification of hourly income, ethnicity and

sector and place of work. The detail of ethnicity classifications when analysing pay gaps is up to the discretion of the researcher but will take into account the analytical benefits from greater detail, and the accuracy benefits of greater sample sizes.

It is expected that the approach to explaining ethnicity pay gaps will use linear regression, quantile regression, or the Oaxaca-Blinder technique. The latter technique is preferred where analytically appropriate, due to sophistication of results and conformity with dominant techniques in the gender pay gap literature.

### **Deliverables**

The researcher would be expected to produce

- Methodology paper
- A draft report
- A final report
- Present that final report to review bodies.

Bidders are asked to provide their suggested methodology and analytical approach which best suits our needs within this requirement.

### **Estimated Timescales**

- Methodology report by end of September 2020
- Draft report by end of January 2021
- Final report by end of March 2021
- Contract end date, end of June 2021
- Expectation to present to review bodies at some point after draft report submission.

**Annex B – Bidder Response – Swansea University**

## Understanding the Ethnic Pay Gap in the Public Sector

### Proj1.1: Understanding the Project

It is 45 years since Britain passed legislation to combat racial discrimination. Despite this, Britain's non-white ethnic minorities still do not appear to face a level playing field in the labour market and an independent UK government review in February 2017 highlighted the continued disadvantage people from ethnic minority backgrounds face in the labour market compared to their white British counterparts [REDACTED]. A second piece of substantial government policy to follow the *Ethnic Minority Employment Task Force* (EMETF) which was instituted by the New Labour Government in 2003, the *McGregor-Smith Review* proposed 26 policy recommendations which focussed very much on employers and their affirmative actions to supporting ethnic minority groups and address ethnic inequalities in the workplace. In spite of this, it has been suggested that these key pieces of public policy "have had, at best, limited success to date" [REDACTED]. Set within the context of a Black Lives Matter movement and the growing body of evidence that deaths from COVID-19 are not equally distributed across the population which has exposed existing inequalities between ethnic groups [REDACTED] these facts make for grim reading are concerning.

In addition to being inefficient, discrimination undermines the beliefs that are central to a fair and democratic society and places a high penalty on those ethnic minorities whose life chances are constrained. As well as the moral and legal implications of racial labour market discrimination, it also impacts Pay Review Bodies (PRBs) through their remits which requires them, "when making recommendations to consider, the need to recruit and motivate suitably able and qualified people". Labour market discrimination will reduce minority recruitment, morale and motivation, the latter two leading to higher turnover and so increasing recruitment costs (many of the recent Pay Review Body Reports already outline possible recruitment difficulties going forward). By failing to attract and retain the most talented it will also reduce the ability of the Government to provide the highest levels of service to the public, in addition to having implications for the public sector equality duty and the Legal Duty Equality Act.

The ethnic minority population represents an ever-growing proportion of the overall UK population. In 2019, 11.9% of the UK working age population identified themselves as an ethnic minority, while in contrast the 1971 Census of Population put this figure at approximately 2%. And around this expanding group an extensive academic literature has emerged that has documented and explored their labour market outcomes, with the research in the UK that has examined labour market disadvantage faced by such ethnic minorities falling into two broad groups. Much of the earlier work, centred around the four important Policy Studies Institute surveys, tended to be largely descriptive (Daniel, 1968; Smith, 1977; Brown, 1984; and Modood et al., 1997). The other strand has attempted to explore the issue econometrically, with Chiswick (1980), Stewart (1983), Dex (1986) and McCormick (1986) being examples of the earlier and foundational literature. Moreover, such a body of evidence has also shown that the ethnic pay gap (EPG)<sup>1</sup> has been increasing over time and that employment opportunities appeared to be more of a problem that earnings disadvantage [REDACTED].

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<sup>1</sup> It should be noted at this point, and will be explained in detail in any report, that the EPG is not synonymous with discrimination. Within the favoured Blinder-Oaxaca framework that has also been applied to estimates of the gender pay gap, a component of the wage difference can be explained by differences in workforce composition and a component is left unexplained. It is this unexplained component that is referred to as the EPG. More generally, it represents a differential return to observed characteristics in the labour market but also encompass differences in tastes, preferences, motivation, ability etc. (all traits that are unobservable) and may also include discrimination. As such the EPG would provide an upper bound on discriminatory practices.

[REDACTED]

While studies have incorporated the occupational crowding that has been identified into their explanations of the gender pay gap [REDACTED] being a seminal example), comparable studies in relation to ethnicity are generally absent. The published work that is available predominantly provides aggregate measures of segregation [REDACTED] and wage-based estimates in a UK context are lacking.

There are important considerations drawn out in the econometric-based literature that will be of particular relevance to the study that we propose to undertake. The UK's ethnic minority population is highly diverse that is distinguished by a number of cultural differences along the lines of nationality, language and religion and it is important to focus upon ethnic groupings rather than broad aggregates, especially as labour market outcomes can vary widely across. Studies have also not always drawn a distinction between schooling and experience obtained domestically in the UK and that obtained abroad. This has probably led to an over-estimation of the degree of labour market disadvantage faced by ethnic minority workers. One way of mitigating such problems is to focus upon the experiences of members of the ethnic minority population who were born in the UK [REDACTED] as these will be familiar with customs, institutions and language which might otherwise provide a disadvantage. *A priori*, though, it is difficult to predict the exact direction in which such effects will operate. Although immigrants may be faced with disadvantages in the labour market as a result of a relatively poor command of the English language, cultural isolation, foreign schooling and work experience, or even outright discrimination, they may also possess a number of advantages. Studies have consistently shown that immigrants have higher relative abilities and are more highly motivated [REDACTED] and, compared with second generation migrants, the majority of ethnic minority immigration arrived in the UK when the demand for labour was relatively high. And while second (and later) generation immigrants may have benefitted from domestic schooling and from government anti-discrimination legislation, these groups may have regressed towards the mean in terms of motivation and ability and may not have derived the full benefits of a domestic education. Such groups are also more likely to live in poorer areas and to have attended schools in inner city education priority areas where facilities are poorest.

With regards to estimating public-private sector wage differentials, an extensive literature exists in the UK and internationally [REDACTED] although the evidence on how this is differentiated by ethnicity is extremely limited, and how ethnicity intersects across divisions within the public sector virtually non-existent. A number of stylised facts emerge for the UK with respect to the overall public-private sector premium, which are often shared by other market-based economies. These include that the public sector pay premium tends to be higher for women than it is for men and varies across the pay distribution, typically being higher at the bottom of the pay distribution than at the top where the male pay premium is often negative. [REDACTED] when investigating movements in the public sector wage differential over the period 1994 to 2017 provide a further review of UK and international studies. However, as shown by [REDACTED], the public sector wage premium varies substantially across regions of the UK and the way in which it is measured, and the definition of earnings used, can have profound effects. While little research has been conducted on the ethnic public/private sector wage differential in the UK, [REDACTED] do find a smaller ethnic public/private sector wage differential for many ethnic groups leading to higher levels of relative employment of these groups in the public sector, possibly due to lower perceived levels of discrimination in the public sector. This finding is consistent with the earlier seminal work in the US in this area by Lewis (1990).

Specifically, as related to the project's aims and objectives, we will deliver the following aspects:

*a. understand the distribution of employment by ethnicity in review body remit groups and occupations and compare this to employment more broadly*

To set the employment scene before we quantify the EPG, we will want to explore the distribution of ethnic employment (and all the detail we are able to extract about different ethnic groups - as detailed in PROJ1.2) across the public sector, divisions within the public sector (such as central government, local government, NHS etc) and across Pay Review Body (PRB) Occupations. We will also present these figures in comparison to the private sector. These will be grossed up to nationally representative estimates using the population weights available within the main data source (the APS, as detailed in Proj1.2) and will want to cut across the entire ethnic minority population and those who were born within the UK. All such figures will be benchmarked against comparable employment figures in the private sector in general, but also in comparison to those occupations in the public sector which have comparable occupations in the private sector.

Given the self-reported nature of public sector employment in the APS, we will also preface the figures drawn from this data source with a comparison of the aggregate figures for public sector employment drawn from the Quarterly Public Sector Employment Surveys. This is in addition to adjusting aggregate measures of public sector employment given in the APS such that they more closely mirror the National Accounts definition [REDACTED]

Moreover, there is already a noted substantial variation in the representation of ethnic minority workers in the public sector, with the state education system, armed forces and non-medical NHS dominated by white groups, while ethnic minorities are well represented in NHS medical roles. Indeed, according to Clark and Shankley (2020) "[f]uture policy needs to address exclusionary practices in specific institutions rather than the public sector as a whole." (p.127). Such a descriptive analysis will be timely and will update the aggregate public sector evidence already available from Millard and Machin (2007) and Matthews (2010).

*b. to explore different datasets and understand their strengths and weaknesses and the different measures of pay gaps*

While we will want to use the APS as our main source of data, we will scope the possibility of using alternative data sources for this type of analysis in the future. Commonly used sources of data in the UK(GB) that contain high quality earnings data are ASHE and WERS. However, ASHE does not contain information on ethnicity and the matched employer-employee data contained in WERS is limited to private sector establishments and is now somewhat dated. Understanding Society in contrast possesses many of the advantages of the APS and can be pooled across multiple waves of data to provide measures of aggregate public sector employment. Detailed occupation identifiers also allow for specific occupations covered by PRBs to be identified and the fact that it is a panel allows for fixed effects estimation to be performed which may account for some of the cultural, language and motivational issues highlighted above). However, such econometric techniques place stringent requirements upon the data, and it is unclear whether meaningful estimates could be derived from such a data source. This is highly unlikely at the level of disaggregation across ethnic groups and individual occupations that would be required to make any results insightful. Furthermore, this would stand in contrast to the sort of estimation frameworks which have already been used to estimate the gender pay gap in the public sector [REDACTED]. However, we will explore the option of using *Understanding Society* in a scoping exercise.

Further, to set the scene before we produce (characteristic adjusted) estimates of the EPG, we will calculate raw average wage differences across the multiple ethnic, sectoral, PRB and occupational dimensions that we will consistently use in our analysis of the APS. It may be that the raw differentials present a similar picture to the adjusted EPG figures. For the ability to produce updated evidence rapidly at the level of PRBs, this might provide insight about the usefulness of much simpler statistics. This might prove to be helpful and insightful to PRBs with access to administrative data (such as NHS Digital), but administrative data in itself comes with its own problems. A lack of comparability, different geographical coverage and different occupations are all problematic in such data sources which are not present in single data source such as the APS. A scoping exercise will further help to identify whether such administrative data sources would be useful in the future for PRBs.

*c. to quantify ethnicity pay gaps in as great a detail as possible, both within the UK public sector and, where possible, review body remit groups. Differences within occupational groups are of particular interest*

Central to the entire analysis will be quantifying the EPG using the Blinder-Oaxaca decomposition framework such that that estimates that will be produced can be compared to those produced for the gender pay gap. An in-depth examination of the data will be conducted to allow for as detailed a set of estimates to be produced as the data allow. Sample size considerations will be crucial in this regard, and while it is straightforward to produce a contemporary estimates of the EPG for broad aggregates of all ethnic minority groupings across the overall public sector workforce, such estimates are likely to be of relatively value given the diversity that is expected to be observed over both dimensions. Although it will necessitate the pooling of data over multiple time periods, we will produce EMPG estimates over multiple dimensions of ethnic classification (such that we are consistent with the ONS publications) and over various dimensions of the public sector down to detailed occupations relating to individual PRBs.

*d. to assess the evidence on the causes of ethnicity pay gaps*

The initial part of the reporting process will involve the construction of a detailed literature review, encompassing both UK and international evidence on ethnicity and the pay gaps experienced by particular groups. This will identify generic issues that the authors are well aware of in the existing corpus which includes their own substantial contributions to this literature. We will use the literature review to interpret our own results and suggest possible explanations for these findings within the context of the current UK labour market. Although more limited, we will also review some of the sector inequalities literature e.g. gender and look for sector specific patterns across ethnic groups. We will also broaden this out to include theoretical considerations and include consideration of pay compression typically found in the public sector (with the higher levels of unionisation found here typically offered as an explanation for this phenomenon).

*e. to explain ethnicity pay gaps in a way analogous to approaches to gender pay gap*

While a host of methodological approaches are available to provide estimates of the EPG, we will primarily restrict the analysis to quantifying the effect via the commonly used, and accepted, Blinder-Oaxaca decomposition approach that is routinely used to produce estimates of the gender pay gap. The authors are well-versed in this technique, having implemented it themselves in academic articles, research monographs, book chapters and commissioned research over the past two decades and more to explore labour market disadvantage over many dimensions including ethnic minority identity and gender and as applied to the public sector wage premium. In doing so, this will provide the first UK estimates of the EPG in (and within) the public sector in the UK. Comparable estimates for the OME on the gender wage gap have also utilised this approach [REDACTED], and so this will allow for comparisons to be made.

We will also broaden our discussion out to include a discussion of inter and intra-occupational differences using the occupational-wage framework of Brown, Moon and Zoloth (1980), which again will allow for direct comparisons with estimates on the gender wage gap [REDACTED] We will also explore the extent to which the mean-based findings of the Blinder-Oaxaca framework translate to other points of the earnings distribution (principally at the 25th and 75th percentiles to supplement median estimates).

*f. to highlight the issues and problems that review bodies should be aware of in looking at ethnic pay gaps*

By providing detailed figures on employment levels, average wages and EPGs at the level of PRBs will allow for detailed bespoke pictures to be drawn and policy implications drawn for each of the PRBs where possible. While the mainstay of our estimation strategy will be to provide estimates at the means based on Blinder-Oaxaca decompositions, we will also present additional estimates along the distribution of earnings. This will allow for issues of retention and motivation to be addressed, particularly for highly able and well-paid individuals away from the more central parts of the pay distribution and those typically less qualified and skilled in the lower parts of the pay distribution. All of these issues have important implications for workforce planning and quality of service provision, and we will use the existing literature and our own analysis of contemporaneous data to inform interpretation of our findings for PRBs.

Further, in light of the scoping exercises that we have proposed and in line with the data review, we will also provide insights into potential future data analysis that may arise from either publicly available or bespoke administrative data.

*g. to interpret this work in terms of its relevance to pay review bodies and other pay setters*

Wherever practically possible, estimates of the EMPG and ethnic segregation will be quantified for each of the PRBs and the occupations that they cover in their remits, split along the lines of gender and detailed ethnic minority categories. If sample sizes allow, these will be further disaggregated by immigrant status (i.e. immigrants vs native-born ethnics), although if sample sizes do not allow for such a disaggregation at the PRB occupation level, these traits will be accounted for by control variables in the Blinder-Oaxaca framework. At a more-aggregated level above this, we will also produce comparable estimates at the overall public sector level and for individual sectors (central government, local government, NHS etc) within this that will in themselves sit above the PRBs.

Given experience within the team of disseminating evidence to the PRBs [REDACTED]

[REDACTED] we will ensure that our findings will be presented and disseminated in a way to be accessible to a non-academic audience. A report to the OME and a non-technical executive summary will all be written with this accessibility in mind. Such findings and the policy implications we draw from them, and accessibility to them, will be crucial for PRBs in terms of informing equality legislation, representation of the workforce, and with regards to the actual reporting of the EMPG. In a broader sense, such findings will also be of relevance to the Government Equalities Office. And by comparing across PRBs, as well as different sectors, it will allow examples of good or poor practice to be identified.

[REDACTED]



## Understanding the Ethnic Pay Gap in the Public Sector

### Proj1.2: Approach and Methodology

The research objectives set out in PROJ1.1 will primarily be achieved by the application of established econometric techniques to high-quality secondary data. In particular, the primary source of data on which the analysis will be undertaken is the Annual Population Survey (APS), which has been designed and collected by the Office for National Statistics (ONS). However, these data may be supplemented with alternative sources, if and when needs dictate. Given the aims of the project, it is not viable or appropriate to collect new primary data and we will be examining existing nationally representative data by focusing on the APS. We are also very open to engaging in discussions with Office for Manpower Economics (OME) on data related issues – including the examples that have been identified in footnote 1. Our general approach in relation to the main areas and aspects to be focused upon will also be informed by an initial literature review of relevant issues on ethnicity and employment, especially in connection to the public sector.

#### Data

The main source of data to be used in the statistical/econometric analysis will be the APS. This is a person level survey of individuals in selected households, comprising of data that has been collected from four individual surveys since January 2004. While these constituent surveys ensure that a large ethnic minority population sample is available for analysis, it does mean that the population and income survey weights would need to be applied in order to produce nationally representative figures.

To ensure that results that are as current and relevant as possible, we plan to use the (pre-COVID-19 crisis) January-December 2019 version of the data, which is accessible via the UK Data Service. Given that we also propose to produce estimates that are divided across a number of dimensions, it may (and indeed is very likely) that we will need to pool data over time to generate sample sizes that are sufficiently large to produce robust results. The following descriptive statistics from January-December 2019 provide an indication of the lines along which we propose to split the data.

#### Selected Employment Related Statistics from the 2019 APS by Ethnic Group<sup>1</sup>

	Working Age Population <sup>2</sup>		Employment <sup>3</sup>		Public Sector <sup>4</sup>	
	N	% Total	N	Rate	N	Rate
White	144,468	88.1	108,078	74.8	25,675	23.9
Mixed/Multiple ethnic groups	1,685	1.0	1,156	68.6	229	19.8
Indian	3,993	2.4	2,986	74.8	645	21.6
Pakistani	3,251	2.0	1,818	55.9	327	18.1
Bangladeshi	1,120	0.7	597	53.3	116	19.5
Chinese	771	0.5	472	61.2	92	19.5
Any other Asian background	1,798	1.1	1,202	66.9	281	23.4
Black/African/Caribbean/Black British	4,333	2.6	2,990	69.0	840	28.3
Other ethnic group	2,481	1.5	1,551	62.5	262	17.0
Total	163,900	100.0	120,850	73.7	28,467	23.7

Notes:

1. Constructed using the ETHUKEUL variable. This is the nine-category ethnicity variable that contains a consistent definition across the four devolved nations that make up the UK. Other ethnicity variables are available in the APS which can be used to produce a more disaggregated ethnic breakdown for different parts of the UK. For example, there is a 16-category ethnicity variable that is available for England and Wales, which is based on the ONS Census definition of ethnicity that has been used in these countries. The statistics in the table have *not* been weighted.
2. Constructed using the single-year AGE variable. Working age defined here as 16-65 but this can be altered to reflect the most appropriate retirement age to use.
3. Constructed using the ILODEFR variable.
4. Constructed using the PUBLICR variable. This is a self-reported classification.

Were the aim to merely concentrate upon a comparison between the majority group in the population (classified as *white* in the APS) and ethnic minorities as an aggregated group, there would likely be enough capacity within a single year of APS data e.g. 2019, even when we account for the smaller sample sizes who report their earnings and split by gender, which any meaningful analysis would need to do. However, there is a substantial research base [REDACTED] that has identified considerable heterogeneity across ethnic minority groups with regards to employment, as well as for labour market outcomes more generally. These include the relatively low levels of labour market participation and high unemployment rates observed for groups such as Pakistanis and Bangladeshis, as can be seen in the above table. This feature is particularly noticeable for females.

Some other notable statistics that can be seen in the table include the relatively low employment rates of the Chinese ethnic group, which are mainly the product of large numbers of international students, and enhanced by the high rates of participation in post-compulsory education amongst second-generation members of this group [REDACTED]. Therefore, the sample to be used in the data analysis is likely to exclude full-time students, [REDACTED]. In addition, [REDACTED] identify large differences in self-employment rates across ethnic groups, with some displaying very high rates, in particular Pakistanis. This position has persisted for this group but not for others such as the Chinese, for whom self-employment rates have fallen as younger cohorts have found (higher paying) opportunities in paid-employment, partly as a result of high levels of educational attainment amongst the latter group [REDACTED].

We would want to keep definitions of ethnicity as flexible as possible, both with regards to the generation of descriptive statistics and in the econometric analysis. Therefore, the precise groupings will be determined by exploration within the APS. For example, for some of the main ethnic minority groups in the UK reported in the above table it is possible to further divide some of the categories, including for the Black group across the four devolved parts of the UK. In contrast it is not possible to do this for the white group in Northern Ireland, which could provide a potentially interesting avenue of research given that in their analysis of ethnicity pay gaps the ONS (2019) identify the White-Other group as the second largest ethnic group in Great Britain, accounting for 7.9% of employees. This study also highlights the high employment rate observed for the White-Other group. This is due, in part, to the arrival of large numbers of migrant workers from the European Union - especially Poland - following the 2004 enlargement. However, Polish migrant workers, as well as those from Central and Eastern European Countries, have typically found jobs in low skilled occupations despite many having relatively high levels of education [REDACTED], which has often been the result of occupational downgrading [REDACTED]. However, we also need to be mindful of not pooling information too far back over time to preserve and isolate any time trends that may be present in the data.

We will also explore the extent to which the classification of ethnic minority groups is viable in terms of comparing the employment outcomes of native-born members to those who were born outside the UK. This particularly relates to the established literature that highlights cultural and language differences between immigrants and native-born workers ( [REDACTED] especially amongst recent migrants [REDACTED] Cultural and linguistic proximity to the UK can be used to control for some of these features, in addition to allowing for cultural assimilation as time since arrival in the UK increases. To avoid many of these practical problems, we will also aim to produce results for the native-born members of different ethnic minority groups [REDACTED] given that they are often more culturally and linguistically similar to the majority white population. However, issues connected to education such as the comparability of qualifications obtained abroad and within the UK education system as well as some related to selection such as in terms of the ability and motivation of migrants - as indicated in Proj1.1 may be more difficult to address.

With regards to achieving the aims of this project, the APS has a number of distinct advantages over other data sources. It has high quality data available on earnings in addition to information on hours worked on a usual basis, contracted basis and overtime. This allows for a number of alternative definitions of earnings to be constructed to test the sensitivity of the estimates using the most commonly used measures such as gross hourly pay.

The APS also contains variables to distinguish parts of the public sector (for example, central government, local government, health authorities and armed forces). When pooled across multiple years, the resultant sample sizes should allow for some comparisons within the public sector and across occupations, which is particularly important given the distinct remits of the Pay Review Bodies (PRBs). Detailed occupation information (4-digit SOC) is contained within the Secure Access APS and has been previously used to identify public sector occupations including school teachers, dentists and doctors, prison service staff and police officers (Bryson and Forth, 2017). Given recent events such as the impact of the COVID-19 crisis then consideration could be given exploring the potential of identifying differences amongst key workers employed in the public sector. However, when splitting across ethnic groups we will need to carefully consider sample sizes and the level of disaggregation that can be achieved. By way of example, while the detailed 4-digit SOC groups would enable 'midwives' to be separated from 'nurses', 3-digit SOC would pool these into 'nursing and midwifery professionals. The aggregation across 4-digit occupation would explicitly consider the occupations as relevant to PRBs. Cognisant of such points, it is likely that we will want to pool across multiple years of the APS to generate sample sizes consistent with meaningful estimates.<sup>1</sup>

The APS also contains detailed information on individual demographics such as educational attainment, marital status and family structure, which are important variables in the analysis of pay (ONS, 2019). In addition, details about the nature of the job performed and the employer such firm size, location and job tenure are also available in the APS. Such a range

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<sup>1</sup> In order to achieve this then our aim would be to access to gain access to the APS under secure access. Access to such data may also enable more detailed analysis to be undertaken at the sub-regional level, which could be useful with regards to examining employment issues in the context of ethnicity given the relative concentration of some ethnic groups in certain geographic areas. However, if timescales do not permit these data to be accessed, we could pool multiple quarters of QLFS data, which in itself is one of the four constituent surveys that makes up the APS, over time. The QLFS can be downloaded from the UK Data Service in the say way as the APS on under an End User License (EUL) and contains 4-digit SOC codes. Such issues can be discussed, along with others such as the use of appropriate weights, can be discussed with the OME should our proposal be successful.

of controls has been shown to be important in the calculation of the public sector wage premium (IFS, 2011) with the inclusion of controls for firm size found to be crucial (Blackaby, Murphy, O'Leary and Staneva, 2018).

Nonetheless, the APS does have some weaknesses in the context of examining public sector employment. In particular, the classification of public sector in the survey is of a self-reported nature where the public sector is defined as that 'owned, funded or run by central government'. Such measures are known to misrepresent actual public sector employment figures (with Figure 1 in Blackaby, Murphy, O'Leary and Staneva, 2020 giving a good overview of this mis-representation relative to employment figures from the Public Sector Employment Survey), but it is possible to adjust APS responses to more closely mirror the National Accounts definition (see Dolton and Makepeace, 2011).

In the context of the remit of the PRBs, the absence of information on self-employed workers, particularly important for some public sector occupations (such as general practitioners) will also constrain the scope of the analysis. However, information on earnings from the self-employed is well-recognized to suffer from considerable measurement error and is not typically available in survey data (including the APS).

Information on earnings in the APS is also self-reported, unlike surveys such as the Annual Survey of Hours and Earnings (ASHE) where it is obtained directly from employers and therefore considered to be an important source of information on earnings. There are two obvious limitations of using self-reported earnings. First, it is subject to a more limited response rate than other questions in the survey and patterns of response may be non-random (although income weights are available that can be applied that account for this). Second, self-reported income data is subject to a greater degree of measurement error. However, the underlying data from the Quarterly Labour Force Survey (QLFS) which makes up the APS is recognized as being a high-quality source of earnings information and is widely used by the Office for National Statistics (ONS) and the academic community. Moreover, there is no ethnic group indicator in the ASHE. The reliability of the earnings information in the APS will also be enhanced by eliminating outliers as recommended by the ONS and excluding information provided through proxy responses.

### Proposed Statistical/Econometric Methodology

The empirical analysis will comprise two core elements. First, an investigation of ethnic minority pay gaps will explore and highlight the key determinants of differentials in the public sector in comparison to the private sector. Second, this will be followed by a more detailed analysis of the drivers of the Ethnic Pay Gap (EPG) *within* the public sector and across PRB occupations in particular. In both cases, the focus will be upon quantifying the determinants of the ethnic minority pay gaps through an established decomposition framework which isolates the contribution of observable characteristics of workers and their jobs from unobservable influences (where the latter will include the unequal treatment in the labour market). Throughout, the sample will be limited to the working age population and will focus upon the respondent's main job.

#### *Sectoral Ethnic Pay Gaps*

A within sector wage equation can be estimated with varying controls to identify the size and significance of the public (PUB) and private (PRV) sector ethnic minority pay differentials:

$$\ln E_i = EM_i \mu_S + x_i \beta_S + \epsilon_i, \quad S = \text{PUB, PRV}; i = 1, \dots, N_S \quad [1]$$

where  $i$  indexes the individual. Here, the log of pay ( $E_i$ ) is regressed on a set of ethnic minority control variables ( $EM$ ) and the sector specific adjusted EPG is given by  $\mu_S$ . The set

of control variables  $x_{it}$  will vary across specifications but could include personal characteristics such as age (and its square), marital status, highest educational qualification, gender and region of work, and work-related characteristics such as temporary or part-time employment, tenure (and its square) and firm size to identify the EPG adjusted for productivity related characteristics between workers from the two groups who are employed within each sector. The models will be estimated separately by gender and the specifications could, depending on suitable sample sizes, and would ideally include some ethnic-specific control variables - especially a country of birth indicator(s) and possibly some controls for time of arrival in the UK.

Equation [1] assumes that each control variable has the same impact on earnings by worker type. A version of equation [1] can be estimated separately for workers from different ethnic groups (G), where A and C is used for ease of notation:

$$\text{Ln}E_{it} = x_{it}\beta_{G,S} + \epsilon_{it}, \quad G=A, C; S=\text{PUB, PRV}; i=1, \dots, N_{G,S} \quad [2]$$

so that decomposition techniques (Oaxaca, 1973; Blinder, 1973) can be used to identify that part of within sector EMPG is due to differences in observed characteristics (or what is *explained*) from an *unexplained* component which is closer to a measure of pay inequality. The precise decomposition can take alternative forms, but an example is given by:

$$\overline{\text{Ln}E_{A,S}} - \overline{\text{Ln}E_{C,S}} = (\overline{x_{A,S}} - \overline{x_{C,S}})\mathbf{b}_{NEM,S} + \overline{x_{A,S}}(\mathbf{b}_{A,S} - \mathbf{b}_{C,S}) \quad [3]$$

where a bar denotes a mean value and  $\mathbf{b}$  is the OLS estimate of  $\beta$ . The decomposition separates the difference in earnings between the average employee and from the two groups in sector S into an explained and unexplained component. The former measures the part of the wage differential due to differences in characteristics of employees in the two groups, while the latter measures that part due to differences in the return to those attributes. The unexplained gap is typically interpreted as an upper bound measure of unequal treatment since it will include the influence of unobserved ethnicity differences in productivity or preferences. The total explained gap can be further separated to identify the relative contribution of different personal and job-related characteristics to the explained EPG. The analysis will therefore explore workforce composition differences by sector and sectoral differences in the role of well-established drivers of pay differentials such as education and the regional distribution of workers in accounting for the EPG.

The above analysis focuses on mean pay and does not take account of differences in the earnings distributions of each sector, with the pay distribution found to be typically narrower in the public sector. Quantile regression techniques (Koenker and Bassett, 1978) can be applied to the EPG at different points of the pay distribution (e.g. median, 25th and 75th percentiles) and suitably adapted decomposition methods (for example, the Recentered Influence Function framework of Firpo, Fortin and Lemieux, 2009) can be applied to separate the explained and unexplained components in a similar manner to the above. In such a way, the extent to which differences in productivity related characteristics explain the EPG can be assessed across the earnings distribution.

#### *Within Public Sector Ethnic Pay Gaps*

The EPG within the public sector will then be explored by occupation, with a particular focus upon occupations defined by the PRBs such that *between* and *within* contributions to the public sector EPG can be identified as set out below:

$$\overline{\text{Ln}E_{A,PUB}} - \overline{\text{Ln}E_{C,PUB}} = \Sigma_O(\rho_{A,O} - \rho_{C,O})\overline{\text{Ln}E_{A,O}} + \Sigma_O\rho_{C,O}(\overline{\text{Ln}E_{A,O}} - \overline{\text{Ln}E_{C,O}}) \quad [4]$$

The first and second terms on the right-hand side of equation [4] respectively show the *between* occupational differential and the *within* occupational differential, with the probability of being employed within each public sector for the two groups respectively. That is, it will quantify whether the EPG in the public sector arises from members of the two groups working in different occupations (*between*) or differences in pay within a given occupation (*within*).

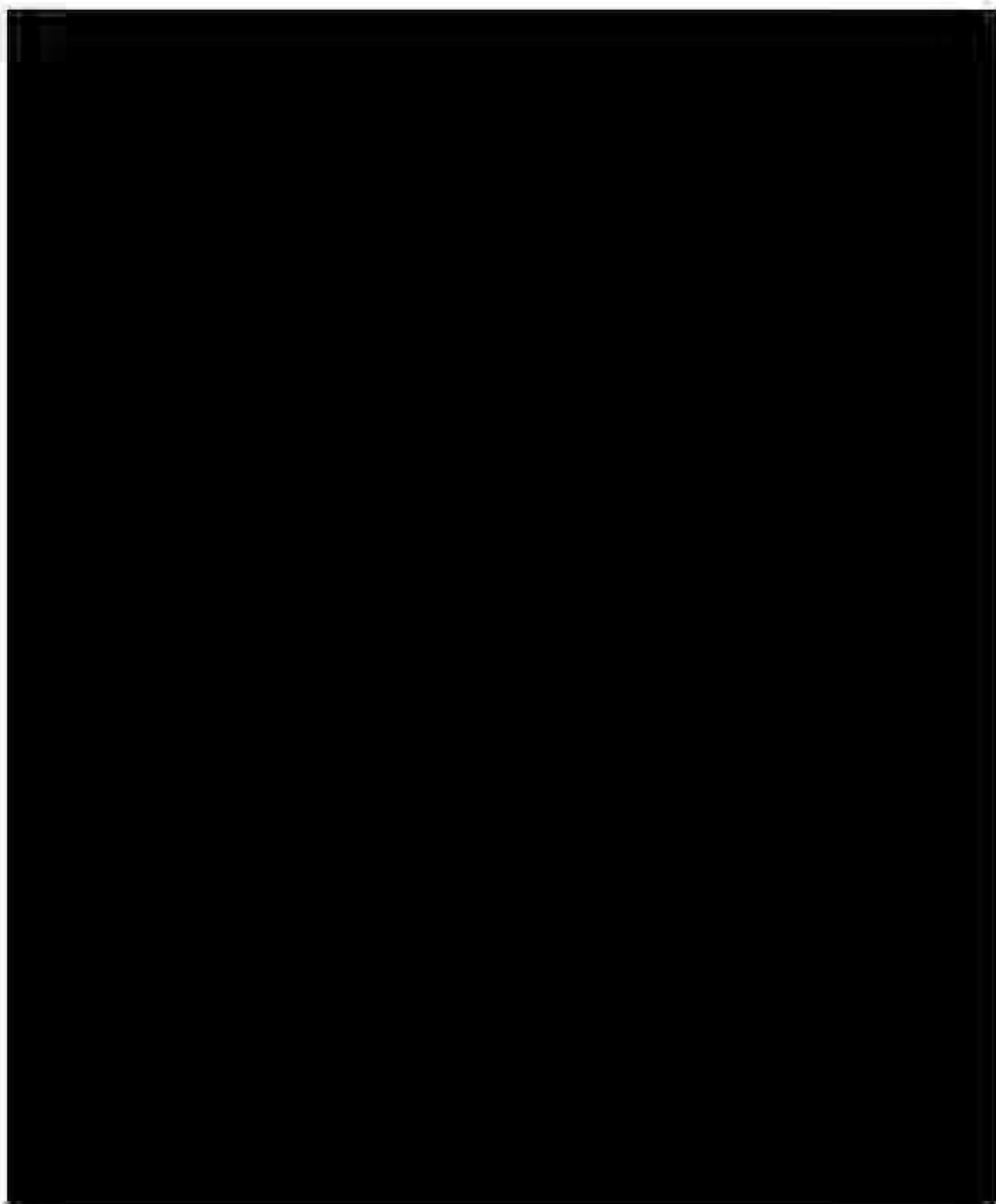
This type of analysis can also explore further the extent to which such differences are explained or unexplained using an extension to the above decomposition analysis (such as by Brown, Moon and Zoloth, 1980). Occupational selection/attachment will be modelled using a multinomial logit model, whereby the influence of ethnicity on public sector occupation before (*raw*) and after (*adjusted*) accounting for other personal and work-related characteristics can be identified. The latter is consistent with ethnic differences in occupational choices or employer hiring practices. The within sector occupation raw and adjusted pay gaps can be estimated in a fashion similar to equation [3] by restricting the sample to a specific PRB occupation. Identification of the unexplained gap, an indicator of within occupation pay inequality, addresses an important evidence gap identified by PRBs (see Review Body on Doctors' and Dentists' Remuneration, 2017).

All analysis will be undertaken using the Stata statistical software package. All the proposed econometric techniques are well established and have been previously applied in the academic literature and the statistical significance of all estimates will be based around conventional 1% and 5% statistical levels. It is the combination of ethnic minority status (and the subdivisions of this that we are able to identify) and sector that forms the novel contribution of this project, and the more detailed analysis of occupation will have particular relevance to the PRBs and OME.

### **Dissemination**

The project team would aim to work closely with the OME to ensure that the research findings are disseminated effectively in order to stimulate policy debate. We would envisage that this would principally be achieved through the circulation of the main findings within appropriate policy networks such as presenting these at the annual OME conference, which some members of the team [REDACTED] have previously done. In addition, another member of the team [REDACTED] has been a member of a PRB. In addition, the team has access to some good outside connections and networks, which could be used to further disseminate the findings. These include academic networks such as the IZA, CReAM and CoDE [REDACTED] [REDACTED] as well as through the WISERD collaboration which has well established links to organisations such as the Welsh Government and Equalities and Human Rights Commission.

In addition, the report and an executive summary will be written in an accessible way for the benefit of the PRBs and a wider audience. The project team have written many reports for a range of other external organisations (refer to CVs) and the team [REDACTED] [REDACTED] have been heavily involved in impact case studies on public sector pay and labour market inequality for both REF2014 and the upcoming REF2021. We are also willing to work with OME to disseminate post project (at no additional cost).



## PROJ1.3 Project Plan and Timescales

### *Proposed Project Plan with Timetable for Deliverables*

Stage	Date	Output <sup>1</sup>
Planned project start date	Early September 2020	-
Initial project inception meeting	Mid-September 2020	-
Finalise jointly agreed aims and more detailed project plan (including methodology) with OME <ul style="list-style-type: none"> <li>• Register project with the UK Data Service (UKDS)</li> <li>• Complete University Research Ethics Process</li> <li>• Submit application for access to Secure Data Service (SDS) at UKDS (for secure APS)</li> </ul>	End September 2020	Revised and more detailed project plan to OME.
Literature review	September-October 2020	-
Data review	September-October 2020	
Finalise methodology	October 2020	Methodology paper to OME. <i>Review meeting with OME (if required).</i>
Data analysis <ul style="list-style-type: none"> <li>• Data construction and cleaning</li> <li>• Preliminary data analysis               <ul style="list-style-type: none"> <li>• Occupational segregation</li> <li>• Ethnicity pay gaps</li> </ul> </li> <li>• Econometric analysis</li> <li>• Robustness testing</li> </ul>	Analysis of the APS (EUL) October-December 2020.  Analysis of secure APS will depend on the date of project approval by SDS at the UKDS. This is unlikely to be before October 2020 and may actually be subsequent to this. Provisional timescale for analysis of APS via SDS November 2020 – January 2021. <sup>2</sup>	Monthly email updates to OME on progress and initial findings (subject to disclosure control by SDS).
Provisional interim findings shared with OME <ul style="list-style-type: none"> <li>• Further data analysis (as required)</li> </ul>	End of January 2021 [full APS findings are conditional on project approval by SDS at the start of November 2020] <sup>3</sup> Subsequent analysis February 2021 on receipt of comments from OME.	Provisional findings shared with OME. <i>Review meeting with OME.</i>
Draft final report <ul style="list-style-type: none"> <li>• Write up research findings</li> </ul>	February and March 2021	-

<sup>1</sup> Since the data are accessed under specific conditions of the UKDS no data sets will be made publicly available by the project. The research team can provide the necessary STATA code to enable other researchers to replicate their analysis should this be required.

<sup>2</sup> Should, for any reason, access to the Secure APS not be granted for this project by the UKDS, the contingency plan would be to perform the same analysis on the QLFS. We view this as highly unlikely given the prior experience of the researchers and policy relevance the project

<sup>3</sup> Any significant delays to the approval of access to the secure APS will either need to be reflected in an extended project deadline (and we would seek a 3-month extension to the provisional interim findings to April 2021) or substitution of findings relating to the QLFS in order not to compromise on the quality of the analysis. An application will, however, be submitted immediately on confirmation of the project aims (mid-September) in order to minimise this risk.

<ul style="list-style-type: none"> <li>Identifying policy implications for OME/PRBs</li> <li>Identifying data related issues and opportunities for the OME and PRBs</li> </ul>		
Full draft of final report shared with OME	End of March 2021	Draft report shared with OME. <i>Review meeting with OME (if required).</i>
Comments and feedback from OME on draft report <ul style="list-style-type: none"> <li>Revisions to draft report and any additional analysis</li> </ul>	April 2021	-
Revised and final full report <ul style="list-style-type: none"> <li>Executive summary</li> </ul>	End of April 2021	Final report shared with OME.
<i>Presentations to OME and PRBs on project findings as required</i>	As required up to end of December 2021	Presentation of final report.
Planned project end date	End of June 2021	-

### **Mitigation of Project Risks**

The experience of the PI [REDACTED], Swansea University) in managing research projects to successful completion in terms of quality, timescale and budget, together with the extensive research expertise of the CI's [REDACTED] minimises risks to the project in terms of management and research quality (see attached CVs). The team have an extensive knowledge of the international literature relating to ethnicity pay gaps and the public sector wage premium, have previously used APS micro data and, have expertise and previous experience of applying the proposed econometric methods in similar contexts (including on the gender pay gap for the OME). Further, since the research team, who are all part of the ESRC funded WISERD research network, have previously been involved in collaborative and externally funded research projects (including for the Equalities and Human Rights Commission and Welsh Government) there are minimal risks in terms of the coordination. Regular project meetings will be undertaken via zoom given the anticipated and potential future restrictions imposed by COVID-19. The PI and CIs have permanent positions and their institutions have approved time for their work on this project. The time allocated for research assistance relates to an existing member of staff at Swansea University who has also previously worked with the research team. As such there are no risks arising from the need to recruit staff or from the reliance on external contractors.

The PI will have overall management responsibility, final approval of all outputs and will be the point of contact for the OME but key aspects of the project will be subject to scrutiny and approval from the research team e.g. in terms of methodology and draft findings. Given the nature of their expertise there is also some flexibility to reallocate time between the research team should this be required for any unforeseen reason e.g. sickness absence.

No primary data collection is planned as part of the project. The use of existing secondary data available for non-commercial research from the UKDS minimises risks in terms of both data availability and quality. Data from the APS will initially be accessed under the terms and conditions set out in End User Licence which means there are no restrictions for academic use. Where access to the secure versions of the APS is required access through the Secure

Data Service (SDS) will be requested. There will be an inevitable extension to the project timescale associated with this since the analysis will depend on the speed to which this request is approved. Based on recent experience we estimate a maximum 3 month timescale for the application and have built this into the project plan, which means the proposed end date for the project is about 2 months behind the timetable suggested by the OME. Fortunately access to the SDS is now possible from home for approved projects which will minimise the risk of disruption due to COVID-19 (even in the case of subsequent or local lockdowns). We see minimal risk of access to the SDS not being approved for this project since all researchers are ONS accredited and fully trained in the access of confidential data and, have recently had other projects approved (including for home working). The commissioning of this project by the OME would demonstrate its policy and public value, meeting a key SDS requirement that it is in the 'public good'. In the highly unlikely case that secure APS data is not made available it will still be possible to complete the proposed analysis using the QLFS.

All the data will be anonymised and no individual respondent will be identified in the research. Members of the research team have completed training in disclosure risks and methods of control. They will follow the data access and handling requirements as set out by the UKDS. Given the nature of the project, Swansea University Research Ethics Committee would not require the project to have full ethical scrutiny. An application for ethics approval will be completed once the aims of the project are finalised with OME. The project does not relate to any of the areas highlighted by the ESRC as having more than minimal risk (Research Ethics Framework).

The research team all have recent experience of applying similar methodologies in the context of analysis of ethnicity, gender and the public sector pay premium and these will be further developed as part of the review of the literature and data, and discussions with OME. The project retains sufficient flexibility to respond to issues arising and time has been included for robustness checks to ensure the results are not sensitive to specific measures e.g. the categorisation of ethnicity and model specifications. Any remaining limitations will be discussed (including in relation to sample sizes) and acknowledged within the report. The PI has a significant track record of publication in high quality journals. The research team are also committed to providing evidence to inform policy, and this is reflected in experience of undertaking external research grants, and communicating this to policymakers. For example, Blackaby is a former NHS PRB member and Jones was the PI on a recent OME report on the gender pay gap in the public sector. Both will ensure the findings are directly relevant and appropriate communicated to the OME.

The costs submitted in the price schedule as calculated under FEC (including estates, infrastructure and indirect costs) and the project is supported by the academic research environment and resources available at the researchers' respective institutions which will limit the risks associated with technical failure.

Clear and regular communication between PI and OME is planned and circulation of interim outputs and feedback at key project stages (see above project plan) will ensure the quality and relevance of deliverables. Any issues arising during the course of the project and the implications of these for the proposed schedule will be communicated immediately to OME to minimise disruption.

#### ***Contribution and Main Responsibilities of Project Team<sup>4</sup>***

A clearly defined and feasible allocation of responsibilities and tasks will ensure the project is completed according to the timetable below. Given the secondary nature of the proposed data analysis a substantial amount of time has been allocated for compilation and analysis of data from APS (18 days). In addition, time has been allocated to develop an appropriate literature (9 days) and data review (8 days) from which to finalise and document the methodology (2 days) and set the results into context. A further 18 days have been allocated for drafting (and redrafting) the final report, including developing the implications for policy and potential future

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<sup>4</sup> This aligns to the days allocated in the price schedule (AW 5.2).

research for the OME. A small amount of time has been allocated for project management (2 days) which includes submitting the appropriate requests for data and ethical approval and liaising with the OME, such as providing regular updates on progress. 4 staff days have been included to cover attendance at proposed project meetings with OME, including presentations of the research results, but there is flexibility to reallocate this time within the project should this not be required. In light of COVID-19 we anticipate communication will be predominately be via email, skype and or video conference. Professor Blackaby will contribute 10 days to this project in total but this will be supplied match-funded from Swansea University and will not

#### ***Post Project Planned Outputs***

Subject to the approval by OME (and with full acknowledgment), it is intended that the analysis and project findings will subsequently be developed and used for academic research purposes, particularly publication and presentations. This will form a channel of further feedback and quality enhancement and provide opportunities for wider international dissemination. These outputs are intended post project completion and therefore any additional costs relating to these activities are not included as part of the project price schedule.

The analysis will be developed into an academic paper which would be submitted for publication in a high quality international journal during 2021. OME will be given sight of the initial working paper (which would be disseminated via international research networks such as the IZA) and a final draft prior to submission to the journal. A final version of the paper will also be made open access through institutional open access repositories. It is also intended that this work would form the basis for academic seminars or conference presentations in 2020/2021. Appropriate events might include the DWP Work and Pensions Labour Economics Conference as well as international academic conferences such as the European Association

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<sup>5</sup> Any additional presentations past the project end date would not be costed to the project, including those to the OME.

of Labour Economists. It is possible that these events will need to operate virtually. In line with this project's contribution to evidence on inequality relating to ethnicity, it is likely that the findings would form the basis to presentations to other interested external organisations.