



**Incomes Data Research**  
71-75 Shelton Street,  
London,  
United Kingdom,  
WC2H 9JQ

Wednesday 27<sup>th</sup> February 2019

Dear Sir/Madam,

**Contract Title: Armed Forces Pay Review Body – Review of X-Factor Components**

**Contract Reference: UK SBS CR19003**

The Contract shall be subject to the UK Shared Business Services Ltd S1 Terms and Conditions for the Purchase of Services and the following Schedules:

Schedule 1	Special Conditions
Schedule 2	Purchase Order Form
Schedule 3	The Services
Annex 1	Specification
Annex 2	Income Data Research Ltd Response

Please note that this Contract is subject to signed Contract Acceptance

Yours Sincerely,

  
**Research – Category Support**  
**UK Shared Business Services Ltd**  
Research@uksbs.co.uk

## S1 - PRECEDENT CONTRACT FOR THE PURCHASE OF SERVICES

### SECTION A

This Contract is dated [ ] 2019.

#### Parties

- (1) Office of Manpower Economics 8th Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX (The Contracting Authority).
- (2) Incomes Data Research Ltd, 71-75 Shelton Street, London, United Kingdom, WC2H 9JQ (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 issued 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.

## **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 reasonable skill and care and in accordance with all generally recognised commercial standards and practices for services of the nature of the Services;
  - 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.

## **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 £100,000 per claim;

**B8-1-2** public liability insurance for not less than £100,000 per claim (unlimited claims); and

**B8-1-3** employer liability insurance for not less than £100,000 per claim (unlimited claims); and

**B8-1-4** product liability insurance for not less than £100,000 for claims arising from any single event and not less than £100,000 in aggregate for all claims arising in a year.

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 £75,000

**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.

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 from time to time.

#### **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 For above threshold procurements, 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**; Address: 8th Floor, Fleetbank House, 2-6 Salisbury Square, London EC4Y 8JX (and a copy of such notice or communication shall be sent to: **Research, Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1FF**; Email: **Research@uksbs.co.uk** 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 Giles Wilson Solicitors, 1711 London Rd, Southend-on-Sea, Leigh-on-Sea SS9 2SW (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 [REDACTED] (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

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 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.

C7-13-2 The Supplier shall provide a 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.

C7-13-2-a Impact assessments undertaken

C7-13-2-b Steps taken to address risk/actual instances of modern slavery and how actions have been prioritised

C7-13-2-c Evidence of stakeholder engagement

C7-13-2-d Evidence of ongoing awareness training

C7-13-2-e Business-level grievance mechanisms in place to address modern slavery

C7-13-2-f Actions taken to embed respect for human rights and zero tolerance of modern slavery throughout the organisation

C7-13-3 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 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.

Note: the Contracting Authority also reserves the right to amend or increase the frequency of reporting, as it deems necessary to secure assurance in order to comply with the MSA.

The Contracting Authority requires such interim assurances to ensure that the Supplier is compliant and is monitoring its supply chain, so as to meet the requirements of the above Act.

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

**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 of Statement  
of Assurance Questionnaire

**Schedule 1 Special Conditions**

Not applicable

**Schedule 2 Pro forma 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:

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

Tel:

For all purchase order queries, please contact  
P2PAdmin@uksbs.co.uk  
For all invoicing queries, please contact finan001@uksbs.co.uk

Fax:

Ship to: Contracting authority ship to address

Invoice to: Contracting Authority Invoice Address

Line	Part Number/Description	Delivery Date	Quantity	UOM	Unit Price (GBP)	Tax	Net Amount (GBP)
1							

Total

Grand Total

Whenever a UK GB5 Contract number is cited within the narrative description of the Purchase Order that Purchase Order is subject to the Terms and Conditions relating to that Contract, otherwise, the Purchase Order is subject to the Terms and Conditions incorporated herein by this reference. For a copy of the Terms and Conditions please see <http://www.uksbs.co.uk/services/procure/Documents/SGCPOterms.pdf>

Commercial In Confidence

	VAT Registration Number GB 618 367 325
	(Contracting Authority) , Polaris House, North Star Avenue Swindon, United Kingdom SN2 1EU

### **Schedule 3 The Service**

#### **D1 SCOPE OF SERVICES TO BE PROVIDED**

D1-1 To carry out CR19003 – Armed Forces Pay Review Body – Review of X-Factor Components, as outlined in Annex A – Specification and Annex B – Bid Response.

#### **D2 COMMENCEMENT AND DURATION**

D2-1 This Contract shall commence on Thursday 28<sup>th</sup> February 2019 and subject to any provisions for earlier termination contained in the Standard Terms shall end no later than Friday 7<sup>th</sup> June 2019.

#### **D3 MANAGEMENT AND COMMUNICATIONS**

D3-1 The Customer appoints: [REDACTED] Policy Lead, Office of Manpower Economics, Polaris House, North Star Avenue, Swindon, SN2 1FF, Tel: [REDACTED] 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] Incomes Data Research, 71-75 Shelton Street, London, United Kingdom, WC2H 9JQ Tel: [REDACTED] (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 Support, Research Team, Polaris House, North Star Avenue, Swindon, Wiltshire SN2 1ET; Email: [REDACTED]

#### **D4 – Contract Price**



For and on behalf of ...  
(The Supplier)

Signed

Name

Position

Date

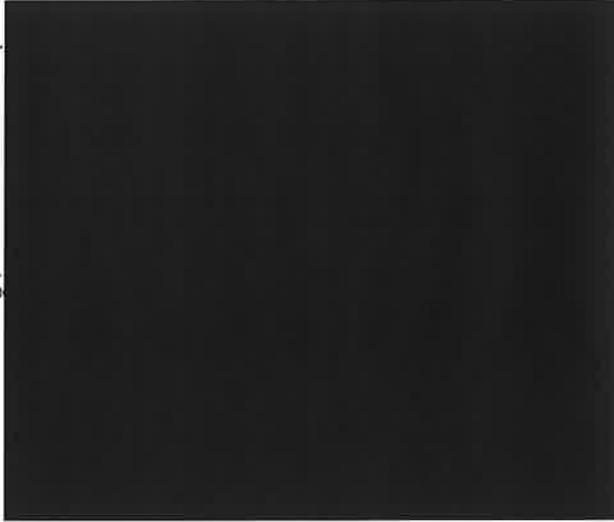
For and on behalf of ....  
(The Contracting Authority)

Signed

Name

Position

Date



**THIS IS THE LAST PAGE OF THESE TERMS & CONDITIONS**

## Annex A – Specification

### 1. Background

#### Office Manpower Economics (OME)

1. The Office of Manpower Economics provides an independent secretariat to eight Pay Review Bodies which make recommendations impacting 2.5 million workers – around 45% of public sector staff – and a pay bill of £100 billion:
  - Armed Forces' Pay Review Body (AFPRB)
  - Review Body on Doctors' and Dentists' Remuneration (DDRB)
  - NHS Pay Review Body (NHSPRB)
  - Prison Service Pay Review Body (PSPRB)
  - School Teachers' Review Body (STRB)
  - Senior Salaries Review Body (SSRB)
  - Police Remuneration Review Body (PRRB)
  - National Crime Agency Remuneration Review Body (NCARRB)

Further information is at: <https://www.gov.uk/government/organisations/office-of-manpower-economics/about>

2. The Office of Manpower Economics (OME) provides support for all the independent Pay Review Bodies. In supporting these bodies, one of OME's key functions is to provide high quality, research-based technical advice drawing on economic, pay, labour market, statistical and other data. More information about the OME, the bodies it supports, and the research it undertakes, can be found on its website: <https://www.gov.uk/government/organisations/office-of-manpower-economics/about>
3. AFPRB provides independent advice to the Prime Minister and the Secretary of State for Defence on the remuneration and charges for Armed Forces' personnel. In reaching its recommendations, AFPRB takes account of: the need to recruit, retain and motivate suitably able and qualified people taking account of the particular circumstances of Service life; Government policies; the MoD's budget; and the Government's inflation target. It must also consider the need for the pay of the Armed Forces to be broadly comparable with pay levels in civilian life.

#### Background to X-Factor

4. X-Factor is a pensionable addition to basic military pay intended to reflect the disadvantage in conditions of service experienced by members of the Armed Forces compared with civilians; it is currently set at 14.5 per cent. X-Factor takes account of a range of components but is not linked to mechanistic formulae. The rate tapers for more senior Officers (Colonel equivalent and above) as it was felt that those personnel were less affected by some aspects of the X-Factor. In addition, parts of AFPRB's remit group are entitled to lower levels of X-Factor, such as Reserves and the Military Provost Guard Service as some of the factors included in the X-Factor are not considered to apply to them. AFPRB is responsible for the structural aspects of X-Factor including its make-up, application and level. It is reviewed every five years unless AFPRB decides earlier review is appropriate.
5. X-Factor is one of the fundamental parts of the military remuneration package for which AFPRB is responsible. The level of X-Factor is reviewed every five years and, following each such review, a further review of the components of X-Factor is undertaken to ensure that they remain relevant and measurable. It is this latter review that is the subject of this Invitation to Tender with a view to being clear on the approach that will be taken to the next review in 2023 and the data that might be required to undertake that review.
6. A summary of the conclusions of the most recent review of the level of X-Factor, including an analysis of each of its 13 components, is contained in Chapter 5 of the 2018 AFPRB report: <https://www.gov.uk/government/publications/armed-forces-pay-review-body-forty-seventh-report-2018>. The previous review of the components of X-Factor was conducted in 2014 and can be found here: <https://www.gov.uk/government/publications/a-review-of-the-x-factor-components-february-2014>

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

### **Aims and objectives**

1. The aim of this project is to recommend a revised set of X-Factor components that will form the basis for future comparisons of key aspects of military and civilian employment.
2. The objectives are to:
  - Review critically the existing components of X-Factor and consider possible omissions/additions/alternatives to the existing set;
  - Identify credible data sources to inform each potential component, setting out key strengths and weaknesses;
  - Recommend a future set of components that will form the basis of the next review of the level of X-Factor, programmed for 2022/23.

## **3. Suggested Methodology**

### **Approach to the review**

1. In developing a revised set of components, the successful bidder should have regard to the following points:
  - The review should not be overly constrained by the preceding set of factors.
  - AFPRB's general bias is to aim for a small set of well-defined, measurable components.
  - Weighting of the components could be a useful tool for prioritisation within this exercise – although AFPRB is not seeking to quantitatively weight the components thereafter. This will be discussed at the outset of the project.
  - The review should look to recommend a set of components that are as distinct from each other as possible, thereby reducing the current overlap between some components (e.g. Separation and Turbulence).
  - To be included in a final revised set of components, each element MUST be able to be robustly informed by data of a given quality/from a credible source, ideally covering both military and civilian perspectives.
  - The components review should take account of the '21st century family' and how recent changes in UK family demographics play into comparisons.
  - Where appropriate, it should be made clear that components are particularly relevant to specific demographic groups and the associated data requirements should take this into account (e.g. Danger is arguably most relevant to ages x-y).
  - Where relevant, a component may legitimately reflect an aspect of military employment that does not apply to civilians, e.g. Short Notice to Move
  - In addition to identifying data sources to measure changes in the civilian experience of the recommended components, the review should establish that MOD will be in a position to undertake corresponding measurement of the military experience.
  - The researchers should meet with AFPRB members as a group – in addition to meeting with a small number of other key stakeholders.

### **Project management**

2. The chosen contractor will agree with the OME:
  - detailed arrangements for the management of the Project including regular telephone/emailed updates and, as necessary, occasional progress meetings to discuss emerging findings;
  - detailed timings for the stages of the Project;
  - availability of project team members across the life span of the project including indications of the expected number of days work per person; and
  - availability of team members for a pre-defined period beyond the end of the project to answer any queries arising.

### **Data quality standards required**

3. Data and analysis used and provided should be as up to date and robust as possible, and the report must include clear documentation of the sources used and recommended for future measurement of the components, including any noteworthy strengths and weaknesses. Data visualisation methods, e.g. tables, charts, diagrams, which facilitate understanding of the report are encouraged.

#### **Ownership and Publication**

4. The Office of Manpower Economics will own all deliverables produced under the contract and will be free to use these as it wishes. OME expects to publish the contractor's final report on its website within gov.uk at a time to be decided by the AFPRB secretariat team.

#### **4. Deliverables**

The deliverables required are:

- By April 2019, an initial paper outlining initial thinking, approach taken and a draft set of components. This will be shared with AFPRB and feedback will be provided to inform further analysis and recommendations.
- By May 2019, and following a meeting with the full AFPRB body, a final report setting out the full analysis and final recommendations.

#### **- Annex B - Bryce Space and Technology Limited**

##### **PROJ1.1 Approach/ Methodology**

Incomes Data Research (IDR) welcomes the opportunity to undertake a review of the X-Factor components on behalf of the Armed Forces' Pay Review Body (AFPRB). The aim of this project is to critically review the existing components, considering the views of review body members and other key stakeholders, and to recommend a revised set of components that will form the basis for future comparisons of key aspects of military and civilian employment. This also includes identifying suitable, credible and available data for the next review of the X-Factor value in 2022/23.

Our approach consists of the following key steps:

##### **1. Gather information, views and opinions**

The first step is to gather all of the relevant information on the current views of review body members and key stakeholders (including the OME and Ministry of Defence) on the existing components, data sources and the ease of reaching conclusions. We propose to do this through a combination of reviewing previous AFPRB reports, X-Factor studies and other outputs detailing the views of Armed Forces and Ministry of Defence (MoD) personnel (such as MoD statistical bulletins and the Armed Forces' continuous attitude survey), undertaking small discussion groups with review body members and semi-structured telephone interviews (and email correspondence) with the OME, individual review body members and relevant persons at the MoD.

We propose to revisit the last detailed report reviewing the X-Factor components, as a starting point. This report details changes made in 2013/14, as well as commentary on possible future changes. We would ask the OME to provide information from the MoD on its view of the current components, following the MoD's review of changes in military life conducted in 2017. We would also refer back to the most recent analysis of the X-Factor data in 2018 to identify the main issues around measurability that resulted from that exercise. In previous reviews of the X-Factor components the OME have been able to provide information on the MoD's views and we would hope to obtain this again. AFPRB reports will also serve as a useful source of information.

We propose to listen to the views and opinions of review body members by holding small discussion groups. This approach was adopted in the previous review and proved to be successful. Two smaller groups rather than one larger group may be more useful when there are multiple perspectives on one issue and the aim is to collect all of these rather than to reach a consensus. We

anticipate that there are likely to be numerous comments and suggestions regarding changes to the existing X-Factor components.

We recommend that these sessions take place early in the project and suggest these are held at the OME offices. IDR is happy to accommodate the session at our offices in Southend on Sea or our serviced office space in Bethnal Green but London is probably more convenient for review body members. Both sessions will be chaired and facilitated by the project manager, Louisa Withers, and supported by Catherine Rickard, who has worked with review bodies before. Ideally, we would like to tape record the sessions to ensure we collate all views accurately, but if that is not acceptable to members we may ask for a note-taker to join us at the sessions. If we were permitted to record the discussions, no-one outside of the research team would listen to the recordings or see the notes. The recordings will also be deleted upon successful completion of the work.

PROJ1.1 Approach/ Methodology

Prior to each session, we will provide each discussant with a discussion pack containing information on the outline of the overall project, the purpose of the discussion and what we hope to achieve from the session. We will also emphasise that the purpose of the discussion is to gather a variety of different views on the X-Factor, rather than reaching a consensus.

Ahead of the discussion sessions we would agree a set of questions with the OME. We provide an indication of the key questions to be asked of review body members below:

- How helpful are the current components for reaching a decision on any change in the level of the X-Factor? What are the main challenges?
- Do the current definitions properly encapsulate the differences experienced by military personnel in their careers compared to civilians? If not, why not?
- What does the '21st century family' really mean? What sort of changes might this phrase embody?
- What in their view have been the *main changes in UK family demographics*?
- Are the components still relevant and reflective of modern life in the military? If not, why not?
- Are there any [measurable] elements of military life that the current components do not take into account? If so, what are they?
- Are any components particularly relevant to specific demographic groups?
- Are any aspects missing either now or in order to future-proof the X-Factor? Is there sufficient evidence supporting inclusion as a component of the X-Factor?
- How would a new component be identified? What questions need to be asked and of whom?
- Which, if any, components or aspects of components should be updated, amended, removed or replaced? And why?
- Which, if any, should be retained but placed under review?
- Is the current wording clear, avoiding any misunderstanding of the component and its individual factors? If not, how can the definition be improved?
- Which, if any, components feature elements that overlap with other components of the X-Factor? To what extent is this the case? How can this be dealt with?
- Are trends in both military and civilian life currently measured properly? If not, how could this be improved?
- What potential new sources of information are available?
- How could trends/changes be measured more reliably?
- Are there other sources of data that would provide a basis for more robust trend analysis? If so, what are they?
- Where data are unavailable or too unreliable to draw conclusions on changes in the components what other approaches could be adopted in future?
- Which are the most useful data sources for the 2022/23 review?
- How helpful are the proposed components for reaching a consensus on any change in the level of the X-Factor? Do these changes deal with the challenges posed previously?

Once agreed the questions would be arranged under main topics to aid the discussion groups before inclusion in the discussion packs. The views of individual review body members will be reviewed in context with the data that will be examined as part of our assessment process. If necessary, we would seek clarification from individual members via phone or email, subject to members' agreement and we are also happy to provide members with the opportunity to share views, thoughts and opinions on an individual basis, either through a face-to-face meeting or via telephone or email exchange.

## **2. Undertake our critical assessment**

IDR will undertake a detailed two-stage assessment of each of the current components: firstly, examining the on-going relevance and suitability of the component; and secondly the availability and reliability of the data sources used to measure changes over time.

There are currently 13 components as follows:

1. Turbulence
2. Spouse/partner employment
3. Danger
4. Separation
5. Job security
6. Hours of work
7. Stress, personal relationships and impact of the job
8. Leave
9. Training, education, adventure training and personal development
10. Promotion and early responsibility
11. Autonomy, management control and flexibility
12. Individual, trade union and collective rights
13. Travel to work

Our consideration of the relevance of each component may include additional analysis of official statistics, for example to explore UK family demographics to provide a '21st century family' profile or profiles, as well as gathering further evidence or views from other bodies, for example those involved in providing support to ex-military personnel, charities, employer/employee bodies, or other research bodies and agencies. The bodies to be approached in each instance will vary but might include the Office for National Statistics (ONS) and the Chartered Institute of Personnel and Development (CIPD).

We will then undertake a detailed assessment of each of the current components using a structured approach, informed by the themes explored in the discussion sessions. This would also include consideration for any changes/amendments to existing components and the addition of any new elements.

We will provide researchers with a set of questions (to be agreed with the OME beforehand) for assessing each component to ensure a robust and consistent approach is adopted. Questions we might ask are as follows:

- Does the component still reflect a difference between military and civilian employment? And if not:
  - o Is the difference more or less stark?
  - o Has military or civilian life changed or both?
  - o Is it temporary or permanent?
  - o What further change is expected in the future?
- Does the definition accurately capture the difference between military and civilian life?
- Is the component still relevant and reflective of modern life in the military? If not, why not?
- Which if any components or aspects of components should be updated, amended, removed or replaced?
- Is the current wording clear, avoiding any misunderstanding of the component and its individual factors? If not, how can the definition be improved?
- Which, if any, components feature elements that overlap with other components of the X-Factor? To what extent do they overlap? How can this be dealt with?

- Is there anything missing from the current component or from the broader set of components?
- Does the data effectively measure change? If not, what other sources could measure change more effectively?
- How could trends/changes be measured more reliably?
- Are there other sources of data that would provide a basis for more robust trend analysis? If so, what are they?
- Where data are unavailable or too unreliable to draw conclusions on changes in the components what other approaches could be adopted in future?
- Which are the most useful data sources for the 2022/23 review? Including highlighting any particular requirements where components are particularly relevant to specific demographic groups
- Are there any elements of military life that the current components do not take into account? If so, what are they?
- How would a new component be identified? What questions need to be asked and of whom?

Our assessment will draw on information from a range of sources and will take into consideration review body members' views. The sources of data are likely to include previous studies, AFPRB reports, MoD statistical bulletins, the Armed Forces continuous attitude survey and other literature on HR theory and practice for measuring qualitative aspects of work, such as job satisfaction.

We propose to divide the assessment of the individual components amongst the project team as outlined in the table below. This we believe will allow researchers space and time to evaluate and assess their areas as thoroughly as possible. Work will be peer reviewed internally and researchers' thoughts and recommendations challenged by the wider project team to ensure robustness. Any new components, or further analysis to define these, would also be allocated to specific researchers for the same reason as outlined above and would depend on the nature of the element to be added. For example if we propose to add something new around the leave component this would sit with

Component	Researcher
Turbulence	
Spouse/partner employment	
Danger	
Separation	
Job security	
Hours of work	
Stress, personal relationships and impact of the job	
Leave	
Training, education, adventure training and personal development	
Promotion and early responsibility	
Autonomy, management control and flexibility	
Individual, trade union and collective rights	
Travel to work	

During this stage we will deliver a draft report on 17 April and a presentation shortly thereafter outlining our initial recommendations to review body members and providing them the opportunity to

give feedback and ask questions. Following all feedback from the OME and AFPRB on the draft we will continue our analysis and assessments before moving to finalise our recommendations and report.

### 3. Produce a concise set of recommendations

Having completed our assessment, we will prepare a clear, concise and jargon-free set of recommendations for the Review Body's consideration by 17 May 2019. This will be based on our assessment, taking into account information from a range of sources including review body members, Armed Forces personnel and our thoughts based on our research experience. If any changes to the components are recommended, we will provide an outline as to the shape of these and information on how these changes could be further shaped and implemented, for example through conversations with other experts in the field, canvassing the views of Armed Forces personnel or the ONS.

Our recommendations will cover:

- whether there should be any changes to the current components based on both their suitability and ability to be meaningfully measured;
- an outline of our recommended changes to the components;
- a detailed rationale for our recommendations;
- a list of the most useful data sources to be used in the 2022/23 review, including suggestions of any new sources of information.

#### Discussion and peer review

Throughout the project we propose to discuss emerging findings both internally with the project steering group and with the OME/AFPRB.

In respect of internal discussions, the progress on the project will be reviewed weekly and ██████████ will provide expert guidance and advice, having undertaken research on the X-Factor over the last two decades. We will set up a dedicated channel in our in-house communication tool for researchers to discuss specific items relating to the project and ensuring all project members are kept abreast of developments on the project.

We propose a continuous dialogue between the IDR project manager and the OME project sponsor.

We will also schedule the following key meetings, providing the opportunity for detailed discussion with the project sponsor:

1. Project inception meeting – scheduled to take place as soon as practically possible after award of contract. IDR will summarise our approach, allowing the opportunity for questions, as well as outlining any initial thoughts on changes to the X-factor components;
2. AFPRB discussion groups – as part of the information-gathering stage we propose to conduct discussion groups with individual review body members to gather their views on the X-Factor components;
3. AFPRB meeting – after delivery of our initial paper we will deliver a short presentation of the emerging findings to the review body, providing the opportunity for discussion, comments and questions from members.

#### Output

The outputs of this project will be a final report containing details of how we reached our decisions (our rationale) for each component under a series of headings, for example, 'Relevance for modern military life', 'Ability to be measured properly', 'Best data sources for the 2022/23 review', and 'Final recommendations'. It will also provide a new set of definitions for the components.

We will also present the final recommendations to the AFPRB, along with details of the rationale, providing opportunity for further discussion facilitated by a question and answer session. This

presentation will be made after the draft report has been delivered, allowing time for us to consider any comments and make any necessary amendments to the report before it is finalised.

#### Pro1.2 Staff to deliver

IDR together, with [REDACTED] put forward a highly experienced and capable project team for delivering a set of recommendations on the X-Factor components to the Armed Forces Pay Review Body (AFPRB). The project team combines extensive knowledge of the X-Factor, military pay and the AFPRB's work, with practical experience of undertaking research and analysis in these and related areas for HR and reward practitioners. Furthermore, both parties are highly experienced at producing outputs for non-specialists which are clear, concise and jargon-free, and presenting findings and providing opportunities for questions and further discussion.

IDR staff, including those put forward for the project team in this instance, have previously conducted reviews for the AFPRB, including the 2017 review of changes in civilian-side data on the components and the 2013 review of the X-Factor components. Our staff have undertaken numerous projects which involve interrogation and interpretation of official datasets and have a detailed understanding of the strengths and limitations of different data sources. [REDACTED] background as a former senior researcher at the Institute for Employment Studies (IES); brings further qualitative insights on employment and human resource management topics, while [REDACTED] inclusion on the project team adds a further dimension since he has experience of having served in the Royal Navy, as well as being a highly experienced pay researcher.

All of the team began their careers at Incomes Data Services (IDS) and share common working principles: independence, collaboration and openness to challenge, and we have successfully collaborated on a range of research projects previously.

The project team bring the following skills and experience to bear on this project:

- An understanding of the pay review body process and the importance of this review
- An understanding of the importance of the X-factor in armed forces remuneration
- Previous successful completion of projects for OME, including those on the X-Factor
- Expert knowledge of official statistics and approved researcher status with the ONS, giving us access to unpublished data
- Experience of using a range of data sources and interpreting data
- Experienced statistical analysts/labour market economists
- Excellent knowledge of civilian labour market, with ongoing monitoring of reward, recruitment and retention giving us understanding of changes in HR practices
- Military employment experience
- Established project management and quality control processes

#### Project team

[REDACTED] will be the central point of contact for the OME and as project manager will have overall responsibility for co-ordination and delivery of the project. She will be supported by [REDACTED] (independent consultant/former IES), [REDACTED] (IDR), [REDACTED] (IDR) and [REDACTED] (independent consultant). [REDACTED] (IDR) will provide expert guidance and peer review. Each team members' availability has been confirmed for the duration of the project and will follow the project plan.

#### [REDACTED]: Project Manager/Reward Analyst

[REDACTED] has undertaken a wide range of specialist research projects, including the 2017 X-Factor review. While employed at IDS, [REDACTED] project-managed the 2013 X-Factor review to a successful conclusion, where she canvassed the opinions of the review body members about the appropriateness of the current X-Factor components and delivered the

final set of recommendations to the AFPRB and therefore has an excellent understanding of the current X-Factor components, what they intend to measure and data sources, including difficulties measuring change in some of them. Having worked in the pay and employment research field since 2004, [REDACTED] is a highly-experienced reward analyst and project manager and has the leadership, communication, stakeholder management and technical skills required to successfully deliver this project both in terms of her contribution as project manager and as a principal researcher.

IES is a leading independent centre for research and evidence-based consultancy.

**[REDACTED]: Expert**

[REDACTED] is an experienced research manager with excellent technical skills and a strong knowledge of statistics. He has an economics degree and previously worked at Ernst & Young. Since 2008 he has undertaken a number of research projects on the X-Factor. He has Approved Researcher status with the ONS, providing him access to Special Licence/Virtual Microdata Laboratory data sets, if required. His role on this project will be to provide support and expert guidance to the project team.

**[REDACTED]: Pay Researcher**

[REDACTED] is an experienced pay researcher, having worked on a range of research and consultancy projects. Until summer 2018, [REDACTED] was employed by the Institute for Employment Studies (IES) as a Senior Research Fellow, working in the Employer Research and Consultancy division. Prior to this she was Assistant Editor of the Incomes Data Services (IDS) *Pay Report* journal before moving to the Executive Compensation and Reward division of Towers Perin. At IES, she was part of the team that delivered the reports on pay comparability for the DDRB and AFPRB. The latter explored whether alternative methods of comparing military pay with that of the wider labour market would add more value to the AFPRB's current approach. She also co-authored the 2012 and 2014 case study reports for the OME which explored pay progression mechanisms.

**[REDACTED]: Senior Researcher/Reward Analyst**

[REDACTED] formerly a Project Manager at IDS and now employed part-time at IDR as a Project Manager and at Superdrug as a Reward Analyst, is a highly experienced reward professional with nearly two decades' experience researching and analysing pay either within HR or as a consultant. She worked previously on a wide range of projects for the OME and played a key role in the 2017 IDR X-Factor project.

**[REDACTED]: Senior Qualitative Pay Researcher**

[REDACTED] is a Senior Researcher at IDR, having been previously as a senior researcher on the IDS HR in Practice team. [REDACTED] addition to the project team brings a detailed knowledge and experience of qualitative work in the HR field. Her skills enable her to assess information about beliefs, values, feelings, and motivations that underlie behaviours. She has undertaken research on a range of topics, including organisational development, talent management, diversity, employee wellbeing and employee relations.

**[REDACTED]: Researcher /former Royal Navy**

As a former Senior Research Fellow at IES and Senior Project manager at Incomes Data Services, [REDACTED] has over 14 years' experience in labour market, industrial relations and employment research, and has carried out multiple politically sensitive and high-profile research projects looking at a variety of labour and reward-related issues for private and public sector employers. Most recently, [REDACTED] formed part of the IES team which conducted a review of the judicial salary structure on behalf of the Senior Salaries Review Body. His freelance work includes analyses of public sector pay policy for IDR, a longitudinal study investigating student attainment at University of the Arts, and the provision of executive reward research and consultancy support for E-reward. [REDACTED] has a BA in Politics, Philosophy and History and an MSc in Political and Social Theory, having completed his degrees as a mature student following service as a Marine Engineer Mechanic in the Royal Navy where he served aboard HMS Sheffield and HMS Phoebe.

### Proj 3 Understanding the project environment

Introduced in 1970, the X-Factor is a pensionable addition to basic military pay currently worth 14.5%. It is intended to recognise the special conditions experienced by members of the Armed Forces compared to workers in the civilian sector. The X-Factor takes into consideration a range of factors that affect military life, some of which may be viewed as advantageous and others as disadvantageous.

There are currently 13 components as follows:

1. Turbulence
2. Spouse/partner employment
3. Danger
4. Separation
5. Job security
6. Hours of work
7. Stress, personal relationships and impact of the job
8. Leave
9. Training, education, adventure training and personal development
10. Promotion and early responsibility
11. Autonomy, management control and flexibility
12. Individual, trade union and collective rights
13. Travel to work

The value of the X-Factor payment is usually reviewed by the review body every five years and is based on evidence of change in each of the components therefore it is essential that the individual components of the X-Factor remain both relevant and measurable.

The aim of this review is to critically review the existing components, taking into account the views of review body members and other key stakeholders, and to recommend a revised set of components that will form the basis for future comparisons of key aspects of military and civilian employment. This also includes identifying suitable, credible and available data for the next review of the X-Factor's value in 2022/23.

We are acutely aware of a range of data issues when assessing changes in civilian life, having conducted the previous reviewed in 2017. Some components are multi-faceted and proved very complex to analyse, such as 'turbulence', while for others, for example 'separation from family', suitable data, is not available. There are also data issues relating to specific areas within components, most notably post-traumatic stress disorder (PTSD) as a part of 'danger'. Here we concluded that the evidence was inconclusive in 2017 due to a lack of reliable data. However, we also identified a possible data source for the 2022/23 review from NHS Digital. The exercise also highlighted certain components, or aspects of components, as more relevant for particular demographics, with the main differences arising by age. This knowledge and experience of the data issues puts us in an excellent (and in our view unique) position to conduct a review of the current components.

As part of our work examining changes in civilian life in 2017 for the AFPRB we also delivered an audit of the data used for each component. This included detailed information on the source, author, variables used, and an indication as to whether the source would be available for use in future reviews of the X-Factor. This information would prove invaluable as a starting point for assessing the measurability of the existing components. Further work would be

required to seek any new or better data sources, and sources of information for any new components put forward in our recommendations.

The review also requires assessment of the continued *relevance* of the individual components. The review body must ensure that the X-Factor components remain a true reflection of the differences between military and civilian employment. Changes in one or the other, or both or in society more generally, may mean that differences which were once important are no longer relevant. Previous reviews have resulted in changes to the individual components as necessary to reflect changes in the differences between military and civilian employment.

The most recent review of the X-Factor components, in 2013/14, was undertaken by Incomes Data Services (IDS) and led by ██████████ a founding partner of IDR and the individual put forward to project manage this review. Her prior involvement will enable her to draw on experiences from that exercise, with insights on specific areas for concern within the current components. For example, she (as IDS) concluded that 'travel to work' should be retained but placed under close review, with the potential for it to be removed as a component of the X-Factor in the future due to changes in military life which means that military personnel are increasingly travelling to their workplace, like many civilians.

Our assessment will consider the continued relevance of the existing components, as well as possible inclusion of new factors. IDR has some initial thoughts on these, which centre around health and fitness, LGBT and gender equality, and access to the internet which may (or may not) be more relevant now for the X-Factor than they have been. We propose to gather views on any possible new components from review bodies and evidence from a range of sources and bodies for any new components in our final recommendations.

Additionally, there are further considerations around the complexity of the current approach, with numerous components making it difficult for the review body to reach an overall conclusion on the direction of change and it may be that a smaller more explicit set of components would make this process easier for the AFPRB.

In respect of ensuring successful delivery of the project we have a well-thought out approach, utilising a tried and tested (but adaptable) methodology for assessing the X-Factor components and have a highly-experienced and knowledgeable project team. Furthermore, we have developed a detailed project plan and project management processes to ensure the project stays on track and on focus.

We believe IDR has the knowledge, skills and expertise to successfully deliver this work for the AFPRB based on the following:

- We have successfully delivered projects for the OME previously, including current work on pay comparability in the prison service and a paper on discrimination and pay systems earlier this year
- Our staff (when at IDS) have conducted a previous exercise assessing the relevance and measurability of the X-Factor components in 2013/14
- We recently completed an exercise assessing changes in civilian life for each of the X-Factor components which has given us an excellent understanding of the strengths and limitations of the various data sources
- We have experience using, analysing and interpreting a wide range of datasets, which includes ASHE, the Labour Force Survey, the Annual Population Survey, and other

<sup>3</sup> As IDR we have successfully delivered three research projects to the OME covering a) discrimination law b) academies' approaches to pay and c) changes in civilian life.

official data sources, as well as those produced by reward consultancies and other research bodies. This includes understanding their strengths and limitations

- Our researchers are experienced at speaking to employers and employee bodies about pay, which includes experience in presentations and discussions with review body members
- IDR has established contacts at a wide range of other research and academic bodies, which we can draw on for this exercise. Examples include the ONS, CIPD, IES and the trade unions
- IDR delivers information to a range of audiences, including non-specialists, and our report would provide clear, concise and jargon-free recommendations for professionals with no previous knowledge or experience in pay and employment research
- The project team are all highly experienced and bring a wealth of knowledge and experience to the research.
- We would clearly set the evidence base and rationale for each of our recommendations
- Throughout the research we will seek input from the OME and AFPRB and liaise with them on important project developments to ensure that the final output is as useful as possible and meets the objectives of the research
- Our recommendations would provide the OME and AFPRB with a methodology and data sources for undertaking the review of the X-Factor value in 2022/23
- We always work collaboratively with our clients and are willing to be adaptable to ensure that the work meets the review body's requirements

#### **Project management**

As project manager, [REDACTED] will have ongoing responsibility for ensuring that the project is delivered to meet its objectives within quality guidelines. Progress on the research will be discussed weekly at the IDR management team meeting each Tuesday to ensure that the work is on track and progressing well. We will require a main contact at the OME with whom we can liaise, to whom we can send information requests, and with whom we can discuss and confirm the various stages of the work and seek clarification on any issues that may arise. The project manager will provide regular updates by e-mail and telephone to inform the OME of performance and progress in relation to project milestones and objectives, while any urgent issues will be communicated as they arise so that they can be dealt with swiftly. The project will have an assigned deputy ([REDACTED]) to deal with any issues or queries (internally and externally) in [REDACTED] absence.

In respect of the quality of outputs, we have considerable experience of producing a wide range of publications aimed at policy makers and practitioners, as well as for the research community. This includes our bulletin *Pay Climate*, our reports on pay and benefits, and other commissioned work including that previously undertaken on behalf of the review bodies. The same standards will be used for any outputs from this research, ensuring the outputs are accurate, concise and jargon-free.

#### **Management processes**

IDR will run this project according to a set of processes, activities and actions, which are set out in a series of defined project stages as follows:

1. Start-up of the project – involving a project initiation meeting with the OME to:
  - acquire a full understanding of the work, discuss the scope and the project plan
  - discuss any shortcomings with previous studies
  - confirm project milestones, including dates for submission of key deliverables and a possible date for the review body meeting
  - set out the methods of communication and other project controls that will be deployed by IDR to inform the OME of progress, or any matters that require escalation to or authorisation by the OME project team

- confirm the timing of the invoices and signing of the contract.

2. **Planning** – involving allocation of resources, assignment of work and internal planning to:

- ensure all members have clear and full understanding of the objectives of the work, as well as their role, tasks and deadlines

3. **Conducting** – completion of analysis and internal monitoring progress. Work will cover:

- regular team meetings internally to discuss progress, including dedicated instant messaging (IM) channel for project members to provide peer review and guidance/support
- research and analysis
- regular updates on progress of the work to the OME
- peer review and report drafting
- delivery of an initial output by early April
- feedback from the draft report from the OME
- drafting and delivering a presentation to the AFPRB
- submission of the final report.

4. **Closing down the project** – following delivery of the final report we will:

- discuss and deal with any follow-on action or points of clarification are required
- confirm and finalise all project outputs for publication on the OME's website
- produce a 'lessons learned' report for internal use within IDR.

**Risk/issue management**

The key elements of managing risks and issues are to identify, assess, mitigate and communicate the risks, and the assigned IDR project manager will have chief responsibility for this. In the event that a risk is identified, IDR will assess the risk to establish whether it needs to be escalated to the OME or dealt with internally. Our general approach is to execute mitigating actions to reduce or avoid risk. If an issue occurs, we will contact the OME with options for the next steps to be discussed and agreed jointly before any action is taken.

Potential risk	Countermeasure/contingency
Lack of clarity and understanding about project objectives	A key aim of the start-up meeting will be to clarify project objectives. Regular updates from IDR detailing progress will also help to establish if the project is at risk of losing focus or direction
Tight project timescales	Project planning will be crucial to ensure that deadlines do not slip. If deadlines started to slip we would call a meeting at the earliest opportunity to establish the most appropriate course of action
Late contract award	A late contract award date will have a significant effect on the current project plan and we would have to reforecast the plan. We would endeavour to deliver the work by end May as requested
The project manager becomes ill or incapacitated	In the event that the project manager is absent for any reason a nominated deputy will manage the work, to be overseen by the IDR management team. The team includes a named deputy (██████████) as well as researchers who are

also experienced at project management. Should the nominated deputy also become incapacitated, IDR will provide the OME with a replacement

#### **Proj1.4 Project plan and timescales**

**Our plan for delivering the project follows that outlined in the ITQ. We propose to start work on 18 February 2019 following award of contract on 15 February. The first milestone is for the initiation meeting between IDR and the OME on 20 February. IDR requires confirmation of the AFPRB discussion group sessions<sup>1</sup>, along with delivery of any relevant papers by 27 February.**

Analysis will commence immediately at this point and run until 9 April. Drafting of the initial output will take place the following week. The next milestone is for IDR to deliver an initial output by 17 April. IDR will deliver a presentation summarising soon thereafter.

The OME and AFPRB will be required to provide feedback on the initial output by 26 April. The second stage of analysis will follow thereafter until drafting of the final report commences on 13 May. The draft of the final report will be delivered on 17 May, for approval by 31 May when the project ends. We summarise the plan in the table below and provide a detailed project plan overleaf, highlighting key milestones and deadlines overleaf.

Project milestone/activity	Date
Proposal submitted	5 Feb
IDR available for clarifications	11 Feb
Confirmation of contract award	15 Feb
Contract start	18 Feb
Project kick-off meeting	20 Feb
Initial desk research	21 Feb-7 Mar
Dates agreed for AFPRB member discussion sessions	27 Feb
OME to supply reports on views of Armed Forces and MoD	27 Feb
AFPRB member discussion sessions undertaken	Early March (TBC)
Analysis	8 Mar-9 Apr
Drafting initial output	10 Apr-17 Apr
Draft report submitted	17 April
Presentation to AFPRB	Soon thereafter (TBC)
Analysis	26 Apr-13 May
Drafting final report	13 May-17 May
Final report submitted	17 May
Project close	31 May

