

**CONTRACT FOR THE ADMINISTRATION OF THE JUNIOR INDIVIDUAL SAVINGS ACCOUNT SCHEME FOR LOOKED AFTER CHILDREN AND CARE LEAVERS, AND THE ADMINISTRATION OF CHILD TRUST FUNDS**

THIS CONTRACT IS DATED.....*9 January 2017*.....

**Parties**

- 1) The Secretary of State for Education whose Head Office is at Sanctuary Buildings, Great Smith Street, London, SW1P 3BT acting as part of the Crown ("the Department"); and
- 2) THE SHARE FOUNDATION (No: 4500923) whose registered office is situated at Oxford House, Oxford Road, Aylesbury, Buckinghamshire, HP21 8SZ ("the Contractor").

**Recitals**

The Contractor has agreed to open and manage accounts for looked after children, using independent selection advice, raise additional funding from charitable sources for distribution into the accounts, and to support the financial education of looked after children so they can understand how best to use the financial asset of their account, all on the terms and conditions set out in this Contract.

The Department's reference number for this Contract is DfE/JISA/CTF/2017.

**1 Interpretation**

1.1 In this Contract the following words shall mean:-

- |                           |  |
|---------------------------|--|
| "the Services"            | the services to be performed by the Contractor as described in Schedule 1;   |
| "Affiliate"               | in relation to a body corporate, any other entity which directly or indirectly Controls, is Controlled by, or is under direct or indirect common Control with, that body corporate from time to time;  |
| "Central Government Body" | means a body listed in one of the following sub-categories of the Central Government classification of the Public Sector Classification Guide, as published and amended from time to time by the Office for National Statistics:<br><br>(a) Government Department;<br><br>(b) Non-Departmental Public Body or Assembly Sponsored Public Body (advisory, executive, or tribunal);<br><br>(c) Non-Ministerial Department; or |

(d) Executive Agency;

"the Contract Manager"	Gurdawar Jassi, Department for Education, Sanctuary Buildings, Great Smith Street, London, SW1P 3BT
"Contractor Personnel"	all employees, agents, Contractors and contractors of the Contractor and/or of any Sub-contractor;
"the Contractors Contract Manager"	Gavin Oldham
"Confidential Information"	the Department's Confidential Information and/or the Contractor's Confidential Information;
"Contracting Department"	any contracting Department as defined in Regulation 5(2) of the Public Contracts (Works, Services and Supply) (Amendment) Regulations 2000 other than the Department;
"Contractor Personnel"	all employees, agents, consultants and contractors of the Contractor and/or of any Sub-contractor;
"Control"	means that a person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the other person (whether through the ownership of voting shares, by contract or otherwise) and "Controls" and "Controlled" shall be interpreted accordingly;
"Crown"	means Queen Elizabeth II and any successor
"Crown Body"	any department, office or agency of the Crown;
"Department's Confidential Information"	all Personal Data and any information, however it is conveyed, that relates to the business, affairs, developments, trade secrets, know-how, personnel, and suppliers of the Department, including all IPRs, together with all information derived from any of the above, and any other information clearly designated as being confidential (whether or not it is marked "confidential") or which ought reasonably be considered to be confidential;
"Environmental Information Regulations"	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 this 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;
"Her Majesty's Government"	means the duly elected Government for the time being during the reign of Her Majesty and/or any department, committee, office, servant or officer of such Government
"Information"	has the meaning given under section 84 of the Freedom of Information Act 2000;
"Personal Data"	shall have the same meaning as set out in the Data Protection Act 1998;
"Property"	means the property, other than real property, issued or made available to the Contractor by the Client in connection with the Contract.
"Regulatory Bodies"	those government departments and regulatory, statutory and other entities, committees and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate, or influence the matters dealt with in this Contract or any other affairs of the Department and "Regulatory Body" shall be construed accordingly.
"Request for Information"	a request for information or an apparent request under the Code of Practice on Access to Government Information, FOIA or the Environmental Information Regulations;
"SME"	means a micro, small or medium-sized enterprise defined in accordance with the European Commission Recommendation 2003/361/EC and any subsequent revisions.
"Sub-contractor"	the third party with whom the Contractor enters into a Sub-contract or its servants or agents and any third party with whom that third party enters into a Sub-contract or its servants or agents;
"Working Day"	any day other than a Saturday, Sunday or public holiday in England and Wales.

1.2 References to "Contract" mean this contract (and include the Schedules). References to "Clauses" and "Schedules" mean clauses of and schedules to this Contract. The provisions of the Schedules shall be binding on the parties as if set out in full in this Contract.

1.3 Reference to the singular include the plural and vice versa and references to any gender include both genders. References to a person include any individual, firm, unincorporated association or body corporate.

## **2 Commencement and Continuation**

The Contractor shall commence the Services on 1 January 2017 and, subject to Clause 10.1 shall complete the Services on or before 31 March 2019, with a possible extension period of up to a further 12 months.

This Contract shall be deemed to have been effective from 1 January 2017.

## **3 Contractor's Obligations**

- 3.1 The services must be performed and delivered by the Contractor as described in this contract, together with as described in the Contractor's Tender, submitted to the Department on 30 September 2016. The Contractor shall promptly and efficiently complete the Services in accordance with the provisions set out in Schedule 1.
- 3.2 The Contractor shall comply with the accounting and information provisions of Schedule 2.
- 3.3 The Contractor shall comply with all statutory provisions including all prior and subsequent enactments, amendments and substitutions relating to that provision and to any regulations made under it.

## **4 Department's Obligations**

The Department will comply with the payment provisions of Schedule 2 provided that the Department has received full and accurate information and documentation as required by Schedule 2 to be submitted by the Contractor for work completed to the satisfaction of the Department.

## **5 Changes to the Department's Requirements**

- 5.1 The Department shall notify the Contractor of any material change to the Department's requirement under this Contract.
- 5.2 The Contractor shall use its best endeavours to accommodate any changes to the needs and requirements of the Department provided that it shall be entitled to payment for any additional costs it incurs as a result of any such changes. The amount of such additional costs to be agreed between the parties in writing.

## **6 Management**

- 6.1 The Contractor shall promptly comply with all reasonable requests or directions of the Contract Manager in respect of the Services.
- 6.2 The Contractor shall address any enquiries about procedural or contractual matters in writing to the Contract Manager. Any correspondence relating to this Contract shall quote the reference number set out in the Recitals to this Contract.

## **7 Contractor's Employees and Sub-Contractors**

- 7.1 Where the Contractor enters into a contract with a supplier or contractor for the purpose of performing its obligations under the Contract (the "Sub-contractor") it shall ensure prompt payment in accordance with this clause 7.1. Unless otherwise agreed by the Department in writing, the Contractor shall ensure that any contract requiring payment

to a Sub-contractor shall provide for undisputed sums due to the Sub-contractor to be made within a specified period from the receipt of a valid invoice not exceeding:

7.1.1 10 days, where the Sub-contractor is an SME; or

7.1.2 30 days either, where the sub-contractor is not an SME, or both the Contractor and the Sub-contractor are SMEs,

The Contractor shall comply with such terms and shall provide, at the Department's request, sufficient evidence to demonstrate compliance.

- 7.2 The Department shall be entitled to withhold payment due under clause 7.1 for so long as the Contractor, in the Department's reasonable opinion, has failed to comply with its obligations to pay any Sub-contractors promptly in accordance with clause 7.1. For the avoidance of doubt the Department shall not be liable to pay any interest or penalty in withholding such payment.
- 7.3 The Contractor shall take all reasonable steps to satisfy itself that its employees or sub-contractors (or their employees) are suitable in all respects to perform the Services.
- 7.4 The Contractor shall immediately notify the Department if they have any concerns regarding the propriety of any of its sub-contractors in respect of work/services rendered in connection with this Contract.
- 7.5 The Contractor, its employees and sub-contractors (or their employees), whilst on Departmental premises, shall comply with such rules, regulations and requirements (including those relating to security arrangements) as may be in force from time to time.
- 7.6 The Contractor shall ensure the security of all the Property whilst in its possession, during the supply of the Services, in accordance with the Department's reasonable security requirements as required from time to time.

## **8 Copyright**

- 8.1 Copyright in all reports and other documents and materials arising out of the performance by the Contractor of their duties under this Contract are to be assigned to and shall vest in the Crown absolutely. This condition shall apply during the continuance of this Contract and after its termination howsoever arising.

## **9 Warranty and Indemnity**

- 9.1 The Contractor warrants to the Department that the obligations of the Contractor under this Contract will be performed by appropriately qualified and trained personnel with reasonable skill, care and diligence and to such high standards of quality as it is reasonable for the Department to expect in all the circumstances. The Department will be relying upon the Contractor's skill, expertise and experience in the performance of the Services and also upon the accuracy of all representations or statements made and the advice given by the Contractor in connection with the performance of the Services and the accuracy of any documents conceived, originated, made or developed by the Contractor as part of this Contract. The Contractor warrants that any goods supplied by the Contractor forming a part of the Services will be of satisfactory quality and fit for their purpose and will be free from defects in design, material and workmanship.

- 9.2 Without prejudice to any other remedy, if any part of the Services is not performed in accordance with this Contract then the Department shall be entitled, where appropriate to:
- 9.2.1 require the Contractor promptly to re-perform or replace the relevant part of the Services without additional charge to the Department; or
- 9.2.2 assess the cost of remedying the failure ("the assessed cost") and to deduct from any sums due to the Contractor the Assessed Cost for the period that such failure continues.
- 9.3 The Contractor shall be liable for and shall indemnify the Department in full against any expense, liability, loss, claim or proceedings arising under statute or at common law in respect of personal injury to or death of any person whomsoever or loss of or damage to property whether belonging to the Department or otherwise arising out of or in the course of or caused by the provision of the Services.
- 9.4 The Contractor shall be liable for and shall indemnify the Department against any expense, liability, loss, claim or proceedings arising as a result of or in connection with any breach of the terms of this Contract or otherwise through the default of the Contractor
- 9.5 All property of the Contractor whilst on the Department's premises shall be there at the risk of the Contractor and the Department shall accept no liability for any loss or damage howsoever occurring to it.
- 9.6 The Contractor shall ensure that it has adequate insurance cover with an insurer of good repute to cover claims under this Contract or any other claims or demands which may be brought or made against it by any person suffering any injury damage or loss in connection with this Contract. The Contractor shall upon request produce to the Department, its policy or policies of insurance, together with the receipt for the payment of the last premium in respect of each policy or produce documentary evidence that the policy or policies are properly maintained.

## **10 Termination**

- 10.1 This Contract may be terminated by either party giving to the other party at least 3 months notice in writing.
- 10.2 In the event of any breach of this Contract by either party, the other party may serve a notice on the party in breach requiring the breach to be remedied within a period specified in the notice which shall be reasonable in all the circumstances. If the breach has not been remedied by the expiry of the specified period, the party not in breach may terminate this Contract with immediate effect by notice in writing.
- 10.3 In the event of a material breach of this Contract by either party, the other party may terminate this Contract with immediate effect by notice in writing.
- 10.4 This Contract may be terminated by the Department with immediate effect by notice in writing if at any time:-
- 10.4.1 the Contractor passes a resolution that it be wound-up or that an application be made for an administration order or the Contractor applies to enter into a voluntary arrangement with its creditors; or

- 10.4.2 a receiver, liquidator, administrator, supervisor or administrative receiver be appointed in respect of the Contractor's property, assets or any part thereof; or
- 10.4.3 the court orders that the Contractor be wound-up or a receiver of all or any part of the Contractor's assets be appointed; or
- 10.4.4 the Contractor is unable to pay its debts in accordance with Section 123 of the Insolvency Act 1986.
- 10.4.5 there is a change in the legal or beneficial ownership of 50% or more of the Contractor's share capital issued at the date of this Contract or there is a change in the control of the Contractor, unless the Contractor has previously notified the Department in writing. For the purpose of this Sub-Clause 10.4.5 "control" means the power of a person to secure that the affairs of the Contractor are conducted in accordance with the wishes of that person by means of the holding of shares or the possession of voting power.
- 10.4.6 the Contractor is convicted (or being a company, any officers or representatives of the Contractor are convicted) of a criminal offence related to the business or professional conduct
- 10.4.7 the Contractor commits (or being a company, any officers or representatives of the Contractor commit) an act of grave misconduct in the course of the business;
- 10.4.8 the Contractor fails (or being a company, any officers or representatives of the Contractor fail) to fulfil his/their obligations relating to the payment of Social Security contributions;
- 10.4.9 the Contractor fails (or being a company, any officers or representatives of the Contractor fail) to fulfil his/their obligations relating to payment of taxes;
- 10.4.10 the Contractor fails (or being a company, any officers or representatives of the Contractor fail) to disclose any serious misrepresentation in supplying information required by the Department in or pursuant to this Contract.
- 10.5 Nothing in this Clause 10 shall affect the coming into, or continuance in force of any provision of this Contract which is expressly or by implication intended to come into force or continue in force upon termination of this Contract.

## **11 Status of Contractor**

- 11.1 In carrying out its obligations under this Contract the Contractor agrees that it will be acting as principal and not as the agent of the Department.
- 11.2 The Contractor shall not say or do anything that may lead any other person to believe that the Contractor is acting as the agent of the Department.

## **12 Confidentiality**

- 12.1 Except to the extent set out in this clause or where disclosure is expressly permitted elsewhere in this Contract, each party shall:
  - 12.1.1 treat the other party's Confidential Information as confidential and safeguard it accordingly; and

**12.1.2** not disclose the other party's Confidential Information to any other person without the owner's prior written consent.

**12.2** Clause 12 shall not apply to the extent that:

**12.2.1** such disclosure is a requirement of Law placed upon the party making the disclosure, including any requirements for disclosure under the FOIA, Code of Practice on Access to Government Information or the Environmental Information Regulations pursuant to Clause 13 (Freedom of Information);

**12.2.2** such information was in the possession of the party making the disclosure without obligation of confidentiality prior to its disclosure by the information owner;

**12.2.3** such information was obtained from a third party without obligation of confidentiality;

**12.2.4** such information was already in the public domain at the time of disclosure otherwise than by a breach of this Contract; or

**12.2.5** it is independently developed without access to the other party's Confidential Information.

**12.3** The Contractor may only disclose the Department's Confidential Information to the Contractor Personnel who are directly involved in the provision of the Project and who need to know the information, and shall ensure that such Contractor Personnel are aware of and shall comply with these obligations as to confidentiality.

**12.4** The Contractor shall not, and shall procure that the Contractor Personnel do not, use any of the Department's Confidential Information received otherwise than for the purposes of this Contract.

**12.5** The Contractor shall ensure that their employees, servants or such professional advisors or consultants are aware of the Contractor's obligations under this Contract.

**12.6** Nothing in this Contract shall prevent the Department from disclosing the Contractor's Confidential Information:

**12.6.1** on a confidential basis to any Central Government Body for any proper purpose of the Department or of the relevant Central Government Body;

**12.6.2** to Parliament and Parliamentary Committees or if required by any Parliamentary reporting requirement;

**12.6.3** to the extent that the Department (acting reasonably) deems disclosure necessary or appropriate in the course of carrying out its public functions;

**12.6.4** on a confidential basis to a professional adviser, consultant, supplier or other person engaged by any of the entities described in Clause 12.6.1 (including any benchmarking organisation) for any purpose relating to or connected with this Contract;

**12.6.5** on a confidential basis for the purpose of the exercise of its rights under this Contract, including audit rights, step-in rights and exit management rights; or

**12.6.6** on a confidential basis to a proposed successor body in connection with any assignment, novation or disposal of any of its rights, obligations or liabilities under this Contract.

- 12.7 The Department shall use all reasonable endeavours to ensure that any Central Government Body, Contracting Department, employee, third party or Sub-contractor to whom the Contractor's Confidential Information is disclosed pursuant to clause 12 is made aware of the Department's obligations of confidentiality.
- 12.8 Nothing in this clause 12 shall prevent either party from using any techniques, ideas or know-how gained during the performance of the Contract in the course of its normal business to the extent that this use does not result in a disclosure of the other party's Confidential Information or an infringement of Intellectual Property Rights.
- 12.9 The parties acknowledge that, except for any information which is exempt from disclosure in accordance with the provisions of the FOIA, the content of this Contract is not Confidential Information. The Department shall be responsible for determining in its absolute discretion whether any of the content of the Contract is exempt from disclosure in accordance with the provisions of the FOIA.
- 12.10 Subject to Clause 12.9, the Contractor hereby gives his consent for the Department to publish the Contract in its entirety, including from time to time agreed changes to the Contract, to the general public.
- 12.11 The Department may consult with the Contractor to inform its decision regarding any redactions but the Department shall have the final decision in its absolute discretion.
- 12.12 The Contractor shall assist and cooperate with the Department to enable the Department to publish this Contract.

### **13 Freedom of Information**

- 13.1 The Contractor acknowledges that the Department is subject to the requirements of the FOIA and the Environmental Information Regulations and shall assist and cooperate with the Department to enable the Department to comply with its information disclosure obligations.
- 13.2 The Contractor shall and shall procure that its Sub-contractors shall:
- 13.2.1 transfer to the Department all Requests for Information that it receives as soon as practicable and in any event within two Working Days of receiving a Request for Information;
  - 13.2.2 provide the Department with a copy of all Information in its possession, or power in the form that the Department requires within five Working Days (or such other period as the Department may specify) of the Department's request; and
  - 13.2.3 provide all necessary assistance as reasonably requested by the Department to enable the Department to respond to the Request for Information within the time for compliance set out in section 10 of the FOIA or regulation 5 of the Environmental Information Regulations.
- 13.3 The Department shall be responsible for determining in its absolute discretion and notwithstanding any other provision in this Contract or any other agreement whether any Information is exempt from disclosure in accordance with the provisions of the FOIA or the Environmental Information Regulations.
- 13.4 In no event shall the Contractor respond directly to a Request for Information unless

expressly authorised to do so by the Department.

- 13.5** The Contractor acknowledges that (notwithstanding the provisions of Clause 13) the Department may, acting in accordance with the Ministry of Justice's Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the Freedom of Information Act 2000 ("the Code"), be obliged under the FOIA, or the Environmental Information Regulations to disclose information concerning the Contractor or the Project:

13.5.1 in certain circumstances without consulting the Contractor; or

13.5.2 following consultation with the Contractor and having taken their views into account;

provided always that where 13.5.1 applies the Department shall, in accordance with any recommendations of the Code, take reasonable steps, where appropriate, to give the Contractor advanced notice, or failing that, to draw the disclosure to the Contractor's attention after any such disclosure.

- 13.6** The Contractor shall ensure that all Information is retained for disclosure and shall permit the Department to inspect such records as requested from time to time.

**14** **Access and Information**

The Contractor shall provide access at all reasonable times to the Department's internal auditors or other duly authorised staff or agents to inspect such documents as the Department considers necessary in connection with this Contract and where appropriate speak to the Contractors employees.

**15** **Transfer of Responsibility on Expiry or Termination**

- 15.1** The Contractor shall, at no cost to the Department, promptly provide such assistance and comply with such timetable as the Department may reasonably require for the purpose of ensuring an orderly transfer of responsibility upon the expiry or other termination of this Contract. The Department shall be entitled to require the provision of such assistance both prior to and, for a reasonable period of time after the expiry or other termination of this Contract.

- 15.2** Such assistance may include (without limitation) the delivery of documents and data in the possession or control of the Contractor which relate to this Contract, including the documents and data, if any, referred to in the Schedule.

- 15.3** The Contractor undertakes that it shall not knowingly do or omit to do anything which may adversely affect the ability of the Department to ensure an orderly transfer of responsibility.

**16** **Tax Indemnity**

- 16.1** Where the Contractor is liable to be taxed in the UK in respect of consideration received under this contract, it 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.

- 16.2** Where the Contractor 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.

- 16.3** The Department may, at any time during the term of this contract, ask the Contractor to provide information which demonstrates how the Contractor complies with Clauses 16.1 and 16.2 above or why those Clauses do not apply to it.
- 16.4** A request under Clause 16.3 above may specify the information which the Contractor must provide and the period within which that information must be provided.
- 16.5** The Department may terminate this contract if-
- (a) in the case of a request mentioned in Clause 16.3 above if the Contractor:
    - (i) fails to provide information in response to the request within a reasonable time, or
    - (ii) provides information which is inadequate to demonstrate either how the Contractor complies with Clauses 16.1 and 16.2 above or why those Clauses do not apply to it;
  - (b) in the case of a request mentioned in Clause 16.4 above, the Contractor fails to provide the specified information within the specified period, or
  - (c) it receives information which demonstrates that, at any time when Clauses 16.1 and 16.2 apply, the Contractor is not complying with those Clauses.
- 16.6** The Department may supply any information which it receives under Clause 16.3 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.
- 16.7** The Contractor warrants and represents to the Department that it is an independent contractor and, as such, bears sole responsibility for the payment of tax and national insurance contributions which may be found due from it in relation to any payments or arrangements made under this Contract or in relation to any payments made by the Contractor to its officers or employees in connection with this Contract.
- 16.8** The Contractor will account to the appropriate authorities for any income tax, national insurance, VAT and all other taxes, liabilities, charges and duties relating to any payments made to the Contractor under this Contract or in relation to any payments made by the Contractor to its officers or employees in connection with this Contract.
- 16.9** The Contractor shall indemnify Department against any liability, assessment or claim made by the HM Revenue and Customs or any other relevant authority arising out of the performance by the parties of their obligations under this Contract (other than in respect of employer's secondary national insurance contributions) and any costs, expenses, penalty fine or interest incurred or payable by Department in connection with any such assessment or claim.
- 16.10** The Contractor authorises the Department to provide the HM Revenue and Customs and all other departments or agencies of the Government with any information which they may request as to fees and/or expenses paid or due to be paid under this Contract whether or not Department is obliged as a matter of law to comply with such request.

## **17 Data Protection Act**

**17.1** With respect to the parties' rights and obligations under this Contract, the parties agree that the Department is the Data Controller and that the Contractor is the Data Processor. For the purposes of this Clause 17, the terms "Data Controller", "Data Processor", "Data Subject", "Personal Data", "Process" and "Processing shall have the meaning prescribed under the DPA.

**17.2** The Contractor shall:

**17.2.1** Process the Personal Data only in accordance with instructions from the Department (which may be specific instructions or instructions of a general nature as set out in this Contract or as otherwise notified by the Department to the Contractor during the period of the Contract);

**17.2.2** Process the Personal Data only to the extent, and in such manner, as is necessary for the provision of the Services or as is required by law or any Regulatory Body;

**17.2.3** Implement appropriate technical and organisational measures to protect the Personal Data against unauthorised or unlawful processing and against accidental loss, destruction, damage, alteration or disclosure. These measures shall be appropriate to the harm which might result from any unauthorised or unlawful Processing, accidental loss, destruction or damage to the Personal Data and having regard to the nature of the Personal Data which is to be protected;

**17.2.4** Take reasonable steps to ensure the reliability of any Contractor Personnel who have access to the Personal Data;

**17.2.5** Obtain prior written consent from the Department in order to transfer the Personal Data to any Sub-contractors or Affiliates for the provision of the Services;

**17.2.6** Ensure that all Contractor Personnel required to access the Personal Data are informed of the confidential nature of the Personal Data and comply with the obligations set out in this Clause 17;

**17.2.7** Ensure that none of Contractor Personnel publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the Department;

**17.2.8** Notify the Department within five Working Days if it receives:

**17.2.8.1** a request from a Data Subject to have access to that person's Personal Data; or

**17.2.8.2** a complaint or request relating to the Department's obligations under the Data Protection Legislation;

**17.2.9** Provide the Department with full cooperation and assistance in relation to any complaint or request made, including by:

**17.2.9.1** providing the Department with full details of the complaint or request;

- 17.2.9.2 complying with a data access request within the relevant timescales set out in the Data Protection Legislation and in accordance with the Department's instructions;
  - 17.2.9.3 providing the Department with any Personal Data it holds in relation to a Data Subject (within the timescales required by the Department); and
  - 17.2.9.4 providing the Department with any information requested by the Department;
- 17.2.10 Permit the Department or the Department's Representative (subject to reasonable and appropriate confidentiality undertakings), to inspect and audit the Contractor's data processing activities (and/or those of its agents, subsidiaries and Sub-contractors) and comply with all reasonable requests or directions by the Department to enable the Department to verify and/or procure that the Contractor is in full compliance with its obligations under this Contract;
- 17.2.11 Provide a written description of the technical and organisational methods employed by the Contractor for processing Personal Data (within the timescales required by the Department); and
- 17.2.12 Not Process or otherwise transfer any Personal Data outside the European Economic Area. If, after the Commencement Date, the Contractor (or any Sub-contractor) wishes to Process and/or transfer any Personal Data outside the European Economic Area, the following provisions shall apply:
- 17.2.12.1 the Contractor shall submit a request for change to the Department which shall be dealt with in accordance with any Change Control Procedure
  - 17.2.12.2 the Contractor shall set out in its request for change details of the following:
    - (a) the Personal Data which will be Processed and/or transferred outside the European Economic Area;
    - (b) the country or countries in which the Personal Data will be Processed and/or to which the Personal Data will be transferred outside the European Economic Area;
    - (c) any Sub-contractors or other third parties who will be Processing and/or transferring Personal Data outside the European Economic Area; and
    - (d) how the Contractor will ensure an adequate level of protection and adequate safeguards (in accordance with the Data Protection Legislation and in particular so as to ensure the Department's compliance with the Data Protection Legislation) in respect of the Personal Data that will be Processed and/or transferred outside the European Economic Area;
  - 17.2.12.3 in providing and evaluating the request for change, the parties shall ensure that they have regard to and comply with then-current Department, Government and Information Commissioner Office policies, procedures, guidance and codes of practice on, and any approvals processes in connection with, the Processing and/or transfers of Personal Data outside the European Economic Area and/or overseas generally; and

17.2.12.4 the Contractor shall comply with such other instructions and shall carry out such other actions as the Department may notify in writing, including:

- (a) incorporating standard and/or model clauses (which are approved by the European Commission as offering adequate safeguards under the Data Protection Legislation) in this Contract or a separate data processing agreement between the parties; and
- (b) procuring that any Sub-contractor or other third party who will be Processing and/or transferring the Personal Data outside the European Economic Area enters into a direct data processing agreement with the Authority on such terms as may be required by the Department, which the Contractor acknowledges may include the incorporation of standard and/or model clauses (which are approved by the European Commission as offering adequate safeguards under the Data Protection Legislation)."

**17.3** The Contractor shall comply at all times with the Data Protection Legislation and shall not perform its obligations under this Contract in such a way as to cause the Department to breach any of its applicable obligations under the Data Protection Legislation.

**18** **Amendment and variation**

No amendment or variation to this Contract shall be effective unless it is in writing and signed by or on behalf of each of the parties hereto. The Contractor shall comply with any formal procedures for amending or varying contracts which the Department may have in place from time to time.

**19** **Assignment and Sub-contracting**

The benefit and burden of this Contract may not be assigned or sub-contracted in whole or in part by the Contractor without the prior written consent of the Department. Such consent may be given subject to any conditions which the Department considers necessary. The Department may withdraw its consent to any sub-contractor where it no longer has reasonable grounds to approve of the sub-contractor or the sub-contracting arrangement and where these grounds have been presented in writing to the Contractor.

**20** **The Contract (Rights of Third Parties) Act 1999**

This Contract is not intended to create any benefit, claim or rights of any kind whatsoever enforceable by any person not a party to the Contract.

**21** **Waiver**

No delay by or omission by either Party in exercising any right, power, privilege or remedy under this Contract shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof. Any single or partial exercise of any such right, power, privilege or remedy shall not preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy.

**22** **Notices**

Any notices to be given under this Contract shall be delivered personally or sent by post or by facsimile transmission to the Contract Manager (in the case of the Department) or

to the address set out in this Contract (in the case of the Contractor). Any such notice shall be deemed to be served, if delivered personally, at the time of delivery, if sent by post, 48 hours after posting or, if sent by facsimile transmission, 12 hours after proper transmission.

**23 Dispute resolution**

- 23.1 The Parties shall use all reasonable endeavours to negotiate in good faith and settle amicably any dispute that arises during the continuance of this Contract.
- 23.2 Any dispute not capable of resolution by the parties in accordance with the terms of Clause 23 shall be settled as far as possible by mediation in accordance with the Centre for Dispute Resolution (CEDR) Model Mediation Procedure.
- 23.3 No party may commence any court proceedings/arbitration in relation to any dispute arising out of this Contract until they have attempted to settle it by mediation, but any such mediation may be terminated by either party at any time of such party wishing to commence court proceedings/arbitration.

**24 Discrimination**

- 24.1 The Contractor shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation or otherwise) in employment.
- 24.2 The Contractor shall take all reasonable steps to secure the observance of Clause 24.1 by all servants, employees or agents of the Contractor and all suppliers and sub-contractors employed in the execution of the Contract.

**25 Law and Jurisdiction**

This Contract shall be governed by and interpreted in accordance with English Law and the parties submit to the jurisdiction of the English courts.

As witness the hands of the parties

**Authorised to sign for and on behalf of  
the Secretary of State for the  
Department for Education**

Signature:



Date: 9/1/17

Name in Capitals: BEN CONNAH

Mr BEN CONNAH

Address in full:  
Sanctuary Buildings  
Great Smith Street  
London SW1P 3BT

**Authorised to sign for and on behalf of  
The Share Foundation**

Signature:



Date: 4th January 2017

Name in Capitals:

Mr GAVIN OLDHAM

Address in full:  
Oxford House  
Oxford Road  
Aylesbury  
Buckinghamshire HP21 8SZ

**SPECIFICATION FOR THE ADMINISTRATION OF THE JUNIOR ISA (JISA) SCHEME FOR LOOKED AFTER CHILDREN AND CARE LEAVERS; AND THE ADMINISTRATION OF CHILD TRUST FUNDS**

**1 Background**

1.1 The scheme involves Junior Individual Savings Accounts (JISAs) and Child Trust Funds (CTFs), which are long term tax-advantaged saving accounts for children up to the age of 18. Anyone can pay money into the accounts, but the funds cannot be accessed by the account holder until their 18th birthday. At this age the account will mature and can 'roll over' into a standard (adult) ISA.

1.2 Government payments to CTFs and new eligibility for these accounts ended in 2011. Since then the government has funded JISAs, organised by the Department for Education. This has been established to provide children who:

- have been looked after for 12 months or longer, and
- were not eligible for a CTF

with a JISA, and a £200 government payment to this account.

The JISA scheme provides young people in care with:

- a financial asset to help alleviate the pressures of leaving care, such as setting up a home, transport and further education;
- an opportunity for those who might never have had a bank account to learn about saving, budgeting and managing money.
- a specialist helpline and education resources for institutions and individual carers, provided by financial education charity pfeG (Personal Finance Education Group).

1.3 The Contractor will, during 2017, or at a later date to be agreed, be required to assume management responsibility for approximately 11,000-15,000 CTFs of looked after children from the Official Solicitor for England and Wales; the Official Solicitor for Northern Ireland; or the Accountant of Court (for Scotland).

**2 Purpose**

JISA scheme

2.1 Aspects of the management of the JISA scheme includes:

- Ensuring that eligible children receive payments due to them under the scheme;
- Acquiring the necessary data from local authorities to make the payments, and handling that data in compliance with Government policy on data security;

- Opening accounts for those children that require one, and making payments into these and into existing accounts of children already holding a JISA or CTF<sup>1</sup>.
- Providing all relevant information about the accounts opened and payments made to local authorities, the children and their carers;
- Securing contributions from donors to establish a fund to provide additional support for eligible children, managing this fund and distributing it;
- Providing financial education to beneficiaries of the scheme;
- Providing regular management information about the operation of the scheme to the Department for Education.

### Child Trust Funds

- 2.2 New eligibility for CTFs ended in 2011, and Her Majesty's Revenue & Customs (HMRC) believe that almost every CTF eligible child has had an account opened for them.
- 2.3 Under the current arrangements for looked after children and CTFs, local authorities notify HMRC where there is no suitable person with parental responsibility to manage an eligible looked after child's CTF. This information is then passed by HMRC to the Official Solicitor and equivalent bodies, who then assume management responsibility for that account. There are currently 11,000-15,000 CTFs managed by the Official Solicitor and equivalent bodies under these arrangements.
- 2.4 Information concerning these CTFs will be transferred to the Contractor at a date to be agreed by HMRC during 2017. From that date the Contractor will assume management responsibility for CTFs as an integral part of their management of the scheme described in this specification. A contract variation will be agreed with the Contractor to cover the CTF-related activity once the date of the transfer is agreed.
- 2.5 The management responsibility for each CTF is expected to last until the earliest of the following:
- The child reaches 16 and chooses to assume management of their account;
  - The child turns 18, when their account matures;
  - The CTF is closed and the funds are transferred to a Junior ISA (which will also be managed by the Contractor, or the account holder if over 16); or
  - A suitable person with parental responsibility for the child assumes management responsibility for the account.
- 2.6 It is expected that the oldest CTF holders will turn 16 in 2018 and their accounts are scheduled to mature in 2020. The final CTFs are expected to mature as account holders turn 18 in 2029. The Contractor will assess on the basis of available evidence and the best interests of the child whether these accounts should be retained as CTFs; or whether to request transfer of the child's savings from CTF to a JISA, which the Contractor will manage.
- 2.7 When the Contractor assumes management responsibility for CTFs it is intended that local authorities will be obliged to provide the Contractor with details of eligible looked

---

<sup>1</sup> Details will be shared only with those individuals who have parental responsibility.

after children whose accounts require management. This information will be provided directly, and not via HMRC. The Contractor will be required to notify each account holder and each relevant CTF provider that they have assumed management responsibility for an account.

- 2.8 Where a suitable person with parental responsibility becomes available, for example, where a child leaves care, the Contractor will be expected to notify that person of their right to assume management of the account for the child, and to make the necessary arrangements with the account provider for transfer of this responsibility. HMRC assume 20 per cent of account holders will leave care before they reach the age of 18 in any given year, although it is an ongoing process, with the numbers coming to maturity dependent on the number of eligible looked after children approaching 18 years of age.

### **3 Miscellaneous requirements expected of the Contractor**

#### Obtaining and sharing information

- 3.1 Obtaining and sharing requisite information from and with local authorities. This is to ensure all eligible children are notified to them by local authorities, and thus receive the funds due to them. Opening accounts, and keeping recipients carers, and those with parental responsibility informed about the existence of the accounts and the scheme. Advising carers how to make payments into accounts themselves, and encouraging parents and carers to take over the management of accounts when a child leaves local authority care.

#### JISAs and CTFs

- 3.2 Ensuring the best JISAs on the market (or CTFs where appropriate) are selected for looked after children. Evaluating whether savings should be retained in a CTF or transferred to a JISA on behalf of the account holder. Assessing what specific needs looked after children might have of JISAs and CTFs, and whether these needs might be different e.g. depending on age, cultural requirements, and circumstances. The market must be kept under review to ensure accounts continue to provide best value.

#### Securing contributions from donors

- 3.3 Securing contributions from donors to establish a fund to provide additional support for eligible children, managing this fund and distributing it. This includes individual large and small donors; corporate donors; Trusts, and other funds. The Contractor will deploy innovative approaches to fundraising, with the fundraising element of the scheme being self-funding (any communications and marketing costs to raise funds will not be met by the DfE).
- 3.4 The funds must be raised, managed, and then equitably distributed to eligible children.

#### Delivery of financial education

- 3.5 The Contractor will ensure that young people receiving funds under the scheme are provided with personal financial management education. This must be provided at the best point in the young people's lives to deliver this education and in the most effective ways of doing so. The Contractor will focus on young people in disadvantaged circumstances, deciding the best way to target looked after children, such as by e.g. age. The Contractor will also engage with local authorities to deliver the financial education.

#### IT infrastructure

- 3.6 The Contractor's IT systems to support the scheme must be able to handle sensitive data, including personal details of vulnerable children. The systems must meet the appropriate data security requirements.
- 3.7 The paramount information requirement on this service is full compliance with the Data Protection Act 1998, its supporting regulations, and guidance from the Information Commissioner. A second requirement is compliance with HM Government's Security Policy Framework (SPF), as amended from time to time, which provides the basis for assessment and management of risk to information. The SPF specifies that Departments should have effective information risk management for ICT-enabled services and systems.
- 3.8 The DfE operates a proportionate approach (known as DSAM) to security assurance of IT-enabled services, including delivery of all Mandatory outcomes of the SPF. It is likely that the JISA ICT systems should be assured at DSAM tier A, or BSAM (business service assurance). Both processes derive assurance from the contract terms at Schedule 3.
- 3.9 The Contractor will not off shore data (e.g. location of data farms) unless it is discussed with and agreed by the DfE. Government policy is that data should be protected appropriately regardless of location. While this policy has a strong focus on data protection law, it should be made clear that all off-shoring is subject to approval by the Office of the Government Senior Information Risk Officer (OGSIRO), whether personal data is involved or not.

#### Overall delivery and project management

- 3.10 The Contractor will discuss and agree with DfE any proposed changes to their staffing and management structure of the team managing the scheme. The Contractor will on an ongoing basis consider specific risks and issues relating to delivering the scheme, and draw up and have in place any contingencies and countermeasures to mitigate these risks. Unless otherwise agreed with the DfE, the Contractor will maintain the structures and governance arrangements included in their bid, to keep oversight of the scheme and reporting mechanisms and measures.

#### Service Performance

3.11

KPI description	Proposed measure	Timeliness/period	Target
Percentage of data supplied to LAs delivered according to timetable	Reports sent to LAs within one month of the quarter end	Quarterly, or on demand	>90%
Contractor to maintain unqualified operational and financial audits throughout the contract	Annual statutory audit and department audit	Annually	100%
Percentage of accounts opened within 60 days of receipt of valid data from LAs (health trusts in Northern Ireland)	Per batch of accounts opened	Ongoing basis	>95%
Complaints less than 2% of	Per complaint	Ongoing basis	<2%

accounts managed			
LA data received	Percentage of LAs submitting data within agreed timescales	Data received on time or within 30 days of being due.	>70%
		Data overdue by more than 90 days.	<10%
Funding raised from external sources	Amount raised for Stepladder use, for specific LAs and unrestricted by LA, with separate 'social investment' metric when available.	Quarterly assessment	To be discussed and agreed at DfE meeting
	Amount raised for general distribution, for specific LAs and unrestricted by LA.	Quarterly assessment	To be discussed and agreed at DfE meeting
LAs making contributions to JISA accounts	Total number of LAs making contributions to JISA accounts	Annually assessed	Year 1 20%
			Year 2 30%
Carers contributing to JISA accounts	Average annualised amount per young person of those contributing.	Assessment quarterly	£250 per annum per contributor
Scheme and Stepladder outcome analysis	Number of LAs in which Stepladder is in Operation.	Annual review	To be discussed and agreed at DfE meeting
	Number of young people who are participating/have participated.		

#### 4 System and delivery

4.1 The Contractor must maintain costs based on efficient models of delivery and provide good value for public money, ensuring that that costs are real, auditable and can be justified. The Contractor must separately identify and include all expenditure incurred in relation to proposed activities i.e. costs associated with:

- Overheads i.e. premises/facilities/licences;
- Staffing i.e. management, delivery and administration

4.2 The DfE requires quarterly reporting against spending. The contract is inclusive of VAT costs. Further amounts will not be available should a VAT-able supply claim be made.

- 4.3 No additional costs will be charged to the Department during the first 12 months of the contract unless agreed with the contract manager prior to expenditure.
- 4.4 Payments of costs to the Contractor will be made quarterly by BACS transfer following receipt of a valid invoice. The transfer of funds in respect of payments to looked after children will be made at regular intervals, on receipt of requests by the supplier based on the actual number of eligible children notified to them by local authorities. This applies to the opening of JISA accounts once the child has been looked after for 12 months.

## **5 Costs incurred by local authorities**

- 5.1 The Contractor shall ensure that costs to administer the scheme are not disproportionate to the amount paid out to beneficiaries. This includes costs both to the Contractor, and costs local authorities will incur in complying with the Junior ISA scheme.

## **6 Delivery of an effective system to administer the scheme**

- 6.1 The Contractor will ensure that the scheme is administered effectively and efficiently, and puts the least possible burden on local authorities. Local authorities are required to comply with the statutory guidance that currently exists. Local authorities are only required to notify new cases i.e. children who have been in care for 12 months who have not been previously notified. Local authorities are already providing these details now so there is an established procedure. Local authorities will need to notify the appointed supplier of children eligible both for JISA initial payments, and additional funds generated by fundraising activities (it is estimated that around 15,000 additional children will join the scheme each year).

## **7 Security of Data**

- 7.1 The Contractor must adhere to their security plan and ensure that departmental or personal data is protected.

## **8 Costs**

- 8.1 Payments will be made by BACS transfer following receipt of a valid invoice.
- 8.2 The Contractor should provide details of discounts for prompt payment.

## **9 VAT**

- 9.1 The Contractor will state clearly when submitting prices whether or not VAT will be charged.
- 9.2 The contract agreed between the Department and the Contractor is inclusive of VAT, and any further amounts will not be paid by the Department should a VAT-able supply claim be made at any later stage.
- 9.3 The Department will pay any VAT incurred at the prevailing rate (currently 20%). If the VAT rate changes the Department will pay any VAT incurred at the new rate.

**Services to be performed by the Contractor**

**Table 1**

<b>Task</b>	<b>Output</b>	<b>Date Required</b>
DfE reporting	Quarterly report for period January-March 2017 submitted	21/04/2017
DfE meeting	Quarterly update meeting to discuss JISA/CTF/Fundraising progress	30/04/2017
LA Reporting	Quarterly valuation report on all active accounts sent to LA	30/04/2017
Fundraising	Report on full year fundraising to 31 March 2017	30/06/2017
DfE reporting	Quarterly report for period April-June 2017 submitted	21/07/2017
DfE meeting	Quarterly update meeting to discuss JISA/CTF/Fundraising progress	31/07/2017
LA Reporting	Quarterly valuation report on all active accounts sent to LA	31/07/2017
DfE reporting	Quarterly report for period July-September 2017 submitted	21/10/2017
DfE meeting	Quarterly update meeting to discuss JISA/CTF/Fundraising progress	31/10/2017
LA Reporting	Quarterly valuation report on all active accounts sent to LA	31/10/2017
Annual Report to LAs	Annual LA Report sent to each Local Authority, with annual statements available as required	30/11/2017
DfE reporting	Quarterly report for period October-December 2017 submitted	21/01/2018
DfE meeting	Quarterly update meeting to discuss JISA/CTF/Fundraising progress	31/01/2018
LA Reporting	Quarterly valuation report on all active accounts sent to LA	31/01/2018
DfE reporting	Quarterly report for period January-March 2018 submitted	21/04/2018
DfE meeting	Quarterly update meeting to discuss JISA/CTF/Fundraising progress	30/04/2018
LA Reporting	Quarterly valuation report on all active accounts sent to LA	30/04/2018

Fundraising	Report on full year fundraising to 31 March 2018	30/06/2018
DfE reporting	Quarterly report for period April-June 2018 submitted	21/07/2018
DfE meeting	Quarterly update meeting to discuss JISA/CTF/Fundraising progress	31/07/2018
LA Reporting	Quarterly valuation report on all active accounts sent to LA	31/07/2018
DfE reporting	Quarterly report for period Jul – Sept 2018 submitted	21/10/2018
DfE meeting	Quarterly update meeting to discuss JISA/CTF/Fundraising progress	31/10/2018
LA Reporting	Quarterly valuation report on all active accounts sent to LA	31/10/2018
Annual Report to LAs	Annual LA Report sent to each Local Authority, with annual statements available as required	30/11/2018
DfE reporting	Quarterly report for period October-December 2018 submitted	21/01/2019
DfE meeting	Quarterly update meeting to discuss JISA/CTF/Fundraising progress	31/01/2019
LA Reporting	Quarterly valuation report on all active accounts sent to LA	31/01/2019
DfE reporting	Quarterly report for period January-March 2019 submitted	31/03/2019
DfE meeting	Quarterly update meeting to discuss JISA/CTF/Fundraising progress	31/03/2019
LA Reporting	Quarterly valuation report on all active accounts sent to LA	31/03/2019
Fundraising	Report on full year fundraising to 31 March 2019	31/03/2019

**End of Schedule 1**

Schedule 2

Costs of the programme as incurred by the Contractor

1.

Task	Cost (ex VAT)	Total (ex VAT)	Invoice date
Jan-Mar 2017	Operating Activities - £41,917 3rd line support - £3,600 Finance Education - £3,960 PSN connection - £3,450 Account Allocation Advice £3,000 PEN test £6,702	£62,629	31 March 2017
Apr-June 2017	Operating Activities - £43,744 3rd line support - £3,600 Finance Education - £3,960 PSN connection - £3,250 Account Allocation Advice £3,000	£57,554	30 June 2017
Jul-Sept 2017	Operating Activities - £42,517 3rd line support - £3,600 Finance Education - £3,960 PSN connection - £3,250 Account Allocation Advice £3,000	£56,327	30 September 2017
Oct-Dec 2017	Operating Activities - £42,517 3rd line support - £3,600 Finance Education - £3,960 PSN connection - £3,250 Account Allocation Advice £3,000	£56,327	31 December 2017
Jan-Mar 2018	Operating Activities - £42,517 3rd line support - £3,600 Finance Education - £3,960 PSN connection - £3,250 Account Allocation Advice £3,000 PEN test £6,702	£63,029	31 March 2018
Apr-June 2018	Operating Activities - £44,375 3rd line support - £3,600 Finance Education - £3,960 PSN connection - £3,250 Account Allocation Advice £3,000	£58,185	30 June 2018
Jul-Sept 2018	Operating Activities - £43,147 3rd line support - £3,600 Finance Education - £3,960 PSN connection - £3,250 Account Allocation Advice £3,000	£56,957	30 September 2018
Oct-Dec 2018	Operating Activities - £43,147 3rd line support - £3,600 Finance Education - £3,960 PSN connection - £3,250 Account Allocation Advice £3,000	£56,957	31 December 2018
Jan-Mar 2019	Operating Activities - £43,147 3rd line support - £3,600 Finance Education - £3,960 PSN connection - £3,250 Account Allocation Advice £3,000 PEN test £6,702 (to be conducted prior to 31 March 2019 if contract to be extended or renewed with TSF)	£63,659	31 March 2019
1 Jan 2017- 31 Mar 2019	Total	£531,624	
	VAT	£106,325	
	<b>Grand Total</b>	<b>£637,949</b>	

- 2 Funds allocated to a particular expenditure heading in the table at paragraph 1 ("the Table") are available for that expenditure heading only. Funds allocated to a particular accounting year are available for that accounting year only. The allocation of funds in the Table may not be altered except with the prior written consent of the Department.
- 3 The Contractor shall maintain full and accurate accounts for the Service against the expenditure headings in the Table. Such accounts shall be retained for at least 6 years after the end of the financial year in which the last payment was made under this Contract. Input and output VAT shall be included as separate items in such accounts.
- 4 The Contractor shall permit duly authorised staff or agents of the Department or the National Audit Office to examine the accounts at any reasonable time and shall furnish oral or written explanations of the account if required. The Department reserves the right to have such staff or agents carry out examinations into the economy, efficiency and effectiveness with which the Contractor has used the Department's resources in the performance of this Contract.
- 5 Invoices shall be prepared by the Contractor on a weekly basis for the opening of new JISA accounts; and on a quarterly basis for operational activities in relation to the administration of the scheme on the dates specified in the Table in Schedule 2, in arrears and shall be detailed against the expenditure headings set out in the Table. The Contractor or his or her nominated representative or accountant shall certify on the invoice that the amounts claimed were expended wholly and necessarily by the Contractor on the Service in accordance with the Contract and that the invoice does not include any costs being claimed from any other body or individual or from the Department within the terms of another contract.
- 6 Invoices shall be sent, within 30 days of the end of the relevant week or quarter to SSCL Accounts Payable Team, Room 6124, Tomlinson House, Norcross, Blackpool FY5 3TA, quoting the Contract reference number. The Department undertakes to pay correctly submitted invoices within 5 days of receipt. The Department is obliged to pay invoices within 30 days of receipt from the day of physical or electronic arrival at the nominated address of the Department. Any correctly submitted invoices that are not paid within 30 days will be subject to the provisions of the Late Payment of Commercial Debt (Interest) Act 1998. A correct invoice is one that: is delivered in timing in accordance with the contract; is for the correct sum; in respect of goods/services supplied or delivered to the required quality (or are expected to be at the required quality); includes the date, supplier name, contact details and bank details; quotes the relevant purchase order/contract reference and has been delivered to the nominated address. If any problems arise, contact the Department's Contract Manager. The Department aims to reply to complaints within 10 working days. The Department shall not be responsible for any delay in payment caused by incomplete or illegible invoices.
- 7 The Contractor shall have regard to the need for economy in all expenditure. Where any expenditure in an invoice, in the Department's reasonable opinion, is excessive having due regard to the purpose for which it was incurred, the Department shall only be liable to reimburse so much (if any) of the expenditure disallowed as, in the Department's reasonable opinion after consultation with the Contractor, would reasonably have been required for that purpose.
- 8 If this Contract is terminated by the Department due to the Contractor's insolvency or default at any time before completion of the Service, the Department shall only be liable under paragraph 1 to reimburse eligible payments made by, or due to, the Contractor before the date of termination.

- 9 On completion of the Service or on termination of this Contract, the Contractor shall promptly draw-up a final invoice, which shall cover all outstanding expenditure incurred for the Service. The final invoice shall be submitted not later than 30 days after the date of completion of the Service.
- 10 The Department shall not be obliged to pay the final invoice until the Contractor has carried out all the elements of the Service specified as in Schedule 1.
- 11 It shall be the responsibility of the Contractor to ensure that the final invoice covers all outstanding expenditure for which reimbursement may be claimed. Provided that all previous invoices have been duly paid, on due payment of the final invoice by the Department all amounts due to be reimbursed under this Contract shall be deemed to have been paid and the Department shall have no further liability to make reimbursement of any kind.

**End of Schedule 2**

## DEPARTMENTAL SECURITY STANDARDS

<p>"BPSS" "Baseline Personnel Security Standard"</p>	<p>A level of security clearance described as pre-employment checks in the National Vetting Policy.</p>
<p>"CESG"</p>	<p>The UK government's National Technical Authority for Information Assurance. Website: <a href="http://www.cesg.gov.uk/Pages/homepage.aspx">www.cesg.gov.uk/Pages/homepage.aspx</a>.</p>
<p>"CESG IAP" "CESG Information Assurance Policy Portfolio"</p>	<p>The CESG Information Assurance policy Portfolio containing HMG policy and guidance on the application of 'security assurance' for HMG systems.</p>
<p>"CTAS" "CESG Tailored Assurance"</p>	<p>An 'information assurance scheme' which provides assurance for a wide range of HMG, MOD, Critical National Infrastructure (CNI) and public sector customers procuring IT systems, products and services, ranging from simple software components to national infrastructure networks.</p>
<p>"CPA" "CESG Product Assurance"</p>	<p>An 'information assurance scheme' which evaluates commercial off the shelf (COTS) products and their developers against published security and development standards. These CPA certified products can be used by government, the wider public sector and industry.</p>
<p>"CCSC" "CESG Certified Cyber Security Consultancy"</p>	<p>CESG's approach to assessing the services provided by consultancies and confirming that they meet CESG's standards. This approach builds on the strength of CLAS and certifies the competence of suppliers to deliver a wide and complex range of cyber security consultancy services to both the public and private sectors.</p>
<p>"CCP" "CESG Certified Professional"</p>	<p>A CESG scheme in consultation with government, industry and academia to address the growing need for specialists in the cyber security profession, building a community of recognised professionals in both the UK public and private sectors.</p>
<p>"CC" "Common Criteria"</p>	<p>The Common Criteria scheme provides assurance that a developer's claims about the security features of their product are valid and have been independently tested against recognised criteria.</p>
<p>"Cyber Essentials"</p>	<p>Cyber Essentials is the government backed,</p>

"Cyber Essentials Plus"	industry supported scheme to help organisations protect themselves against common cyber-attacks. Cyber Essentials and Cyber Essentials Plus are levels within the scheme.
"Data" "Data Controller" "Data Processor" "Personal Data" "Sensitive Personal Data" "Data Subject", "Process" and "Processing"	Shall have the meanings given to those terms by the Data Protection Act 1998.
"Department's Data" "Department's Information"	<p>Any data or information owned or retained in order to meet departmental business objectives and tasks, including:</p> <p>(a) any data, text, drawings, diagrams, images or sounds (together with any repository or database made up of any of these components) which are embodied in any electronic, magnetic, optical or tangible media, and which are:</p> <p>(i) supplied to the Contractor by or on behalf of the Department; or</p> <p>(ii) which the Contractor is required to generate, process, store or transmit pursuant to this Contract; or</p> <p>(b) any Personal Data for which the Department is the Data Controller.</p>
"DfE" "Department"	The Department for Education
"Departmental Security Standards"	The Department's security policy or any standards, procedures, process or specification for security that the Contractor is required to deliver.
"Digital Marketplace / GCloud"	The Digital Marketplace is the online framework for identifying and procuring cloud technology and people for digital projects. Cloud services (e.g. web hosting or IT health checks) are on the G-Cloud framework.

"FIPS 140-2"	The Federal Information Processing Standard (FIPS) Publication 140-2, (FIPS PUB 140-2), entitled 'Security Requirements for Cryptographic Modules'. This document is the de facto security standard used for the accreditation of cryptographic modules.
"Good Industry Practice" "Industry Good Practice"	The exercise of that degree of skill, care, prudence, efficiency, foresight and timeliness as would be expected from a leading company within the relevant industry or business sector.
"Good Industry Standard" "Industry Good Standard"	The implementation of products and solutions, and the exercise of that degree of skill, care, prudence, efficiency, foresight and timeliness as would be expected from a leading company within the relevant industry or business sector.
"GSC" "GSCP"	The Government Security Classification Policy which establishes the rules for classifying HMG information. The policy is available at: <a href="http://www.gov.uk/government/publications/government-security-classifications">www.gov.uk/government/publications/government-security-classifications</a> .
"HMG"	Her Majesty's Government
"SPF" "HMG Security Policy Framework"	The definitive HMG Security Policy which describes the expectations of the Cabinet Secretary and Government's Official Committee on Security on how HMG organisations and third parties handling HMG information and other assets will apply protective security to ensure HMG can function effectively, efficiently and securely.
"ICT"	Information and communications technology (ICT) is used as an extended synonym for information technology (IT), used to describe the bringing together of enabling technologies used to deliver the end-to-end solution.
IS5	HMG Information Assurance Standard No. 5 – Secure Sanitisation issued by CESG.
"ISO/IEC 27001" "ISO 27001"	The International Standard for Information Security Management Systems Requirements
"ISO/IEC 27002" "ISO 27002"	The International Standard describing the Code of Practice for Information Security Controls.
"ISO 22301"	The International Standard describing for Business Continuity.
"IT Security Health Check"	An assessment to identify risks and

"Penetration Testing"	vulnerabilities in systems, applications and networks which may compromise the confidentiality, integrity or availability of information held on that IT system.
"Need-to-Know"	The Need-to-Know principle is employed within HMG to limit the distribution of classified information to those people with a clear 'need to know' in order to carry out their duties.
"OFFICIAL" "OFFICIAL-SENSITIVE"	<p>The term 'OFFICIAL' is used to describe the baseline level of 'security classification' described within the Government Security Classification Policy (GSCP) which details the level of protection to be afforded to information by HMG, for all routine public sector business, operations and services.</p> <p>The 'OFFICIAL-SENSITIVE' caveat is used to identify a limited subset of OFFICIAL information that could have more damaging consequences (for individuals, an organisation or government generally) if it were lost, stolen or published in the media, as described in the Government Security Classification Policy.</p> <p><a href="http://www.gov.uk/government/publications/government-security-classifications">www.gov.uk/government/publications/government-security-classifications</a>.</p>
"Security and Information Risk Advisor" "CCP SIRA" "SIRA"	The Security and Information Risk Advisor (SIRA) is a role defined under the CESC CESC Certified Professional Scheme.

1. The Contractor shall comply with Departmental Security Standards for Contractors which include but are not constrained to the following clauses.
2. Where the Contractor will provide ICT products or Services or otherwise handle information at OFFICIAL on behalf of the Department, the requirements under Cabinet Office Procurement Policy Note – Use of Cyber Essentials Scheme certification – [Action Note 09/14](#) 25 September 2014, or any subsequent updated document, are mandated; that "contractors supplying products or services to HMG shall have achieved, and retain certification at the appropriate level, under the HMG Cyber Essentials Scheme". The certification scope must be relevant to the services supplied to, or on behalf of, the Department.
3. The Contractor shall be able to demonstrate conformance to, and show evidence of such conformance to the ISO/IEC 27001 (Information Security Management Systems Requirements) standard, including the application of controls from ISO/IEC 27002 (Code of Practice for Information Security Controls).
4. The Contractor shall follow the UK Government Security Classification Policy (GSCP) in respect of any Departmental Data being handled in the course of providing this service, and will handle this data in accordance with its security classification. (In the event where the Contractor has an existing Protective Marking Scheme then the Contractor may continue to

use this but must map the HMG security classifications against it to ensure the correct controls are applied to the Departmental Data).

5. Departmental Data being handled in the course of providing the ICT solution or service must be segregated from other data on the Contractor's or sub-contractor's own IT equipment to both protect the Departmental Data and enable it to be identified and securely deleted when required. In the event that it is not possible to segregate any Departmental Data then the Contractor and any sub-contractor shall be required to ensure that it is stored in such a way that it is possible to securely delete the data in line with Clause 14.

6. The Contractor shall have in place and maintain physical security and entry control mechanisms (e.g. door access) to premises and sensitive areas and separate logical access controls (e.g. identification and authentication) to ICT systems to ensure only authorised personnel have access to Departmental Data.

7. The Contractor shall have in place and shall maintain procedural, personnel, physical and technical safeguards to protect Departmental Data, including but not limited to: physical security controls; good industry standard policies and process; anti-virus and firewalls; security updates and up-to-date patching regimes for anti-virus solutions; operating systems, network devices, and application software, user access controls and the creation and retention of audit logs of system use.

8. Any electronic transfer methods across public space or cyberspace, including third party provider networks must be protected via encryption which has been certified to a minimum of FIPS 140-2 standard or a similar method approved by the Department prior to being used for the transfer of any Departmental Data.

9. Storage of Departmental Data on any portable devices or media shall be limited to the absolute minimum required to deliver the stated business requirement and shall be subject to Clause 10 and 11 below.

10. Any portable removable media (including but not constrained to pen drives, flash drives, memory sticks, CDs, DVDs, or other devices) which handle, store or process Departmental Data to deliver and support the service, shall be under the control and configuration management of the contractor or (sub-)contractors providing the service, shall be both necessary to deliver the service and shall be encrypted using a product which has been certified to a minimum of FIPS140-2 standard or use another encryption standard that is acceptable to the Department.

11. All portable ICT devices, including but not limited to laptops, tablets, smartphones or other devices, such as smart watches, which handle, store or process Departmental Data to deliver and support the service, shall be under the control and configuration management of the contractor or sub-contractors providing the service, and shall be necessary to deliver the service. These devices shall be full-disk encrypted using a product which has been certified to a minimum of FIPS140-2 standard or use another encryption standard that is acceptable to the Department.

12. Whilst in the Contractor's care all removable media and hardcopy paper documents containing Departmental Data must be handled securely and secured under lock and key when not in use and shall be securely destroyed when no longer required, using either a cross-cut shredder or a professional secure waste paper organisation.

13. When necessary to hand carry removable media and/or hardcopy paper documents containing Departmental Data, the media or documents being carried shall be kept under cover and transported in such a way as to ensure that no unauthorised person has access to the

material being carried. This clause shall apply equally regardless of whether the material is being carried inside or outside of company premises.

14. At the end of the contract or in the event of equipment failure or obsolescence, all Departmental information and data, in either hardcopy or electronic format, that is physically held or logically stored on the Contractor's ICT infrastructure must be securely sanitised or destroyed in accordance with the current HMG policy (HMG IS5) using a CESG approved product or method. Where sanitisation or destruction is not possible for legal, regulatory or technical reasons, such as a Storage Area Network (SAN) or shared backup tapes, then the Contractor or sub-contractor shall protect the Department's information and data until the time, which may be long after the end of the contract, when it can be securely cleansed or destroyed.

15. Access by Contractor or sub-contractor staff to Departmental Data shall be confined to those individuals who have a "need-to-know" and the appropriate level of security clearance, as required by the Department for those individuals whose access is essential for the purpose of their duties. All employees with direct or indirect access to Departmental Data must be subject to pre-employment checks equivalent to or higher than the Baseline Personnel Security Standard (BPSS: [www.gov.uk/government/publications/security-policy-framework](http://www.gov.uk/government/publications/security-policy-framework)).

16. All Contractor or sub-contractor employees who handle Departmental Data must have annual awareness training in protecting information.

17. The Contractor shall, as a minimum, have in place robust and ISO 22301 conformant Business Continuity arrangements and processes including IT disaster recovery plans and procedures to ensure that the delivery of the contract is not adversely affected in the event of an incident. An incident shall be defined as any situation that might be, or could lead to, a disruption, loss, emergency or crisis. When a certificate is not available it shall be necessary to verify the ongoing effectiveness of the ISO 22301 conformant Business Continuity arrangements and processes including IT disaster recovery plans and procedures, to the extent that the Contractor must have tested/exercised these plans within the last 12 months and produced a written report of the test/exercise, outcome and feedback, including required actions.

18. Any non-compliance with these Departmental Security Standards for Contractors, or other Security Standards pertaining to the solution, or any suspected or actual breach of the confidentiality, integrity or availability of Departmental Data being handled in the course of providing this service, shall be investigated immediately and escalated to the Department by a method agreed by both parties.

19. The Contractor shall ensure that any IT systems and hosting environments that are used to hold Departmental Data being handled, stored or processed in the course of providing this service shall be subject to an independent IT Health Check (ITHC) using a CESG approved ITHC provider before go-live and periodically (at least annually) thereafter. The findings of the ITHC relevant to the service being provided are to be shared with the Department and all necessary remedial work carried out. In the event of significant security issues being identified, a follow up remediation test may be required.

20. The Contractor or sub-contractors providing the service will provide the Department with full details of any actual storage outside of the UK or any future intention to host Departmental Data outside the UK or to perform any form of ICT management or support function from outside the UK. The Contractor or sub-contractor will not go ahead with any such proposal without the prior written agreement from the Department.

21. The Department reserves the right to audit the Contractor or sub-contractors providing the service within a mutually agreed timeframe but always within seven days of notice of a

request to audit being given. The audit shall cover the overall scope of the service being supplied and the Contractor's, and any sub-contractors, compliance with the clauses contained in this Section.

22. The Contractor shall contractually enforce all these Departmental Security Standards for Contractors onto any third-party suppliers, sub-contractors or partners who could potentially access Departmental Data in the course of providing this service.

23. The Contractor shall deliver ICT solutions and services that are compliant with the HMG Security Policy Framework in conjunction with current CESG Information Assurance Policy Portfolio and Departmental Policy. The Contractor will provide the Department with evidence of compliance for the solutions and services to be delivered. The Department's expectation is that the Contractor shall provide written evidence of:

23.1 Existing security assurance for the services to be delivered, such as: PSN Compliance as a PSN Customer and/or as a PSN Service; CESG Tailored Assurance (CTAS); inclusion in the Common Criteria (CC) or CESG Product Assurance Schemes (CPA); ISO 27001 / 27002 or an equivalent industry level certification. Documented evidence of any existing security assurance or certification shall be required.

23.2 Existing HMG security accreditations that are still valid including: details of the body awarding the accreditation; the scope of the accreditation; any caveats or restrictions to the accreditation; the date awarded, plus a copy of the residual risk statement. Documented evidence of any existing security accreditation shall be required.

23.3 Documented progress in achieving any security assurance or accreditation activities including whether documentation has been produced and submitted. The Contractor shall provide details of who the awarding body or organisation will be and date expected.

24. If no current security accreditation or assurance is held the Contractor and sub-contractors shall undergo appropriate security assurance activities as determined by the Department. Contractor and sub-contractors shall support the provision of appropriate evidence of assurance and the production of the necessary security documentation. This will include obtaining any necessary professional security resources required to support the Contractor's and sub-contractor's security assurance activities such as: a CESG Certified Cyber Security Consultancy (CCSC) or CESG Certified Professional (CCP) Security and Information Risk Advisor (SIRA).

- (Guidance: It is Departmental policy that all systems used to store or process Departmental information and data shall achieve an acceptable level of security assurance. Further advice and guidance on the Department's Security Assurance Model (DSAM) can be supplied on request.)
- (Guidance: Further information on the CCSC and CCP roles described above can be found on the CESG Website at: <http://www.cesg.gov.uk/awarenesstraining/certified-professionals/Pages/index.aspx>)

25. The contractor will prepare to implement any new requirements in supporting Regulations and Information Commissioner's Office guidance, before the General Data Protection Regulations become law on 25 May 2018.

**End of Schedule 3**