

**SPECIALIST QUALITY MARK AUDITING
SERVICES AGREEMENT 2022**

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THIS AGREEMENT is made on

BETWEEN:

- (1) **The LORD CHANCELLOR** of 102 Petty France, London, SW1H 9AJ; and
- (2) **[INSERT NAME OF LICENSEE]** (Company No. **[INSERT COMPANY NUMBER]**) whose registered office is at **[INSERT REGISTERED OFFICE]** ("Licensee")

each a "Party" and together the "Parties".

BACKGROUND

- (A) The LAA acting on behalf of the Lord Chancellor administers Legal Aid including the Specialist Quality Mark under this Agreement.
- (B) The Specialist Quality Mark was introduced in 2002 as a quality management system that enables Legal Services Providers to demonstrate that they are well managed, provide good levels of client care and have appropriate systems in place to ensure delivery of good quality advice.
- (C) Compliance with a recognised quality standard (currently either the Specialist Quality Mark or the Law Society's "Lexcel" practice management standard) is a requirement for Legal Services Providers that have, or are seeking to obtain, a LAA contract to deliver Legal Services.
- (D) Following a competitive tender process, the LAA wishes to appoint the Licensee to audit and award the Specialist Quality Mark and the Licensee agrees to provide those services in accordance with the terms of this Agreement.

THE PARTIES NOW AGREE as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions:

In this Agreement:

"Accreditation Record"	means the record which logs the award and expiry date of SQM accreditation for each Legal Services Provider which holds the SQM;
"Affiliate"	in relation to the Licensee, means and includes: (a) each parent undertaking (including any charitable organisations) and each subsidiary undertaking (including any charitable organisations) of such parent undertaking (excluding the Licensee); and (b) each joint venture company in which the Licensee holds at least 25% of the voting rights or where the Licensee has the right to appoint or remove at least 25% of its board of directors; and (c) each partnership or limited partnership in which the Licensee is a partner (whether a limited or general partner); and (d) any limited liability partnership of which the Licensee in question is a partner;
"Agreement"	means this agreement (including its Schedules);
"Appeal(s)"	means any appeal by an existing SQM Holder or an SQM Applicant against the outcome of an Audit, as more particularly referred to in Schedule 1;
"Application Form"	means a completed form submitted to the Licensee by a Legal

	Services Provider applying for the LAA's Specialist Quality Mark;
"Audit(s)"	means each audit or any combination of the audits (which comprises the Desktop Audit, Pre-Quality Mark Audit and Post Quality Mark Audit) (as appropriate) to be provided by the Licensee to determine whether a Legal Services Provider is awarded or retains the SQM, as more specifically detailed in the Specification;
"Audit Assessment Plan"	means the plan produced by the SQM Auditor in preparation for a Pre Quality Mark Audit or Post Quality Mark Audit;
"Audit Commencement Date"	means 1 October 2022, being the date on which the Licensee shall be ready and available to perform Audits in accordance with the requirements of this Agreement;
"Audit Outcome Report"	means the Management Information report which includes details in relation to the status and outcome of each SQM Audit undertaken by the Licensee and which is to be provided in accordance with the requirements of Schedule 4 (Management Information);
"Audit Report"	means the report that an SQM Auditor must produce following an Audit, as further detailed in Schedule 1 (Specification);
"Audit Schedule"	means the schedule of SQM Audit activity undertaken by the Licensee during the period of this Agreement;
"Audit Stage"	means the Desktop Audit, Pre-Quality Mark Audit and Post Quality Mark Audit) stages (as appropriate);
"Bribery Legislation"	means the Bribery Act 2010 and any subordinate legislation made under it from time to time together with any guidance or codes of practice issued by the Government concerning the legislation;
"Business Continuity and Disaster Recovery Plan"	means the business continuity and disaster recovery plan as referred to and as required to be provided by the Licensee in accordance with the requirements of the Specification;
"Change of Control"	has the meaning set out in Clause Error! Reference source not found. ;
"Commencement Date"	means the date of this Agreement;
"Cloud Computing"	means the practice of using a network of remote servers hosted on the internet to store, manage, and process data, rather than a local server or a personal computer.
"Confidential Information"	means any information which has been designated as confidential by either Party in writing or information that ought reasonably be considered as confidential (however it is conveyed or on whatever media it is stored) including information which relates to the business, affairs, property, assets, trading practices, services, developments, trade secrets, know-how, personnel, customers and providers of either Party, all personal data and sensitive personal data within the meaning of the Data Protection Act 2018 and all information referred to in sections 33 and 34 of the Legal Aid, Sentencing, and Punishment of Offenders Act 2013;
"Contracting Authority"	means any contracting authority as defined in Regulation 4 of the Concession Contracts Regulations 2016 other than the LAA;
"Corrective Action"	means the remedial action required to be completed by a Legal Services Provider in order to address and/or rectify any Observations and/or Quality Concerns identified during an Audit and referred to in the Audit Report;
"Critical Quality Concern"	has the meaning set out in the SQM;
"Crown Body"	means any department, office or agency of the Crown;
"Cyber Essentials Basic Certificate"	the certificate awarded on the basis of self-assessment, verified by an independent certification body, under the Cyber Essentials Scheme and is the basic level of assurance;
"Cyber Essentials Certificate"	Cyber Essentials Basic Certificate or the Cyber Essentials Plus Certificate to be provided by the Licensee as set out in this Agreement;
"Cyber Essentials Scheme"	the Cyber Essentials Scheme developed by the Government

	which provides a clear statement of the basic controls all organisations should implement to mitigate the risk from common internet based threats (as may be amended from time to time). Details of the Cyber Essentials Scheme can be found at: https://www.cyberessentials.ncsc.gov.uk/
"Cyber Essentials Plus Certificate"	the certification awarded on the basis of external testing by an independent certification body of the Licensee's cyber security approach under the Cyber Essentials Scheme and is a more advanced level of assurance;
"Data Controller" and "Data Processor"	shall have the meanings ascribed to them in the Data Protection Act;
"Data Protection Officer"	shall have the meaning ascribed to it in the Data Protection Act;
"Data Loss Event"	means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data. This includes breaches that are the result of both accidental and deliberate causes
"Data Protection Act"	means the Data Protection Act 2018;
"Data Protection Legislation"	means the Data Protection Act 2018 (DPA), the UK General Data Protection Regulations (UK GDPR), the Privacy and Electronic Communication Regulations (PECR) and any mandatory or binding guidance or code of practice issued by the ICO and any relevant judgement of a court of law, including judgements of European Courts retained under EU Exit legislation;
"Data Subject"	means the identified or identifiable living individual to whom personal data relates
"Data Subject Access/Rights Request"	means a request made by a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access, amend, erase or restrict use of his or her Personal Data.
"Desktop Audit"	has the meaning set out in the Specification;
"Dispute Resolution Procedure"	means the dispute resolution procedure set out in Clause Error! Reference source not found. ;
"Direct Losses"	means damages, losses, indebtedness, claims, actions, costs (including the cost of legal or professional services, legal costs being on an indemnity basis), expenses, liabilities, proceedings, demands and charges whether arising under statute, contract or at common law, but excluding Indirect Losses;
"Early Reaccreditation Discount"	means a discount of 5% of the full fee of a Post Quality Mark Audit which would otherwise be payable by a Legal Services Provider;
"EIR"	means 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;
"Employee Liability Information"	means the information which a transferor is obliged to notify to a transferee pursuant to Regulation 11(2) of TUPE regarding any person employed by him who is assigned to the organised grouping of resources or employees which is the subject of a relevant transfer and also such employees as fall within Regulation 11(4) of TUPE;
"Employees"	has the meaning set out in Clause Error! Reference source not found. ;
"Equality and Diversity Guidance"	means the LAA's guidelines regarding compliance with equality and diversity legislation and Clause 25 as the same may be amended by the LAA and notified to the Licensee from time to time;
"Equality and Diversity Policy"	has the meaning set out in Clause 25.2;
"Exit Plan"	has the meaning given to it in Schedule 6 (Exit Management Plan);
"Extension Period"	means the Initial Extension or the Initial Extension and the Further Extension together (as appropriate);
"EU GDPR"	means the General Data Protection Regulation ((EU) 2016/679);
"FOIA"	means the Freedom of Information Act 2000 and any subordinate

	legislation made under the Freedom of Information Act 2000 from time to time together with any guidance and/or codes of practice issued by the Information Commissioner from time to time;
"Form of Tender"	means the Licensee's response to the ITT as set out in Schedule 10 (Form of Tender);
"Force Majeure"	means the occurrence after the date of this Agreement of any event outside the reasonable control of either Party affecting its performance of its obligations under the Agreement arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control and which are not attributable to any wilful act, neglect or failure to take reasonable preventative action by that Party, including: (a) riots, war or armed conflict, acts of terrorism; (b) acts of government, local government or regulatory bodies; (c) fire, flood, storm, earthquake or other natural disaster; but excluding: (a) any industrial dispute relating to the Licensee Personnel or failure in its supply chain; (b) the Covid-19 pandemic or (c) the United Kingdom's exit from the EU;
"Full Time Equivalent" or "FTE"	means part time employees of a Legal Services Provider who, when their hours of work are taken together, equal the working hours of a full time employee (for example, a reference to 1 FTE means, the working hours of part time employees which when taken together equal the working hours of one full time employee);
"Further Extension"	has the meaning set out in Clause Error! Reference source not found. ;
"GSCS"	means the Government Security Classification System which is the Government's system for classifying information;
"Good Industry Practice"	means that degree of skill, care, diligence, prudence, timeliness, efficiency and foresight which could reasonably and ordinarily be expected from a skilled, experienced and professionally managed provider of audit services similar to those required to be provided under this Agreement;
"Handover Licence"	means the licence for auditing, awarding and distributing the Specialist Quality Mark which the LAA has reserved the right at Clause Error! Reference source not found. to grant to a new licensee for the Handover Period;
"Handover Period"	means either the last 30 days of the Extension Period or, where the LAA has not exercised its right to enter into the Extension Period, the last 31 days of the Initial Term;
"Helpdesk Service"	means the service to be provided by the Licensee in accordance with Clause Error! Reference source not found. and as further specified in the Specification;
"ICO"	means Information Commissioner's Office;
"Indirect Losses"	means loss of profit, loss of business, loss of business opportunity (in each case whether direct, indirect or consequential) or any other claim for consequential or indirect loss of any nature;
"Initial Extension"	has the meaning set out in Clause Error! Reference source not found. ;
"Initial Term"	has the meaning set out in Clause Error! Reference source not found. ;
"Insolvency Event"	means the occurrence of any of the following events (or any event analogous to any of the following in a jurisdiction other than England and Wales) in relation to the relevant entity: (a) the entity passing a resolution for its winding up or a court of competent jurisdiction making an order for the entity to be wound up or dissolved or the entity being otherwise dissolved; (b) the appointment of an administrator of or, the making of an administration order in relation to the entity or the appointment of a receiver or administrative receiver of, or an encumbrancer taking

	<p>possession of or selling, the whole or part of the entity's undertaking, assets, rights or revenue;</p> <p>(c) the entity entering into an arrangement, compromise or composition in satisfaction of its debts with its creditors or any class of them or takes steps to obtain a moratorium or makes an application to a court of competent jurisdiction for protection from its creditors;</p> <p>(d) the entity being unable to pay its debts or being capable of being deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986; or</p> <p>(e) the entity entering into any arrangement, compromise or composition in satisfaction of its debt with its creditors, however, a resolution by the relevant entity or a court order that such entity be wound up for the purpose of a bona fide reconstruction or amalgamation shall not amount to an Insolvency Event;</p>
"Intellectual Property Rights"	means all patents, rights to inventions, copyright and related rights, trademarks and trade names, rights to goodwill or to sue for passing off, rights in designs, database rights, rights in confidential information (including without limitation know-how) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply) for, and renewals or extensions of, such rights and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;
"ITT"	means the invitation to submit tenders issued by the LAA;
"Know-How"	means all ideas, concepts, schemes, information, knowledge, techniques, methodology, and anything else in the nature of know-how relating to the G-Cloud Services but excluding know-how already in the Licensee's possession before the Commencement Date;
"LAA"	"Legal Aid Agency" or "LAA" means the Executive Agency of the Ministry of Justice through which the Lord Chancellor acts to administer Legal Aid;
"LAA Contract Manager"	means the LAA's representative appointed in accordance with this Agreement (or any substitute representative notified to the Licensee from time to time);
"Lead SQM Auditor"	means the lead SQM Auditor appointed in accordance with Schedule 5 (Personnel and Contract Management) (or any substitute representative notified to the LAA from time to time);
"Legal Aid"	has the meaning given to it in Part 1 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012;
"Legal Services"	means the Legal Aid advice services which Legal Services Providers deliver to end users/clients;
"Legal Services Provider"	means an existing SQM Holder, an SQM Applicant, or other legal services provider (as appropriate) that is required to be accredited in order to hold an LAA contract to deliver Legal Services;
"Licensee Default"	means any breach of the obligations or warranties of the Licensee under clause 21 (including, repudiatory breach, breach of a fundamental term and any other default, act, omission, negligence or statement of the Licensee or Licensee Personnel in connection with data protection and in respect of which the Licensee is liable to the LAA;
"Licensee Personnel"	means all employees, agents, consultants, contractors and sub-contractors (as applicable), and all former employees, agents, consultants and contractors, of the Licensee and its sub-contractors;
"Management Information"	means the management information to be provided to the LAA in accordance with Clause Error! Reference source not found. , Schedule 4 (Management Information) and the Specification;
"Mobilisation Period"	means the period from the Commencement Date to the Audit

	Commencement Date;
"Mobilisation Plan"	means the mobilisation plan provided by the Licensee in accordance with the requirements of the Specification and as set out in Schedule 7 (Mobilisation Plan);
"Observations"	has the meaning set out in the SQM Standard;
"Office Manual"	means all documented procedures and policies, and all standard pro-formas that are used by Legal Services Providers in order to comply with the requirements of the SQM;
"Official Investigation"	means: (a) any investigation into suspected serious professional misconduct, breaches of legislation or dishonesty by the Licensee or its personnel, being carried out by or authorised by: (i) any organisation which is responsible for regulating or disciplining the Licensee or its personnel; (ii) the LAA (including its investigation team); (b) any investigation by the police into suspected criminal offences relevant to the Licensee's operations; or (c) any investigation, on reasonable grounds, authorised by the LAA (including its investigation team) into suspected serious breaches of this Agreement;
"Personal Data"	shall have the meaning ascribed to it in the Data Protection Act;
"Post Quality Mark Audit"	has the meaning set out in the Specification;
"Pre Quality Mark Audit"	has the meaning set out in the Specification;
"Process"	shall have the meaning ascribed to it under the Data Protection Act and for the purposes of this Agreement, it shall include both manual and automatic processing (and "Processed" and "Processing" shall be construed accordingly);
"Prohibited Act"	means: (a) to directly or indirectly offer, promise or give any person working for or engaged by the LAA a financial or other advantage in order to: (i) induce that person to perform improperly a relevant function or activity; or (ii) reward that person for improper performance of a relevant function or activity; (b) to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this Agreement; (c) committing any offence: (i) under Bribery Legislation; (ii) under legislation creating offences concerning fraudulent acts; (iii) at common law concerning fraudulent acts relating to this Agreement or any other contract with us; or (iv) defrauding, attempting to defraud or conspiring to defraud us;
"Protected Characteristic"	means disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and age, civil partnership and marriage in each case as provided under the Equality Act 2010;
"Quality Concern"	has the meaning set out in Schedule 8 (Specialist Quality Mark Standard);
"Quality Plan"	has the meaning set out in the Specification;
"Regulatory Bodies"	means those government departments and regulatory, statutory and other entities, committees and bodies which, whether under statute, rules, regulations, codes of practice or otherwise, are entitled to regulate, investigate or influence the matters dealt with in this Agreement or any other affairs of the LAA and "Regulatory Body" shall be construed accordingly;
"Relevant Protected Characteristic"	means age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation as

	provided for under section 149(7) of the Equality Act 2010;
"Replacement Licensee"	means any third party service provider appointed by the LAA to supply any services which are substantially similar to any of the Services and which the LAA receives in substitution for any of the Services following the expiry, termination or partial termination of this Agreement.
"Replacement Provider"	means any replacement service provider appointed by the LAA to provide services on or after the expiry or termination of this Agreement the same as or similar to the Services carried out by the Licensee at or prior to expiry or termination;
"Report"	means a report (written or oral) about the Licensee or its personnel from an organisation that may carry out an Official Investigation;
"Restricted Country"	a) any country outside the European Economic Area; and b) any country not deemed adequate by Section 74 of the Data Protection Act 2018. An updated list of adequate jurisdictions can be found on the ICO guidance page here
"Sanction(s)"	means any of the individual sanctions (listed 1 to 7 in Clause Error! Reference source not found.) that the LAA may apply in accordance with Clause Error! Reference source not found. or pursuant to any other express term of this Agreement;
"Schedule"	means a schedule to this Agreement;
"Security Policy Framework"	means the government's mandatory minimum security measures that are set out in His Majesty's Government's Security Policy Framework document dated May 2018, available on the GOV.uk website;
"Service Levels"	means the service levels which the Services are required to meet as set out in Schedule 3 (Service Levels);
"Services"	means the Audit and all other accreditation and associated services required to be provided by the Licensee as set out in the Specification and as required in accordance with the terms of this Agreement;
"Specialist Quality Mark" or "SQM"	means the LAA's specialist quality mark as described by the terms of this Agreement and as may be amended by the LAA from time to time, and for the avoidance of doubt this shall include but not be limited to the requirements set out in Schedule 1 (Specification), Schedule 3 (Service Levels) and Schedule 8 (Specialist Quality Mark Standard);
"SQM Applicant"	means a Legal Services Provider or other voluntary/third sector provider which does not hold the SQM but which subsequently applies or considers applying to be accredited with the SQM;
"SQM Auditor"	means any of the Licensee Personnel who have successfully completed the training procedures set out in this Agreement and have been signed off by an authorised LAA representative or, subject to the approval of the LAA, the Lead SQM Auditor, as competent to perform Audits;
"SQM Contract Manager"	means the Licensee's representative appointed in accordance with Schedule 5 (Personnel and Contract Management) Error! Reference source not found. (or any substitute representative notified to the LAA from time to time);
"SQM Data"	"the data (including, drawings, diagrams, images or sounds (together with any database made up of any of these which is embodied in any electronic, magnetic, optical or tangible media)) which you receive and/or are required to Process pursuant to this Agreement and which may include Personal Data and/or Confidential Information;
"SQM Guidance"	means the guidance (found at the following address https://www.gov.uk/guidance/legal-aid-agency-quality-standards) which is provided by the LAA in relation to the SQM Standard as such guidance may be updated by the LAA from time to time;
"SQM Holder"	means an existing SQM Holder or an SQM Applicant that has

	undergone an Audit and been awarded the SQM;
"SQM Standard"	means the detailed description and requirements of the SQM set out in Schedule 8 (Specialist Quality Mark Standard) as the same may be updated and amended by the LAA from time to time;
"Specification"	means the detailed specification of the Services to be performed by the Licensee set out in Schedule 1 (Specification), as the same may be amended from time to time in accordance with the requirements of this Agreement;
"Staff"	has the meaning given to it in Schedule 6 (Exit Management Plan);
"Term"	means the sum of the Initial Term and, where the LAA has exercised its right under Clause Error! Reference source not found. or Clauses Error! Reference source not found. Error! Reference source not found. and Error! Reference source not found. (as applicable) the Extension Period;
"Territory"	means England and Wales;
"Training Support Manager(s)"	means the training support manager(s) appointed in accordance with Schedule 5 (or any substitute representative notified to the LAA from time to time); and
"Transition Services"	has the meaning given to it in Schedule 6 (Exit Management Plan);
"TUPE"	means the Transfer of Undertakings (Protection of Employment) Regulations 2006;
"UK GDPR"	has the meaning given to it in section 3(10) (as supplemented by section 205(4)) of the Data Protection Act 2018;
"UK Law"	means the law of the United Kingdom or a part of the United Kingdom;
"Variation"	has the meaning given to it in Clause 27.5;
"Withdrawal Record"	means a report submitted by the Licensee to the LAA Contract Manager providing details of any Legal Services Provider that has withdrawn from the SQM process or had their application for SQM accreditation rejected; and
"Working Day"	means a day (other than a Saturday or Sunday) on which banks are open for business in the City of London.

- 1.2 The clause headings in this Agreement are for ease of reference only and do not affect the meaning or construction of the clauses to which they relate.
- 1.3 References to clauses are to clauses in the main body of this Agreement and references to schedules and paragraphs are to the schedules to and paragraphs of the schedules to this Agreement.
- 1.4 The Schedules form an integral part of this Agreement and have effect as if set out in full in the body of this Agreement. A reference to this Agreement includes the Schedules.
- 1.5 In this Agreement, a reference to persons includes natural persons, firms, partnerships, bodies corporate and corporations, and associations, organisations, governments, states, foundations, trusts and other unincorporated bodies (in each case whether or not having separate legal personality and irrespective of their jurisdiction of origin, incorporation or residence).
- 1.6 Any reference in this Agreement to the singular will include reference to the plural and vice versa unless the context requires otherwise.
- 1.7 A reference to a statutory provision will be interpreted as a reference to the provision as amended or re-enacted from time to time.
- 1.8 The meaning of general words is not to be restricted by any

particular examples preceding or following those general words.

1.9 In the event of any conflict, the following order of precedence shall apply:

1.9.1 the main body of this Agreement;

1.9.2 the provisions of the schedules to this Agreement; and

1.9.3 the Form of Tender and any accompanying documents (which shall both be incorporated within the Agreement solely for the purposes of determining the Licensee's obligations in providing the Services to the extent that such obligations are not set out or adequately addressed elsewhere in this Agreement).

2. COMMENCEMENT AND TERM

2.1 This Agreement shall begin on the Commencement Date and, subject to earlier termination in accordance with its terms, shall expire three (3) years following the Audit Commencement Date ("**Initial Term**").

2.2 The LAA has the option at its sole discretion to extend the Agreement for an additional period of up to one (1) year by serving written notice on the Licensee no later than 30 days prior to the expiry of the Initial Term ("**Initial Extension**").

2.3 No later than thirty (30) days prior to the expiry of the Initial Extension, the LAA has the option at its sole discretion to extend the Agreement for a further additional period of one (1) year ("**Further Extension**").

2.4 On service of a notice by the LAA pursuant to Clauses 2.2 and 2.3 above, the Term of the Agreement shall be extended as set out in those clauses upon the terms and conditions which apply immediately prior to any such extension.

3. GRANT OF RIGHTS

3.1 In consideration of the obligations, warranties and undertakings of the Licensee as set out in this Agreement, the LAA grants to the Licensee a royalty-free, non-exclusive licence to use and sub-license (to the extent permitted by this Agreement) the SQM. Such licence is provided strictly for the purpose of the Licensee providing the Services in the Territory for the Term in accordance with the Specification, applicable timeframes, Service Levels and the other terms and conditions of this Agreement.

3.2 The Licensee acknowledges and agrees that the LAA owns the SQM and that nothing in this Agreement grants the Licensee a right to make any amendments to the SQM or disapply any sections of it.

3.3 The LAA reserves the right to:

3.3.1 disapply certain conditions relating to the award of the Specialist Quality Mark by the Licensee to Legal Services Providers where such Legal Services Providers can demonstrate, to the LAA's reasonable satisfaction, that they are, in part, suitably quality assured by another means; and

3.3.2 permit, in exceptional circumstances only, Legal Services Providers to apply for LAA contracts to provide Legal Services without the requirement to hold the Specialist Quality Mark where such Legal Services Providers can demonstrate, to the LAA's reasonable satisfaction, that they are suitably quality assured by another

means.

- 3.4 The LAA makes no warranties, representations or guarantees regarding the actual or potential volumes of Audits that the Licensee will be required to perform pursuant to this Agreement or the associated level of income that the Licensee may generate from its provision of the Services. The Licensee acknowledges the provisions of Clause 3.3 above and agrees that certain Legal Services Providers may not be required to hold the Specialist Quality Mark in order to provide Legal Services.
- 3.5 For the avoidance of doubt, this Agreement confers no rights whatsoever in relation to any other of the LAA's Intellectual Property Rights (including, for the avoidance of doubt, any copyrights, which the Licensee recognises and acknowledges require separate copyright licences for their use).
- 3.6 The Licensee shall use its best endeavours at all times during the Term to create, promote and preserve the value and integrity of the SQM in the eyes of Legal Services Providers and the public at large.
- 3.7 For the avoidance of doubt the entitlement to hold and/or apply for the SQM is not limited to Legal Services Providers. Subject to the approval of the LAA other voluntary/third sector service providers may also apply for and be accredited with the SQM where applicable standards are met.
- 3.8 The Licensee shall notify the LAA in writing of any changes in the circumstances of the Licensee that may materially affect this Agreement and/or the delivery of the Services by the Licensee.
- 3.9 The Licensee acknowledges and agrees that it shall not receive any payment from the LAA for the Services to be provided pursuant to this Agreement including, without limitation, attending training events or providing training, attendance at meetings and the provision of Management Information.

4. CONSIDERATION

- 4.1 In consideration of the rights granted under this Agreement, the Licensee shall comply with all the terms of this Agreement that apply to it.

5. WARRANTIES/QUALITY CONTROL

- 5.1 The Licensee warrants and represents that at all times throughout the period of this Agreement:
- 5.1.1 it shall ensure that the Legal Services supplied under the Specialist Quality Mark conform to and comply in all respects with the standards contained in the SQM at the time of Audit;
 - 5.1.2 it shall discharge its obligations under this Agreement, including in connection with its provision of the Services, with all due skill, care and diligence including but not limited to Good Industry Practice and in accordance with the Licensee's own established internal procedures;
 - 5.1.3 it shall perform the Services in accordance with the requirements of the Specification, the SQM, the Form of Tender and the provisions of this Agreement;
 - 5.1.4 it shall perform the Services in order to meet or exceed the Service Levels;
 - 5.1.5 the Services shall be performed by appropriately experienced,

qualified, vetted and trained personnel (relative to the Services to be provided) with all due skill, care and diligence and at all times in accordance with Good Industry Practice;

- 5.1.6 it will employ all necessary personnel to perform its obligations under this Agreement and the Licensee acknowledges that the volume and frequency of Audits it is required to undertake will not be consistent throughout the Term and, as such, its personnel requirements at any given time may vary significantly throughout the Term;
- 5.1.7 it has not done or omitted to do, and will not do or omit to do, anything in breach of any statute or subordinate legislation which in any material way affects the carrying out of its obligations under this Agreement;
- 5.1.8 subject to Clause 3.1, it has, at the date of this Agreement, obtained and will, for the duration of this Agreement, maintain all licences, permissions, certificates, qualifications, consents and regulatory approvals required for the Licensee lawfully and properly to perform its obligation under this Agreement;
- 5.1.9 it shall (and shall ensure that all sub-contractors (excluding independent consultants carrying out Audits on behalf of the Licensee)) have and maintain throughout the term of the Agreement a valid and current Cyber Essentials Certificate and shall provide a copy of its Cyber Essentials Certificate to the LAA at least four (4) weeks prior to the Audit Commencement Date. The Licensee shall deliver to the LAA evidence of renewal of the Cyber Essentials Certificate on each anniversary of the first applicable certificate obtained by the Licensee;
- 5.1.10 it will not embarrass or otherwise bring the LAA into disrepute by engaging in any act or omission which, in the reasonable opinion of the LAA, is likely to diminish public trust in and/or the reputation of the LAA, irrespective of whether or not such act or omission is related to the obligations of the Licensee under this Agreement;
- 5.1.11 it shall immediately inform the LAA of any event or change in circumstance which, had it been known prior to the date of this Agreement, might reasonably have affected or been capable of affecting the LAA's assessment of the eligibility and standing of the Licensee by reference to the grounds for mandatory and discretionary exclusion contained in the relevant procurement documents and/or the LAA's decision to enter into this Agreement with the Licensee; and
- 5.1.12 it shall act in good faith and shall co-operate and work with and alongside the LAA as necessary in order to achieve value for money for Legal Services Providers in its delivery of the Services.

5.2 The Licensee further warrants that to the best of its knowledge and belief:

- 5.2.1 all information provided to the LAA prior to the date of this Agreement was, when provided and is at the Commencement Date, true and accurate in all material respects and no circumstances have since arisen which materially affect the truth or accuracy of such information;
- 5.2.2 it has the necessary capacity and authority to enter into and to perform its obligations under this Agreement; and

- 5.2.3 it is not aware of any financial or other advantage being given to any person working for or engaged by the LAA, or that an agreement has been reached to that effect, in connection with the execution of this Agreement.
- 5.3 If requested by the LAA, the Licensee shall submit, to the LAA for written approval, samples of material bearing the Specialist Quality Mark which it intends to use (together with an English translation if the material is not in English), including advertising, promotional and other documentary material and material intended for dissemination in electronic form (including invoices and office stationery to be used in relation to the Services, or Legal Services (as appropriate)), after the date of this Agreement, prior to any such material being used. The Licensee shall not use any such material bearing the Specialist Quality Mark without such prior approval.
- 5.4 The Licensee shall remain responsible to the LAA for the fulfilment of all of its obligations under this Agreement irrespective of whether it enters into a sub-contract or appoints an agent, consultant or other third party to assist in relation to the delivery of the Services.
- 5.5 The Licensee must promptly notify the LAA if it becomes aware that it is unlikely to be able to fulfil any of its obligations under this Agreement, including where such failure is due to the expiration or termination of arrangements with any approved sub-contractor, agent or consultant.
- 6. USE OF THE LICENCE AND THE SPECIALIST QUALITY MARK**
- 6.1 The Licensee shall use and shall ensure that SQM Holders use the Specialist Quality Mark in the form stipulated from time to time by the LAA and shall ensure SQM Holders comply with Appendix 1 of the Specialist Quality Mark and shall itself observe any reasonable directions given by the LAA in relation to advertising, promotional and other documentary material which makes use of the Specialist Quality Mark.
- 6.2 The Licensee shall only make use of the Specialist Quality Mark for the provision of the Services and shall ensure that Legal Services Providers shall not make use of the Specialist Quality Mark in any way which would tend to allow the SQM to become generic, lose its distinctiveness, become liable to mislead the public, or which would or could jeopardise its validity, or be materially detrimental to or inconsistent with the good name, goodwill, reputation and image of the LAA.
- 6.3 The Licensee shall only award the SQM or re-accredit an existing SQM Holder in accordance with this Agreement and on terms which reflect the terms and conditions set out in this Agreement.
- 6.4 Whenever the Specialist Quality Mark is used by the Licensee, the Licensee agrees that such use shall be accompanied by wording and clear marking to show that it is a quality mark used by the Licensee with the permission of the LAA.
- 6.5 The Licensee shall not use the Specialist Quality Mark accompanied by other trade marks (whether registered or not) or by words describing the Legal Services or Services (as appropriate) unless the Specialist Quality Mark is sufficiently distinguished from the other trademarks and the surrounding and adjacent text and the LAA is clearly identified as the owner of the Specialist Quality Mark.
- 6.6 The Licensee shall not, by virtue of this Agreement, obtain or claim any right, title or interest in or to the Specialist Quality Mark except the rights of use as are specifically set out in this Agreement, and the Licensee hereby acknowledges and agrees that the benefit of all such use shall at all times endure to the LAA. The Licensee acknowledges that goodwill in the SQM accrues solely to the LAA.

6.7 The Licensee shall not at any time, whether during the term or following the termination or expiry of this Agreement, use the Specialist Quality Mark name or strapline as part of any corporate business or trading name or style of the Licensee.

6.8 The Licensee shall not at any time, whether during the term or following the termination or expiry of this Agreement, create any mark, symbol, device, strapline identical to or so resembling the Specialist Quality Mark as to be likely to deceive or cause confusion.

7. INFRINGEMENT

7.1 If the Licensee learns of any infringement or threatened infringement of the Specialist Quality Mark or of any action detrimental to the Specialist Quality Mark or of any third party allegation that the Specialist Quality Mark is liable to cause deception or confusion to the public the Licensee shall forthwith and without delay notify the LAA in writing giving full particulars of such circumstances and the Licensee shall make no comment or admission to any third party in respect of such circumstances.

7.2 The LAA shall have the conduct of all proceedings relating to the Specialist Quality Mark and shall in its sole discretion decide what action (including litigation, arbitration or compromise) if any to take in respect of any infringement or alleged infringement of the Specialist Quality Mark or any claim of passing off or any other claim or counterclaim brought or threatened in respect of the use of the Specialist Quality Mark. The LAA shall not be obliged to bring or defend any proceedings whether for infringement or otherwise in relation to the Specialist Quality Mark if it decides in its sole discretion not to do so and the Licensee shall not be entitled to bring any action for infringement under Section 30 of the Trade Marks Act 1994 (as amended), regardless of any such decision.

8. INDEMNITY BY LICENSEE

8.1 The Licensee understands and agrees that the exercise of the licence granted to the Licensee under this Agreement and the provision of the Services is subject to all applicable laws, enactments, regulations and other similar instruments in the Territory (including, without limitation, all applicable local laws relating to advertising, broadcasting, health and safety and telecommunications), and that the Licensee shall at all times be solely liable and responsible for such due observance and performance.

8.2 The Licensee shall at all times (notwithstanding the termination of this Agreement) be liable for, indemnify and hold harmless the LAA (together with its officers, servants and agents) against any and all liability, loss, damages, costs, legal costs, professional and other expenses of any nature whatsoever incurred or suffered by the LAA arising out of the performance or non-performance by the Licensee of this Agreement or resulting from any and all liability claims arising from the Services (as appropriate) provided by the Licensee.

8.3 The LAA gives no warranty or representation that the use of the Specialist Quality Mark, and auditing, by the Licensee shall not infringe the rights of any third party nor that any of the Specialist Quality Marks are valid nor that any application for a Specialist Quality Mark shall proceed to registration. As at the date of this Agreement, the LAA is not aware that use of the Specialist Quality Mark in accordance with the Agreement would infringe any such rights under the Trade Marks Act 1994 (as amended).

8.4 The Licensee shall effect and maintain an adequate level of insurance cover in respect of all risks that may be incurred by it in the performance of this Agreement including, without limitation:

- 8.4.1 public third party liability insurance with a minimum limit of indemnity not less than £5 million on each and every occurrence (or equivalent in other currency and no aggregate limit of indemnity);
- 8.4.2 employer's liability insurance compliant with applicable statutory requirements; and
- 8.4.3 professional indemnity insurance for all activities of a professional nature, with a limit of indemnity of not less than £2 million for each and every claim (or equivalent in other currency) and no aggregate limit of indemnity;

and maintain such insurances for a period of six (6) years following:

- 8.4.4 the last date upon which any Services are performed under this Agreement; or
- 8.4.5 the termination of this Agreement;

whichever is the earlier.

- 8.5 Where and to the extent the Licensee is permitted to sub-contract any part of its obligations under this Agreement, it shall procure that any sub-contractor effects and maintains insurance to cover its liabilities under that sub-contract.
- 8.6 When requested by the LAA, the Licensee shall produce documentary evidence showing that the insurance required by Clauses 8.4 to 8.5 has been effected and is being maintained.
- 8.7 The terms of any insurance or the amount of cover shall not relieve the Licensee of any liabilities under this Agreement.
- 8.8 The Licensee shall impose obligations on its sub-contractors in terms substantially similar to those set out in Clauses 8.1 to 8.7, but this shall not relieve the Licensee of any of its obligations and liabilities under this Agreement.

9. **PRICING**

- 9.1 The Licensee agrees that throughout the Term of the Agreement, including any Extension Period, it shall provide all Audits at a price which does not exceed the maximum figure applicable to the type of Audit and the size of the Legal Services Provider as set out in Schedule 2 (Pricing). For the avoidance of doubt, all sums payable to the Licensee for the delivery of the Services are included in the applicable maximum fee specified in Schedule 2 (Pricing).
- 9.2 The Licensee shall not be entitled to charge the Legal Services Provider for expenses (including but not limited to travel and accommodation costs) or any other charges or fees in addition to those set out Schedule 2 (Pricing). All costs for the delivery of the Services should be included in the applicable maximum fee specified in Schedule 2 (Pricing).
- 9.3 In the event that a pre-arranged Audit is cancelled or postponed the Licensee shall not be entitled to charge a cancellation fee to a Legal Services Provider, unless the Licensee can demonstrate that it has been notified of the cancellation less than 48 hours before the Audit is due to commence. The terms applicable to the payment of any cancellation fee must be reasonable and must have been made clear to and agreed by the Legal Services Provider prior to an Audit being arranged. Any such terms must also be clearly stated on the Licensee's website.
- 9.4 The Licensee agrees to offer an Early Reaccreditation Discount to any Legal Services Provider who requests a Post Quality Mark Audit at least five months prior

to the expiry date of the Legal Services Provider's existing SQM accreditation and shall ensure that it complies with Paragraph 5.8 of Schedule 1 and Paragraph 2.1.3(b) of Schedule 3.

- 9.5 Subject to Clause 9.4, the Licensee is not required to offer an Early Reaccreditation Discount where the Post Quality Mark Audit does not take place within 6 weeks of receipt of the request for an Audit due to the Legal Services Provider failing to agree to an offered date, requesting the Audit be postponed or similar.
- 9.6 Subject to Clause 9.4, the Licensee shall be required to offer an Early Reaccreditation Discount where the Post Quality Mark Audit does not take place within 6 weeks of the request for an Audit due to it failing to comply with Paragraph 2.1.3(b) of Schedule 3 or postponing, cancelling or otherwise delaying any agreed Audit date unless, at the time of receipt of the request, the Legal Service Provider specifically requests an Audit date later than 6 weeks of receipt of the request and no later than three months prior to the expiry date of the Legal Service Provider's current SQM accreditation and the Audit takes place within this period.
- 9.7 The Licensee acknowledges and agrees that the LAA shall have no liability in relation to any disputes between it and any Legal Service Provider concerning the applicability or otherwise of the Early Reaccreditation Discount are to be dealt with under the procedure described in Clause 26.11.

10. **PAYMENT**

- 10.1 Subject always to compliance with Clause 9, the Licensee shall ensure that, in its contracts with Legal Services Providers, it includes reasonable and fair terms relating to the price payable by the Legal Services Providers for the Audits, including, without limitation, minimum payment terms of 30 days for any properly submitted and undisputed invoices. The Licensee must ensure that the prices it charges Legal Services Providers for Audits are clear and transparent and published on its website including the Early Reaccreditation Discount.
- 10.2 For the avoidance of doubt, the LAA shall have no liability to pay the Licensee for its delivery of the Services and any dispute between the Licensee and a Legal Services Provider in relation to such payment shall be for the Licensee and the relevant Legal Services Provider to resolve.

11. **SANCTIONS**

- 11.1 Without prejudice to any rights of the LAA arising pursuant to this Agreement, the LAA may apply any Sanction (or any combination of Sanctions) in the event that:
- 11.1.1 the Licensee materially breaches any term of this Agreement or any other agreement between the LAA and the Licensee from time to time;
- 11.1.2 the Licensee persistently breaches any term of this Agreement or any other agreement between the LAA and the Licensee from time to time (irrespective of the date on which the LAA becomes aware of such breach) and, for the purposes of this Clause, persistent breach means:
- (a) 3 breaches of the same term in 24 consecutive months; or
- (b) 6 breaches of this Agreement in 24 consecutive months,
- and the LAA shall not be required to provide the Licensee with written notice of each breach (although it reserves the right to do so);
- 11.1.3 the Licensee fails to meet any of the Service Levels;
- 11.1.4 the LAA is entitled to suspend or terminate this Agreement or any other

agreement between the LAA and the Licensee from time to time; or

11.1.5 where any other term of this Agreement states that the LAA may apply a Sanction,

provided always that such Sanctions shall be proportionate to the breach or breaches in question. Any dispute between the Parties regarding whether a Sanction is proportionate shall be dealt with pursuant to Clause 26.

11.2 If the Licensee fails to comply with any of its obligations under this Agreement, the LAA may, without limiting its rights in respect of such failure (including under this Clause 11 and Clause 12), notify the Licensee of such failure and set out in such notice the action that the LAA requires the Licensee to take to ensure that such failure is remedied and/or not repeated provided that such action shall be proportionate to the relevant failure. The Licensee agrees that it will comply with the requirements of any notice issued by the LAA pursuant to this Clause 11.2.

List of Sanctions

11.3 The following is a list of the Sanctions that the LAA may apply in accordance with Clause 11.1:

11.3.1 Sanction 1 - Written notice requiring improvement

The LAA may serve a written notice on the Licensee requiring the Licensee to remedy any breach of this Agreement by the Licensee on such a date as the LAA may specify in such notice.

11.3.2 Sanction 2 - Requirement to produce and deliver an action plan

The LAA may require the Licensee to prepare an action plan setting out how it will remedy any breach of this Agreement and prevent any further breaches in the future, such plan to be approved by the LAA in writing.

11.3.3 Sanction 3 - Exclude individuals from being SQM Auditors or working under this Agreement

If any person who is performing or has performed work under this Agreement has been:

- (a) a cause of, or subject of, and Official Investigation or Report; or
- (b) a cause of a Sanction; or
- (c) charged with, or convicted of, an imprisonable offence,

the LAA may, if it reasonably considers that such a step is necessary to protect the interests of existing SQM Holders and SQM Applicants, or to protect the LAA from material harm, prohibit the person concerned, for such a period as it may reasonably specify, from:

- (d) being an SQM Auditor; or
- (e) where the context requires, performing work under this Agreement

so that he or she can no longer conduct Audits and/or perform any other work under this Agreement for the Licensee or any other SQM audit provider.

11.3.4 Sanction 4 - Suspend the Licensee from starting new work

The LAA may, by written notice, prohibit the Licensee from starting, or place limitations on its ability to start any new Audits under the terms of the Agreement for the period specified in such notice.

11.3.5 **Sanction 5 - Suspend the Licensee from starting work**

The LAA may, by written notice, prohibit the Licensee from undertaking any Services under the terms of the Agreement for the period specified in such a notice.

11.3.6 **Sanction 6 - Requirement to compensate LAA for significant losses**

If the LAA incurs Direct Losses or Indirect Losses as a consequence of a breach of this Agreement by the Licensee, the Licensee will be responsible to the LAA for the value of such losses and shall repay the same to the LAA within 28 days of reasonable evidence of such losses being presented to the Licensee. Examples of such losses include, without limitation, any costs incurred by the LAA if the LAA takes over the provision of the Services and/or has to appoint a further service provider to provide the Services due to the Licensee being deemed not capable to continue to perform the Services or if the Services are not provided to the timescales stipulated in the Agreement.

11.3.7 **Sanction 7 - Termination**

The LAA may serve a written notice on the Licensee terminating this Agreement on such date as the LAA specifies in such notice.

12. **TERMINATION**

12.1 The LAA may at any time by giving not less than six months' written notice to the Licensee terminate this Agreement (on the date specified in the notice). The LAA shall be entitled to terminate this Agreement immediately upon notice to the Licensee in the event that:

12.1.1 the Licensee is in material breach of any term of this Agreement that is incapable of remedy or if capable of remedy is not remedied within 30 days of being notified by the LAA;

12.1.2 the Licensee ceases or threatens to cease carrying on business;

12.1.3 the Licensee undergoes a change of control, within the meaning of section 1124 of the Corporation Tax Act 2010 ("Change of Control"), which impacts adversely and materially on the performance of the Agreement;

12.1.4 the Licensee suffers an Insolvency Event;

12.1.5 the Licensee acts unreasonably in refusing to implement a Variation, or the Parties are unable to reach agreement regarding the implementation of such Variation; or

12.1.6 the Licensee commits a Prohibited Act.

12.2 The Licensee shall be entitled to terminate this Agreement forthwith upon notice to the LAA in the event that the LAA is in material breach of any material term of this Agreement that is incapable of remedy or if capable of remedy is not remedied within 30 days of being notified by the Licensee.

12.3 The Licensee shall notify the LAA Contract Manager as soon as possible of becoming aware that a Change of Control is occurring or is likely to occur but in any event immediately when any Change of Control occurs.

- 12.4 The LAA shall be entitled to terminate this Agreement where any of the following circumstances arise:
- 12.4.1 the LAA becomes aware that the Licensee should have been excluded from the procurement procedure which lead to the award of this Agreement under regulation 38(8) or (9) of the Concession Contracts Regulations 2016; or
 - 12.4.2 where the LAA reasonably believes that the circumstances set out in regulation 44(1) of the Concession Contracts Regulations 2015 apply.
- 12.5 Termination of this Agreement howsoever caused shall be without prejudice to any obligations or rights of either of the Parties hereto accrued prior to such termination and will not affect any provision of this Agreement which is expressly or by implication intended to come into effect on, or continue in effect after such termination.

13. **CONSEQUENCES OF TERMINATION**

- 13.1 In the event of termination or expiry of this Agreement:
- 13.1.1 The licence granted to the Licensee pursuant to this Agreement shall terminate immediately. Any awards of the SQM shall be unaffected unless and to the extent that the LAA concludes that the failure of the Licensee which gave rise to the termination was likely to have had a detrimental impact on the reliability of the SQM awards previously made;
 - 13.1.2 The Licensee shall, not later than one week from the date of termination or expiry, provide the LAA with updated Management Information, and all other reports and documentation reasonably required to continue the provision or handover of the Services (as appropriate);
 - 13.1.3 The Licensee shall, not later than one week from the date of termination or expiry, remove the Specialist Quality Mark from all and any materials used in connection with the Services in the possession custody or control of the Licensee;
 - 13.1.4 The Licensee agrees that it will provide reasonable help and assistance in answering queries raised by the LAA and/or any new Licensee appointed by the LAA in connection with the Services;
 - 13.1.5 The Licensee agrees that it shall provide the LAA with all Confidential Information and other correspondence, documents, specifications, papers and property belonging to the LAA and which may be in the Licensee's possession or control and the Licensee shall not, without the LAA's written consent, retain any copies of such items.
- 13.2 For the avoidance of doubt, where this Agreement expires, any SQM awarded prior to such date shall be unaffected.

14. **LAA'S OBLIGATIONS**

- 14.1 The LAA reserves the right to grant a Handover Licence to a new Licensee to enable it to carry out preparatory work during the Handover Period.
- 14.2 The LAA shall provide the training as detailed in the Specification.

15. **HELPDESK SERVICE**

The Licensee shall, during the Term, provide a helpdesk service between the hours of 09.00 and 17.00 (as a minimum) on Working Days for the purpose of providing help and assistance to customers with queries concerning applying for the Specialist Quality Mark and any other enquiries concerning the Specialist Quality Mark.

16. **PERSONNEL AND CONTRACT MANAGEMENT**

The Parties shall comply with the provisions of Schedule 5 (Personnel and Contract Management)

17. **MANAGEMENT INFORMATION, BOOKS AND RECORDS**

17.1 The Parties shall comply with the provisions of Schedule 4 (Management Information).

17.2 In addition to its obligations in Schedule 4, during the Term, the Licensee agrees that it shall keep true, accurate and detailed books and records of all Audits and correspondence undertaken, and related information, including but not limited to:

17.2.1 the number of queries received by the Helpdesk Service and the nature of such queries;

17.2.2 details of any amendments to customer addresses; and

17.2.3 details of the Licensee's profit margins in respect of the services provided.

17.3 The Licensee agrees that it will provide the information referred to in Clauses 17.2.1 to 17.2.2 inclusive to the LAA on a monthly basis and that it will provide the information referred to in Clause 17.2.3 to the LAA on a quarterly basis and, in the case of all such information, at any other time on reasonable notice from the LAA.

18. **EMPLOYMENT PROVISIONS**

18.1 If the LAA reasonably believes that TUPE does apply on the expiry or termination of this Agreement or part of it, at any point within the period of 12 months immediately preceding such expiry or termination or following the service of a notice under Clause 11.3.7 or Clause 12 the Licensee must on receiving a request from the LAA or any Replacement Provider, supply the LAA and any Replacement Provider with a list which contains, in respect of any person engaged or employed by the Licensee in the provision of the Services (the "**Employees**"), full and accurate details regarding the identity, number, age, sex, length of service, job title, grade and terms and conditions of employment of and other matters affecting each of those Employees. The Licensee must:

18.1.1 provide such information promptly and at no cost to the LAA or any Replacement Provider; and

18.1.2 notify the LAA and any Replacement Provider forthwith in writing of any material changes to such information promptly as and when such changes arise;

18.1.3 not make any material increase or decrease in the number of Employees;

18.1.4 not make any increase in the remuneration or other change in the terms and conditions of the Employees other than in the ordinary course of business and with the LAA's or any Replacement

Provider's prior written consent; and

- 18.1.5 not transfer any of the Employees to another part of the Licensee's business or move other employees from elsewhere in the Licensee's business who have not previously been employed or engaged in providing the Services to provide the Services with the LAA's or any Replacement Provider's prior written consent.
- 18.2 Without prejudice to Clause 18.1, the Licensee must procure and must provide Employee Liability Information to the LAA or any Replacement Provider at the LAA's or the Replacement Provider's reasonable request and must warrant at the time of providing such Employee Liability Information, that such information is accurate and that it will be updated to take account of any changes to such information as is required by TUPE.
- 18.3 The Licensee will indemnify and will keep any Replacement Provider indemnified in full in relation to any and all Direct Losses arising from any claim by any party as a result of the Licensee failing to provide or promptly to provide the LAA or the Replacement Provider where reasonably requested with any information described in Clause 18.1 and/or Employee Liability Information or to provide full information described in Clause 18.1 and/or Employee Liability Information or as a result of any material inaccuracy in or omission from such information and/or Employee Liability Information.
- 18.4 The Licensee will indemnify and keep indemnified any Replacement Provider in full in relation to any and all Direct Losses caused to the Replacement Provider as a result of increased costs of employing the Employees arising as a result of any breach by the Licensee of Clause 18.1.
- 18.5 The Licensee will be liable for any claims made by or in respect of any of the Employees relating to or arising during the employment of the Employee or Employees concerned up to the date of expiry or termination (where applicable) of this Agreement including, any claims for breach of contract, dismissal, discrimination or relating to any personal injury and the Licensee will indemnify and will keep any Replacement Provider indemnified in full in relation to any and all Direct Losses arising from any such claim.
- 18.6 Where any liability in relation to any Employees referred to in Clause 18.5 arises partly as a result of any act or omission occurring on or before the expiry or termination (where applicable) of this Agreement and partly as a result of any act or omission occurring after such expiry or termination of this Agreement, the Licensee's indemnity to the Replacement Provider in Clause 18.5 will relate only to such part of the Direct Losses sustained by the Replacement Provider in consequence of the liability as is reasonably attributable to any act or omission occurring before the relevant date of expiry or termination of this Agreement.
- 18.7 A Replacement Provider will be entitled to enforce Clauses 18.3 to 18.6 pursuant to the Contracts (Rights of Third Parties) Act 1999. In addition the Licensee will, on request, enter into an indemnity on the terms set out in Clauses 18.3 to 18.6 directly with a Replacement Provider.

19. **ASSIGNMENT, NOVATION AND SUB-CONTRACTING**

- 19.1 The Licensee shall not assign, novate or otherwise dispose of or create any trust in relation to any or all of its rights and obligations under this Agreement without the prior written consent of the LAA save that the Licensee shall be entitled to assign its interest under this Agreement to any subsidiary or holding company, or any subsidiary of such holding company.
- 19.2 The LAA may:

19.2.1 assign, novate or otherwise dispose of any or all of its rights and obligations under this Agreement and to any other Contracting Authority; or

19.2.2 novate this Agreement to any other body which substantially performs any of the functions that previously had been performed by the LAA.

19.3 The Licensee may not sub-contract all or any part of its obligations under this Agreement without the LAA's prior written consent.

20. **CONFIDENTIALITY**

20.1 The Licensee acknowledges that:

20.1.1 the provisions of Section 34 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 apply to the provision of the Services under this Agreement and nothing in this Clause 20 shall restrict the LAA from disclosing Confidential Information where it is permitted to do so in accordance with that Act; and

20.1.2 that a breach of Section 34 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 by the Licensee may result in criminal sanctions being imposed on the Licensee, as referred to in that Section.

20.2 Nothing in this Agreement shall prevent the LAA from publishing any information in connection with:

20.2.1 the award of this Agreement;

20.2.2 the performance of the Licensee's obligations under this Agreement;
or

20.2.3 the terms (including payment terms) of this Agreement.

20.3 The Licensee shall not:

20.3.1 make any press announcements or publicise this Agreement or its contents in any way; or

20.3.2 use the LAA's name or brand in any promotion or marketing or announcement of orders;

without the prior written consent of the LAA, which shall not be unreasonably withheld or delayed.

21. **PROTECTION OF INFORMATION**

SQM Data

21.1 For the purposes of this clause 21, the terms "**Data Controller**", "**Data Processor**", "**Data Protection Officer**" "**Data Subject**", "**Personal Data**", "**Process**" and "**Processing**" have the meanings prescribed in Data Protection Legislation. Any data will only be Processed for the purposes of conducting Specialist Quality Mark Audits.

- 21.2 The Licensee shall:
- 21.2.1 not store, copy, disclose, or use SQM Data except as necessary for the performance by the Licensee of its obligations under the Agreement or as otherwise approved in writing;
 - 21.2.2 preserve the integrity of SQM Data and prevent the corruption or loss of SQM Data;
 - 21.2.3 not delete or remove any proprietary notices contained within or relating to SQM Data;
 - 21.2.3 to the extent that SQM Data is held and/or Processed by the Licensee, supply SQM Data to the LAA as requested by the LAA in the format requested;
 - 21.2.4 perform secure back-ups of all SQM Data and ensure that up-to-date back-ups are stored securely off-site. The Licensee shall ensure that such back-ups are made available to the LAA immediately upon request;
 - 21.2.5 ensure that any system on which the Licensee holds any SQM Data, including back-up data, is a secure system that complies with the Security Policy Framework;
 - 21.2.6 identify, and disclose to the LAA on request those members of Licensee Personnel with access to or who are involved in handling SQM Data;
 - 21.2.7 shall restrict access to SQM Data to Licensee Personnel who are working on the Agreement;
 - 21.2.8 on request, give the LAA details of its policy for reporting, managing and recovering from information risk incidents, including losses of Personal Data, and its procedures for reducing risk;
 - 21.2.9 notify the LAA immediately and inform the LAA of the remedial action the Licensee proposes to take if it has reason to believe that SQM Data has or may become corrupted, lost or sufficiently degraded in any way for any reason; and
 - 21.2.10 comply with Schedule 10 (Data Processing).
- 21.3 If SQM Data is corrupted, lost or sufficiently degraded as a result of the Licensee Default so as to be unusable, the LAA may:
- 21.3.1 require the Licensee (at the Licensee's cost) to restore or procure the restoration of SQM Data and the Licensee shall do so promptly; and/or
 - 21.3.2 itself restore or procure the restoration of SQM Data, and be repaid by the Licensee any reasonable costs incurred in doing so.

Data Protection and Privacy

- 21.4 The Licensee shall:

- 21.4.1 comply with any notification requirements under Data Protection Legislation and both Parties will duly observe all their obligations under Data Protection Legislation which arise in connection with the Agreement;
 - 21.4.2 in conjunction with the LAA, in its own right and in respect of the Services, make all necessary preparations to ensure it is compliant with the UK GDPR, ensuring it has a Data Protection Officer in place and is registered as a data controller with the ICO if required and
 - 21.4.3 provide the LAA with the contact details of its data protection officer or other designated individual with responsibility for data protection and privacy to act as the point of contact for the purpose of observing its obligations in Clauses 21.4 to 21.15.
- 21.5 Notwithstanding the obligation in Clause 21.4, if the Licensee is Processing Personal Data as a Data Processor for the LAA the Licensee shall:
- 21.5.1 prior to the processing of any Personal Data and if requested by the LAA provide a privacy impact assessment to the LAA which shall include;
 - 21.5.1.1 a systematic description of the envisaged processing operations and the purpose of the processing;
 - 21.5.1.2 an assessment of the necessity and proportionality on the processing operations in relation to the Services;
 - 21.5.1.3 an assessment of the risks to the rights and freedoms of Data Subjects; and
 - 21.5.1.4 the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
 - 21.5.2 implement and maintain appropriate technical and organisational measures to protect the Personal Data against unauthorised or unlawful processing and against accidental loss, destruction, damage, alteration or disclosure. These measures shall be appropriate to the harm which might result from any unauthorised or unlawful processing, accidental loss, destruction or damage to the Personal Data and having regard to the nature of the Personal Data which is to be protected including the measures as are set out in Clauses 21.1 to 21.3 and Schedule 10 (Data Processing);
 - 21.5.3 Process the Personal Data only in accordance with written instructions from the LAA (which may be specific instructions or instructions of a general nature) as set out in the Agreement or as otherwise notified by the LAA;
 - 21.5.4 Process the Personal Data only to the extent and in such manner as is necessary for the provision of the Licensee's obligations under the Agreement or as required by law or any Regulatory Body;

- 21.5.5 maintain a record of all categories of processing activities carried out on behalf of the LAA, containing:
 - 21.5.5.1 the categories of processing carried out on behalf of the LAA;
 - 21.5.5.2 where applicable, any transfers of Personal Data to Restricted Countries or an international organisation.
- 21.5.6 take all reasonable steps to ensure the reliability and integrity of any Licensee Personnel who have access to the Personal Data and ensure that Licensee Personnel:
 - 21.5.6.1 are aware of and comply with the Licensee's obligations in this Clause 21;
 - 21.5.6.2 are subject to appropriate confidentiality undertakings;
 - 21.5.6.3 are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any third party unless directed in writing to do so by the LAA or as otherwise allowed by the Agreement; and
 - 21.5.6.4 have undergone adequate training in the use, care, protection and handling of Personal Data
- 21.5.7 not disclose or transfer the Personal Data to, or allow the processing of Personal Data by any sub-contractor (except independent consultants carrying out Audits on behalf of the Licensee), sub-processor and/or affiliates for the provision of the Services without prior written approval;
- 21.5.8 notify the LAA within 48 hours if it:
 - 21.5.8.1 receives from a Data Subject (or third party on their behalf): a Data Subject Access/Rights Request (or purported Data Subject Access/Rights Request); a request to rectify, block or erase any Personal Data; or any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;
 - 21.5.8.2 considers that any of the LAA's instructions from the LAA infringe the Data Protection Legislation;
 - 21.5.8.3 receives any correspondence from a Regulatory Body or any other any communication from the ICO or any other regulatory authority in connection with Personal Data processed under the Agreement;
 - 21.5.8.4 receives a request from any third party for disclosure of Personal Data where compliance with such request is required or purported to be required by law; or
 - 21.5.8.5 is required by law to commit an act or omission that would, but for Clause 21.13, constitute a breach of this Clause 21.

- 21.6 The Licensee shall cooperate with and assist the LAA (within the timescales reasonably required by the LAA) in relation to either Party's obligations under Data Protection Legislation or any complaint, communication or request made pursuant to Clause 21.5.8.5, including by promptly providing:
- 21.6.1 full details and copies of the complaint, communication or request;
 - 21.6.2 if applicable, such assistance as reasonably requested by the LAA to enable the LAA to comply with the Data Subject Access/Rights Request within the relevant timescales set out in the Data Protection Legislation;
 - 21.6.3 the LAA, on request by the LAA, with any Personal Data it holds in relation to a Data Subject; and
 - 21.6.4 assistance following a Data Loss Event as required by the LAA including with respect to the conduct of a data protection impact assessment and the LAA's consultation with the Information Commissioner's Office.
- 21.7 The Licensee shall, if requested by the LAA, provide a written description of the measures that it has taken and technical and organisational security measures in place, for the purpose of compliance with its obligations pursuant to Clauses 21.4 to 21.15 and provide to the LAA copies of all documentation relevant to such compliance including, processing records, procedures, guidance, training and manuals.
- 21.8 The Licensee shall allow the LAA (subject to reasonable and appropriate confidentiality undertakings), to inspect and audit, in accordance with Clause 24(Audit), the Licensee's Processing activities (and/or those of Licensee Personnel) and comply with all reasonable requests or directions by the LAA to enable the LAA to verify and/or procure that the Licensee is in full compliance with its obligations under the Agreement.
- 21.9 The Licensee shall not Process or otherwise transfer any Personal Data in or to any Restricted Country. If, after the Commencement Date, the Licensee or any sub-contractor wishes to Process and/or transfer any Personal Data in or to any Restricted Country, the Licensee shall, in seeking approval, submit such information as the LAA requires in order to enable it to consider the request and acknowledges that such consent may be given subject to conditions which will, if appropriate, be incorporated into the Agreement at the Licensee's cost and expense.
- 21.10 In adhering to this paragraph, the Licensee shall undertake due diligence checks of its existing processing and Cloud Computing arrangements to ensure that Personal Data is not stored outside of the UK, and to provide the LAA with details of the Cloud Computing arrangements currently in place if requested.
- 21.11 If there is a Data Loss Event the Licensee shall:
- 21.11.1 notify the LAA immediately and in any event no later than 12 hours after becoming aware of a Data Loss Event, and such notice shall describe the event including the categories and approximate number of Data Subjects concerned and the categories and approximate number of Personal Data records concerned;
 - 21.11.2 cooperate fully with LAA investigations into the Data Loss Event;

- 21.11.3 give immediate access to the Licensee's premises and systems for the purposes of any investigation under Clause 21.8;
 - 21.11.4 take all necessary actions to remedy the causes of the Data Loss Event and to ensure the protection of Personal Data from any further loss;
 - 21.11.5 not make any public statement of any kind without LAA approval; and
 - 21.11.5 if appropriate, assist the LAA to notify the Information Commissioner within 72 hours of becoming aware of the Data Loss Event.
- 21.12 At the end of the Agreement, at the LAA's request, the Licensee shall delete or return all Personal Data to the LAA and delete any copies of Personal Data except where required to retain copies by law. The Licensee shall provide written confirmation that data has been deleted and/or returned.
- 21.13 The Licensee shall:
- 21.13.1 comply with Data Protection Legislation and not perform its obligations in such a way as to cause the LAA to breach any of its obligations under the Data Protection Legislation;
 - 21.13.2 use reasonable endeavours to assist the LAA to comply with any of its obligations under the Data Protection Legislation;
 - 21.13.3 not perform its obligations in a way which causes the LAA to breach any of its obligations under the Data Protection Legislation to the extent the Licensee is aware, or ought reasonably to have been aware, that the same would be a breach of such obligations; and
 - 21.13.4 indemnify the LAA against all Losses incurred by the LAA arising from the Licensee's Default under Clauses 21.4 to 21.15 and/or any failure by the Licensee or any sub-contractor to comply with their respective obligations under the Data Protection Legislation.
- 21.13 Nothing in Clauses 21.4 to 21.15 is construed as requiring the Licensee or any sub-contractor to be in breach of any Data Protection Legislation. The LAA shall comply with Data Protection Legislation and will not perform its own obligations in such a way as to cause the Licensee to breach its own obligations.
- 21.14 The Licensee shall inform the LAA if it is asked by any party to infringe UK GDPR
- 21.15 Clauses 21.4 to 21.15 apply during the Term of the Agreement and indefinitely after its expiry.

Confidential Information

- 21.16 Except to the extent set out in Clauses 21.16 to 21.28 or if disclosure or publication is expressly allowed elsewhere in the Agreement the Licensee must abide by and follow all guidance and rules laid out by the Government Security Classification System during the supply of its Services. Each Party shall treat all Confidential Information belonging to the other Party as confidential and shall not disclose any Confidential Information belonging to the other Party to any other person without the other Party's prior written consent, except to such persons and to such extent as

may be necessary for the performance of the Party's obligations under the Agreement.

- 21.17 The Licensee hereby gives its consent for the LAA to publish the whole Agreement (but with any information which is Confidential Information belonging to the Authority redacted) including from time to time agreed changes to the Agreement, to the general public.
- 21.18 If required by the LAA, the Licensee shall ensure that Licensee Personnel, professional advisors and consultants sign a non-disclosure agreement prior to commencing any work in connection with the Agreement in a form approved by the LAA. The Licensee shall maintain a list of the non-disclosure agreements completed in accordance with this Clause 21.18.
- 21.19 If requested by the LAA, the Licensee shall give the LAA a copy of the list and, subsequently upon request by the LAA, copies of such of the listed non-disclosure agreements as required by the LAA. The Licensee shall ensure that Licensee Personnel, professional advisors and consultants are aware of the Licensee's confidentiality obligations under the Agreement.
- 21.20 The Licensee may disclose the LAA's Confidential Information only to Licensee Personnel who are directly involved in providing the Services and who need to know the information, and shall ensure that such Licensee Personnel are aware of and shall comply with these obligations as to confidentiality.
- 21.21 The Licensee shall not, and shall procure that the Licensee Personnel do not, use any of the LAA's Confidential Information received otherwise than for the purposes of the Agreement.
- 21.22 Clause 21.16 shall not apply to the extent that:
- 21.22.1 such disclosure (but only to the extent that it must be so disclosed) is a requirement of law placed upon the Party making the disclosure, including any requirements for disclosure under the FOIA or the EIR;
 - 21.22.2 such information was in the possession of the Party making the disclosure without obligation of confidentiality prior to its disclosure by the information owner;
 - 21.22.3 such information was obtained from a third party without obligation of confidentiality;
 - 21.22.4 such information was already in the public domain at the time of disclosure otherwise than by a breach of the Agreement; or
 - 21.22.5 it is independently developed without access to the other Party's Confidential Information.
 - 21.22.6 information which, to the extent that it must be so disclosed, is required to be disclosed by any court, tribunal or other administrative body with such power;
- 21.23 Nothing in Clause 21.16 prevents the LAA disclosing any Confidential Information obtained from the Licensee:
- 21.23.1 for the purpose of the examination and certification of the LAA's accounts;

21.23.2 for the purpose of any examination pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the LAA has used its resources;

21.23.3 to Parliament and Parliamentary committees;

21.23.4 to any Crown Body or any Contracting Authority and the Licensee hereby acknowledges that all government departments or Contracting Authorities receiving such Confidential Information may further disclose the Confidential Information to other government departments or other Contracting Authorities on the basis that the information is confidential and is not to be disclosed to a third party which is not part of any government department or any Contracting Authority; or

21.23.5 to any consultant, contractor or other person engaged by the LAA or any person conducting an Infrastructure and Projects Authority gateway review

21.23.6 for the purposes of an Official Investigation or determining whether an Official Investigation should take place; or

21.23.7 to a Replacement Provider or any third party whom the LAA is considering engaging to the extent that such disclosure is strictly necessary in connection with such engagement (except that the LAA may not under this Clause 20.6 disclose any Licensee Confidential Information which is information relating to the Licensee's prices or costs) on the basis that such information is confidential and is not to be disclosed to a third party.

provided that in disclosing information under Clauses 21.23.5 and 21.23.5 the LAA discloses only the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate.

- 21.24 Nothing in Clauses 21.16 to 21.21 prevents either Party from using any techniques, ideas or Know-How gained during the performance of its obligations under the Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other Party's Confidential Information or an infringement of the other Party's Intellectual Property Rights.
- 21.25 The LAA shall use reasonable endeavors to ensure that any Government department, Contracting Authority, employee, third party or sub-contractor to whom the Licensee's Confidential Information is disclosed pursuant to Clause 21.21 is made aware of the LAA's obligations of confidentiality.
- 21.26 If the Licensee does not comply with Clauses 21.16 to 21.23 the LAA may terminate the Agreement immediately on notice.
- 21.27 To ensure that no unauthorised person gains access to any Confidential Information or any data obtained in the supply of the Services, the Licensee shall maintain adequate security arrangements that meet the requirements of professional standards and best practice.
- 21.28 The Licensee shall:

21.28.1 immediately notify the LAA of any breach of security in relation to Confidential Information and all data obtained in the supply of the Services and will keep a record of such breaches;

21.28.2 use best endeavours to recover such Confidential Information or data however it may be recorded;

21.28.3 co-operate with the LAA in any investigation as a result of any breach of security in relation to Confidential Information or data; and

21.28.4 at its own expense, alter any security systems at any time during the Term at the LAA's request if the LAA reasonably believes the Licensee has failed to comply with Clause 21.27.

21.29 The Licensee agrees to indemnify and keep indemnified the LAA against any and all claims, proceedings, actions, damages, legal costs, expenses and any other liabilities whatsoever arising in respect of any breach of this Clause 21 or any other unauthorised disclosure of Confidential Information the Licensee, its staff, agents or any of its sub-contractors.

22. **BRIBERY, COLLUSION, FALSE TENDERS, FRAUD AND UNETHICAL BEHAVIOUR**

No Bribery or Collusion

22.1 The Licensee (including its agents, consultants or sub-contractors) must do the following:

(a) comply with Bribery Legislation; and

(b) not commit a Prohibited Act.

22.2 When tendering, or applying for a contract, with the LAA you must not collude with any other person or attempt to bribe or coerce them.

22.3 The Licensee must report to the LAA any suspicion of any breach or alleged breach of any Bribery Legislation relating to this Agreement, and co-operate with the LAA and/or any regulator and/or prosecutor in any investigation relating to the same. Any material breach by the Licensee of this Clause 22 shall be deemed to be a material breach of this Agreement.

22.4 The Licensee must take all reasonable steps, in accordance with Bribery Legislation, to prevent Licensee Personnel from committing a Prohibited Act (including without limitation, complying with and enforcing any anti-bribery policies and procedures the Licensee has in place as appropriate).

Fraud and Unethical Behaviour

22.5 The Licensee must be alert to the possibility of fraud and/or unethical behaviour by Licensee Personnel and/or Legal Services Providers and must have appropriate procedures and practices in place to identify, address and counter it.

Breach of these Clauses

22.6 Any breach of Clauses 22.1, 22.2, and 22.5 by the Licensee or any Licensee Personnel shall be a material breach of this Agreement.

22.7 The decision of the LAA shall be final and conclusive in any dispute, difference or

question arising in respect of the interpretation and/or application of this Clause 22 including the right of the LAA to terminate the Agreement.

23. **FREEDOM OF INFORMATION**

23.1 The following provisions relate to FOIA:

23.1.1 the Licensee acknowledges that the LAA is subject to the requirements of the FOIA and shall assist and cooperate with the LAA (at the Licensee's expense) to enable the LAA to comply with these information disclosure requirements;

23.1.2 the Licensee shall and shall procure that its agents, consultants or sub-contractors (as applicable) shall:

(a) transfer any request for information made under the FOIA (each such request, a "**Request for Information**") to the LAA as soon as practicable after receipt and in any event within two (2) Working Days of receiving a Request for Information;

(b) provide the LAA with a copy of all information in its possession or power in the form that the LAA requires within five (5) Working Days (or such other period as the LAA may specify) of the LAA requesting that information; and

(c) provide all necessary assistance as reasonably requested by the LAA to enable the LAA to respond to a Request for Information within the time for compliance set out in section 10 of the FOIA;

23.1.3 the LAA shall be responsible for determining at its absolute discretion whether any information:

(a) is exempt from disclosure in accordance with the provisions of the FOIA;

(b) is to be disclosed in response to a Request for Information, and in no event shall the Licensee respond directly to a Request for Information unless expressly authorised to do so by the LAA;

23.1.4 the Licensee acknowledges that the LAA may, acting in accordance with the Code of Practice on the Discharge of Public Authorities' Functions under Part I of the FOIA (issued under section 45 of the FOIA) ("**Code**"), be obliged under the FOIA to disclose information:

(a) without consulting with the Licensee (provided always that the LAA shall, in accordance with any recommendations of the Code, take reasonable steps where appropriate to give the Licensee advance notice of any disclosure under FOIA or failing that, to notify the Licensee of any such disclosure as soon as reasonably possible after such disclosure); or

(b) following consultation with the Licensee and having taken its views into account;

23.1.5 the Licensee shall ensure that all information produced in the course of the Agreement or relating to the Agreement is retained for disclosure and shall permit the LAA to inspect such records as requested from time to time.

24. **AUDIT**

The Licensee shall, and shall ensure that all of its agents, consultants and sub-contractors (as applicable) shall, grant to the LAA and to any auditors of the LAA, and the LAA's authorised agents or any regulator of the LAA, without charge, the unlimited right of access to any of the Licensee's premises, staff, systems, equipment, relevant records (including the right to copy) and other reasonable support (including office space, telephones and copying facilities) as the LAA or any regulator may require during the Term and for twelve (12) months following the end of the Term in order to undertake any review or audit the Licensee's compliance with this Agreement (including, without limitation, any Management Information and costs data).

25. **EQUAL OPPORTUNITIES AND DIVERSITY**

LAA obligations

25.1 The LAA has a duty, in accordance with section 149 of the Equality Act 2010 to have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct prohibited by or under the Equality Act 2010;
- (b) advance equality of opportunity between persons who share a Relevant Protected Characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a Relevant Protected Characteristic and persons who do not share it,

and the Licensee agrees to use its best endeavours to assist the LAA, and to co-operate as necessary in order to ensure that the LAA can comply with such duties.

Licensee Obligations

25.2 To assist the LAA in complying with its duties under the Equality Act 2010, the Licensee must:

- (a) have regard to the Equality and Diversity Guidance;
- (b) have a written equality and diversity policy that, as a minimum, must include:
 - (i) a commitment to the principles of equality and diversity and to observing all applicable legislative requirements;
 - ii) a detailed description of how the Licensee will meet the diverse needs of Legal Services Providers;
 - (iii) a detailed description of how the Licensee will implement, monitor, evaluate and update the policy;
 - (iv) a detailed description of how the Licensee intends to ensure equality in relation to its own personnel, Legal Services Providers and other relevant third parties;
 - (v) the identity of a senior person within its organisation with responsibility for the policy and its effective implementation;
 - (vi) a detailed description of how complaints and issues are to be dealt with;

- (vii) appropriate requirements to ensure that no members of your personnel unlawfully discriminate in dealings with other members of your personnel, Legal Services Providers or other relevant third parties,

the "Equality and Diversity Policy";

- (c) have and implement an equality and diversity training plan for its personnel;

- (d) have and implement a communications plan to promote its policies and procedures for ensuring that the Services are accessible for people with a disability and meet any specific language needs of the Legal Services Providers (using external language services approved by the LAA as appropriate); and

- (e) review the policies and plans referred to above in operation at least once during the Term (and more regularly if either Party identifies any non-compliance with the Equality and Diversity Policy or plans or any failure of the Equality and Diversity Policy to comply with the requirements set out above or complaints relating to equality and/or diversity are made by Legal Services Providers or the Licensee's personnel). The Licensee shall take prompt and effective corrective action if any such non-compliances are identified or if any complaints are received (including undertaking additional reviews), or if the Licensee is failing to meet the objectives contained within such policy and plans and/or if such policies and plans do not comply with this Agreement.

25.3 Without limiting the generality of any other provision of this Agreement, the Licensee shall not unlawfully discriminate and shall take all reasonable steps to ensure that Licensee Personnel do not unlawfully discriminate as provided by the Equality Act 2010 and/or any other relevant legislation in force from time to time relating to discrimination in employment and the provision of goods, facilities or services.

25.4 Without limiting the generality of any other provision of this Agreement, if the Licensee is found by a competent court or tribunal at any time to have unlawfully discriminated against any Legal Services Provider, this shall be deemed a material breach of this Agreement.

25.5 To ensure that the LAA is complying with its statutory obligations in relation to equalities and diversities and to assist the LAA carry out equalities impact assessments and make decisions that better take account of any equality and diversity needs of Legal Services Providers, the Licensee shall, at the LAA's request, use its best endeavours to provide the LAA with equality and diversity information in accordance with the Equality and Diversity Guidance, including about Legal Services Providers and its personnel.

25.6 The Licensee shall collect information about the Legal Services Providers (including on gender, ethnicity, age and disabilities and, in certain circumstances, in relation to religion and belief and sexual orientation). Annually, the Licensee shall complete an equality and diversity survey with the information collected in accordance with this Clause 25 and provide the survey to the LAA Contract Manager on request.

26. **DISPUTE RESOLUTION PROCEDURE**

26.1 The Parties hereby agree that if either Party has any issue or concern which such Party in good faith reasonably believes may have an adverse impact on the operation of this Agreement then such Party may contact the other Party to attempt to resolve such issue or concern in good faith, and such contact will be made as follows:

26.1.1 where the concerned party is the Licensee, the relevant contact at the LAA

will be the LAA Contract Manager **PROVIDED THAT** if within fifteen (15) Working Days of such contact the Licensee reasonably believes that the issue has not been satisfactorily resolved, the issue will be escalated to the LAA's senior management;

26.1.2 where the concerned party is the LAA, the relevant contact at the Licensee will be the SQM Contract Manager **PROVIDED THAT** if within fifteen (15) Working Days of such contact the LAA reasonably believes that the issue has not been satisfactorily resolved, the issue will be escalated to the Licensee's senior management;

PROVIDED FURTHER THAT if within fifteen (15) Working Days of such second level escalation the concerned party, acting reasonably, still believes that the issue is not satisfactorily resolved then such concerned party may (acting reasonably and without delay) notify the other party that it regards the issue as a dispute and the provisions of Clause 26.2 shall apply.

- 26.2 The LAA and the Licensee shall attempt in good faith to negotiate a settlement to any dispute or claim between them arising out of or in connection with the Agreement.
- 26.3 If the dispute or claim cannot be resolved by the Parties within fifteen (15) Working Days of the dispute being referred for resolution in accordance with Clause 26.2, the LAA and Licensee shall attempt in good faith to resolve the dispute or claim by mediation in accordance with the Centre for Dispute Resolution model mediation procedure.
- 26.4 Unless otherwise agreed between the Parties, the mediation will be conducted in accordance with the CEDR Model Mediation Procedure, and the mediator will be nominated by CEDR.
- 26.5 To initiate the mediation either Party will give notice in writing (a '**Mediation Notice**') to the other requesting a mediation. Any notice of Mediation Notice to be given to the LAA must be sent to the Principal Legal Advisor, Legal Aid Agency, 102 Petty France, London, SW1H 9AJ. A copy should be sent to CEDR.
- 26.6 The mediation will take place not later than twenty eight (28) days after the date of the mediation notice.
- 26.7 If the matter has not been resolved by mediation within six (6) months of the initiation of such procedure or if either Party does not agree to mediation, either Party shall be entitled to issue court proceedings which shall be governed by Clause 27.14.
- 26.8 The performance of obligations under the Agreement shall not cease or be delayed by application of mediation.
- 26.9 CEDR's fees (which include the mediator's fees) and other expenses of the mediation will be borne equally by the Parties. Payment of these fees and expenses will be made to CEDR in accordance with its fee schedule and terms and conditions of business.
- 26.10 Each Party will bear its own costs and expenses of its participation in the mediation.
- 26.11 Distinct from the dispute resolution procedure referred to above the Licensee shall ensure that at all times throughout the Term of this Agreement an appropriate complaints procedure is in place to effectively deal with and resolve concerns and/or disputes raised by Legal Services Providers in relation to the Licensee's delivery of Audits and associated administration services, as well as in relation to the costs charged to Legal Services Providers by the Licensee in respect of such services. Such complaints procedure must be consistent with the requirements of Good Industry Practice and the Licensee shall be required to explain and account for how

any such complaints and/or disputes have been addressed and resolved upon request from the LAA.

27. **GENERAL**

- 27.1 This Agreement shall be binding upon and inure for the benefit of the successors in title of the Parties. References to the LAA and the Licensee include references to persons deriving title under them respectively.
- 27.2 Upon request the Licensee must demonstrate to the LAA's reasonable satisfaction that it is complying with, and has at all times, while it has been in force complied with the requirements of this Agreement.
- 27.3 Neither of the Parties to this Agreement shall be responsible to the other Party for any delay in the performance or non-performance of its obligations due to an event of Force Majeure on condition that the impact of the Force Majeure could not have been avoided or mitigated by the implementation of the Business Continuity and Disaster Recovery Plan in accordance with Clause 21.2.10. The affected Party shall promptly upon the occurrence of any such event so inform the other Party in writing, stating that such event has delayed or prevented the performance of its obligations under this Agreement and thereafter such Party shall take all action within its power to comply with the terms and conditions of this Agreement.
- 27.4 If any event of Force Majeure continues for a continuous period in excess of three (3) months, either Party may terminate this Agreement by giving fifteen (15) Working Days' notice in writing, in which case neither Party shall have any liability to the other except that rights and liabilities which accrued prior to such termination shall continue to subsist.
- 27.5 This Agreement sets out the entire agreement and understanding between the Parties with respect to the subject matter of the Agreement and it supersedes all prior discussions between the Parties or their agents and all conditions, warranties, guarantees, representations (other than in the case of fraudulent representations made by either Party), proposals, communications and understandings (whether oral or in writing) with respect to its subject matter (whether given or made before or after the date of this Agreement) other than an amendment approved in accordance with Clause 27.5 expressed to be an amendment to this Agreement and signed by an authorised officer of the LAA and the Licensee respectively.
- 27.6 Subject to the provisions of Clause 27.8, the LAA may request an amendment or variation to this Agreement and such a change shall hereafter be referred to as a "**Variation**".
- 27.7 The LAA may request a Variation by notifying the Licensee in writing of the Variation and giving the Licensee sufficient information to assess the extent of the Variation and to consider whether a material change to the Licensee's costs will be incurred as a direct consequence of the implementation of the Variation. The LAA shall specify a time limit within which the Licensee shall be required to respond to the request for a Variation. Such time limits shall be reasonable having regard to the nature of the Variation. If the Licensee accepts the Variation it shall confirm the same in writing and an amendment to the terms of the Agreement shall be implemented as appropriate.
- 27.8 In the event that the Licensee is unable to accept the Variation to the Agreement or where the Parties are unable to reach agreement in relation to the impact of the Variation on the Licensee's costs, the LAA may:
- 27.8.1 withdraw the Variation and allow the Licensee to fulfil its obligations under the Agreement as it stands;
- 27.8.2 implement the Variation itself, or make alternative arrangements for it to be

implemented via a third party;

- 27.8.3 seek to resolve the matter in accordance with the Dispute Resolution Procedure; or
- 27.8.4 terminate the Agreement in accordance with Clause 12.1.5.
- 27.9 the LAA shall not propose any Variation which materially changes the nature, scope or scale of this Agreement. Whether a proposed Variation is material or not shall be determined in accordance with industry norms and standards.
- 27.10 Any notice given under this Agreement must be in writing. Notices shall be addressed to the SQM Contract Manager and LAA Contract Manager (as appropriate) at the address which appears at the beginning of this Agreement or at such other address as may have been notified in writing by the recipient party to the party giving such notice). Notices may be served by hand, email, or sent by first class pre-paid post. Notices served by hand or email will be deemed served at the time of actual delivery; notices served by post will be deemed served on the Working Day following that on which they were posted.
- 27.11 No failure or delay by either Party in exercising any of its rights under this Agreement shall be deemed to be a waiver of that right unless it has been identified as such and communicated to the other Party in writing and no waiver by either Party of any breach of the Agreement by the other shall be considered as a waiver of any subsequent breach of the same or any other provision.
- 27.12 This Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be an original, and all the counterparts together shall constitute one and the same instrument.
- 27.13 Subject to Clause 18.7, a person who is not a Party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement.
- 27.14 This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English Law and each Party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England over any claim or matter arising under or in connection with this Agreement.

28. **EXIT MANAGEMENT**

- 28.1 At the expiry or early termination of this Agreement (howsoever arising) the Provider shall comply with the Exit Plan and otherwise provide such assistance to and co-operation with the LAA and the Replacement Licensee as may reasonably be requested in order to ensure an effective handover of all work then in progress and to facilitate the future delivery of any services which are substantially similar to any of the Services.
- 28.2 For the avoidance of doubt the Licensee shall provide the assistance referred to in Clause 28.1 above at nil charge.

SIGNED by a duly authorised signatory
for and on behalf of the **THE LORD CHANCELLOR** of 102 Petty France, London, SW1H
9AJ

By:

Signature:

Date:

SIGNED for and on behalf of [●]

By:

Signature:

Date:

SCHEDULE 1

SPECIFICATION

1. INTRODUCTION TO THE SPECIALIST QUALITY MARK AND BACKGROUND

The Specialist Quality Mark

- 1.1 The SQM was developed to help ensure that:
- members of the public in need of specialist advice receive a quality service; and
 - the LAA can be confident when procuring legal advice services that those Legal Services Providers with whom we are contracting have effective quality management processes in place.
- 1.2 The SQM can be applied for by any Legal Services Provider including those receiving funding from sources such as the LAA, local authorities, and charities, other public funding or private fees. The SQM is primarily an organisational standard, designed to help ensure that Legal Services Providers are well run and provide good client care.
- 1.3 The SQM provides assurance in relation to the quality of advice provided by SQM holders via several proxies which, whilst not direct measures of quality are fundamental to reliable delivery of a quality service.
- 1.4 Compliance with the SQM, or other recognised legal quality standards (e.g. Lexcel), is a requirement for Legal Services Providers that have a contract with the LAA relating to the provision of publicly funded legal services.
- 1.5 This Specification sets out how the Licensee shall manage and administer the auditing of Legal Services Providers against the SQM on behalf of the LAA.

Geographic Scope

- 1.6 The Licensee shall provide SQM audits and accreditation for Legal Services Providers operating in England and Wales. The Licensee will not be permitted to provide SQM audits to Legal Services Providers that are not based in England or Wales.

Obligation to Provide Services

- 1.7 Subject to paragraph 1.6 above, the Licensee is required to provide the Services to all eligible Legal Services Providers that apply irrespective of their location. The only circumstances under which the Licensee can refuse to provide the Services to an eligible applicant are:
- 1.7.1 where a conflict of interest has been identified;
 - 1.7.2 where there is an outstanding debt owed to the Licensee by the Legal Services Provider which has arisen following services previously provided under the SQM Contract; or
 - 1.7.3 where the provision of the Services would risk the professional integrity of the Licensee or the health and safety of the Licensee's staff, including where the Legal Services Provider's behaviour towards the Licensee's staff has been abusive or otherwise manifestly unreasonable.

1.7.4 where the award of SQM to an organisation could be detrimental to the reputation of either the SQM Standard or LAA.

1.7.5 Where the Licensee is considering refusing to deliver the Services to a Legal Services Provider, they must inform the LAA Contract Manager in advance of informing the relevant Legal Services Provider of such refusal.

Volumes

- 1.8 The LAA makes no guarantees regarding the volume of Audits that the Licensee may be asked to undertake as a result of this Agreement or the associated level of income it may generate throughout the Term. The number of Legal Services Providers seeking or holding the SQM can go up and down at any time during the period of the Agreement and the Licensee is required to ensure that it can respond to fluctuations in demand that arise whilst also ensuring that the performance of the Services meets the requirements of this Agreement at all times.
- 1.9 Surges in demand for the SQM may occur as a result of LAA procurement activity whereby new providers are required to obtain a recognised quality standard as a condition of entering into a contract with the LAA. The Licensee must monitor tender activity (via the LAA's website, the LAA e-Bulletin and the Find a Tender Service) in order to ensure it can adequately respond to any fluctuations in demand for the Services that may result.
- 1.10 Some Legal Services Providers may seek audit services at short notice (e.g. SQM Applicants applying to the SQM with limited time prior to the start of a new LAA contract or an SQM Holder applying for a Post Quality Mark Audit close to the expiry date of existing SQM accreditation). The Licensee is required to factor this into their resource planning in order to ensure that the Services can be delivered effectively and efficiently at all times.

2. SUMMARY OF THE SERVICES

Introduction

- 2.1 This section provides a summary of the Services and the aims for the provision of the Services. More detailed descriptions of the Services are set out in paragraphs 3 to 11 below.

Summary

- 2.2 The Licensee shall undertake Audits of Legal Services Providers against the requirements of the SQM Standard and in accordance with this Specification to ensure the Legal Services Providers conform to, and comply in all respects with, the standards contained in the SQM at time of Audit.
- 2.3 The Licensee shall undertake Post Quality Mark Audits only for SQM Holders and undertake Desktop and Pre Quality Mark Audits for SQM Applicants.
- 2.4 The Licensee shall commence Audits from the Audit Commencement Date.
- 2.5 The Licensee shall continue with the current audit cycle of SQM Holders and subsequent audit cycles shall be completed every 3 years.
- 2.6 The Licensee shall ensure that all Legal Services Providers that wish to obtain the SQM have the opportunity to do so within agreed time scales in accordance with the requirements of this Specification and Schedule 3 (Service Levels).

2.7 In order to undertake the audit process the Licensee shall:

- (a) manage and report on SQM audit activity;
- (b) recruit, train and retain the staff required to perform the Services with skill, diligence and integrity;
- (c) contact and register for Audit all SQM Holders;
- (d) deliver excellent customer service to Legal Services Providers;
- (e) effectively market the SQM to encourage take-up;
- (f) plan and schedule Audits to meet KPI's;
- (g) deliver Audits in accordance with the requirements of the SQM which, for the avoidance of doubt, shall be in line with the requirements of this Specification, the SQM Standard and SQM Guidance;
- (h) maintain high consistency and quality standards in carrying out Audits;
- (i) maintain appropriate records and report the specified Management Information to the LAA in accordance with the requirements of Schedule 4 (Management Information);
- (j) work to improve the Services where problems are identified;
- (k) complete and issue SQM accreditation certificates for at the conclusion of successful SQM Audit
- (l) submit all completed Audit Reports to the LAA in accordance with specified timescales.

Delivery of the Services

2.9 In order to deliver the Services effectively, the Licensee shall:

- 2.9.1 implement and run an efficient registration process for SQM Holders and SQM Applicants throughout the Term as further described in paragraph 4 below;
- 2.9.2 administer the Services as outlined in this Specification;
- 2.9.3 provide qualified and skilled SQM Auditors with, as a minimum, the level of experience in performance and compliance auditing outlined in Schedule 5 (Personnel and Contract Management);
- 2.9.4 provide sufficient resource capacity to undertake Audits within the applicable timeframes as specified in Schedule 3 (Service Levels) in order to enable Legal Services Providers to apply for SQM accreditation;
- 2.9.5 ensure that it is able to adapt its resource capacity to meet fluctuating Audit volumes; and
- 2.9.6 provide the LAA with an Audit Schedule, an Accreditation Record, Audit Outcome Report, Customer Service Report, Consistency Report, Complaints Report, DPA & FOI Report, Equalities Report and Withdrawal Report. These reports shall be sent in MS Excel format

electronically to the LAA Contract Manager on a monthly basis, save that the LAA has the right to request an updated copy of this report outside the specified timescale. Where this request has been made, the Licensee must provide the LAA Contract Manager with an updated copy of the report within 2 Working Days of such request being made.

Management of the Services

- 2.10 The Licensee shall provide the following management activities in relation to the Services:
- 2.10.1 liaison with Legal Services Providers requiring an Audit, including communications in accessible formats, where a reasonable request has been made, such as printed versions of applicable documentation, a larger print, and Welsh translations;
 - 2.10.2 management of the administration of the Audits;
 - 2.10.3 implementing the Helpdesk Service that effectively and efficiently deals in the first instance with all SQM related queries, escalating to the LAA only when necessary;
 - 2.10.4 monitoring and recording its delivery of customer service and training, responses to complaints, and the appeals process against the specified requirements and timescales;
 - 2.10.5 implement a Business Continuity and Disaster Recovery Plan to ensure effective continuation of the Service.
 - 2.10.6 implement Information Technology (IT) systems which ensure the integrity and accuracy of information that it will hold about SQM Holders, SQM Applicants (and any withdrawals), Audit status and accreditation, including internal and external reporting and accountability processes; and
 - 2.10.7 make all information/data held in relation to the Audits available in response to a specific request under Freedom of Information Act 2000 and or the Data Protection Legislation within the applicable response time agreed with the LAA.

Marketing of the Services

- 2.11 The Licensee shall implement and carry out the marketing activities set out in paragraph 9 of this Specification and in particular shall:
- 2.11.1 produce a marketing plan to promote early Audit uptake from Legal Services Providers;
 - 2.11.2 provide the current version of the SQM Standard and SQM Guidance on its website; and
 - 2.11.3 provide electronic copies of the SQM Standard and SQM Guidance to Legal Services Providers upon request, including copies of these documents in other accessible formats (upon request), such as printed versions, larger print versions, and Welsh translations.

Timescales

- 2.12 The Licensee shall comply with any timescales set out in this Agreement.

3. CONFLICTS OF INTEREST

- 3.1 The Licensee shall implement and operate an effective conflict of interest procedure (which shall be available to the LAA upon request). A conflict check must be undertaken in respect of all Audits and the Licensee shall not conduct Audits where:
- 3.1.1 the Legal Services Provider is an Affiliate or is in any way formally linked to the Licensee, Auditor or Affiliate; or
 - 3.1.2 the Legal Services Provider has any business or referral relationship with the Licensee, Auditor or any Affiliate (whether formal or informal, local or national); or
 - 3.1.3 the Legal Services Provider may be in competition with the Licensee, Auditor or an Affiliate.
- 3.2 In the event of any doubt as to whether a conflict of interest exists, the Licensee shall refuse to undertake the relevant Audit(s) and inform the LAA. The LAA's decision as to whether a conflict of interest exists and whether the Licensee is able to proceed shall be final.

4. DELIVERY OF THE SERVICES

Registration Process

- 4.1 Prior to the Audit Commencement Date, the LAA Contract Manager will provide the Licensee with details of all SQM Holders and the expiry date of their current accreditation.
- 4.2 The Licensee will contact all SQM Holders no less than four weeks prior to the Audit Commencement Date to inform them of the change of licensee and to confirm the services they will provide (including its pricing schedule).
- 4.3 The Licensee may register any Legal Services Provider that has not already been registered for the purpose of delivering future Audits. An Audit may be scheduled for any date consistent with the timetable specified in paragraph 2 above and Schedule 3 (Service Levels) providing the request for an Audit is received after the Service Commencement Date or the SQM Holder or SQM Applicant has asked for a Pre-Quality Mark or Post-Quality Mark Audit to take place on or after 11 November 2022.
- 4.4 The Licensee shall record and monitor the outcome of any contacts made in accordance with paragraph 4.2 above and the requirements of Schedule 4 (Management Information). As a minimum, the Licensee shall record the following data:
- 4.4.1 the name of the Legal Services Provider;
 - 4.4.2 the contact details of the Legal Services Provider's lead office (any additional offices should be included);
 - 4.4.3 whether the Legal Services Provider is an existing SQM Holder;
 - 4.4.4 whether the Legal Services Provider currently holds a contract with the LAA (including in which categories of law and the number of FTE staff);
 - 4.4.5 whether the Legal Services Provider was successfully registered;
 - 4.4.6 whether the Legal Services Provider proposes to rely on Lexcel or any other quality standard that the LAA chooses to recognise in the future (if known);

- 4.4.7 whether the Legal Services Provider deferred registration (e.g. it may register later if its accreditation is some way reaching its off its expiration date); and
- 4.4.8 whether the Legal Services Provider refused reaccreditation of the SQM.
- 4.5 The Licensee shall provide the LAA Contract Manager with details of the outcomes of all registration contacts. This report shall be sent in electronically in a format agreed by the LAA to the LAA Contract Manager on a quarterly basis, save that the LAA has the right to request an updated copy of this report outside the specified timescale. Where this request has been made, the Licensee must provide the LAA Contract Manager with an updated copy of the report within 2 Working Days of such request being made.
- 4.6 Where a Legal Services Provider decides to “opt out” of holding the SQM or is no longer SQM accredited, the Licensee must inform:
 - 4.6.1 the Legal Services Provider that, at the expiry of its existing SQM accreditation it must stop using the LAA strapline ‘Specialist Quality Mark Holder’ on all promotional items and business stationery used; and
 - 4.6.2 the LAA Contract Manager of the details of the Legal Services Provider within 2 Working Days.

5. AUDIT SERVICES

- 5.1 The Licensee shall undertake Audits of SQM Holders and SQM Applicants against the requirements of the SQM Standard and in accordance with the Audit process set out in this Specification and SQM Guidance.
- 5.2 The Licensee shall ensure that SQM Applicants that pass the following Audit Stages are awarded the SQM:
 - (a) a Desktop Audit, and
 - (b) a Pre Quality Mark Audit.
- 5.3 The Licensee acknowledges that the SQM is valid for three (3) years from the date of its award.
- 5.4 The Licensee shall ensure that SQM Holders undergo and pass a Post Quality Mark Audit in order to continue to hold the SQM.

Audit Summary Description

DESKTOP AUDIT	
When:	Within 28 days of receipt of Application Form
Audit Description	Desktop Audits relate to an audit of the Office Manual (electronic or hardcopy documents) and do not require site visits to the SQM Applicant's office. The SQM Auditor will be expected to systematically compare the requirements of the SQM standard and the evidence

	<p>provided by the SQM Applicant. Findings from the assessment are logged on the “Desktop Audit Form” and form the basis of the Pre Quality Mark Audit preparatory work.</p> <p>An SQM Auditor may refuse the application at this stage if the documentation is incomplete, or it is clear that the SQM Applicant will need to carry out a substantial amount of work before their procedures begin to comply with the SQM standard.</p>
Additional Information	A Desktop Audit is Stage 1 of the audit process and does not result in the award of a SQM

PREQUALITY MARK AUDIT	
When:	Within 6 months of the Desktop Audit
Audit Description	<p>On site Audit at the SQM Applicant’s premises where the SQM Auditor will examine how well the requirements of the SQM are being met and test that they are in effective operation. This will be determined through review of relevant policy, strategy documents and an assessment of a number of client files. The SQM Auditor will also meet with the some of the SQM Applicant’s staff (across multiple offices where required) to discuss procedures and practices.</p> <p>Findings from the Audit are logged using the SQM Audit Record and will form the basis of the Audit Report.</p>
Additional Information	<p>Audit Preparation Preparation should include reviewing the Office Manual, previous assessment reports (if applicable) selecting the interview and file sample and drafting the Audit Assessment Plan.</p> <p>File Sample Number of client files to be sampled and reviewed (based on the number of FTE staff employed by the SQM Applicant in relation to the delivery of Legal Services):</p> <p>FTE 1 – minimum of 8 files FTE 2-6 – minimum of 15 files FTE 7-15 – minimum of 25 files FTE 16-60 – minimum of 35 files FTE 61+ - minimum of 45 files</p> <p>As a minimum the file sample must include:</p> <ul style="list-style-type: none"> • 1 file per work area (category of law) • 1 file per category of law delivered at each office • 1 file per supervisor <p>The exact mix and volume of files sampled will need to be representative of the profile of the Legal Services Provider. File samples must be taken across each office, work area (categories of law) and supervisor.</p> <p><i>Insufficient files</i> If a Legal Services Provider doesn’t have sufficient files to properly assess them against the applicable SQM standards these matters should be referred to the LAA Contract Manager</p>

	<p>for further guidance and the SQM cannot be awarded until further advice has been received.</p>
	<p>Staff interviewed</p> <p>The number of staff interviewed will be based on the number of FTE staff employed by the SQM Applicant in relation to the delivery of Legal Services:</p> <p>Staff interviews must include the Supervisors, Quality Manager(s) relevant fee earners and any new starters/trainees.</p> <p>FTE 1 – minimum of 1 staff member FTE 2-6 – minimum of 3 staff members (or 2 staff members where there are 2 FTE). FTE 7-15 – minimum of 5 staff members FTE 16-60 – minimum of 10 staff members FTE 61+ - minimum of 15 staff members</p> <p>The exact mix and volume of staff interviewed will need to be representative of the profile of the Legal Services Provider. Interviews must be taken across each office, work area (categories of law) and supervisor.</p> <p>Multiple Offices Where the SQM Applicant has:</p> <ul style="list-style-type: none"> • 2 offices the Audit should include a visit to the lead office only. • Between 3 and 6 offices, the Audit should include a visit to the lead office and 1 other offices (an exception is where the SQM Applicant is a sole practitioner using between 3 and 6 offices, in which case the SQM Auditor is only required to visit the lead office). • Between 7 and 10 offices, the Audit should include a visit to the lead office and 2 other offices (an exception is where the SQM Applicant has fewer than 7 FTEs using between 7 and 10 offices, in which case the SQM Auditor should visit the lead office and 1 other office). • 11 to 15 offices, the Audit should include a visit to the lead office and 3 other offices (an exception is where the SQM Applicant has fewer than 11 FTEs using between 11 and 15 offices, in which case the SQM Auditor should visit the lead office and 2 other offices). • 16+ offices, the Audit should include a visit to the lead office and 4 other offices (an exception is where the SQM Applicant has fewer than 16 FTE using more than 16 offices, in which case the SQM Auditor should visit the lead office and 3 other offices). <p>The selection of the other office(s) to visit should be based on which office undertakes the largest volume of work.</p> <p>Corrective Actions</p>

	<p>Any specific action plans or target dates set up by the SQM Auditor to address any quality concerns will form part of the assessment process.</p> <p>Once the Pre Quality Mark Audit has been completed and all Corrective Actions are signed off by the SQM Auditor the SQM Applicant is granted the full SQM, which is valid for 3 years.</p>
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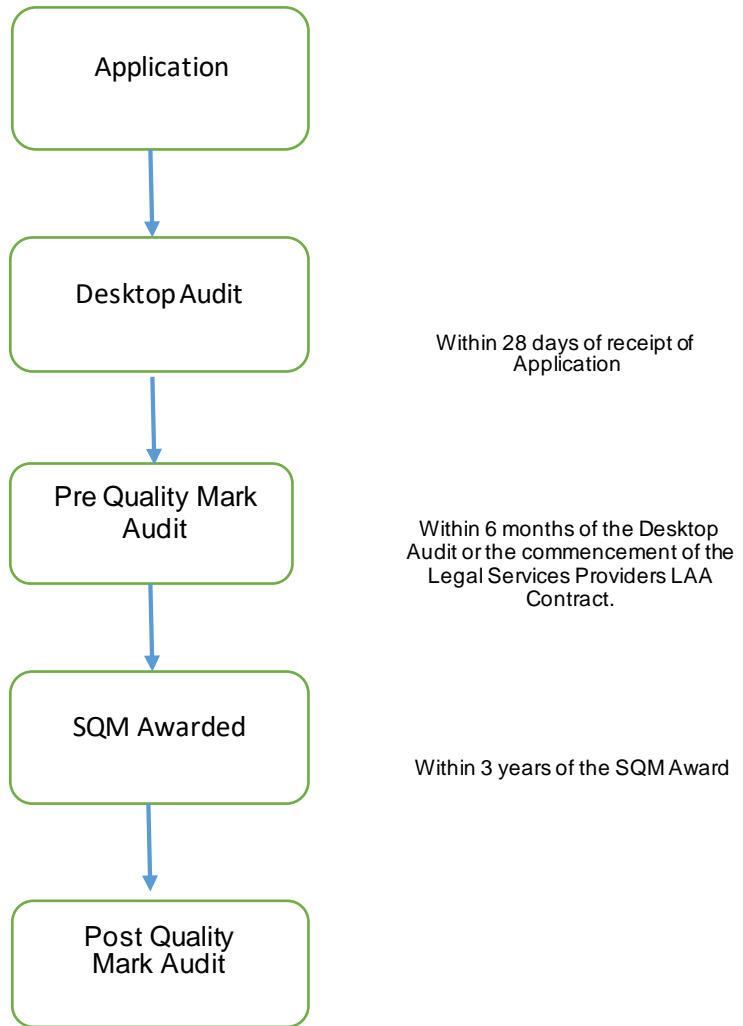
POST QUALITY MARK AUDIT	
When:	Within 3 years of the SQM being awarded.
Audit Description	<p>An on site Audit conducted at the SQM Holder's premises where the SQM Auditor will examine ongoing compliance with the SQM requirements and ensure that they are in effective operation. This will be determined through review of relevant policy, strategy documents and an assessment of a number of client files. The SQM Auditor will also meet with some of the organisation's staff (across multiple offices where required) to discuss procedures and practices.</p> <p>Progress against specific action plans and target dates set by the SQM Auditor, as part of a previous Audit will also be examined.</p> <p>Findings from the Audit are logged using the Audit Record and will form the basis of the Audit Report.</p> <p>All Audits shall be conducted at the SQM Holder's premises unless the LAA, at its complete discretion and in its reasonable opinion, considers that exceptional circumstances exist which justify some or all Audits being conducted either fully or partially remotely. In such circumstances the LAA shall issue guidance which must be followed by the Licensee.</p>
Additional Information	<p>Audit Preparation Preparation should include reviewing the Office Manual, previous assessment reports (if applicable) selecting the interview and file sample and drafting the Audit Assessment Plan.</p> <p>File Sample Number of client files to be sampled and reviewed (based on the number of FTE staff employed by the SQM Holder in relation to the delivery of Legal Services):</p> <p>FTE 1 – minimum of 8 files FTE 2-6 – minimum of 15 files FTE 7-15 – minimum of 25 files FTE 16-60 – minimum of 35 files FTE 61+ - minimum of 45 files</p> <p>As a minimum the file sample must include:</p> <ul style="list-style-type: none"> • 1 file per work area (category of law) • 1 file per category of law delivered at each office • 1 file per supervisor <p>The exact mix and volume of files sampled will need to be a representative of the profile of the Legal Services Provider. File samples must be taken across each office, work area (categories of law) and supervisor.</p>

	<p>As a minimum the file sample must include:</p> <ul style="list-style-type: none"> • 1 file per work area (category of law) • 1 file per category of law delivered at each office • 1 file per supervisor
	<p>Staff interviewed</p> <p>The number of staff interviewed will be based on the number of FTE staff employed by the SQM Applicant in relation to the delivery of Legal Services:</p> <p>Staff interviews must include the Supervisors, Quality Manager(s) relevant fee earners and any new starters/trainees.</p> <p>FTE 1 – minimum of 1 staff member FTE 2-6 – minimum of 3 staff members (or 2 staff members where there are 2 FTE). FTE 7-15 – minimum of 5 staff members FTE 16-60 – minimum of 10 staff members FTE 61+ - minimum of 15 staff members</p> <p>The exact mix and volume of staff interviewed will need to be a representative of the profile of the Legal Services Provider. Interviews must be taken across each office, work area (categories of law) and supervisor.</p>

	<p>Multiple Offices Where the SQM Holder has:</p> <ul style="list-style-type: none"> • 2 offices the Audit should include a visit to the lead office only • Between 3 and 6 offices, the Audit should include a visit to the lead office and 2 other offices (an exception is where the SQM Applicant is a sole practitioner using between 3 and 6 offices, in which case the SQM Auditor is only required to visit the lead office) • Between 7 and 10 offices, the Audit should include a visit to the lead office and 2 other offices (an exception is where the SQM Applicant has fewer than 7 FTEs using between 7 and 10 offices, in which case the SQM Auditor should visit the lead office and 1 other office). • 11 to 15 offices, the Audit should include a visit to the lead office and 3 other offices (an exception is where the SQM Applicant has fewer than 11 FTEs using between 11 and 15 offices, in which case the SQM Auditor should visit the lead office and 2 other offices). • 16+ offices, the Audit should include a visit to the lead office and 4 other offices (an exception is where the SQM Applicant has fewer than 16 FTEs using more than 16 offices, in which case the SQM Auditor should visit the lead office and 3 other offices) <p>The selection of the other office(s) to visit should be based on which office undertakes the largest volume of work.</p> <p>Corrective Actions Any specific action plans or target dates set up by the SQM Auditor to address any quality concerns will form part of the assessment process.</p> <p>SQM holders will be reaccredited for a further 3 years once the Post Quality Mark Audit is completed and all Corrective Actions are signed off by the SQM Auditor.</p>
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Corrective Actions

- 5.5 Any specific action plans or target dates set up by the SQM Auditor to address any quality concerns will form part of the assessment process. SQM holders will be reaccredited for a further 3 years once the Post Quality Mark Audit is completed and all Corrective Actions are signed off by the SQM Auditor.
- 5.6 Audits must be undertaken on an organisational basis and tailored to the specific characteristics of the Legal Services Provider. Where a SQM Holder or an SQM Applicant has multiple offices, they must confirm with the Licensee the name and contact details of their lead office and provide the name and details of all other offices to be considered under the process. The Licensee shall ensure that they have considered all of the SQM Holder's or SQM Applicant's relevant offices when determining the correct audit price. The Licensee must ensure that it is clear which offices are covered by the SQM Holder's accreditation.
- 5.7 The diagram below sets out the procedure and timescales in relation to the SQM application process:



- 5.8 The Licensee should be able to undertake the Pre Quality Mark Audit or Post Quality Mark Audit within 6 weeks of receiving a request from the Legal Services Provider.

Audit Report and Audit Summary

- 5.9 The Licensee shall provide a comprehensive Audit Report to the Legal Services Provider, comprising a detailed report and an audit summary within 5 Working Days of the completion of each Audit, and shall ensure that, as a minimum:

- (a) the Audit Report is clearly written;
- (b) the outcome of the Audit is clearly expressed in the Audit Report;
- (c) the Audit Report contains details of the evidence obtained during the course of the Audit;
- (d) the Audit Report details any Quality Concerns or Observations;
- (e) the Audit Report states where Corrective Action was needed and provide a copy of the corrective action plan;
- (f) it is clear in the Audit Report whether the Audit applied the requirements of the SQM correctly;
- (g) there is a clear indication in the Audit Report of any positive findings and any areas for development.

- 5.10 Each Audit Report will form the basis of the assessment at future Audits and identify areas for development where necessary.

- 5.11 Each Audit Report shall contain a summary which records the key decisions and recommendations resulting from the Audit. The Audit Report summary also records the timescale fixed by the SQM Auditor for confirmation of Corrective Actions required.

- 5.12 Each Audit Report shall be provided to the LAA on completion within 5 Working Days of the Audit.

Corrective Actions

- 5.13 Corrective Actions are the remedial action required to address any Observations and/or Quality Concerns identified by an Audit. The timescales given to Legal Services Providers to resolve Corrective Actions are set out below. The Licensee is expected to administer a process to ensure that the necessary action is undertaken and oversee the process.

Corrective Action Type	Timescale Given	Action resulting
General Quality Concern / Observation	The Legal Services Provider has 28 days to rectify the matter.	If after 28 days the Legal Services Provider fails to rectify the issue to the Auditor's satisfaction, the issue will then be escalated to a Critical Quality Concern.
Critical Quality concern	The Legal Services Provider has 28 days to rectify the matter.	If after 28 days the Legal Services Provider fails to rectify the issue to the Auditor's satisfaction, the audit will be failed.

Audit Recommendations

- 5.14 All audit recommendations shall be signed off by the Lead SQM Auditor prior to confirmation with the SQM Holder or SQM Applicant.

Specific Applicant Requirements

- 5.15 Some SQM Applicants or SQM Holders may have special requirements. The Licensee shall ensure that SQM Applicants or SQM Holders are able to specify their requirements, and must accommodate all reasonable requirements within the scope of the Services. The Licensee must keep a record of all specific requirement requests made during the Term.

Appeal Process

Grounds for Appeal

- 5.16 The Licensee shall provide an appeal process to all SQM Holders or SQM Applicants facing Corrective Actions or a refusal or withdrawal of an SQM award at any stage in the process. Appeals shall be made to the SQM Contract Manager.
- 5.17 The Licensee agrees that an SQM Applicant or SQM Holder may appeal on the following grounds:
- (a) the Audit was not correctly carried out;
 - (b) the SQM Auditor refused to accept a reasonable explanation as to why a Critical Quality Concern should have been disregarded and therefore should not have had the effect of leading to the issue of a refusal;
 - (c) any other reasonable grounds. An Appeal on the grounds of unreasonableness will need to demonstrate that the information provided had been misinterpreted, or had been given undue weight in the context of the Audit process or that the SQM Auditor had failed to take into account material evidence / facts in existence at the time of the Audit.
- 5.18 The Parties accept that:
- (a) events occurring after an Audit has taken place are not relevant to the findings at that Audit. For example, if a procedure was found not to be in effective operation at the time of the Audit, the fact that, afterwards, it was in effective operation, is not relevant to the Audit findings; and
 - (b) Appeals relating to events that have occurred after an Audit has taken place are not irrelevant. In some circumstances, they may be relevant to the Lead SQM Auditor's/SQM Contract Manager's decision, e.g. as to the sanction, if any, to be applied. However, in the absence of exceptional circumstances, representations solely that, if a fresh Audit were carried out, the SQM Holder or SQM Applicant would be found to be fully compliant, are unlikely to affect the decision made. If the SQM Contract Manager finds that an SQM Holder or SQM Applicant has not passed an Audit, their decision will normally be to refuse or terminate the (provisional) Specialist Quality Mark.

Appeal Procedure

- 5.19 The Licensee's appeals process shall require the SQM Holder or SQM Applicants to submit their Appeal in writing to the SQM Contract Manager within 14 calendar days

of notification of the decision being appealed against. The Licensee's appeals process shall require that the written Appeal and any documentation in support should be submitted, along with the grounds for the Appeal and reasons why the decision is contested.

- 5.20 The SQM Contract Manager will consider the SQM Auditor's recommendation, the basis for Quality Concern(s) and the representation received from the SQM Holder or the SQM Applicant. Following consideration of the evidence, the SQM Contract Manager will confirm their decision, in writing, with reasons, within 10 Working Days of receipt of the Appeal.
- 5.21 The SQM Contract Manager's decision either to confirm or overturn the SQM Auditor's findings is final and does not give rise to the opportunity for further Appeal or any right of review. The LAA should be notified of all such decisions.

Audit Costs

- 5.22 Where a Legal Services Provider does not pay for the costs of the Audit in accordance with the terms and conditions agreed between the Licensee and the Legal Services Provider for the provision of Audit Services, the Licensee shall be entitled to withhold the award of the SQM until the invoice is settled.

Audit Schedule Report

- 5.23 The Licensee shall compile an Audit Schedule Report and submit it to the LAA Contract Manager in accordance with the requirements of Schedule 4 (Management Information). The Audit Schedule Report must be at a level of detail, frequency and in such media and formats, as the LAA requires. As a minimum it should include the following information:
 - 5.23.1 the name of the Legal Services Provider and contact details;
 - 5.23.2 the Audit Stage;
 - 5.23.3 the Audit type (SQM Applicant or SQM Holder);
 - 5.23.4 the SQM Auditor assigned to the Audit;
 - 5.23.5 the date and duration of Audit; and
 - 5.23.6 the size of the SQM Applicant or SQM Holder (numbers of FTE, categories of law and number of offices).

Audit Outcome Report

- 5.24 The Licensee shall compile an Audit Outcome Report and submit it to the LAA Contract Manager in accordance with the requirements of Schedule 4 (Management Information). The Audit Outcome Report must be at a level of detail, frequency and in such media and formats, as the LAA requires. As a minimum it should include the following information:
 - 5.24.1 the name of the Legal Services Provider;
 - 5.24.2 the Audit Stage;
 - 5.24.3 the Audit type (SQM Applicant or SQM Holder);
 - 5.24.4 the SQM Auditor assigned to the Audit;

- 5.24.5 the date and duration of Audit;
- 5.24.6 the size of the SQM Applicant or SQM Holder (FTE, categories of law and number of offices);
- 5.24.7 the number of interviews conducted at Audit;
- 5.24.8 the number of file sampled (by category of law);
- 5.24.9 offices visited;
- 5.24.10 types of Corrective Actions;
- 5.24.11 Audit Outcome;
- 5.24.12 Audit Cost;
- 5.24.13 whether there was an Appeal;
- 5.24.14 outcome of Appeal.

Accreditation Record

- 5.25 The Licensee shall maintain an Accreditation Record and submit it to the LAA Contract Manager in accordance with the requirements of Schedule 4 (Management Information). The Accreditation Record must be at a level of detail, frequency and in such media and formats, as the LAA requires. As a minimum it should include the following information:
 - 5.24.1 the name of the Legal Services Provider;
 - 5.24.2 date of accreditation; and
 - 5.24.3 expiry date of accreditation.

Continuing Compliance

- 5.26 The Licensee shall review any information provided by the SQM Holder in accordance with Appendix 2 (Specialist Quality Mark Agreement) of the SQM Standard and assess whether the SQM Holder continues to meet the requirements of the SQM Standard. Following such assessment, if the Licensee finds that the Legal Services Provider fails to meet the requirements of the SQM Standard, the Licensee may suspend or cancel the Legal Services Provider's SQM accreditation certificate and the Legal Services Provider shall have the right to appeal such decision in accordance with the published SQM appeal procedure.
- 5.27 The Licensee shall immediately record and report to the LAA Contract Manager any suspended or cancelled SQM accreditations pursuant to paragraph 5.26 above.

6 QUALITY AND MONITORING OF AUDITS

- 6.1 The LAA Contract Manager will select audit documents generated by the Licensee including, completed Audit Reports and the Audit Record for quality monitoring purposes. The LAA Contract Manager will review this documentation to assess whether the Audit has been conducted in compliance with the requirements of this Agreement, including that the Services have been performed with the necessary level of care and skill.
- 6.2 The LAA Contract Manager or any other individual specified by the LAA may attend any Audits to ensure that the SQM Auditor is applying the SQM requirements

correctly, and that the correct Audit process is followed.

6.3 The LAA Contract Manager will undertake a Review of the Licensee's processes and procedures for the Internal Audit of the Services as set out in paragraph 11 below.

6.4 In the event that the LAA identifies any failure to comply with the requirements of this paragraph 6, it shall be entitled to impose a proportionate Sanction on the Licensee in accordance with the requirements of this Agreement.

7 RESOURCES

7.1 The Licensee shall:

7.1.1 provide sufficient resources to deliver the Services in accordance with this Agreement;

7.1.2 ensure experienced and qualified staff are in place, avoiding high staff turnover by implementing staff motivation and retention policies and procedures;

7.1.3 deploy its resources to manage fluctuations in Audit volumes throughout the Term of the Agreement, ensuring that its performance of the Services is not adversely affected;

7.1.4 develop, resource and maintain an effective Helpdesk Service to ensure that all queries or complaints received relating to the Services are responded to by the Licensee within the timescales specified in Schedule 3 (Service Levels) and as otherwise required by this Agreement;

7.1.5 develop and maintain an IT system to store and manipulate data relating to the Audits and SQM Holders and SQM Applicants;

7.1.6 develop and maintain a webpage dedicated to the Services provided by the Licensee. As a minimum this should include:

(a) information on the Audit application process including audit pricing and timescales for each audit stage;

(b) a Frequently Asked Questions document;

(c) contact details and opening hours of the Helpdesk Service;

(d) information on the complaints procedure;

(e) information on the appeals process;

(f) information on the cancellation policy.

7.2 The Licensee shall maintain an organisational chart indicating the function and experience of each person within its structure involved in the provision of the Services.

7.3 The Licensee shall produce a resource plan relating to staffing requirements, including, as a minimum, how it will:

7.3.1 recruit staff for the purposes of providing the Services;

7.3.2 deploy staff to facilitate both auditing and customer service needs;

7.3.3 ensure all staff are trained to provide the Services;

7.3.4 accommodate a SQM Holder's or an SQM Applicant's specific Audit requirements.

7.4 The Licensee shall ensure that, during any long-term absence of any of the SQM Auditors or Licensee Personnel, which shall include sickness or holidays and shall include any period longer than four weeks, it provides qualified temporary SQM Auditors and in house staff to cover the absence, and informs the LAA Contract Manager of any changes to the structure or contact details of such personnel.

8. **MANAGING THE SERVICE**

Quality Standards

8.1 The Licensee is required to hold ISO 9001 or an equivalent quality standard agreed by the LAA. The LAA will accept a quality standard developed in house, where it can be demonstrated to LAA's reasonable satisfaction that such standard is at least equivalent to ISO 9001.

Quality Plan

8.2 The Licensee shall, at the Audit Commencement Date, implement a quality plan which shall comply with the Licensee's own internal quality management standards and maintain such quality plan for the Term (the "Quality Plan").

8.3 The Quality Plan shall define how the Licensee will ensure that the Services provided meet the requirements set out in this Agreement. As a minimum the Quality Plan shall include:

(a) the processes in place for maintaining the quality of SQM Auditors, including details around:

- (i) recruitment;
- (ii) supervision;
- (iii) training; and
- (iv) consistency;

(b) the processes in place for maintaining the quality of Services which do not include an Audit element, including:

- (i) customer services;
- (ii) complaints; and
- (iii) diversity and inclusion;

(c) a named individual responsible for overseeing all quality procedures used by the organisation (the "Quality Representative").

8.4 The Licensee shall ensure that the Quality Plan is up-to-date and reviewed annually by the SQM Contract Manager. The Licensee shall provide the LAA Contract Manager with each updated version of the Quality Plan. All Licensee Personnel must know where to find the Quality Plan, what it contains and how it relates to them.

Training by the LAA

8.5 The LAA shall provide a training session to the Licensee during the Mobilisation

Period.

- 8.6 The duration of the training provided by the LAA will be 4 days, followed by a two day assessment period for the Training Support Managers and a separate two day assessment period for the SQM Auditors (this must be attended by all attendees of the training course).
- 8.7 The content of the training provided by the LAA will be based on the LAA trainers' experience of the application of the SQM requirements.
- 8.8 The training provided by the LAA will include guidance on when and how to redirect issues raised by Legal Services Providers to the LAA if they do not fall within the Audit remit.
- 8.9 A maximum of 15 individuals will be trained by the LAA in any training session.
- 8.10 The Licensee will designate and confirm with the LAA Contract Manager who is attending the training and whether those individuals are attending as an SQM Auditor or a Training Support Manager.
- 8.11 Only staff that have attended training and that pass the assessment process (whether delivered directly by LAA or provided via cascade training by the Licensee) may act as SQM Auditors or Training Support Manager for the purposes of performing Audits or providing cascade training (as appropriate).
- 8.12 The events shall be hosted either at the LAA's premises or a suitable premises arranged by the Licensee or remotely, as specified by the LAA. The Licensee shall cover the full cost of the training session (excluding the wages of LAA staff providing the training). For the avoidance of doubt, the Licensee will be required to cover all reasonable travel and subsistence expenses incurred by the LAA in supporting the training. Subsequent staff training must be by a cascade process delivered by the SQM Auditors and Training Support Manager(s) (as further detailed below).

Cascade training

- 8.13 The Licensee shall cascade the initial training course provided by the LAA to any individual that it proposes to deploy as an SQM Auditor (who have not already passed the assessment process as part of the LAA training process). The Licensee must also cascade the assessment process. The responsibility for delivering cascade training and assessment is that of the Licensee.
- 8.14 Cascade training shall be based on the material provided by the LAA to the Licensee, unless agreed in writing by the LAA Contract Manager. The Licensee must provide the LAA Contract Manager on request with copies of any training material it develops for its training purposes under this Agreement (either in hard copy or electronic format).
- 8.15 The Licensee must give the LAA Contract Manager no less than two weeks' notice of any cascade training.
- 8.16 The Licensee shall receive no payment for any training. The Licensee is responsible for ensuring the Training Support Manager(s), SQM Auditors and all other staff are suitably trained to deliver the Services as specified in this Agreement, and subject to regular evaluation to identify additional training needs.
- 8.17 The Licensee is required to maintain records of the training provided to all Auditors providing the SQM Services, including records demonstrating that they have passed the assessment process. LAA may review this evidence as part of its quality monitoring and training sign off procedures.

Training Sign Off

- 8.18 Decisions as to whether members of the Licensee's Personnel have passed the training assessment procedure must be signed off by the LAA or a representative agreed by the LAA. The Licensee acknowledges and agrees that the Licensee's Personnel will require LAA's sign off as having passed the assessment procedure prior to conducting SQM Audits. An individual will not be deemed to have passed any training assessment until the LAA provides its written sign off of such individual.

Training Plan

- 8.19 The Licensee shall produce a training plan evidencing as a minimum:
- 8.19.1 forecasted training dates for SQM Auditors, Training Support Manager(s) and other key personnel;
 - 8.19.2 the methods that the Licensee will put in place to ensure that all training and development needs and activities undertaken as part of this Agreement are recorded and provided to the LAA when required;
 - 8.19.3 how it will ensure, monitor the quality and maintain the consistency of its SQM Auditors and staff involved in delivering the Services and training activities listed above.

Monitoring of Training

- 8.20 The LAA reserves the right to:
- 8.20.1 observe all training undertaken by the Licensee pursuant to this Agreement and view all training documents and records kept for such purposes;
 - 8.20.2 check the Licensee's assessments and overturn any assessment decisions that it reasonably disagrees with; and
 - 8.20.3 request and examine training records for all SQM Auditors.

Customer Service

- 8.21 The Licensee shall ensure that all SQM Holders, SQM Applicants or any other customer receives a high quality service and shall comply with the Service Levels relating to customer service.
- 8.22 The Licensee shall provide the Helpdesk Services to receive enquiries and complaints, face-to-face, by telephone, by letter and by email.
- 8.23 The Licensee shall record and store all customer service queries and complaints received regarding the Services electronically in a secure format for a minimum of 6 years.

Complaints Procedure

- 8.24 A complaint is any communication received which expresses a negative comment regarding the Services by the Licensee. It may concern the conduct of an SQM Auditor, or the outcome of an Audit. A complaint can be verbal, written (e-mail or letter) but, in all cases, the same procedures should be followed.
- 8.25 The Licensee shall be responsible for the handling of all complaints received about the Services through its own internal complaints procedure. This procedure must include as a minimum:

- (a) a clear, fair and efficient process for identifying and dealing with complaints and informing complainants about how and to whom they should make their complaint to;
 - (b) a method/mechanism to record the nature of the complaints received and the remedy taken in order to prevent any similar complaints in the future;
 - (c) how to identify the cause of a complaint and respond to it (including acknowledging complaints, telling the customer or any other party when they will receive a substantive response, explaining to whom they should take matters if they remain dissatisfied at any stage, providing options for redress and for correcting any underlying problem or unsatisfactory procedure or process);
 - (d) identification of who has responsibility for complaints handling (generally and ultimately, including who is responsible for complaints made about the person who would ordinarily have ultimate responsibility); and
 - (e) the process for reviewing complaints (what is reviewed, when and by whom).
- 8.26 The Licensee must ensure that Licensee Personnel dealing with complaints have received appropriate guidance and training to ensure they comply with all applicable terms of this Agreement.
- 8.27 The Licensee shall deal with all complaints promptly from notification and in accordance with the applicable Service Levels.
- 8.28 The Licensee shall follow through to resolution a complaint and initiate any necessary enforcement or corrective action, advising the LAA Contract Manager of the outcome of action taken.
- 8.29 The complaints procedure must be approved by the LAA and published on the website.

Reporting Complaints

- 8.30 The Licensee shall record details of every complaint received showing the following information (as a minimum):
- (a) the complainant's name;
 - (b) a unique reference number;
 - (c) the owner of the complaint;
 - (d) the delivery type e.g. letter, e-mail etc;
 - (e) the date the complaint was received;
 - (f) a description of the complaint;
 - (g) the date a full response was sent (including an explanation where the timescales were not met);
 - (h) equalities monitoring data – complainant's age, gender and ethnicity;
 - (i) any action taken by the Licensee;
 - (j) whether the complaint was justified or unjustified in light of the outcome

of the complaint; and

(k) the date the complaint was closed.

- 8.31 Where a complainant is not satisfied with the outcome of the complaint, or the way it was handled, the Licensee must notify the LAA Contract Manager.
- 8.32 The Licensee shall keep a central record of every complaint received. For each complaint, the Licensee shall record the details and copies of all documentation showing how it was resolved. Documentation may either be held on the central record or held in another location with a cross reference in the central record.
- 8.33 The Licensee must review the central record at least annually to identify trends and determine whether action can be taken, as a result, to improve the Services being delivered. The results of this review must be documented.
- 8.34 All complaints will be discussed at quarterly review meetings between the SQM Contract Manager and the LAA Contract Manager.

Diversity and Inclusion

- 8.35 The Licensee shall have a Diversity and Inclusion Policy and implement an appropriate training plan for Licensee Personnel in order to ensure that the requirements of such policy are met.
- 8.36 The Licensee must promote its Diversity and Inclusion Policy and ensure that the Services are accessible for people with protected characteristics and that it is able to meet the language needs of the Legal Services Providers as an integral part of the Services.

Confidentiality of Data and Data Management

- 8.37 The Parties acknowledge that the LAA is the Data Controller ("in common" with the Provider whose files are to be reviewed) and that the Licensee is the Data Processor in respect of the Personal Data to be processed pursuant to this Agreement ("LAA Personal Data"). Schedule 10 sets out the scope, nature and purpose of processing by the Licensee, the duration of the processing and the types of Personal Data and categories of Data Subject.
- 8.38 The Licensee shall process LAA Personal Data only in accordance with written instructions from the LAA (which may be specific instructions or instructions of a general nature as set out in this Agreement or as otherwise notified by the LAA to the Licensee) unless the Licensee is required by UK Law to otherwise process that Personal Data. Where the Licensee is relying on UK Law as the basis for processing Personal Data, the Licensee shall promptly notify the LAA of this before performing the processing required by UK Law unless the UK Law prohibits the Licensee from so notifying the LAA.
- 8.39 The Licensee shall ensure that it has in place appropriate technical and organisational measures (as defined in the Data Protection Legislation), reviewed and approved by the LAA, to protect against unauthorised or unlawful processing of Personal Data and against accidental loss or destruction of, or damage to, Personal Data, appropriate to the harm that might result from the unauthorised or unlawful processing or accidental loss, destruction or damage and the nature of the data to be protected, having regard to the state of technological development and the cost of implementing any measures (those measures may include, where appropriate, pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of its systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the technical and organisational measures adopted by

- it). The Licensee not transfer any Personal Data outside of the UK unless the prior written consent of the LAA has been obtained and the following conditions are fulfilled:
- (a) the LAA or the Licensee has provided appropriate safeguards in relation to the transfer;
 - (b) the Data Subject has enforceable rights and effective remedies;
 - (c) the Licensee complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred; and
 - (d) the Licensee complies with the reasonable instructions notified to it in advance by the LAA with respect to the processing of the Personal Data.
- 8.40 The Licensee will take all reasonable steps to ensure that any data processors it utilises process all Personal Data on secure servers within the UK and do not transfer Personal Data outside the UK (for example, but not limited to Google Cloud Services, Amazon Web Services and Microsoft Office 365) and if requested, the Licensee shall:
- (a) provide the LAA with a list of all sub-processors it uses; and
 - (b) provide the LAA with evidence that sub-processors are storing data in the UK.
- 8.41 The Licensee shall notify the LAA immediately if it receives:
- (a) a request from a Data Subject to have access to that person's Personal Data;
 - (b) a request to rectify, block or erase any Personal Data;
 - (c) any other request, complaint or communication relating to either party's obligations under the Data Protection Legislation (including any communication from the Information Commissioner).
- 8.42 The Licensee shall assist the LAA in responding to any request from a Data Subject and in ensuring compliance with the LAA's obligations under the Data Protection Legislation with respect to security, breach notifications, impact assessments and consultations with supervisory authorities or regulators.
- 8.43 The Licensee shall notify the LAA without undue delay on becoming aware of a Personal Data breach including without limitation any event that results, or may result, in unauthorised access, loss, destruction, or alteration of Personal Data in breach of this Agreement.
- 8.44 The Licensee shall maintain complete and accurate records and information to demonstrate its compliance with paragraphs 8.37 to 8.53 and allow for audits by the LAA or the LAA's designated auditor and immediately inform the LAA if, in the opinion of the Licensee, an instruction infringes the Data Protection Legislation.
- 8.45 The Licensee shall take reasonable steps to ensure the reliability of any of its personnel who have access to LAA Personal Data and ensure they are informed of the confidential nature of LAA Personal Data in order to comply with the obligations set out in this clause.
- 8.46 The Licensee shall ensure that neither it nor any of its personnel publish, disclose or divulge any LAA Personal Data to any third party unless directed in writing to do so by the LAA.
- 8.47 The LAA will ensure that it has all necessary appropriate consents and notices in place to enable lawful transfer of the Personal Data to the Licensee for the duration and purposes of this Agreement..
- 8.48 LAA requires the Licensee to also comply with the Government's mandatory minimum security measures that are set out in the HMG Security Policy Framework document dated May 2018, available on the GOV.uk website.
- 8.49 The Licensee shall have in place or will develop a secure and adequate back-up and storage process for all electronic data relating to the SQM held on their systems.

- 8.50 The Licensee must ensure all SQM related Audit Information including Audit Report and Management Information Reports is securely retained for a minimum period of 6 years from the date of creation or as required by any Regulatory Bodies.
- 8.51 The Licensee shall notify the LAA Contract Manager within 24 hours where it has been identified that the confidentiality, integrity or availability of the data it records, processes or stores for the purpose of the Services may have been impacted.
- 8.52 The Licensee shall at the written direction of the LAA, delete or return Personal Data and copies thereof to the LAA on termination or expiry of the Agreement unless required by UK Law to store the Personal Data.
- 8.53 Where the Licensee intends to engage a sub-contractor pursuant to Clause 22 and intends for that sub-contractor to process any Personal Data relating to this agreement, it shall:
- (a) notify the LAA in writing of the intended processing by the sub-contractor;
 - (b) obtain prior written consent from the LAA to the processing;
 - (c) enter into a written agreement incorporating terms which are substantially similar to those set out in paragraphs 8.37 to 8.53 above.
- 8.54 Paragraphs 8.37 to 8.53 shall apply during the continuance of the Agreement and indefinitely after its expiry or termination.

Systems Operation and Maintenance

- 8.55 The Licensee shall maintain an information security management system (the "System") to comprise, as a minimum:
- (a) a secure database to store all SQM related Audit information;
 - (b) a system to generate the Management Information required;
 - (c) a system to record and store customer service queries and complaints received and responses taken and
 - (d) a system to record equality and diversity driven statistics relating to both employees and Legal Services Providers.
- 8.56 The Licensee shall maintain, and shall ensure that its sub-contractors maintain, the following minimum organisational and technical measures:
- (a) all computers storing personal or confidential information should be protected by hard drive disk encryption with at least a username and password as a means of authentication;
 - (b) all portable devices (e.g. USB memory sticks, laptops) used to store personal or confidential information shall be protected by encryption;
 - (c) anti-virus and anti-spyware must be installed and kept up to date on all servers, desktops and laptop computers used to store, process or transmit personal or confidential information; and
 - (d) secure disposal of electronic media through secure destruction.

Disaster Recovery and Business Continuity

- 8.49 The Licensee must provide business continuity in respect of the Services in accordance with an appropriate business continuity and disaster recovery plan (the "Business Continuity and Disaster Recovery Plan"). As a minimum such plan must meet the requirements of Good Industry Practice and applicable Data Protection Legislation and be signed off by the LAA in advance of the Audit Commencement Date.

- 8.50 The Provider must inform the LAA of any incident and/or disaster that would trigger the application of the Business Continuity and Disaster Recovery Plan as soon as practically possible.

9. MARKETING THE SERVICE AND DOCUMENT MANAGEMENT

Marketing

- 9.1 The Licensee shall promote and communicate the Services to Legal Services Providers in order to ensure that:
- (a) it incentivises early Audit uptake; and
 - (b) public messages in relation to the SQM are consistent with the LAA's aims in relation to the standard, and maintain and enhance the reputation of the SQM, and do not bring the SQM standard into disrepute.
- 9.2 Upon request the Licensee shall provide the LAA with full details in relation to how the Services are being marketed.

Document Management

- 9.3 The LAA will provide the Licensee with the following (in electronic format) during the Mobilisation Period:
- (a) current versions of the SQM Standard and SQM Guidance documentation;
 - (b) mandatory text to include in documentation and correspondence, including:
 - (i) SQM letter templates;
 - (ii) SQM agreement and certificate templates
- 9.4 The Licensee will be responsible for the following document management services (as a minimum):
- (a) ensuring that current information relating to the SQM and the Services is available to all Legal Services Providers via the Licensee's website and in hard copy format (where requested);
 - (b) ensuring that correct versions of all SQM forms are available to all Legal Services Providers via the Licensee's website and in hard copy format (where requested);
 - (c) ensuring a "Frequently Asked Question" document (approved by the LAA Contract Manager prior to release) relating to the Services is made accessible to the Legal Services Providers via the Licensee's website and in hard copy format (where requested); and
 - (d) distributing the SQM Standard and SQM Guidance in either electronic or hard copy format (where requested) to Legal Services Providers as appropriate.
- 9.5 The Licensee shall ensure that all audit material that they use or produce in the course of delivering the Services (including the SQM Standard and SQM Guidance) is available in English, Welsh and large print (upon request).

- 9.6 The Licensee shall ensure that all SQM related documents which it uses in relation to the delivery of the Services shall be regularly reviewed and maintained in order to ensure that they are consistent with the contents and requirements of this Agreement and that any proposed changes to such documentation shall be reviewed and agreed by the LAA Contract Manager prior to any change or update being incorporated into the documentation.
- 9.7 The Licensee shall issue all SQM certificates in electronic form, unless a hard copy is requested by a Legal Services Provider (in which case the fee set out in Schedule 2 (Pricing) will be payable by the Legal Services Provider).

10. MOBILISATION PERIOD

10.1 The Licensee shall, during the Mobilisation Period, take all necessary steps to ensure that it is ready to commence the Auditing of Legal Services Providers from the Audit Commencement Date.

10.2 The Licensee shall comply with the requirements of the Mobilisation Plan which shall contain as a minimum, the following key activities and the corresponding date by which they will be completed/in place:

10.2.1 communication with SQM Holders and SQM Applicants to advise them who to contact regarding SQM renewals/applications;

10.2.2 Audit scheduling activity;

10.2.3 training dates planned;

10.2.4 SQM documentation and templates completed and available to Legal Services Providers;

10.2.5 Helpdesk Services launched;

10.2.6 scheduled dates for Management Information reports to be completed and sent to the LAA;

10.2.7 a risk register implemented; and

10.2.8 Business Continuity and Disaster Recovery Plan

10.2.9 ISO 9001 accreditation, or an equivalent standard to be agreed by the LAA, achieved

10.3 The Licensee shall attend an initial meeting with the LAA Contract Manager, at a date specified by the LAA, in order to review the Mobilisation Plan and associated timetable, the LAA's requirements, and all identified risks and issues.

10.4 The Licensee shall maintain records of any risks and issues which have arisen throughout the Mobilisation Period, and must take all reasonable steps to reduce the probability and/or severity and impact of such risks.

10.5 During the Mobilisation Period, the Licensee shall provide the LAA Contract Manager with an electronic weekly report recording its progress towards achieving full readiness to deliver the Services from the Audit Commencement Date. The report should be received by the LAA Contract Manager by 17:00 every Friday. The report should contain as a minimum the following summaries:

10.5.1 service progress and timescales;

10.5.2 activities completed during the period since the last report;

10.5.3 activities planned for the following 2 weeks; and

10.5.4 the status of any outstanding risks and issues.

11. LAA AUDIT OF THE SERVICES

11.1 At any time during the Term the LAA Contract Manager may perform an audit of the services provided by the Licensee to:

11.1.1 review and verify information available in records developed through the Audit programme;

11.1.2 identify specific issues of non-compliance in relation to this Agreement and to agree corrective action to be taken to ensure compliance;

11.1.3 check and verify the effectiveness and appropriateness of the Licensee's monitoring measures in place.

Customer Satisfaction Questionnaires & recording feedback during service provision

11.2 The Licensee shall carry out customer satisfaction questionnaires and produce detailed analysis of the results for the LAA. This information should be sent to the LAA Contract Manager.

11.3 The Licensee shall record any feedback that it receives when providing the Services. This feedback is to be provided to the LAA Contract Manager on a quarterly basis.

Action Plans

11.4 In the event that the Licensee has failed to deliver the specified requirements, has failed to achieve a Service Level or has otherwise failed to provide an adequate level of service, the Licensee must develop an action plan which as a minimum must:

(a) Summarise any investigation problems highlighted including any underlying cause;

(b) Identify actions that will be taken to redress any failures in the delivery of the Services, summarising any steps already taken to implement these actions

11.5 Progress against this action plan will be reviewed every month with the LAA Contract Manager, with remedies to be implemented and improvements achieved within the required timescales.

SCHEDULE 2

PRICING

Desktop Audits (Price)

Service	Price
Desktop Audit Price	

Onsite Audits (Price)	Number of Offices operated by Legal Services Provider				
	1 – 2	3 – 6	7 – 10	11 – 15	16+
Number of Offices operated by Legal Services Provider					
1 FTE (Sole practitioner)					
2-6 FTE					
7-15 FTE					
16-60 FTE					
61+ FTE					

Pricing

1. All amounts stated in this Schedule 2 (Pricing) are exclusive of VAT.
2. The Licensee agrees that throughout the Term of the Agreement it shall provide the Audits at prices which do not exceed those prices specified in this Schedule 2 (Pricing).
3. In the event that (in exceptional circumstances) an Audit falls outside the price categories set out in the table above, the price payable shall be the price in the furthest column to the right in respect of the relevant FTE row, unless otherwise agreed by the Licensee and Legal Services Provider in writing.
By way of an example only:
If a Legal Services Provider has 16-60 FTE but more than 16 offices, the price will be the price for 11-15 offices.
4. In the event that a Legal Services Provider requests a paper SQM accreditation certificate to be delivered to it by the Licensee, the Licensee agrees that the price payable by the Legal Services Provider shall be a flat fee of £15 for each certificate (including the cost of printing and posting the certificate).

SCHEDULE 3

SERVICE LEVELS

1. INTRODUCTION

- 1.1 Paragraph 2 below sets out the Service Levels and performance management criteria that the Services are required to meet.
- 1.2 A failure by the Licensee to meet any of the Service Levels may result in the LAA imposing a Sanction.

2. SERVICE LEVELS

2.1 The Service Levels are:

2.1.1 **Quality of Audits undertaken** – the Licensee shall deliver all Audits in accordance with the terms of this Agreement and produce Audit Reports that meet the requirements set out in paragraph 5 of the Specification.

2.1.2 **Accuracy of data collection** – the Licensee shall ensure that all Management Information and any other data collected pursuant to this Agreement is reliable and accurate.

2.1.3 **Completion of Audits** –

(a) 100% of all Desktop Audits are completed within 28 days of the Application Form being received by the Licensee. This Service Level is subject to the SQM Applicant providing a complete set of documents needed to conduct the Audit with their Application Form.

(b) 100% of Legal Services Providers requesting a Pre Quality Mark Audit or Post Quality Mark Audit are provided with a selection of available dates to perform the onsite visit(s) that fall within 6 weeks of receiving the request.

(c) 100% of Audit Reports should be e-mailed to the applicable Legal Services Provider within 5 Working Days of the completion of each Audit.

(d) 100% of Audit Reports should be e-mailed to the LAA Contract Manager by 17:00 on the 10th day of the month following that to which the reports relate.

(e) 90% of Pre Quality Mark and Post Quality Mark Audits are completed within 28 days of the Audit start date and 100% are completed within 56 days of the Audit start date.

2.1.4 **Management Information** - Management Information reports must be received by the LAA Contract Manager within the required timescales set out in Schedule 4 (Management Information).

2.1.5 **Customer Service:**

(a) The Licensee shall acknowledge a query within 1 Working Day and provide a substantive answer to 90% of queries made by current SQM Holders or SQM Applicants relating to the SQM within 5 Working Days, and 100% within 10 Working Days.

(b) The Licensee shall acknowledge all SQM related complaints within 1 Working Day of receipt. Thereafter, the Licensee shall provide a

substantive response to 95% of all SQM related complaints made within 5 Working Days, and 100% within 10 Working Days.

- (c) The Licensee must inform the LAA Contract Manager within 1 Working Day of receiving a query, where the Licensee requires clarification from the LAA. Thereafter the LAA Contract Manager will respond to the Licensee within 3 Working Days of receiving the query. The Licensee is required to provide a full response to the Legal Services Provider within 5 Working Days of receiving clarification from the LAA Contract Manager.
- (d) The Licensee must inform the LAA Contract Manager within 2 Working Days where a Legal Services Provider withdraws from holding the SQM or where SQM accreditation lapses or the Legal Services Provider fails an Audit.

SCHEDULE 4

MANAGEMENT INFORMATION

1. MANAGEMENT INFORMATION REPORTING

1.1 The Licensee shall record and report to the LAA Contract Manager the Management Information as specified in the table below. This requirement shall include the provision of:

1.1.1 Monthly Management Information reports to be submitted to the LAA Contract Manager by 17:00 on the 10th day of the month following that to which the report relates (unless otherwise agreed by the LAA Contract Manager);

1.1.2 Quarterly Management Information reports to be submitted to the LAA Contract Manager by 17:00 on the 10th day of the month following the end of the quarter in question (unless otherwise agreed by the LAA Contract Manager); and

1.1.3 Annual Management Information reports to be submitted to the LAA Contract Manager in a format agreed with the LAA Contract Manager by 17:00 on the 10th October 2023 and by each subsequent anniversary of the said date thereafter (unless otherwise agreed by the LAA Contract Manager). A contract review report will also be submitted within 10 days of the Agreement coming to an end (in a format agreed with the LAA Contract Manager).

1.2 Management Information Reports Format

All Management Information reports must be sent to the LAA Contract Manager in electronic format (and a hardcopy of these reports shall be made available upon request).

As well as the individual Management Information reports listed below, the Licensee will create a "Monthly Dashboard" containing headline figures from all the individual Management Information reports. The Licensee will submit this to the LAA Contract Manager by 17:00 on the 10th day of the month following that to which the reports relate (unless otherwise agreed by the LAA Contract Manager). The LAA Contract Manager will work with the Licensee to create the Monthly Dashboard and will provide the Licensee with a list of information that is to be included on the Monthly Dashboard at least 8 weeks prior to the Audit Commencement Date. The format of the Monthly Dashboard will be agreed 4 weeks prior to the Audit Commencement Date.

Management Information is to be collated, stored and reported to the LAA as follows:

Name of Report	Description	Period
Audit Schedule Report	<p>The Licensee must provide a report to the LAA Contract Manager detailing all Audits scheduled for each month of the Agreement. The report should detail as a minimum:</p> <ul style="list-style-type: none"> • name and contact details of SQM Holder or SQM Applicant; • the Audit type; • Audit Stage; • the date the application or request was received; • the date the Audit is/was scheduled and duration; • the name of the assigned Auditor; and • the size of the SQM Applicant or SQM Holder (FTE, categories of law and number of offices). <p>The information provided in this report will be compared</p>	Monthly

	to the Audit Outcome Report. The SQM Contract Manager should be aware of any discrepancies between the number of Audits scheduled per month and the actual number of Audits completed per month and any discrepancies found should be highlighted to the LAA Contract Manager when sending the Management Information Reports.	
Audit Outcome Report	<p>The Licensee must provide the LAA Contract Manager with a report detailing the previous months Audit Outcomes. The report should detail as a minimum:</p> <ul style="list-style-type: none"> • name and contact details of SQM Holder or SQM Applicant; • the Audit type; • Audit Stage; • the date the application or request was received; • the date the Audit is/was scheduled and duration; • the name of the Auditor; • the size of the SQM Applicant or SQM Holder (FTE, categories of law and number of offices); • number of interviews conducted at Audit; • number of files sampled (by category of law); • offices visited; • types of Corrective Action; • Audit Outcome; and • Audit Cost. 	Monthly
Accreditation	<p>The Licensee must provide the LAA Contract Manager with a report detailing on-going SQM accreditation Records. The report should detail as a minimum:</p> <ul style="list-style-type: none"> • name of Legal Services Provider; • date of SQM accreditation; and • expiry of SQM accreditation <p>The report should clearly highlight firms where the accreditation has or is due to expire shortly.</p>	Monthly
Withdrawal Report	<p>The Licensee must provide the LAA Contract Manager with a report detailing withdrawals. The report should detail as a minimum:</p> <ul style="list-style-type: none"> • name of Legal Services Provider; • date and status of withdrawal; • and reason for withdrawal. <p>The LAA Contract Manager should be notified within 2 working days of any withdrawals in addition to the production of this report.</p>	Monthly
Registration Report	<p>The Licensee must provide the LAA Contract Manager with a report detailing registration contacts. The report should detail as a minimum:</p> <ul style="list-style-type: none"> • name of Legal Services Provider; • the contact details of the Legal Services Provider's lead office (any additional offices should be included); • whether the Legal Services Provider is an existing SQM Holder; • whether the Legal Services Provider currently holds a contract with the LAA (including in which categories of law and the number of FTE staff); • whether the Legal Services Provider was successfully registered; • whether the Legal Services Provider proposes to rely on Lexcel or any other quality standard that the LAA chooses to recognise in the future (if known); • whether the Legal Services Provider deferred 	Quarterly

	<p>registration (e.g. it may register later if its accreditation is some way reaching its expiration date; and</p> <ul style="list-style-type: none"> • whether the Legal Services Provider refused reaccreditation of the SQM. 	
Complaints and Feedback Report	<p>The Licensee must provide the LAA Contract Manager with a report setting out any complaints and/or feedback received in relation to the delivery of the Services. The report should detail as a minimum:</p> <ul style="list-style-type: none"> • the number of complaints received during that period; • date of complaint; • name of complainant; • a description of the complaint; • unique reference number for the complaint; • the action taken (including the outcome); and • the response time of each complaint (this should include dates of any holding emails sent to the complainant and the date that the complaint was closed); <p>The Licensee must inform the LAA Contract Manager of all outstanding complaints (including the reason why they have not been closed out and steps to be taken by the Licensee to rectify this).</p>	Monthly
Consistency Report	<p>The Licensee will monitor each SQM Auditor's consistency and performance, and provide the LAA Contract Manager with a report detailing this activity. The report should detail as a minimum:</p> <ul style="list-style-type: none"> • the number of reviews the SQM Auditor has undertaken; • Audit outcomes; • any inconsistencies arising from either auditing or non-auditing staff; • the actions to be taken by key personnel to rectify the situation; and • the outcome of any action taken. 	Quarterly
Customer Service Report	<p>The Licensee must provide the LAA Contract Manager with a report detailing all queries received. This report should detail as a minimum:</p> <ul style="list-style-type: none"> • the number of queries received during that period; • the name of the individual/ organisation making the request; • the date the query was made; • the date acknowledgement was sent to the individual or organisation making the request; • owner of the query • details of the response • the response time to the query; and • any action taken/ outcome. <p>The Licensee must also provide any information for the number of queries outstanding (including the reason why they have not been closed out and steps to be taken by the Licensee to rectify this).</p>	Quarterly
Data Protection and Freedom of Information Request Report	<p>The Licensee must provide the LAA Contract Manager with a report outlining the number of data protection and freedom of information requests they have received. The report should detail as a minimum:</p> <ul style="list-style-type: none"> • the name of the individual/ organisation making the request; • the date the request was submitted; • the date acknowledgement was sent to the 	Quarterly

	<p>individual or organisation making the request;</p> <ul style="list-style-type: none"> • Owner of the request • brief details of the request made; • the information/response to the request; and • the date request closed out. <p>The Licensee must also provide any information for the number of requests outstanding (including the reason why they have not been closed out and steps to be taken by the Licensee to rectify this).</p>	
Diversity and Inclusion Report	<p>The Licensee must provide the LAA Contract Manager with a report on Diversity and Inclusion information for SQM Holders, and SQM Applicants. The report should detail as a minimum the characteristics of staff with managerial control for each SQM Holder and Applicant by:</p> <ul style="list-style-type: none"> • Ethnicity • Gender • Disability • Age • Sexual orientation; and • Religion <p>The Licensee will ensure that this data is collected and processed in accordance with current Data Protection Legislation, that respondents are made aware that providing this information is voluntary, and that individuals have the option to respond to questions by stating they would “Prefer not to say”.</p>	Annually

SCHEDULE 5

PERSONNEL AND CONTRACT MANAGEMENT

1. PERSONNEL

1.1 The Licensee shall employ personnel to fulfil the following roles (which are set out in more detail below):

1.1.1 SQM Contract Manager;

1.1.2 Training Support Manager;

1.1.3 Lead SQM Auditor (to oversee the SQM Auditors); and

1.1.4 SQM Auditors.

2. SQM CONTRACT MANAGER

2.1 The Licensee shall appoint and provide the LAA with the name of the individual who will undertake the role of SQM Contract Manager.

2.2 The SQM Contract Manager will be responsible for the delivery of the Services pursuant to this Agreement and for overseeing the day-to-day management of the Services on behalf of the Licensee. The SQM Contract Manager must be competent and have sufficient experience and authority to deal with issues that might reasonably be expected to arise in connection with the performance of this Agreement. As a minimum the responsibilities of the SQM Contract Manager are as follows:

- (a) to act as the LAA's main point of contact in relation to this Agreement;
- (b) to ensure that the Services are delivered in accordance with the terms of this Agreement;
- (c) to attend contract management meetings with the LAA Contract Manager as and when required by the LAA;
- (d) to provide the LAA Contract Manager with monthly updates evidencing the delivery of the Services within the agreed timescales and to the standards required by this Agreement;
- (e) to provide Management Information reports to the LAA Contract Manager as specified in this Agreement; and
- (f) to ensure that all key roles are filled during the Term of the Agreement (which shall include but not be limited to the roles of Lead SQM Auditor and Training Support Manager) as well as ensuring that sufficient SQM Auditors are available in order to meet demand for the Services.

3. TRAINING SUPPORT MANAGERS

3.1 The Licensee must appoint a Training Support Manager to cascade and deliver training to all SQM Auditors and key personnel involved in delivering the Services throughout the Term. The Training Support Manager will be required as a minimum to undertake the following roles:

3.1.1 to attend the SQM training event provided to the Licensee by the LAA;

- 3.1.2 to cascade the SQM training that they have received to all SQM Auditors and key personnel involved in delivering the Services;
- 3.1.3 to provide a record of all training and development undertaken by the SQM Auditors or other relevant Licensee Personnel to the LAA Contract Manager on a bi-annual basis;
- 3.1.4 to ensure that all new staff recruited to undertake the Services are suitably trained and signed off in order to undertake the Services; and
- 3.1.5 to ensure that any SQM Auditors that are not providing Audits to the required standards are re-trained or provided appropriate development to remedy the situation. A development plan and the appropriate remedial steps to be taken shall be recorded and provided to the individual involved and the LAA Contract Manager at the beginning and end of the development period.

4. LEAD SQM AUDITOR

- 4.1 The Licensee shall appoint an individual to be responsible for the day-to-day operational management of the SQM Auditors and for keeping effective records of the Services provided.
- 4.2 The Lead SQM Auditor shall ensure (with the support of the SQM Contract Manager) that the team of SQM Auditors meet the Service Levels and provide the Audits to the required standards set out in this Agreement.
- 4.3 The Lead SQM Auditor will be responsible for quality checking all Audit Reports and confirming all recommendations made by the SQM Auditor before they are sent to the SQM Holder or SQM Applicant (as applicable).
- 4.4 The Licensee shall ensure that the Lead SQM Auditor shall have the following abilities:
 - 4.4.1 a proven ability to lead, motivate and develop a team;
 - 4.4.2 a proven ability to lead a team to achieve service delivery goals;
 - 4.4.3 excellent verbal, written and interpersonal communication skills;
 - 4.4.4 a proven ability to make decisions under demanding conditions; and
 - 4.4.5 excellent organisational ability.

5. SQM AUDITORS

- 5.1 The Licensee shall ensure that SQM Auditors demonstrate the following abilities:
 - 5.1.1 experience of assessing the development and implementation of quality systems, standards and procedures;
 - 5.1.2 a minimum of 6 months full time auditing experience, or 12 months part time auditing experience; and
 - 5.1.3 excellent communication skills with the ability to liaise and work clearly and effectively with a wide-range of organisations and individuals both verbally and in writing.

6. LAA CONTRACT MANAGER

- 6.1 The LAA Contract Manager will be the key point of contact for the Licensee on a day-to-

day basis for all matters concerning the delivery of the Services (where LAA input is required).

CONTRACT MANAGEMENT

- 7.1 The Licensee shall ensure that as a minimum, the SQM Contract Manager or, in their absence, a delegated deputy, attends contract management meetings with the LAA Contract Manager as set out in the table at paragraph 7.2 below.
- 7.2 The LAA Contract Manager will be responsible for arranging contract management meetings with the Licensee as required by the LAA and in accordance with the table below. All contract management meetings shall be held, at the LAA's option, at either the LAA's premises or at the Licensee's premises or remotely.

Meeting Type:	Description of meeting aims deliverables:	Frequency:
Service update meeting	During this meeting both the LAA Contract Manager and the SQM Contract Manager will have the opportunity to: Review and discuss the Licensee's day to day delivery of the Services; Identify and resolve any operational issues affecting the delivery of the Services should they arise (outlining corrective action that the Licensee or the LAA intend to take); Ensure that all action points are completed within agreed timescales (no more than 5 Working Days).	Monthly (face to face/ telephone meeting/videoconference).
Performance review meeting	The Licensee must provide the LAA Contract Manager with a detailed review and appraisal of their performance against the requirements of this Agreement; The findings of the LAA Contract Manager following an assessment of the Audit Reports received (including any issues that need to be resolved) and other consistency monitoring checks. Discussion regarding whether improvements need to be made to the Licensee's delivery of the Services.	Bi-annual (face to face or videoconference).
Contract review meeting	To review the Licensee's overall performance in relation to the requirements of the Agreement; Discuss any potential changes needed to the Services or Service Levels and plan the necessary remedies.	Annual (face to face or videoconference).

SCHEDULE 6

EXIT MANAGEMENT PLAN

1. **EXIT PLAN**
- 1.1 The Licensee will, within three (3) months after the Commencement Date, deliver to the LAA a plan for managing the exit of the Licensee ("**Exit Plan**") which sets out the Licensee's proposed methodology for achieving an orderly transition of Services from the Licensee to the LAA and/or its Replacement Licensee on the expiry or termination of this Agreement and which complies with the requirements set out in paragraphs 1.2 and 1.3 below. Within thirty (30) days after the submission of the Exit Plan, the Parties will use their respective reasonable endeavours to agree the contents of the Exit Plan. If the Parties are unable to agree the contents of the Exit Plan then such dispute shall be resolved in accordance with clause 26 (Dispute Resolution) of this Agreement.
- 1.2 The Exit Plan will contain, as a minimum:
 - 1.2.1 the management structure to be employed during both the transfer and the cessation of the Services; and
 - 1.2.2 a detailed description of both the transfer and cessation processes and activities, including a timetable.
- 1.3 In addition, the Exit Plan shall:
 - 1.3.1 document how the Services will transfer to the Replacement Licensee and/or the LAA, including details of the processes, documentation, data transfer, systems migration, security and the segregation of the LAA's technology components from any technology components operated by the Licensee;
 - 1.3.2 specify the scope of Services to be provided in the event of expiry or termination ("**Transition Services**") that may be required for the benefit of the LAA (including such of the services set out in paragraph 5 below as are applicable) and detail how such services would be provided (if required), during any such period prior to or following expiry or termination ("**Transition Period**");
 - 1.3.3 set out procedures to deal with requests made by the LAA and/or a Replacement Licensee for information relating to the Services and Licensee Personnel;
 - 1.3.4 address each of the issues set out in this Schedule to facilitate the transition of the Services from the Licensee to the Replacement Licensee and/or the LAA with the aim of ensuring that there is no disruption to or degradation of the Services during the Transition Period;
 - 1.3.5 provide a timetable and identify critical issues for providing the Transition Services; and
 - 1.3.6 set out the management structure to be put in place and employed during the Transition Period.
- 1.4 The Licensee will review and update the Exit Plan (as appropriate) in the first month of each year of the Term to reflect changes in the Services. Following such update the Licensee will submit the revised Exit Plan to the LAA for review. Within thirty (30) days following submission of the revised Exit Plan, the Parties shall meet and use reasonable endeavours to agree the contents of the revised Exit Plan, based on the principles set out in this Schedule and the changes that have occurred in the Services since the Exit

Plan was last agreed. If the Parties are unable to agree the contents of the revised Exit Plan within that thirty (30) day period, such dispute shall be resolved in accordance with clause 26 (Dispute Resolution) of this Agreement.

2. TRANSITION SERVICES

2.1 General

- 2.1.1 During the Transition Period or such shorter period as the LAA may require, the Licensee will continue to provide the Services (as applicable) and will, at the request of the LAA pursuant to paragraph 3.1, provide the Transition Services.
- 2.1.2 During the Transition Period, the Licensee will, in addition to providing the Services and the Transition Services, provide to the LAA any reasonable assistance requested by the LAA to allow the Services to continue without interruption following the termination or expiry of this Agreement and to facilitate the orderly transfer of responsibility for and conduct of the Services to the LAA and/or its Replacement Licensee. The Licensee will reallocate resources as necessary in order to provide these services without cost to the LAA.
- 2.1.3 During the Transition Period, the Services and the Transition Services will be provided at no detriment to the Service Levels otherwise required by this Agreement, save to the extent that the Parties agree otherwise in accordance with paragraph 2.1.4.
- 2.1.4 Where the Licensee demonstrates to the LAA's reasonable satisfaction that transition of the Services and provision of the Transition Services during the Transition Period will have a material, unavoidable adverse effect on the Licensee's ability to meet a particular Service Level, the Parties shall vary the relevant Service Level to take account of such adverse effect.
- 2.1.5 The Parties acknowledge that the migration of the Services from the Licensee to the LAA and/or its Replacement Licensee may be phased, such that certain of the Services are handed over before others.
- 2.1.6 Within thirty (30) days after service of notice of termination by either Party or no less than six (6) months prior to the expiry of this Agreement, the Licensee will submit for the LAA's approval the Exit Plan in a final form that could be implemented immediately.
- 2.1.7 The Parties will meet and use their respective reasonable endeavours to agree the contents of the final form Exit Plan. If the Parties are unable to agree the contents of the Exit Plan within thirty (30) days following its delivery to the LAA then such dispute shall be resolved in accordance with Clause 26 (Dispute Resolution) of this Agreement. Until the agreement of the final form Exit Plan, the Licensee will provide the Transition Services in accordance with the principles set out in this Schedule and the last approved version of the Exit Plan (insofar as this still applies).

3. NOTIFICATION OF REQUIREMENTS FOR TRANSITION SERVICES

3.1 Not less than one (1) month prior to the expiry of this Agreement or within one (1) month of the announcement of the termination of the Agreement, the LAA shall provide the Licensee with notification of:

- 3.1.1 the date from which Transition Services are required to operate;
- 3.1.2 the nature of the Transition Services required; and

- 3.1.3 the Transition Period during which it is anticipated that Transition Services will be required which shall continue no longer than twelve (12) months after the date of expiry or termination of the Agreement,

("Transition Service Notice").

- 3.2 The LAA shall have an option to extend the period of assistance beyond the period specified in the Transition Service Notice provided that such extension shall not extend for more than six (6) months after the date the Licensee ceases to provide the Services or, if applicable, beyond the end of the Transition Period and provided that it shall notify the Licensee to such effect no later than twenty (20) Working Days prior to the date on which the provision of Transition Services is otherwise due to expire. The LAA shall have the right to terminate its requirement for Transition Services by serving not less than twenty (20) Working Days' written notice upon the Licensee to such effect.

4. **TERMINATION OBLIGATIONS**

- 4.1 The Licensee shall comply with all of its obligations contained in the Exit Plan and shall, upon termination or expiry of this Agreement provide to the LAA an up-to-date business process manual together with all other documentation relating to the provision of the Services.

- 4.2 At the end of the Transition Period (or earlier if this does not adversely affect the Licensee's performance of the Services and the Transition Services and its compliance with the other provisions of this Schedule):

4.2.1 the Licensee will erase from any computers, storage devices and storage media that are to be retained by the Licensee after the end of the Transition Period any software containing the LAA software and all LAA data;

4.2.2 the Licensee will return to the LAA such of the following as is in the Licensee's possession or control:

4.2.3 the Licensee will transfer all LAA data (in complete, uncorrupted form) in its possession or control to the LAA save to the extent (and for the limited period) that such data is required for the purposes of providing any services to the LAA under this Schedule or the Exit Plan;

4.2.4 each Party will return to the other Party all Confidential Information of the other Party and will certify that it does not retain the other Party's Confidential Information save to the extent (and for the limited period) that such information needs to be retained by the Party in question for the purposes of providing or receiving any Services or Transition Services.

- 4.3 If the LAA's data or LAA's Confidential Information is required by the Licensee during the Transition Period for the provision of the Transition Services, the Licensee shall comply with paragraphs 4.2.3 and 4.2.4 on expiry of the Transition Period in respect of such LAA's Data and LAA's Confidential Information.

5. **SCOPE OF THE TRANSITION SERVICES**

- 5.1 The Transition Services to be provided by the Licensee shall include (without limitation) such of the following services as the LAA may specify in the Transition Services Notice:

5.1.1 notifying any Licensee Personnel of procedures to be followed during the Transition Period and providing management to ensure these procedures are followed;

- 5.1.2 providing assistance and expertise as necessary to examine all operational and business processes (including all supporting documentation) in place and re-writing and

implementing processes and procedures such that they are appropriate for use by the LAA and/or Replacement Licensee after the end of the Transition Period;

- 5.1.3 delivering to the LAA the existing systems support profiles, monitoring or system logs, problem tracking/resolution documentation and status reports;
- 5.1.4 providing details of work volumes and staffing requirements over the twelve (12) month period immediately prior to the commencement of the Transition Services;
- 5.1.5 with respect to work in progress as at the end of the Transition Period, documenting the current status and stabilising for continuity during transition;
- 5.1.6 analysing and providing information about capacity and performance requirements, processor requirements and bandwidth requirements, and known planned requirements for capacity growth across these areas;
- 5.1.7 delivering copies of the databases (with content listings) to the LAA's and/or the Replacement Licensee's operations staff (on appropriate media) as reasonably requested by the LAA;
- 5.1.8 assisting in the execution of a parallel operation for such period as notified by the LAA which shall not exceed the period set out in the Transition Services Notice;
- 5.1.9 assisting in the execution of a parallel operation of the maintenance and support of ICT systems until the end of the Transition Period or as otherwise specified by the LAA (provided that these Services end on a date no later than the end of the Transition Period);
- 5.1.10 answering all reasonable questions from the LAA and/or its Replacement Licensee regarding the Services;
- 5.1.11 agreeing with the LAA and/or the Replacement Licensee a plan for the migration of relevant data relating to the Services to the LAA and/or the Replacement Licensee. The Licensee will fully co-operate in the execution of the agreed plan, providing skills and expertise of a reasonably acceptable standard;
- 5.1.12 the provision of access to:
 - (a) the LAA and/or the Replacement Licensee during the Transition Period and for a period not exceeding six (6) months afterwards for the purpose of the smooth transfer of the Services to the LAA and/or the Replacement Licensee;
 - (b) information and documentation relating to the Services that is in the possession or control of the Licensee or Licensee Personnel (and the Licensee agrees and shall procure that applicable Licensee Personnel do not destroy or dispose of that information within this period) including the right to take reasonable copies of that material; and
 - (c) following reasonable notice and during the Licensee's normal business hours, to members of the Licensee Personnel who have been involved in the provision or management of the Services and who are still employed or engaged by the Licensee.

6. **DISPUTES RELATING TO TRANSITION SERVICES**

Where there is any dispute between the Parties regarding the manner in which the Transition Services are to be performed, such dispute shall be resolved in accordance with clause 26 (Dispute Resolution) of this Agreement.

7. **KNOWLEDGE TRANSFER**

- 7.1 During the Transition Period, where requested by the LAA in the Transition Services Notice the Licensee will:
 - 7.1.1 transfer all training material and provide appropriate training to those LAA and/or Replacement Licensee staff responsible for internal training in connection with the provision of the Services;
 - 7.1.2 provide for transfer to the LAA and/or the Replacement Licensee of all knowledge reasonably required for the provision of the Services which may, as appropriate, include information, records and documents; and
 - 7.1.3 provide the LAA and/or Replacement Licensee with access to such members of the Licensee Personnel as have been involved in the provision and/or management of the Services and who are still employed or engaged by the Licensee.
- 7.2 To facilitate the transfer of knowledge from the Licensee to the LAA and/or its Replacement Licensee, the Licensee shall provide a detailed explanation of the procedures and operations used to provide the Services, the change management process and other standards and procedures to the operations personnel of the LAA and/or the Replacement Licensee.
- 7.3 The information which the Licensee shall provide to the LAA and/or its Replacement Licensee pursuant to paragraph 7.1 above will include:
 - 7.3.1 copies of up-to-date documentation, procedures and operations manuals;
 - 7.3.2 agreements with third party suppliers of goods and/or services which are to be transferred to the LAA;
 - 7.3.3 key support contact details for third party supplier personnel under Agreements which are to be assigned or novated to the LAA pursuant to this Schedule;
 - 7.3.4 information regarding any unresolved faults in progress at the commencement of the Transition Period as well as those expected to be in progress at the end of the Transition Period;
 - 7.3.5 details of physical and logical security processes and tools which will be available to the LAA; and
 - 7.3.6 any relevant interface information.

SCHEDULE 7

MOBILISATION PLAN

[To be populated following contract award. Applicants will be asked to submit a mobilisation plan as part of the tender for these services.]

SCHEDULE 8

SPECIALIST QUALITY MARK STANDARD

[Can be found at <https://www.gov.uk/guidance/legal-aid-agency-quality-standards>]

SCHEDULE 9
FORM OF TENDER

[To be populated following contract award.]

SCHEDULE 10

DATA PROCESSING

1. The contact details of the LAA Data Protection Officer are: **[INSERT CONTACT DETAILS]**
2. The contact details of the Licensee's Data Protection Officer are: **[INSERT CONTACT DETAILS]**
3. The Processor shall comply with any further written instructions with respect to processing by the Controller.
4. Any such further instructions shall be incorporated into this Schedule.

Description	Details
Identity of Controller for each Category of Personal Data	[INSERT DETAILS]
Duration of the Processing	[INSERT DURATION OF THE PROCESSING]
Nature and purposes of the Processing	[INSERT NATURE AND PURPOSE OF THE PROCESSING]
Type of Personal Data	[INSERT TYPE OF PERSONAL DATA]
Categories of Data Subject	[INSERT CATEGORIES OF DATA SUBJECTS]
Plan for return and destruction of the data once the Processing is complete UNLESS requirement under Union or Member State law to preserve that type of data	[INSERT DESCRIPTION OF HOW LONG THE DATA WILL BE RETAINED FOR, HOW IT BE RETURNED OR DESTROYED]