

**Legal Services Commission
Unified Contract Standard Terms 2007**

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FOREWORD

Background

- A The Commission has a statutory obligation to establish, maintain and develop the Legal Aid Scheme i.e. the Community Legal Service ("CLS") and the Criminal Defence Service ("CDS") - sections 4(1) and 12(1) of the Act.
- B In funding services as part of the CLS or CDS, the Commission has a statutory duty to aim to obtain the best possible value for money – sections 5(7) and 18(3) of the Act.
- C In relation to the CLS, the Commission has statutory duties to secure (within the resources made available, and priorities set in accordance with part 1 of the Act) that individuals have access to services that effectively meet their needs - section 4(1) of the Act.
- D In relation to the CDS, the Commission has statutory duties to secure access to such advice, assistance and representation as the interests of justice require – section 12(1) of the Act.
- E The Commission may accredit persons or bodies providing services under the CLS or CDS. Any system of accreditation must include provision for the monitoring of the services provided by accredited persons or bodies and for the withdrawal of accreditation from any providing services of unsatisfactory quality – sections 4(8) and 12(4) of the Act.
- F The Commission may fund services as part of the CLS and CDS by entering into contracts with persons or bodies for the provision of "services" (CLS) and "advice and assistance" and "representation" (CDS) by them – sections 6(3), 13(2) and 14(2) of the Act.
- G The purpose of this Contract is to enable the Commission to comply with its statutory duties and fulfil its statutory functions.

LSC General Contracts

- H. This Contract is to replace the Commission's General Contracts – Civil, Criminal and Mediation. Civil work will be covered from 1 April 2007. Criminal and Mediation work will be covered from 1 April 2008.
- I Civil and Criminal contracts were awarded on an office-by-office basis, so that an underperformance or non-compliance at one office could lead only to the termination of the civil or criminal contract for that office. In contrast, each Supplier has only one Unified Contract. This means that each Supplier is responsible for the performance of their organisation as a whole. An underperformance, or non-compliance, at one of office is an underperformance or non-compliance by the organisation as a whole.

1 Interpretation

1. In this Contract the following expressions have the following meanings.

“Access to Justice Legislation” includes any Acts of Parliament, Statutory Instruments, directions of the Lord Chancellor applying to this Contract, Arrangements and the Funding Code;

“Act” means the Access to Justice Act 1999;

“Payment on Account” means a payment from us to you, on account of Contract Work made before you have submitted a final Claim for it;

“Annex” means, unless expressly stated otherwise, an annex to the Contract Document referring to it (and is part of the Contract Document);

“Approved Representative” means any person, firm or company approved by you to supply services to you;

“Approved Personnel” means any person approved as such in accordance with the Approved Personnel and Supervisors Annex;

“Arrangements” means any arrangements made under the Act by us;

“Assessor” means a person appointed by us to assess Suppliers' Claims

“Associated CLS Work” means Legal Help, Investigative Help and Legal Representation in actual or proposed proceedings for judicial review (including under the Human Rights Act 1998) or habeas corpus, arising from any matter within the Crime Category of Work;

“Assessment” means an assessment by us or by a competent court or tribunal, of the amount which (subject to the provisions of this Contract) is due in respect of a Claim (on an appeal or otherwise). *“Assess”* has the associated meaning and *“Assessed Claim”* means a Claim which has been subject to Assessment;

“BACS” means BACS Ltd (formerly known as Bankers' Automated Clearing Services);

“Bid Documents” means any documents that you have submitted to us with a view to obtaining a contract with us or authority from us e.g. authority to carry out specified work or an allocation of Matter Starts;

“Bid Panel” means our panel of organisations that are eligible to bid for Contract Work;

“Bid Zone” means a geographical area prescribed by us for the purpose of inviting bids for Contracts or Contract Work;

“Business Day” means any day except Saturday, Sunday and any bank holiday.

“Category of Law” means a category of law defined in the Funding Code (and which may be described in the Funding Code as an “SQM Category”);

“Certificate” has the meaning defined in the Funding Code;

“Change of Control” means, in the case of a company, a change of control (as defined by section 416 of the Income and Corporation Taxes Act 1988) in you or your Parent Company and, in the case of a limited liability partnership, has a like meaning but as if:

- (a) for all references to “the company” (other than in sub-section (6) of ICTA) there were substituted references to “the limited liability partnership”;

- (b) in sub-section (2)(a) of ICTA the words “of the share capital or issued share” were omitted;
- (c) in sub-section (2)(b) of ICTA for the words “such part of the issued share capital of the company” there were substituted “such entitlement to the profits of the limited liability partnership”;
- (d) in sub-sections (2)(b) and (c) and (6) of ICTA for the word “participators” there were substituted “members”; and
- (e) in sub-section (6) of ICTA
 - (i) for all but the last reference to “company” there were substituted “company or limited liability partnership”;
 - (ii) for the reference to “companies” there were substituted “companies or limited liability partnerships (as the case may be)”; and

for the last reference to “company” there were substituted “limited liability partnership”;

“*Child*” means a person under 16;

“*Civil Contract Work*” means Contract Work in any Category of Law except Crime or Family and which is not family mediation work;

“*Civil Procedure Rules*” means the Civil Procedure Rules 1998 as amended or replaced from time to time;

“*Claim*” means a claim for payment for Contract Work submitted on the form we have specified for that purpose;

“*Class of Work*” means work that may be provided under the Act within a class specified by us in the Specification

“*Clause*” means a clause of these Contract Standard Terms (unless specified otherwise);

“*Client*” means an Eligible Person for whom you are performing (or have performed) Contract Work (and Former Client means a person for whom you have performed work under the Act or the Legal Aid Act 1988);

“*CMRF*” means our Consolidated Matter Report Form

“*Commission*” means the Legal Services Commission;

“*Compliance Executive*” means the member of your personnel nominated by you to monitor your compliance with this Contract;

“*Consultative Bodies*” means The Law Society (representative arm) and the Advice Services Alliance (and such other body as we may agree with you we will consult in accordance with this Contract);

“*Contract*” means this LSC Unified Contract between you and us;

“*Contract Documents*” means (a) the Contract for Signature; (b) the Schedules; (c) the Contract Standard Terms; and (d) the Specification.

“*Contract for Signature*” means the Contract Document issued by us and designated as such;

“*Contract Review Body*” and “*CRB*” mean the individual or body appointed by us to determine reviews under this Contract;

“*Contract Report*” means a report providing information required by us on any aspect of your performance under this Contract, on the matters and cases commenced under it (including e.g. the Contract Work performed and the position on each and the names and addresses of Clients) and on claims made and payments received;

“*Contract Report Form*” means our form for providing information about the Contract e.g. about Contract Work, your performance under and compliance with this Contract or your legal status and constitution, or for claiming payment for Contract Work;

“*Contract Standard Terms*” means the Contract Document issued by us and designated as such;

“*Contract Work*” is all the work that you may perform for Clients under, or by virtue of, this Contract;

“*Contract Year*” means the period of 12 months from 1 April to 31 March inclusive;

“*Controlled Legal Representation*” has the meaning defined in the Funding Code;

“*Controlled Work*” has the meaning defined in the Funding Code;

“*Costs Appeals Committee*” means the committee appointed by us for the purpose of determining appeals against Assessments on Points of Principle of General Importance;

“*Costs Limitation*” means the limitation setting out our maximum liability as to costs (including profit costs, disbursements and Counsels’ fees but excluding VAT and the costs of assessment) imposed upon any Licensed Work Certificate by the Director;

“*Crime Higher*” means Contract Work in the crime Category of Law for which we pay Individual Case Claims;

“*Crime Lower*” means Contract Work in the crime Category of Law for which, as detailed in the Specification, we make Standard Monthly Payments;

“*Devolved Powers*” means the powers and functions listed as such in the Specification that we have authorised you to exercise and discharge under this Contract (and which you must exercise and discharge unless we have directed you otherwise);

“*Eligible Person*” means a, individual who has been assessed (by a competent person or body) as a person for whom, under Access to Justice Legislation, Contract Work may be performed;

“*Emergency Certificate*” means a Certificate for Emergency Representation;

“*Emergency Representation*” has the meaning set out in the Funding Code (Section 5 of Part A: criteria);

“*Exceptional Case*” has the meaning set out in the Specification;

“*Family Private Law*” means [];

“*Family Proceedings*” has the meaning defined in the Funding Code;

“*Family Public Law*” means []

“Fixed Fee Margin” means the amount by which the fixed fees you have claimed for Contract Work exceed your actual costs for that Contract Work;

“Full Representation” has the meaning set out in the Funding Code;

“Fund” means the Legal Aid Fund;

“Fundamental Breach” means a serious breach of this Contract, which may be further described in an annex to these Contract Standard Terms.

“Funding Certificate” has the meaning defined in the Funding Code;

“Funding Code” means the code published under s.8 of the Act, including its criteria, procedures and guidance;

“Funding Code Criteria” means the criteria set out in the Funding Code for deciding whether to fund or to continue to fund services, including the General Criteria currently at Part A, Section 4 of the Funding Code and any criteria applicable to various Levels of Service currently at Part A, Section 5 of the Funding Code which may be relevant in the context;

“Graduated Fee” means a fee paid in the circumstances set out at paragraph 6.13 at the levels set in Part B

“Guidance” means such Guidance as is set out in the Specification;

“Help at Court” has the meaning set out in the Funding Code;

“Immigration Asylum” means any work which is (a) within the Immigration Category of Law and (b) involves a claim that it would be contrary to the United Kingdom’s obligations under the Refugee Convention under Article 3 of the Human Rights Convention for the claimant to be removed from, or required to leave, the United Kingdom;

“Immigration Non Asylum” means any work which is within the Immigration Category of Law and does not constitute Immigration Asylum work.

“Independent Peer Review” means the independent assessment of the standard of your Contract Work;

“Individual Case Claim” means a Claim for payment for Contract Work that is neither Controlled Work nor Crime Lower;

“Initial Audit” means an audit by us to determine whether you have met the criteria required to become a Supplier;

“Investigative Help” has the meaning set out in the Funding Code;

“Key Performance Indicator” and *“KPI”* means such measure of your performance as we may specify e.g. Independent Peer Review rating, success rate, assessment reduction and Fixed Fee Margin;

“Key Personnel” means your Liaison Manager, Compliance Executive and Supervisors;

“Legal Help” has the meaning set out in the Funding Code;

“Legal Representation” has the meaning set out in the Funding Code and Controlled Legal Representation means Legal Representation that is Controlled Work;

“Legal Services Commission” means the Legal Services Commission established under the Act;

“*Levels of Service*” has the meaning set out in the Funding Code;

“*Liaison Manager*” means the member of your personnel nominated by you to liaise with us on matters concerning this Contract;

“*Licensed Work*” means all Civil Contract Work except that which is Controlled Work;

“*Linked Office*” means an office designated as such on an Office Schedule;

“*LSC*” means the Legal Services Commission;

“*LSC Costs assessment Manual*” means our manual setting out provisions relating to Assessments;

“*LSC Manual*” means our published manual including relevant legislation, Contract Documents, the Funding Code and other materials relevant to the performance of Contract Work and compliance with this Contract;

“*LSC Promotional Items*” means any LSC logos, signs, display materials, information, literature and other promotional items, supplied or approved by us in connection with the provision of Contract Work;

“*Matter Start*” means the start of a Controlled Work matter;

“*Maximum PoA Limit*” means the maximum amount payable to you on account of Contract Work (or a type of Contract Work);

“*NACAB*” means National Association of Citizens’ Advice Bureaux;

“*Next Schedule*” means a Schedule authorising work from a Schedule Office after the previous Schedule has ended;

“*Not For Profit Organisation*” means a contractor that we recognise as aiming not to make a profit from performing Contract Work;

“*Office*” means an office named on a Schedule;

“*Office Schedule*” means a Schedule relating to the performance of Contract Work from an Office;

“*Official Investigation*” means:

- (a) any investigation, of which you are aware, into suspected serious professional misconduct, breaches of the Act (or other legislation), or dishonesty by you or your personnel, being carried out by or authorised by:
 - (i) any organisation (such as in the case of a Supplier that is a firm of solicitors, the Office for the Supervision of Solicitors) which is responsible for regulating, or disciplining, you or your personnel; or
 - (ii) the Legal Services Commission’s Investigation Section;
- (b) any investigation, of which you are aware, by the police into suspected criminal offences relevant to your operations;
- (c) any investigation, on reasonable grounds, authorised by the Legal Services Commission’s Investigation Section into suspected serious breaches of this Contract.

“Outreach Work” means Contract Work, designated as such in a Schedule, which you may perform at a specified location away from a Schedule Office;

“Parent Company” means any company that is your immediate, or ultimate, holding company and any holding company that is in the line of holding companies between you and your ultimate holding company (and in this definition “company” includes a limited liability partnership);

“Patient” means a patient within the term of the Mental Health Act 1983 (as amended);

“Payment on Account” means a payment made by us, on account of Contract Work, before we have paid the final Claim for the relevant matter or case;

“Points of Principle of General Importance” means decisions on appeals against Assessments that are determined by the Costs Appeals Committee to be such;

“Principal Schedule” means a Schedule including Contract terms relating to you many, or all, of which are bespoke terms;

“Preferred Supplier” means a Supplier to which we have awarded this status (because they have met the required criteria);

“Provisional Supplier” means a Supplier that has yet to pass an Initial Audit;

“Q.A. Standard” means the quality assurance standard approved by us e.g. the Specialist Quality Mark (SQM) that you have agreed to comply with;

“Reform of the Legal Aid Scheme” means such reforms as we may wish to implement in order better to comply with our statutory duties or fulfil our statutory functions including e.g. (a) such changes as we wish to make to, or related to, the CLS, CDS, or both, consequent on, or related to, Lord Carter’s Review of Legal Aid Procurement; or (b) new approaches to procurement and contracting for the provision of publicly funded legal services.

“Relevant Professional Body” means the body or organisation which supervises or exercises control over your professional or service activities or such activities of any of your personnel being (a) The Law Society (regulation arm), (b) the General Council of the Bar, (c) the Federation of Independent Advice Centres, (d) the Law Centres Federation, (e) Dial U.K., (f) Shelter or (g) NACAB or (h) such other body or organisation as we recognise as a Relevant Professional Body;

“Remainder Work” means Contract Work that we permit you to continue after this Contract (or part of it) has ended;

“Report” means a report (written or oral) about you or your personnel from an organisation that may carry out an Official Investigation;

“Researcher” means a person appointed by us to carry out research into the operation of this Contract;

“Residual List” means the list (set out in the Funding Code) of types of work that are fundable under the Funding Code but which are not in a Category of Law;

“Risk Rating” means the risk rating that we assign to this Contract based on your performance under it, your compliance with it and the state of your account with us;

“Sanction Notice” means a notice issued by us terminating or suspending this Contract (or part of it) or applying any other Contract sanction;

“Schedule” means a Schedule to this Contract, issued by us;

“Schedule Amendment Notice” means a notice, issued by us, amending a Schedule;

“Schedule End Date” means the date on which a Schedule is due to expire;

“Schedule Payment Limit” means the maximum sum we will pay you, while a Schedule is in force, for Controlled Work or Crime Lower;

“Schedule Start Date” means the date on which a Schedule comes into force;

“Section 31 Cases” has the meaning set out in the Funding Code;

“Solicitors’ Chambers” means an organisation, recognised as such by us, which has a contractual arrangement with a number of Solicitors’ Chambers Members for the purpose of sharing resources and procedures (whilst not prejudicing the independence of those Solicitors’ Chambers Members) which was not created solely or substantially for the purpose of obtaining a contract with us;

“Solicitors’ Chambers Member” means a member of a Solicitors’ Chambers named on your Principal schedule, which has, unless we otherwise direct, a Schedule Office in the same Bid Zone as the Solicitors’ Chambers (and any reference to “you”, where the context so requires, includes a Solicitor’s Chambers Member);

“Specialist Quality mark” and *“SQM”* means the Q.A. Standard published by us;

“Specification” means the Contract Document designated as such by us;

“Standard Fee” means a fee paid in the circumstances set out in the Specification (at paragraph 6.13, at the levels set in Part B);

“Standard Matter Cost” means our determination (adjusted to take account of abnormal factors such as small numbers of matters) of the normal average cost of your Controlled Work matters in a Category of Work based on your Controlled Work claims made over a period determined by us (normally between six and twelve months);

“Standard Monthly Payment” means the amount specified in a current Schedule which, subject to the provisions of this Contract, we will pay you on a monthly basis for performing Controlled Work or Crime Lower work or both;

“Standard Terms” means these LSC Unified Contract Standard Terms;

“Supervisor” means a member of your personnel approved as such in accordance with the Approved personnel and Supervisors Annex;

“Supplier” means a party (except us) to an LSC Unified Contract;

“Tolerance” means Matter Starts allocated in a Schedule that may be performed in any Category of Law (except those shown in the Schedule as excluded from Tolerance);

“U.K.” means the United Kingdom of Great Britain and Northern Ireland;

“VAT” means value added tax;

“Warning Notice” means a notice issued by us notifying you of a breach of Contract;

“we” and *“us”* mean the Legal Services Commission (and *“our”* has the associated meaning);

“you” means the current party to this Contract with us (and *“your”* has the associated meaning).

Interpretation

2. Clause headings in this Contract are inserted for convenience only and do not affect its interpretation.
3. Words denoting the masculine, the feminine or the neuter include the masculine, the feminine and the neuter. Words denoting the singular include the plural and vice versa.
4. Reference to any Access to Justice Legislation and other legislation is, as the context requires, a reference to any substitute for, or re-enactment of, it and includes any new Access to Justice Legislation arising at any time.
5. References to “approving” or “approval” means approving or approval as provided by this Contract or, if no express provision is made by this Contract, to approving or approval in writing.
6. References to “authorising” or “authority” means authorising or authority as provided by this Contract or, if no express provision is made by this Contract, to authorising or authority in writing.
7. References to “directing” or “direction” means directing or direction as provided by this Contract or, if no express provision is made by this Contract, to directing or direction in writing.
8. References to “notifying”, “notification” or “notice” means notifying, notification or notice as provided by this Contract or, if no express provision is made by this Contract, to notifying, notification or notice in writing.
9. References to “audit” and “auditing” include any information-seeking activity e.g. enquiry, investigation, verification, check, evaluation, assessment and question.
10. Any obligation relating to sending, or to the completion and submission, of any form designated or specified by us (or to “our form”) includes the obligation properly and fully to complete and promptly to submit the form in such a format (electronic, paper or otherwise) as we may specify.
11. Unless otherwise specified, reference to any Contract Document, or to any document or other provision described as “current”, means the Contract Document, document or other provision in its current form from time to time, and not merely as at the date this Contract comes into force.
12. Reference to any payment rate as “current” means the payment rate in its current rate from time to time and not merely as at the date this Contract comes into force.
13. Any performance and compliance obligations you have e.g. to have policies, systems, procedures or controls includes the obligation effectively to operate them at your own cost.
14. Any obligation on you to keep records, data or information includes the obligation to keep them up-to-date and accessible by us.
15. Where, in relation to any options available to us under any Clause, those options are joined by the word “and” (as in we may “a”, “b” and “c”), our choice is not restricted to selecting all options or no options but extends to selecting any one or more of them.
16. Where any provision specifies “for example”, or “e.g.”, or otherwise gives examples, the examples given do not confine the application of the provision to examples of a similar kind.

17. Any reference to this Contract, or any part of it, ending or terminating means (unless otherwise stated) ending in any manner and not merely by effluxion of time.
18. Any reference to this Contract, or any part of it, expiring means expiring by effluxion of time (and "expiry" has the associated meaning).
19. Where Regulations refer to a "franchise contract" that reference includes this Contract (so that this Contract is a franchise contract for the purposes of the Regulations).
20. References to "documents" includes documents on paper and documents, sound and pictures (still and moving) stored in other media e.g. in electronic format, digitally, on disk, on computer etc. and references to "auditing" include auditing items in such other media.
21. Any obligation to send materials e.g. documents includes the obligation to pay the cost of doing so.
22. Any references to part of this Contract terminating mean terminating rights or authorities under it.
23. References to "company" includes, except where the context requires otherwise, a limited liability partnership.
24. References to "personnel" include e.g. employees, self-employed personnel, agency workers, partners (partnership), directors (company) and members (limited liability partnership) [and, where you are the lead member of a consortium or a Solicitors' Chambers, or are (with our prior permission) performing Contract Work using sub-contractors, "your personnel" includes the personnel of the other members of the consortium, the Solicitors' Chambers or sub-contractor].
25. References to "partner" include a person held out as a partner of a partnership.
26. References to a "director" include a "member" of a limited liability partnership, except where the context requires otherwise.
27. References to amending documents includes e.g. adding to them, deleting from them and modifying them.
28. Where we are able to exercise any function or power under this Contract, it may be exercised by any individual or body lawfully authorised to do so by us.
29. This Contract is governed by English Law.

Precedence of Contract Documents

30. Unless one provision is stated expressly to override, or to be subject to, another then, in the event of any conflict between any of the provisions of the Contract Documents, the conflict will be resolved according to the following order of priority:
 - (a) the Contract for Signature;
 - (b) the Schedule;
 - (c) the Contract Standard Terms; and
 - (d) the Specification;

Continuity

31. If this Contract replaces a previous LSC contract held by you, the terms of this Contract apply (and apply to all work in progress and Claims to be Assessed) from the Start Date. In all other respects (unless specifically stated otherwise) this Contract is to be treated as a seamless continuation of the previous contract. This means that e.g. (and without limitation):
- (a) any monies payable under the previous contract are payable under this Contract (and any credit or debit balance, on your account with us under the previous contract, is a credit or debit balance under this Contract);
 - (b) any notices issued (and any audits and Assessments) under the previous contract have effect under this Contract;
 - (c) any appeals or applications for review under the previous contract continue under this Contract and any consequent decisions have effect under this Contract;
 - (d) work carried out from the Start Date and the costs of it, are under this Contract, even if the relevant case or matter began under the previous contract; and
 - (e) any Remainder Work provisions in the previous contract do not apply on that contract's ending.
32. Schedule Clause B.20 of the General Civil Contract (Solicitors) (which provides an "80% guarantee" in respect of Matter Starts) shall not apply to the allocation of Matter Starts under the first Schedule of this Contract and this Clause overrides that Schedule Clause B.20.

2 Relationship

Working together to secure the best possible value for money

1. In funding services as part of the Community Legal Service we are bound by sections 5(7) and 18(3) of the Act to aim to obtain the best possible value for money. Without prejudice to more specific provisions of this Contract and to your professional obligations in respect of Clients, you and we agree to work together in mutual trust and co-operation to achieve this aim.
2. You agree to aim continually:
 - (a) to improve the services you provide to Clients; and
 - (b) to look for (and notify us of) improvements in the judicial system and in the operation of this Contract that you consider would assist you in achieving the aims in Clauses 2.1 and 2.2(a) (above).
3. Clauses 2.1 and 2.2 are subject to all express rights and obligations in this Contract.

Are you our partner (in law) or agent?

4. You are, and acknowledge that you are, an independent provider of legal services. You are not our agent or partner (in law) and must neither act as such nor so as to give the impression that you are our agent or partner (in law).
5. We shall not incur any contractual liability to any Client, or to any other person or organisation, as a result of anything done (or omitted to be done) by you in connection with this Contract.

Do you have to perform this Contract yourself?

6. This Contract is personal to you. You must not give, bargain, sell, assign (or otherwise dispose of) the benefit of any of its rights, or sub-contract (or otherwise delegate) any of your obligations under this Contract without our prior written consent.
7. Clause 2.6 above does not prohibit you from instructing Approved Representatives in accordance with any provision in the Specification.

Does this Contract create any third party rights?

8. This Contract does not create any right that is enforceable by any person who is not a party to it.

How will you and we communicate with each other?

9. You must nominate a member of your personnel as your Liaison Manager (named in your Principal Schedule) to liaise with us, and we will nominate a Contract Manager or Relationship manager to liaise with you, about performance under, and compliance with, this Contract and issues arising under, or in relation to, it. Further information is set out in the **Liaison Annex**.
10. You and we will communicate with each other in a polite and professional manner, in accordance with the Professional Code in the **Liaison Annex**.
11. As well as a postal address or Document Exchange (DX) number and telephone number, you must have an operational email address to which we may send you electronic communications. Your Designated Addresses are shown on your Principal Schedule.

How will you and we communicate with the media?

12. We want to ensure that people understand the important role that the CLS and CDS play in combating social exclusion and in ensuring that real needs are met and important rights are protected. We ask you to help us in this and to have regard to the **Media Annex**.

Do you have to disclose audited accounts and financial information to us in an “open book” manner?

13. An independent accountant must audit or certify your accounts at least every 18 months. Each audit or certification period must begin when the previous one ended. At our request, you must produce proof from the accountant confirming their audit or certification and the outcome.
14. At our request, you must, within 28 days, disclose to us all financial information we specify about you and about Contract Work (and any other work funded by us) and provide us with all related documentation that we may specify. Financial information includes your accounts (which must include profit and loss and balance sheet and variance analysis) information about the operating costs and expenses of your performance of Contract Work.
15. At our request, and so that we may be assured that neither clients nor we are at risk of prejudice by your being otherwise, you must demonstrate to us that you are a financially viable organisation, capable of supporting both the Contract Work that you are performing and the Contract Work that you expect to perform.

Can we require indemnities and guarantees?

16. At any time while this Contract is in force, we may require appropriate guarantees and indemnities from you and appropriate members of your personnel.

Equality and diversity

17. As a public authority we have statutory obligations:
- (a) to promote race equality, disability equality and gender equality in accordance with the Sex Discrimination Act 1975, Race Relations Act 1976 and Disability Discrimination Act 1995; and
 - (b) not to discriminate in the provision of goods, facilities and services on the basis of race, disability, gender, religion or belief and sexual orientation in accordance with the 1975 Act, the 1976 Act, 1995 Act and the Equality Act 2006.

and you must use all reasonable endeavours to assist us, and to co-operate with us, to enable us to comply with these obligations.

18. To help us to comply with our statutory obligations, you must have:
- (a) an equality and diversity policy;
 - (b) a equality and diversity training plan; and
 - (c) a communications plan

that meet the requirements of the Equality and Diversity Annex.

19. Without limiting the generality of any other provision of this Contract, you:

- (a) must not unlawfully discriminate; and
- (b) must ensure that your personnel do not unlawfully discriminate

within the meaning and scope of the Race Relations Act 1976, Sex Discrimination Act 1975, Disability Discrimination Act 1995, Employment Equality (Sexual Orientation) Regulations 2003, Employment Equality (Religion or Belief Act) Regulations 2003, Employment Equality (Age) Regulations 2006 (and any other relevant legislation in force from time to time relating to discrimination in employment and the provision of goods, facilities or services).

May you use our logos and other intellectual property?

20. While this Contract is in force, unless you are a Provisional Supplier, you may describe yourself as a Supplier and may use LSC Promotional Items in accordance with our guidelines as to use published on our website www.legalservices.gov.uk.

Are there restrictions on how you may market your services?

21. Neither you, nor any person for you, (either directly or indirectly) may market your ability to perform Contract Work by means of:
- (a) unsolicited visits;
 - (b) unsolicited telephone calls;
 - (c) advertising “free” welfare benefits checks (through e.g. leaflets, letters, circulars);
 - (d) advertising “free” housing disrepair surveys (through e.g. leaflets, letters, circulars);

and any work carried out for any person who contacted you following any of (a), (b), (c) or (d) above is not Contract Work (and is not payable by us).

22. Subject to Clause 2.23 (below), neither you nor any person for you (either directly or indirectly) may market your ability to perform Contract Work through leaflets, letters, circulars or telephone calls without our prior, express authority.
23. Until further notice, authority is given for:
- (a) leaflets which are given to existing Clients or to other organisations in order to explain the Contract Work you may perform; and
 - (b) the publication of material that is intended to inform the public about legal issues.

Risk Rating

24. We will assign a Risk Rating (red, amber or green) to this Contract based on your performance under it, your compliance with it, your ability to work co-operatively with us, your financial position and the state of your account with us. The rating applies to the Contract and (without limiting our rights) we may use it to help us to determine how closely we will monitor it.

3 Looking after Clients, Compliance, Monitoring and Demonstrating Compliance and Required Procedures

Looking after Clients

1. You must have the indemnity insurance and the client service and other procedures specified in the **Client Service Annex**.

Must you have access to the LSC Manual?

2. You must have either a printed copy of the LSC Manual or on-line access to it through a recognised licensee of ours (e.g.The Stationery Office).

Must you have a case management system?

3. From such date as we may reasonably specify, you must have, and use for all Contract Work, a matter and case management system, and platform on which it sits, that meet such technical functionality as we may reasonably specify after consultation with the Consultative Bodies.

What must you comply with?

4. You must comply with all relevant legislation (including all Access to Justice Legislation), with the Contract Documents and with all relevant Points of Principle of General Importance.
5. You must comply with the conduct and practice rules of the Relevant Professional Body. Where you are in practice as solicitors, these include the Solicitors Practice Rules and the Solicitors Accounts Rules.
6. You must comply with the Q.A. Standard (if any) specified in your Principal schedule (except so far as the Specification or a Schedule specifically relieves you of compliance with some or all of it).

Must you monitor your own performance?

7. You must effectively monitor your performance under, and compliance with, this Contract. You must take prompt and effective corrective action if your monitoring identifies any failure of, or deficiency in, performance or compliance.
8. You must maintain records of performance, compliance and corrective action in accordance with the Monitoring Annex.
9. You must nominate a member of your personnel as your Compliance Executive (named on your Principal Schedule) with responsibility to ensure that effective monitoring and corrective action takes place and that records, in accordance with the **Monitoring Annex** are maintained.

Are you obliged to demonstrate compliance to us?

10. You must demonstrate to our reasonable satisfaction that you are complying with, and have at all times while it has been in force complied with, this Contract. You must demonstrate this when we are auditing you and at such other times as we may require.
11. You must maintain:

- (a) your matter and case files in an orderly manner, showing what Contract Work was performed, when it was performed, how it was performed and how long it took; and
- (b) an up-to-date running record of costs and disbursements incurred for each matter and case

otherwise you will be unable to demonstrate compliance with this Contract).

Do you have to keep Contract data and information separate from other work?

12. You must keep all data and information about Contract Work and your performance under, and compliance with, this Contract separate from other information and data e.g. about any other services you perform. All data and information about Contract Work and your performance under, and compliance with, this Contract held electronically must be accessible and providable separately from other information and data.

What access, documents and information must you give us?

13. At our request, you must allow us to have prompt access to your premises, equipment (including computers, discs, and all I.T. equipment) documents, information and data and provide us promptly with documents, information and data:
- (a) to audit whether you are complying with this Contract;
 - (b) to audit the accuracy of information about your Contract Work;
 - (c) to perform Assessments;
 - (d) to facilitate an Official Investigation; and
 - (e) for such purposes as we consider necessary in connection with our statutory duties or functions.
14. Where your compliance with the Q.A. Standard is audited by a third party, you must notify us as soon as you are aware of any audit date so that we may, if we wish, attend the audit to observe and monitor it, and must write to us with the outcome of the third party's audit and provide us with a copy of their report within seven days of your receipt of it. You must ensure that the third party is aware of this provision and consents to it.
15. Unless an Official Investigation is being conducted (when, if we request it, you must give immediate access) we will require access to premises only during normal business hours and (unless you agree a shorter period of notice) will give you at least 48 hours notice of when we require such access.
16. Once we have required access to your premises then, unless you have our prior consent, you must not remove any information or document relating to your performance under, or compliance with, this Contract (e.g. a client's case file) from those premises, unless its removal is required in a Client's interests. If you remove any information or document you must make a written record of what was removed, and why it was removed, and provide the record to us when we attend at your premises.

What co-operation, assistance and facilities do you have to provide and how quickly?

17. You must co-operate with us when we are auditing you. When we have required access you must, as soon as we require it, provide us with such assistance and facilities as we may reasonably require e.g. photocopying and private interviewing facilities, and assistance in accessing information and documents. Unless we agree otherwise, your Liaison manager and Compliance Executive must be available to us when we are auditing you.

What documents and information must you provide and how quickly?

18. You must provide (and, if we require it, send to us by whatever means we specify e.g. courier or DX) information and documents within such period as we may specify. Where you hold information, data or documents in your office, we may require them immediately. Where any is held elsewhere e.g. in storage, we may require you to enable us to collect them (e.g. giving written permission to do so and notifying the organisation responsible for storage) or to have them sent directly to us, or both.

May we remove documents or require you to store them securely?

19. We may remove, require you to send us or require the secure, sealed retention of information and documents in such manner and for such a period as we may specify.

How long must you keep closed matter and case files for?

20. Subject to Clause 3.21, you must securely retain all the matter and case files (and file records) of all Clients for whom you have performed work under the Act until each of the following events has occurred and for a further three years after the latest of them occurred:

- (a) you have correctly reported closure of the matter or case to us;
- (b) a final claim for payment for your work on the matter or case has been submitted to us;
- (c) all payments in respect of the matter or case have been made.

Files and records may be retained in any manner (e.g. on microfiche or CD ROM) that enables them to be audited without undue difficulty.

21. You need not retain closed files (or copies of them) if the matter or case has been transferred elsewhere at the Client's request e.g. because they have changed solicitors. However, you should retain copies if, without them, there is a risk that you will be unable to demonstrate compliance, as required by Clause 3.10. Where a Client has changed solicitors, obtaining an undertaking from the new solicitor to return the file, should it be required for audit purposes, will normally be sufficient.

What forms do you have to complete?

22. You must complete and return to us, in accordance with the Specification, such Contract Report Forms as we may specify. We will give at least 28 days notice of the introduction of any new Contract Report Forms and of any amendments to any Contract Report Forms.

Mystery Shopping

23. As part of our assessment of your performance and compliance, our representatives may telephone, visit, or otherwise contact, you as if they were clients and report the outcome to us.

Failure to provide required access, documents, information etc

24. If you fail to co-operate, provide access, documents etc as required by this Clause 3, there is a risk to clients and public monies and your authority to start new matters and cases, and your entitlement to receive payments from us, cease immediately.

Risk Register

25. You must maintain a register of risks with specified procedures to address each identified issue should it occur e.g. if you are responsible for the provision of a duty solicitor service at a police station, you must identify the risk of your representative failing to attend and have a contingency plan.

4. **Approved Personnel and Supervisors, Standard of Contract Work, Key Performance Indicators, Reporting, Claiming and Devolved Powers**

Who may perform and supervise Contract Work?

1. Only Approved Personnel may perform Contract Work or be a Supervisor. A Supervisor must appropriately supervise all your Contract Work. The Approved Personnel, Supervisor (and supervision) requirements are set out in the **Approved Personnel and Supervisors Annex**.

What standard must your Contract Work meet?

2. You must perform all Contract Work in a timely manner and with all reasonable skill, care and diligence.
3. The standard of your Contract Work must meet, or exceed, the standard required by any Independent Peer Review rating specified in the **Key Performance Indicator Annex**. This standard may be higher than the standard required by Clause 4.2 above, in which case, it is the higher standard that your Contract Work must meet or exceed.
4. You agree to the standard of your Contract Work being assessed by the Independent Peer Review process and promptly to provide such information, matter files and case files as may be required for that purpose. Both you and we agree to accept the validity of the Independent Peer Review process and to be bound by any rating determined by it. The Independent Peer Review Process and an explanation of the ratings (1 – 5) are available on our website www.legalservices.gov.uk and from your Regional Office).
5. If, on any individual matter or case, you consider that you may have been negligent, you must write to the Client to inform them and to advise them what action they should take (and keep a copy of your letter on the matter or case file).

What other Key Performance Indicators apply?

6. The level of your performance (e.g. success rate and assessment rate) must meet or be better than those specified in the **Key Performance Indicator Annex**.

How must you record and report data and information?

7. You must record all data and information required by this Contract promptly and accurately. You must report all data and information required by this Contract promptly and accurately.

How must you Claim payment?

8. Your Claims must be true, accurate and reasonable.
9. In making a Claim, you must have regard to the content of the LSC Costs Assessment Manual.

How must you exercise your Devolved Powers?

10. You must exercise your Devolved Powers in accordance with the Funding Code and in a timely manner and with all reasonable skill, care and diligence.

5. Schedules

What are Schedules?

1. Schedules are what we use to set out any information specific to you and any, primarily, bespoke Contract terms that apply to you. They are also what we use to authorise you to perform Contract Work.
2. A Schedule may vary the provisions of other Contract Documents but any such variation applies only while the Schedule is in force.

What is a Principal Schedule and how long will it last?

3. We will normally issue a Principal Schedule to specify information and terms that apply to you as an entire organisation e.g. your Designated Postal Address, status, Risk Rating and Maximum PoA Limit and key information relating to you e.g. any applicable Q.A. Standard.
4. Principal Schedules will expire when this Contract expires.

What is an Office Schedule and how long will it last?

5. Office Schedules specify information and terms that apply to Contract Work from an Office. While it is in force, you may perform the Contract Work specified in your Office Schedule.
6. Subject to any express provision to the contrary in this Contract, we have complete discretion to decide whether or not to issue a Schedule and complete discretion to specify its terms e.g. terms relating to Categories of Law, numbers of Matter Starts, payments and geographic (or other) restrictions.
7. Terms in an Office Schedule may e.g. specify matter and case mix and volume of work provisions such as the maximum numbers of matters and cases that you may start and the minimum numbers of matters and cases that you must start, by Category or Law, by forum, by type of service, by client group or otherwise. For the avoidance of doubt, you are not entitled to any payment for any work on any matter of case above any maximum number specified.
8. Office Schedules will normally expire at the end of each Contract Year (31 March) but each Office Schedule will state the date it comes into force and the date it expires.

When may we amend Office Schedules?

9. If, in accordance with this Contract, we make any decision that affects the contents of a Schedule, we will issue a Schedule Amendment Notice recording the amendment.
10. If an Office Schedule specifies numbers of matters or cases, or both, and we consider that it is unlikely that you will perform the volume of work specified (in a Category of Law or otherwise), we may amend the Office Schedule. However, we will not do so without first giving you the opportunity to put forward reasons why the amendment should not be made.
11. At any time, you may apply to us to vary any of the bespoke information in your Schedule e.g. specified numbers of matters or cases or both, your Standard Monthly Payment, or Schedule Payment Limit. We may determine your application in our complete discretion.

When an Office Schedule expires, will a Next Office Schedule be issued?

12. Subject to Clause 5.20 (provided this Contract is in force and we expect it to remain in force for the duration of any Next Office Schedule) we will, on the expiry of any Office Schedule, issue a Next Office Schedule, unless you have given us at least one month's notice that you do not wish us to do so.
13. We will set the amount of Standard Monthly Payments, and any Schedule Payment Limit, under a Next Office Schedule with the aim of making good any underpayments and recovering any overpayments arising under any previous Schedule.

Next Office Schedules [Civil and Family] only

14. Subject to the provisions of this Contract e.g. Clauses 5.16, 5.17 and 5.18, any Next Office Schedule covering Civil Work or work in the Family category of Law, or both, will allocate in each Category of Law:
 - (a) at least 80% of the number of Matter Starts authorised under the current Office Schedule that you have correctly reported as having started under it (excluding those in the Personal Injury and Clinical Negligence Categories of Work) at our calculation date (between September and February inclusive); plus
 - (b) at least 80% of such Matter Starts that we expect you to report having started between our calculation date and the expiry of the current Office Schedule.
15. Subject to the provisions of this Contract e.g. Clauses 5.16, 5.17 and 5.19, if the current office Schedule authorises numbers of Licensed Work cases, any Next Office Schedule covering Civil Work or work in the Family category of Law, or both, will allocate in each Category of Law:
 - (a) at least 80% of the number of Licensed Work cases authorised under the current Office Schedule that you have correctly reported as having started under it (excluding those in the Personal Injury and Clinical Negligence Categories of Work) at our calculation date (between September and February inclusive); plus
 - (b) at least 80% of such Licensed Work cases that we expect you to report having started between our calculation date and the expiry of its preceding Office Schedule.

Next Office Schedules - All

16. If the Next Office Schedule is for a shorter or longer period than the current Office Schedule, the number of Matter Starts or Licensed Work cases allocated or authorised will be adjusted pro rata.
17. If, in any Category of Law or Class of Work, the volume of Contract Work to be allocated or authorised would be below any Minimum Contract Size, the Next Office Schedule will not allocate or authorise any Contract Work in that Category of Law or Class of Work.
18. If, in any Category of Law:
 - (a) you failed to start the minimum number of matters specified in an Office Schedule; or
 - (b) you fail, by 31 December, to start at least 75% of the minimum number of matters specified in an Office Schedule;

any Next Office Schedule will allocate no Matter Starts in that Category of Law. If the number started is not known until after the Next Schedule has been issued, we may amend it so that it ceases to allocate Matter Starts.

19. If, in any Category of Law:

- (a) you failed to start the minimum number of Licensed Work cases specified in an Office Schedule; or
- (b) you fail, by 31 December, to start at least 75% of the minimum number of Licensed Work cases specified in an Office Schedule;

any Next Office Schedule will allocate no Licensed Work cases in that Category of Law. If the number started is not known until after the Next Schedule has been issued, we may amend it so that it ceases to authorise Licensed Work.

20. We have no obligation to issue a Next Office Schedule if the payments, or volume of Contract Work, under it would be below the Minimum Contract Size.

6. Specification

What is the Specification?

1. The Specification is one of the Contract Documents. It contains rules, Guidance, other operational requirements, Devolved Powers and the rates of payment for Contract Work.

What are rules?

2. The rules concern the day-to-day performance of Contract Work e.g. how you must (and must not) perform it and how you must report it (and the cost of it) to us. They may also specify what you must do before starting any matter or case e.g. require you to determine:
 - (a) whether a potential client is an Eligible Person and, if so,
 - (b) what contributions (if any) they would have to pay as a Client and how you must deal with such contributions.

What is Guidance?

3. Guidance in the Specification may be e.g. Guidance on the rules in it or Guidance on how Contract sanctions may be applied, on how the value of work may be calculated, on how payment reviews will be carried out, on the completion of forms and (without limitation) other issues relating to the meaning and operation of (and compliance with) this Contract. Like you, we must comply with Guidance.

What is the Payment Annex?

4. The Payment Annex is part of the Specification. It sets out the rates of payment for Contract Work.

7. Amendments to Contract Documents

When may we amend the Contract Standard Terms?

1. Subject to Clause 7.2, we may, by notice to you, amend the Contract Documents from time to time if, in our judgement, such amendments are necessary to help us comply with our statutory duties or fulfil our statutory functions.

What must we do before we amend documents?

2. Except for amendments made under any other Clause of this Contract providing for amendments (e.g. amendments to comply with legislation), we may not amend either the Contract for Signature, the Contract Standard Terms or the Specification without prior consultation in accordance with the **LSC Consultation Code Annex**.

When do amendments take effect and when must you comply with them?

3. If we consider that there is an urgent need for compliance with an amendment, we may require you to comply with it no sooner than four weeks after notice of the amendment takes effect. Otherwise, we may require you to comply with it no sooner than six weeks after notice of the amendment takes effect.

What amendments may we make after consultation?

4. After consultation, we have complete discretion to amend the document as originally proposed, or in a modified form, or to leave it un-amended.

May we amend Contract Documents for some contractors and not others?

5. When we are entitled to amend the Contract Documents, we may make amendments that affect all, or fewer, Suppliers.

8. Claims and Payments

What payments will we make?

1. We will pay you by BACS (or, at our option, by cheque or order) for the performance of Contract Work in accordance with this Contract.
2. The Payment Annex to the Specification sets out the rates of payment for Contract Work.

How will we pay for Contract Work - Controlled Work, Crime Lower and Individual Case Claims?

3. We will make payments on account of Controlled Work and Crime Lower by Standard Monthly Payments. These payments may include payments in respect of final Claims or Payments on Account or a mixture of both. If you are in practice as solicitors, you may credit these payments to your office account.
4. We will specify the amount of any Standard Monthly Payments (and of any Schedule Payment Limit) in either your Principal Schedule or your Office Schedule (or both). We will set the amount of your Standard Monthly Payments (and of any Schedule Payment Limit) so as to pay or recover any amounts underpaid or overpaid under any previous Schedule.
5. We may, from time to time, reconcile, the values of (a) your Claims for Controlled Work and Crime Lower and (b) your Standard Monthly Payments and, if necessary to maintain an equal balance between them, may amend your Standard Monthly Payments and Schedule Payment Limit
6. We will pay you after our receipt of each Individual Case Claim (see Clauses 8.23 to 8.28).

What payments are you entitled to?

7. To be entitled to payment for Contract Work on a matter or case, you must submit a Claim for payment on that matter or case in accordance with the provisions of this Contract.

Who Assesses your Claims and how much is payable?

8. We are entitled to Assess all your Claims, except where this Contract or legislation provides that Assessment is to be by another body.
9. When a Claim has been Assessed:
 - (a) the amount you are entitled to in respect of that Claim is (subject to the provisions of this Contract) the amount allowed on the Assessment; and
 - (b) if it is a final Claim on an individual matter or case, all Payments on Account made in respect of any of the work subject to the Claim, become repayable to us (so that, normally, we will pay the balance).
10. The Payment Annex to the Specification specifies deductions we may make from payments to you on individual matters and cases. These may include e.g:
 - (a) the amount of any contribution payable by the Client; and

- (b) the amount of any charge (whether contractual or statutory) arising under the Act.

Do payments include VAT?

- 11. If your Claims properly include a sum to cover VAT, we will include the VAT sum in our payments to you. If you omit to claim a sum to cover VAT and seek to claim it from us later, we are not obliged to pay it, but will do so where an occasional clerical error has caused the VAT sum to be omitted from a Claim.
- 12. If we request it, you must promptly provide us with the details we specify about the VAT properly arising under this Contract.

What if you owe us any money?

- 13. We may set-off against any amount payable by us to you under this Contract or otherwise, any amount payable by you to us, under this Contract or otherwise. For the avoidance of doubt, when this Contract ends, any obligation to make payment is subject to this right of set-off.

When may a notice or debit note make monies payable by you to us?

- 14. We may issue a notice (e.g. notice of Assessment) or debit note, which has the effect of making the amount specified in it payable to us, if:
 - (a) we have made an “overpayment or mispayment” to you; or
 - (b) in respect of a matter or case, you have breached this Contract and, as a result of the breach, we have incurred (or will incur) a financial loss; or
 - (c) you have failed to submit a Claim, as required by this Contract, after having received an Payment on Account in respect of the relevant matter or case.
- 15. An “overpayment or mispayment” under this Clause 8 includes e.g.:
 - (a) any payment made in error;
 - (b) where payment has been made in respect of a matter or case, the amount of any subsequent reduction on Assessment;
 - (c) where payment has been made in respect of a matter or case, any sum which we are not required to pay (or you are not entitled to payment) for some or all of the work that you have carried out;
 - (d) the amount of any Payment on Account in excess of any Maximum PoA Limit;
 - (e) the amount of any Payment on Account in a Standard Monthly Payment that is unlikely either to be recovered by us, or covered by a final Claim by you, by the end of the end of the Contract Year; and
 - (f) any “unjustified” or “repayable” Payment on Account for Licensed Work (see Clauses 8.16 and 8.17).
- 16. A Payment on Account of Licensed Work is “unjustified” if it was wrongly claimed e.g. on an Individual Case you have Claimed (and were paid) a Payment on Account that is more than the maximum permitted percentage of the value of the work completed at the date of the Claim.

17. A Payment on Account of Licensed Work is “repayable” when any of the following occurs:
- (a) three years have elapsed since the date of issue of the Funding Certificate for the case in respect of which the Payment on Account was made;
 - (b) three months have elapsed since the case ended;
 - (c) we have requested information from you about the case and you have failed to provide it to our reasonable satisfaction within 14 days;
 - (d) the Payment on Account was on account of third party fees or other disbursements and they have not been incurred within one month of receipt of the Payment on Account (or to the extent that they have not been incurred up to the amount of the Payment on Account, the excess of the Payment on Account is repayable).
18. If you become aware that any of the events set out in Clauses 8.16 or 8.17 (above) has occurred you should notify us to enable us to adjust your account (or to require repayment) should we wish to do so.
19. Where the “overpayment or mispayment” provisions of this Clause apply because of a reduction of a Claim on Assessment then, unless we consider that there is a risk to public funds, we will not seek repayment until any appeal against the (initial) Assessment has concluded.
20. Where a Payment on Account is unjustified under Clause 8.16 or repayable under Clause 8.17 above then, before seeking repayment, we will give you an opportunity to state why we should not do so and will not do so if you have made out good reason why we should not do so.
21. Any notice (or debit note) under Clause 8.14 will specify the amount of the overpayment, the financial loss or the Payment on Account (as the case may be) and how the relevant criterion in Clause 8.14 is met.

Is it important to submit Claims on time?

22. It is a condition of your entitlement to payment in respect of any Claim that you submit it to us within the time period specified.

When will we pay for Individual Case Claims?

23. All provisions in this Contract as to the timing of payment for Individual Case Claims are subject to Clauses 8.24 to 8.28 below.
24. Subject to our receipt from you of “all necessary information and payments” in connection with an Individual Case Claim (and provided you have complied with your obligations in respect of the bill or claim and the case to which it relates) any payment for it due under this Contract will be made no later than six weeks after the “relevant date”. Normally, payment will be included in one of the regular settlements that we make, the dates of which are published in Focus (our newsletter) or on our website www.legalservices.gov.uk.
25. Subject to Clause 8.26 below, the “relevant date” is:
- (a) where a bill or claim has been assessed by a court, 30 days after compliance and receipt of “all necessary information and payments”, as required by Clause 8.24 (above); and
 - (b) for any other bill or claim (including claims for payments on account) either:

- (i) the date on which we have assessed it or otherwise passed it for payment, or
- (ii) the date of receipt of "all necessary information and payments" and compliance, as required by Clause 8.24 (above),

whichever is later. Where there is an appeal against an Assessment, the date of the appeal decision is the date of the Assessment for the purposes of this Paragraph 8.25.

- 26. In Clause 8.24 (above), "all necessary information" comprises all information that we require to enable us to perform our functions under the Act. This may include e.g. correct and properly completed forms, information to enable us to assess the bill or claim, information to enable a decision to be made as to whether the statutory charge on property recovered or preserved applied or whether there should be a re-Assessment of the client's means, information necessary to demonstrate that the Contract has been complied with and responses to all reasonable queries. "All necessary payments" means any payments that, under this Contract, you are obliged to make in respect of the case and may include e.g. payment to us of property recovered or preserved for the client.
- 27. If you have failed to comply with your obligations in respect of the bill or claim or the case to which it relates (e.g. if you have failed to report forthwith the recovery or preservation of property) the relevant date (if later than that provided by Clause 8.25 (above) is 14 days after all necessary steps to protect our (and the client's) position have been completed (e.g. if we have a statutory charge on property recovered, 14 days after we have received confirmation that it has been protected by registration).
- 28. Our published performance standards for making payments are not altered by Clauses 8.23 to 8.27 (above) and we will continue to aim to meet them.

9. Your Account with us

How does your account operate?

1. We will maintain an account (“your account”) of payments we make to you and payments we receive from you (except payments to be credited to clients’ accounts with us) in respect of this Contract and all other contracts you have with us.
2. We will credit your account with:
 - (a) the value of Claims (including Claims for Payments on Account) received from you (“credits”); and
 - (b) payments received from you.
3. We will debit your account with:
 - (a) our payments to you (“debits”); and
 - (b) any “overpayments or mispayments” (as described in Clause 8).

Is there a Maximum Payment on Account (PoA) Limit?

4. The total value of debits may, from time to time, exceed the total value of credits (and vice versa). Any excess of debits over credits must not exceed any specified Maximum PoA Limit.
5. The total value of debits for a particular type of work (e.g. Controlled Work) may, from time to time, exceed the total value of credits for that particular type of work (and vice versa). Any excess of debits over credits in a particular type of work must not exceed any specified Maximum PoA Limit for that particular type of work.

What if you exceed your Maximum Payment on Account (PoA) Limit?

6. If any Maximum PoA Limit is exceeded, the excess is automatically repayable to us. If you become aware that any Maximum PoA Limit is exceeded, you must notify us to enable us to adjust your account (or to require repayment) should we wish to do so.

What other rules apply to your Maximum Payment on Account (PoA) Limit?

7. Subject to Clauses 9.6 (above) and 9.8 (below), the amount of any Payment on Account is repayable by you to us on demand, but we will not demand repayment except in accordance with the terms of this Contract.
8. Clause 9.7 (above) does not, in any way, limit any rights we may have e.g. the right to claim payment from any of your former owners (e.g. former partners) or former directors or members.

10. Instruction and Payment of Third Parties

Can we specify criteria for third parties who may be instructed?

1. We may require that experts, barristers and other third parties whom you instruct must possess such qualifications, or be members of such panel, or hold such accreditation as we may specify in the Specification and may name experts, barristers or other third parties who may not be instructed.

Can we specify payment rates for third parties?

2. We may specify, in the Specification, the maximum payments (by way of hourly rates and otherwise) that you may agree with experts and other third parties whom you instruct.

When must you pay third parties?

3. Subject to Clause 10.4:
 - (a) you must pay any third parties whom you instruct in connection with Contract Work in accordance with the terms of your agreement with them; and
 - (b) in the absence of any term in your agreement with them as to the timing of payment, you must pay them within 28 days of receipt of their invoice.

When may you delay payment to third parties?

4. You need not pay a third party in accordance with Clause 10.3 if their breach of any term (express or implied) of your agreement with them justifies non-payment, reduced payment or delayed payment.
5. If, on the grounds in Clause 10.4, you decide not to pay a third party in accordance with Clause 10.3:
 - (a) the amount of any monies received from us in respect of their fees which you have not paid to them becomes repayable to us (and you must repay the amount within 28 days of your decision); and
 - (b) we may require you to provide us with the justification for your decision within seven days.

Must you require third parties to time-record and permit verification?

6. All agreements you make with third parties in connection with Contract Work must require them to keep accurate records of the time they spend on the work you have instructed them to do and of the work done. The agreements must also require them to permit us (and the Comptroller and Auditor General) to audit their records.

11 Referral Fees

May you pay referral fees?

1. You must not:
 - (a) make any payment, or provide any other benefit, to any other provider of publicly funded legal services for the referral or introduction (directly or indirectly) of any Client or potential Client to you;
 - (b) make any payment, or provide any other benefit, to any other third party for the referral or introduction (directly or indirectly) of any Client or potential Client to you without our prior, express written consent.

May you receive referral fees?

2. You must not receive any payment, or any other benefit, from any person or body for the referral or introduction (directly or indirectly) of any Client or potential Client by you.

Does a payment raise a presumption?

3. Where you:
 - (a) make any payment or provide any other benefit; or
 - (b) receive any payment or any other benefit

in circumstances that suggest a possible breach of clause 11.1 or 11.2, the presumption shall be that the payment or benefit was made, provided or received in breach of this Contract and the onus shall be on you to show that was not the case.

Is payment for Contract Work a financial benefit?

4. For the purpose of this Clause 11, payment for Contract Work is not a "payment" or "other benefit".

12. Confidentiality and Data Protection

Is there any presumption of confidentiality?

1. The presumption, under this Contract, is that information about Suppliers is not confidential. Therefore, unless such information is plainly confidential, it is not confidential information for the purposes of this Contract.

What information do we intend to publish on our website?

2. We intend to use our website www.legalservices.gov.uk to publish information about Suppliers – see Clause 12.10.

What information is not “confidential information”?

3. For the purposes of this Contract, none of the following is information of a confidential nature:
 - (a) information which, before its receipt directly or indirectly from the other party, was in the possession of the receiving party and at its free disposal;
 - (b) information which is subsequently disclosed to the receiving party, without any obligation of confidentiality, by a third party who has not derived it directly or indirectly from the other party, or in any unlawful manner, or in breach of any obligation of confidentiality;
 - (c) information which is required by legislation (e.g. the Freedom of Information Act 2000) to be disclosed but only to the extent that it must be so disclosed;
 - (d) 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 or which is disclosed by us for the purposes of providing information to Parliament;
 - (e) information that we reasonably consider necessary to be disclosed for the purposes of an Official Investigation or determining whether an Official Investigation should take place; and
 - (f) information which is already in the public domain.

What about Client information?

4. We will comply with all legislation concerning the disclosure of information about your Clients or Former Clients (including - for the avoidance of doubt - section 20 of the Act). When we may disclose information about any Client or Former Client, we will do so only when we consider that it is in the public interest to do so, or to comply with the order or direction of any competent court, tribunal, regulator or similar body with power to require us to do so.

What about information obtained by Researchers?

5. We shall require any Researchers:
 - (a) to comply with all legislation concerning the disclosure of information about your Clients or Former Clients; and
 - (b) to keep all information of a confidential nature concerning your affairs or business strictly confidential and not to use it for any purpose other than as required, authorised or permitted by, the Act or this Contract or in respect of research being carried out on our behalf.

6. We shall be under a duty to ensure that, in any report provided to us by Researchers and intended to be published, no information shall be included which will disclose information of a confidential nature about you (or any Client or Former Client of yours) or enable any Client or Former Client of yours to be identified (unless the fact that they are a Client or Former Client of yours is already in the public domain).

What information must you keep confidential?

7. You must keep strictly confidential all information of a confidential nature concerning the affairs or business of any other Supplier (or former Supplier) or its Clients or Former Clients that you might obtain from our personnel or representatives through inadvertent or wrongful disclosure. If you do obtain any such information, you must inform us without delay and must return to us any written information without taking copies of it.
8. You must keep strictly confidential all information that you may obtain from us which is designated as confidential. Provided you have not (outside the terms of this Contract) agreed otherwise with us, in respect of any information obtained from us which is designated as confidential, you may disclose such information to your Relevant Professional Body, provided you secure from them an agreement to treat it as strictly confidential.

What information must we keep confidential?

9. We must keep strictly confidential all information of a confidential nature concerning your affairs or business. However, no information about the award of this Contract (or allocation or authorisation of work under it) to you, your performance under it, or payments under it, is confidential. We may e.g. disclose information about:
 - (a) the award of this Contract (and work allocated and authorised under it) to you;
 - (b) the terms (including payment terms) of this Contract;
 - (c) the payments that we have made to you (by category, class or otherwise);
 - (d) the numbers of matters and cases that you have started and completed (by category, class or otherwise);
 - (e) your performance e.g. as measured by the Performance Indicators;
 - (f) your status under the Contract; and about
 - (g) contract decisions concerning you (or your personnel), taken by us, and the reasons for such decisions. "Contract decisions" include decisions concerning sanctions, decisions concerning the amount of payments made to you and the results of audits.

What information may we publish?

10. Except in respect of any information which we are bound by to treat as confidential, we are entitled to publish at our discretion such information in relation to this Contract as we may consider appropriate for publication from time to time. This means that we may publish any information that we may disclose e.g. the information in Clause 10.9, the names of any Suppliers (and the names of their partners and directors, or the name of their sole principal) whose Contracts we have terminated and the names of any personnel whom we have excluded from Contract Work, and why, and you are required to make your personnel aware of this provision.

Disclosure in the public interest

11. Without prejudice to our other rights to disclose information, we may disclose any confidential information concerning you, your affairs and business if we consider that the public interest in making the disclosure outweighs the obligation of confidentiality. Where we intend to disclose in the public interest, we will notify you of our intention before doing so (unless this is impracticable or would prejudice a lawful investigation e.g. by the police or by The Law Society).

What are your Data Protection Act obligations?

12. In respect of personal data, you must comply with your obligations under the Data Protection Act 1998. You must hold, process, use, store and disclose personal data in accordance with the Data Protection Act 1998. You must have and operate, appropriate measures to prevent both:
 - (a) unauthorised or unlawful processing of; and
 - (b) loss or destruction of, or damage to,any personal data you hold or process.
13. If we make any personal data available to you, you must comply with any direction we may make in respect of it, or as otherwise required by law.
14. You must ensure that your personnel (including your partners and directors) are aware of the information that we may disclose and publish in accordance with Clause 13 and of the list of excluded individuals that we may maintain as specified in Clause 22.
15. In this Clause, the term "personal data" has the same meaning as in the Data Protection Act 1998.

Does the obligation to keep information confidential end when this Contract ends?

16. Both your and our rights and obligations under this Clause 12 continue after this Contract has ended.

13. Warranties

What warranties do you give?

1. You warrant that, to the best of your knowledge and belief:
 - (a) all information provided to us in seeking to become a Supplier or seeking any allocation of, or authority for, Contract Work or any benefit under this Contract, or to demonstrate compliance with this Contract was, when provided, true and accurate in all material respects;
 - (b) all information in any of your Bid Documents was, when provided, true and accurate in all material respects;
 - (b) no information has been omitted which would make that which has been provided materially misleading or inaccurate;
 - (c) no circumstances have since arisen which materially affect the truth and accuracy of such information.

What warranties do we give?

2. We warrant that, to the best of our knowledge and belief:
 - (a) all information which we have provided to you in writing specifically to assist you in seeking to become a Supplier or to prepare any Bid Documents was, when given, true and accurate in all material respects;
 - (b) no information has been omitted which would make that which has been provided misleading or inaccurate;
 - (c) no circumstances have since arisen which materially affect the truth and accuracy of such information.
3. Both you and we are entitled to rely upon, and are deemed to have relied upon, the information referred to in Clauses 13.1 or 13.2. Without prejudice to other termination rights of either party, any breach of Clause 13.1 or 13.2 by one party to this Contract entitles the other party:
 - (a) where the information related either to becoming a Contractor or to demonstrating compliance with this Contract, to terminate this Contract; and
 - (b) where the information related to the authorisation or allocation of Contract Work, to terminate the right or obligation to perform that Contract Work.

14. Indemnity

What indemnity must you give us?

1. You must indemnify us and keep us indemnified, without delay, against all losses, costs, claims, damages, actions, expenses and other liabilities of whatever nature incurred by us as a result of:
 - (a) any injury (fatal or otherwise) sustained by (or any loss or damage to the property of any of) our personnel or representatives arising in the course of our exercising any of our rights, or performing any of our obligations, under this Contract, where such injury, loss or damage arises as a consequence of any act or default committed by you or by any of your personnel (save to the extent that such injury or damage arose, or was incurred as a result of the wilful default or negligence of our personnel or authorised representatives);
 - (b) any claim made by or on behalf of a third party arising out of any act or default committed by you or on your behalf (save for any such act or default which may have been committed by us and any wrongful termination or breach of this Contract by us) in connection with:
 - (i) their employment, loss of employment or non-employment; or
 - (ii) your provision of, or failure to provide, Contract Work or other legal services or other information to any person or organisation; or
 - (iii) your failure to comply with any legislation.

What expenses are not covered by the indemnity?

2. For the avoidance of doubt, we are not entitled to indemnity in respect of administrative costs of following procedures prescribed by this Contract.

15. Giving contract notices

How can notice be given?

1. Subject to Clause 15.8, any notice or other information required or authorised by this Contract to be given by either party to the other must be in writing and:
 - (a) delivered personally; or
 - (b) sent by fax; or
 - (c) (from such date as we may specify) sent by email;
 - (d) sent by document exchange (DX), by pre-paid first-class post, recorded delivery or registered post
2. Subject to Clause 15.8, any notice or other information given in accordance with this Contract is deemed to have been received:
 - (a) if delivered personally, at the time of delivery; or
 - (b) in the case of fax or email, at the time of transmission provided a confirmatory copy is sent by document exchange (DX), by pre-paid first-class post or by personal delivery before the end of the next Business Day; or
 - (c) in the case of document exchange (DX), pre-paid first-class post, recorded delivery or registered post, 48 hours from the date of posting; or
 - (d) if deemed receipt under sub-Clauses (a) to (c) is not within 0900 to 1700 on a Business Day, at 0900 on the next Business Day.
3. To prove that any notice or other information has been given, it is sufficient:
 - (a) for personal delivery, for the person who delivered it, to confirm in writing when and where they did so;
 - (b) if sent by fax, to show that it was transmitted to the other party's Designated Fax Number
 - (c) if sent by email, to show that it was sent to the other party's Designated Email address;
 - (d) if sent by document exchange (DX), for a person with knowledge to confirm in writing when and how it was done and that it bore the correct name and Designated document exchange (DX) number;
 - (e) if sent by pre-paid first-class post, recorded delivery or registered post, for a person with knowledge to confirm in writing when and how it was done and that it was correctly addressed to the Designated postal address.
4. For the purposes of this Clause 13:
 - (a) your Designated Fax Number, Designated Email address, Designated document exchange (DX) number and Designated postal address are as specified on your current Principal Schedule; and
 - (b) unless we have notified you otherwise, our Designated Fax Number, Designated document exchange (DX) number and Designated postal address

are those of your Regional Office, and we will notify you of our Designated email address before the date service to us by email becomes permissible.

What form do notices have to be in?

5. We may specify the form and content of notices, or other information, required or authorised by this Contract to be given by either party to the other, in an Annex to these Contract Standard Terms.

What if a notice is given in the wrong form or given wrongly?

6. Any notice or other information (or purported notice or other information) required or authorised by this Contract to be given by either party to the other which is not in (or given in) the medium, form or manner required by this Contract is invalid unless the party receiving it elects, in writing, to treat it as valid.

What if notice is given late?

7. If a notice or other information under this Contract specifies that it takes effect on a date before any required notice period has expired, the notice or information remains valid but does not come into effect until the expiry of the required notice period.

What about notices of Contract amendment?

8. Except for any bespoke amendments (that affect only you), if we amend any Contract Documents we may give notice of the amendment by placing it on our website www.legalservices.gov.uk and either:
 - (a) sending you notice of the fact of the amendment in accordance with Clause 13.1; or
 - (b) sending you notice of the fact of the amendment by email to your Designated Email address, in which case you are deemed to have received it six hours after it was sent.

16. Constitutional and other changes and matters to be notified

Do you have to tell us of material constitutional changes?

1. You must notify us in writing as soon as possible before any anticipated material constitutional change, of which you are aware, which will or might affect you. You must notify us on, or within fourteen (14) days of, any material constitutional change that affects or might affect you. Examples of material constitutional change are:
 - (a) the closure or planned closure of any Office;
 - (b) any decision on your part to cease to carry out Contract Work in any Class of Work, Category of Work or at all;
 - (c) any change in the identity of any of your Key Personnel;
 - (d) where you are an advisory service, any material change (including any change of chairman or treasurer or any change of 75% or more of your membership since this Contract came into force) in the composition of your management committee;
 - (e) if you are a sole principal (sole trader), any creation of a partnership;
 - (f) any change (by more than one third) in the composition of your partnership, or in the number of your members or directors, in the previous 12 months;
 - (g) any change in your legal status e.g. to a limited liability partnership or company (incorporated practice) from a partnership;
 - (h) any sale, merger, acquisition, or transfer of you.

Constitutional statements

2. Without prejudice to the generality of your obligations under clause 16.1, whenever required by us, you must complete, sign and submit to us a “constitutional statement form”. This may require details of any material constitutional changes specified as examples in Clause 16.1 that have occurred (with the dates they occurred) and of any novation pursuant to Clauses 16.3 or 16.4 (below) and such other, similar information as we may require.

Sole principals and partnerships – novations

3. Subject to Clause 16.5, if you are a partnership and you take any person into partnership (or any person ceases to be a partner of yours) this Contract is novated, on the date of that event, in favour of the partnership (or principal) as constituted on that date, on the terms set out in Clause 16.6. This Clause 16.3 constitutes your and our express consent to such novation. Any such novation is confirmed by any subsequent submission by you of a Contract Report Form and any subsequent payment by us under this Contract.
4. Subject to Clause 16.5, if a competent court or tribunal does not accept Clause 16.3 as novating this Contract, it shall be novated pursuant to this Clause 16.4. The novation shall be on the terms set out in Clause 16.6 and shall be, and shall take effect, in favour of the partnership (or principal) as constituted on the earliest of the following dates accepted by such competent court or tribunal: (a) the date we receive a subsequent Contract Report Form from you; (b) the date we make a subsequent payment to you under this Contract; or (c) the date of a properly completed, “constitutional statement form” received by us from you.

What if constitutional changes (e) (f) (g) or (h) have occurred?

5. If any of the events specified in Clause 16.1 (e), (f), (g) or (h) has occurred, this Contract shall not be novated under Clauses 16.3 or 16.4 and is incapable of being novated without our signed, express consent.

Sole principals and partnerships - what are the terms of any novation?

6. Any novation under Clauses 16.3 or 16.4 is on the following terms (with "old firm" meaning "you" immediately before the novation and "new firm" meaning "you" immediately after the novation):
 - (a) the new firm, by virtue of the novation, undertakes to comply with this Contract in substitution for the old firm and undertakes to be bound by it in every way as if it had been an original party to it;
 - (b) any partners (or principal) of the old firm are released from liabilities arising under this Contract after the novation, except those arising from the period when the old firm was a party to this Contract and, if they remain in the new firm as principal or a partner, except so far as they may arise as such a principal or partner;
 - (c) nothing in this Contract shall affect or prejudice any claim or demand that we may have against the old firm or the old firm may have against us relating to matters arising before the novation;
 - (d) all payments due from us, under this Contract after the novation, shall be paid to the new firm;
 - (e) the new firm is liable for any debt or obligation which arose under this Contract before the novation (and the old firm remains liable);
 - (f) without prejudice to the generality of Clauses 16.6(c) and 16.6(e), the new firm shall be liable for all monies due to us (whether that liability shall have accrued before or after the novation) under the account set up by us in respect of this Contract and, for the avoidance of doubt, the new firm, by virtue of the novation, acknowledges that:
 - (i) that account shall be treated and run as a single running account as if the old firm and the new firm had been a single firm; and
 - (ii) we may exercise any right to set off against the new firm under the provisions of Clause 8.13 in respect of any sums due under Clause 16.6(e) or this Clause 16.6(f)
 - (g) in applying any provision of this Contract after the novation, any acts and omissions of the old firm shall, for all purposes, be deemed to be acts or omissions of the new firm;
 - (h) any notice, direction, Assessment, decision, audit, status or finding relating to the old firm has effect, after the novation, as if it had been in relation to the new firm;
 - (i) any right or power (whether of termination or otherwise) under this Contract which was exercisable by us against the old firm by reference to any matter arising before the novation shall be exercisable against the new firm after the novation;
 - (j) where, by virtue of any provision of this Clause 16, the old firm and the new firm are liable in respect of the same debt or obligation, the members of the

old firm and the members of the new firm are jointly and severally liable for that debt or obligation.

7. Notwithstanding the novation of this Contract pursuant to Clause 16.3 or 16.4, we may at any time require the partners for the time being comprising the partnership (or the principal) to enter into a formal novation agreement with us on such terms as we may reasonably require.
8. If any of the events specified in Clause 16.1 (e), (f), (g) or (h) has occurred, we may agree to enter into a signed, express novation agreement with the new organisation on such terms as we may reasonably specify and within such period as we may specify. For the avoidance of doubt:
 - (a) we have no obligation to enter into such a novation agreement; and
 - (b) if no novation agreement is in force within such period as we have specified, this Contract will have ended on the date of the constitutional change.
9. We will not agree to enter into a novation agreement under Clause 16.8 if we have issued a notice terminating the Contract (whether or not the notice has yet come into effect) or if we consider that either we, Clients, public funds, or the market for legal services would be adversely affected, or if the efficacy of this Contract, any of its provisions or its purpose would be compromised.
10. If any of the events specified in Clause 16.1(h) has occurred, we will not enter into a novation agreement under Clause 16.8 if we consider either:
 - (a) that there is no need for us to do so in order to comply with our statutory duties or fulfil our statutory obligations (e.g. because there is no need for a new contract); or
 - (b) that we should hold a competition for the award of a new contract.

Partnerships – what else do you have to tell us about?

11. If you are a partnership you must also notify us:
 - (a) before or within fourteen (14) days of any change in the composition of the partnership which has, or may have, a material direct or indirect bearing on the performance of Contract Work;
 - (b) immediately in the event of the service of a notice dissolving or purporting to dissolve the partnership;
 - (c) immediately if an application is made to the court or an arbitrator for the dissolution of the partnership under the Partnership Act 1890;
 - (d) immediately on any dissolution of the partnership which requires or results in a winding up of its affairs;
 - (e) immediately if circumstances arise which enable the court to make a winding up order in respect of the partnership under the Insolvency Act 1986 (as applied by the Insolvent Partnerships Order 1994);
 - (f) immediately on the appointment of a receiver, manager or administrator in respect of the partnership.

If you are a LLP or a company, what else do you have to tell us about?

12. If you are a limited liability partnership or a company, you must also notify us:

- (a) before or within fourteen (14) days of any change in your members, directors or shareholders which has, or may have, a material direct or indirect bearing on the performance of Contract Work;
- (b) immediately if you pass a resolution or the court makes an order, that you or your Parent Company be wound up;
- (c) immediately if a receiver, manager or administrator is appointed for you or your Parent Company on behalf of a creditor;
- (d) immediately if circumstances arise which might entitle a creditor or a court to appoint a receiver, manager or administrator for you or your Parent Company;
- (e) immediately if circumstances arise which enable the court to make a winding up order in respect of you or your Parent Company;
- (f) immediately if you or your Parent Company are unable to pay your debts within the meaning of Section 123 of the Insolvency Act 1986 or any similar event occurs under the law of any other jurisdiction;
- (g) immediately if there is a Change of Control.

Notification of interventions

- 13. You must notify us immediately if there is an intervention by your Relevant Professional Body (or by any other organisation that may lawfully do so) that has the effect of preventing you from carrying out Contract Work.
- 14. You must notify us immediately if there is an intervention by The Law Society into the practice of any solicitor whom you employ or who is a partner, member or director of yours.

Notification of voluntary arrangements insolvencies etc

- 15. You must notify us immediately if:
 - (a) any proceedings for the recovery of debt are commenced against you and you do not intend to enter a defence to the full amount claimed;
 - (b) you become aware that you have been registered on the General Council of the Bar's "Withdrawal of Credit Scheme";
 - (c) you intend to make any composition with your creditors, or to seek a voluntary arrangement under insolvency, or other, legislation, or if any of your partners, members or directors intends to do so (or, if you were unaware of their intention, have done so);
 - (d) any insolvency proceedings concerning you or any of your partners, members or directors are commenced;
 - (e) a receiver or liquidator is appointed in respect of your business; and if
 - (f) you become aware that any of the events in (a) to (e) above is imminent.

Notification of criminal proceedings

16. You must notify us within seven days if any of your Key Personnel, partners, members, trustees or directors is charged with an offence punishable by imprisonment.

What if you are not sure whether to tell us about something?

17. If you have any reasonable doubt as to whether a particular event is covered by this Clause, you must notify us of the event in question before or within 14 days of its happening.

17. Prohibited gifts, fraud and unethical behaviour

What must you not do?

1. You must not try to bribe any of our personnel, or any person who may perform services for, or who is associated (in any way) with, us.
2. When bidding, or applying for, a contract with us, or for authority to perform work, or for an allocation of Matter Starts or other work, (or for the purpose of, or with the intention of, doing so) you must not collude with any other person or attempt to bribe them.
3. When bidding, or applying for, a contract with us, or for authority to perform work, or for an allocation of Matter Starts or other work, you must not bid any price that is unrealistically low. A price is unrealistically low if you intend to secure the contract, authority or allocation by virtue (in whole or in part) of the low price and intend, or hope, to recover some or all of the unrealistic element of it by a subsequent renegotiation of the price.

What must you do?

4. You must be alive to the possibility of fraud and unethical behaviour by your personnel and by any third parties, must not tolerate it, and must have procedures to identify, address and counter it.

What if this Clause is breached?

5. Any breach of Clause 17.1, 17.2 or 17.3 by you or by anyone employed, or otherwise engaged, by you acting on your behalf (whether with or without your knowledge) is a Fundamental Breach.

18. General

Entire agreement

1. This Contract represents the entire agreement and understanding between the parties in connection with its subject matter.
2. This Contract supersedes any previous agreement between the parties relating to its subject matter. It supersedes all prior negotiations, representations and undertakings, whether written or oral. It does not exclude any liability for fraudulent misrepresentation.

What if we waive, delay or omit to exercise rights?

3. No failure by us to exercise any power (or to insist upon strict compliance by you with any obligation or condition) shall constitute a waiver of any of our rights under this Contract.
4. No waiver by us of any particular default by you shall affect or impair our rights in respect of any other default (of any kind) by you.
5. No delay or omission by us to exercise any rights arising from any particular default by you shall affect or impair our rights in respect of such default or any other default (of any kind) by you.

What if you or we are prevented from complying with this Contract?

6. Neither of the parties to this Contract is responsible to the other for any delay in performance, or for any non-performance, of its obligations and duties under this Contract due to any cause beyond its reasonable control. Causes beyond reasonable control are confined to:
 - (a) severe physical damage caused by storm, fire or flood; and to
 - (b) criminal acts;except any fire, flood or criminal act caused or committed by any member of the affected party's personnel.
7. If any cause within Clause 18.6 occurs the affected party must immediately:
 - (a) inform the other party in writing of such cause and of what obligation or duty it has delayed or prevented being performed; and
 - (b) take all action within its power to comply with the terms of this Contract as fully and promptly as possible;

and, unless the affected party takes such steps, this Clause shall not have the effect of absolving it from its obligations under this Contract.

8. If the circumstances described in Clause 18.6 arise, but do not appear to be of a temporary nature, either party may give the other notice of termination of this Contract within such period as is reasonable in the circumstances (which shall be no shorter than one month).
9. Any notice under Clause 18.8 shall not take effect if the party that was prevented from complying with this Contract (or complying with it in a timely manner) is able, to the

other party's satisfaction, to comply with its obligations and duties under this Contract within the period of notice specified in accordance with Clause 18.7.

What happens if any part of this Contract is held to be void?

10. Subject to Clauses 18.11 and 18.12, if any term of this Contract is held by any competent authority to be invalid, illegal or unenforceable in whole or in part, the other terms of this Contract and the remainder of the affected term so far as practicable shall continue to be valid and enforceable.
11. If, in our reasonable opinion, the effect of a decision of a court, tribunal or other competent authority (i) adversely affects the efficacy of this Contract or (ii) is that a term of this Contract (or the same – or very similar – term in another of our contracts) is invalid, illegal or unenforceable in whole or in part, with the effect that the purpose of this Contract is undermined or our position is materially prejudiced, we are entitled:
 - (a) with the agreement of the Consultative Bodies, or without it if it is unreasonably withheld, (i) to amend this Contract so as to restore its efficacy and (ii) to substitute for such term (or part of a term) such further term (or part of a term) the meaning of which has been advised by leading counsel instructed by us (and the Consultative Bodies if they agree to joint instruction) to be as close as permissible to that of the invalid, illegal or unenforceable term (or part of a term); or
 - (b) to give you notice terminating this Contract.
12. If, in your reasonable opinion, the effect of Clause 18.10 (following a decision of a competent authority) is such that your position is prejudiced, you may:
 - (a) ask us to agree a suitable amendment to this Contract; or
 - (b) give us notice terminating this Contract.

What if Access to Justice Legislation affects what can be performed as Contract Work?

13. If any Access to Justice Legislation affects this Contract, we are entitled to make such amendments to this Contract as we consider necessary in the circumstances. Such amendments may include e.g.:
 - (a) amendments to any of the terms of a Schedule;
 - (b) changes to payment provisions;
 - (c) imposing controls not previously imposed;
 - (d) excluding from this Contract any description of Contract Work; and
 - (e) amending procedures in the Specification.

What if other legislation affects this Contract?

14. We have the right to revise or vary the terms of this Contract to comply with any U.K. legislation or any EU legislation having direct effect, or as a result of any decision of a U.K. court or tribunal, or a decision of the European Court of Human Rights or of the European Court of Justice or any other institution of the European Union, or to comply with the requirements of any regulatory body or tax or similar authority.
15. Where you and we are in dispute as to whether a proposed revision or variation of this Contract is necessary pursuant to Clause 18.14, we will not make the revision or

variation unless we have consulted with the Consultative Bodies and have obtained an opinion of leading counsel stating that it is necessary.

Do you have to provide information under the National Audit Act 1983?

16. For the purpose of examination and certification of our accounts, or any examination under section 6(1) of the National Audit Act 1983 as to the economy, efficiency and effectiveness with which we have used our resources, the Comptroller and Auditor General may examine such documents as he may reasonably require which are owned, held or otherwise within your control and may require you to provide such documents and oral or written explanations as he may reasonably require for those purposes. You must give all reasonable assistance to the Comptroller and Auditor General for those purposes.

Do you have to provide information under any other legislation?

17. Under the Freedom of information Act 2000 or other legislation, we may be required to provide information that you hold. If we ask you to give us such information, you must do so without delay.

In what form may information be required?

18. Where either you are required to provide documents, information or data to us, or we are required to provide information to you, we may specify that such documents, information or data shall be provided in electronic form.

Can you claim payment from Clients or Former Clients?

19. Except where this contract or any Access to Justice Legislation so provides, you must not claim or seek to claim any payment from any Client, or Former Client, for any Contract Work or for any work that was performed in your or your Client's, or Former Client's, reasonable belief that it was Contract Work.

Who has rights in work and files?

20. By virtue of performing Contract Work you do not obtain any lien over any matter files or any other rights in the work or documents relating to them.
21. All rights, which are not exclusively Clients' (or other parties') rights, in any product of Contract Work (including, without limitation, any experts' reports and any work by any third parties, any legal (or other) research or other legal work and any counsel's opinions) and in any information gathered in performing Contract Work and in any documents relating to Contract Work, vest in us. This provision does not extend to information which you have properly gathered for your own purposes through performing Contract Work – such as the development of a case management system.

What if we require information about your personnel?

22. If we wish to obtain information about you or any of your personnel from any regulator e.g. your Relevant Professional Body and we require your consent, or the consent of any of your personnel, to do so, you must provide your consent and must use all reasonable endeavours to ensure that those of your personnel, whose consent is required, shall do so.

Must your personnel be available to co-operate in an Official Investigation?

23. You must co-operate in, and provide such information as may be reasonably required for the purposes of, any Official Investigation. You must ensure that your personnel

are available when reasonably required for the purposes of an Official Investigation and must use all reasonable endeavours to ensure that your personnel co-operate in any investigation.

What if we commission research on this Contract?

24. You must co-operate with any Researchers and provide such information to them as they may reasonably require. Such co-operation includes permitting the Researchers, on reasonable notice, to have access to your premises during normal office hours and to review, on the premises, the files of Clients and Former Clients. It also includes, occasionally, discussing with the Researchers issues relating to the operation of this Contract.
25. At any time, we may commission research on the operation of our contracts. If we do so, the product of such research, and all rights in it, are our property. If you request them and they exist, we will make available to you (subject to our rights) any research findings that may have been derived from your operations.

What special provisions apply to Solicitors' Chambers?

26. If you are a Solicitors' Chambers:
 - (a) unless otherwise agreed in writing between you and us, you will have one account with us and we will make payments under this Contract (and have all the same rights e.g. to audit) as if you were one firm of solicitors;
 - (b) only Solicitors' Chambers Members may perform Contract Work;
 - (c) any breach of this Contract by a Solicitors' Chambers Member entitles us to apply any sanction under this Contract not only to the (whole) contractor but, instead, to that Solicitor's Chambers Member and to amend any authorised volume of work and payment terms;
 - (d) if any of the Solicitors' Chambers Members ceases to be appropriately associated with the contractor or if any new Solicitors' Chambers Member joins the Solicitors' Chambers, the contractor must notify us and we may amend any authorised volume of work and payment terms;
 - (e) as well as you, each Solicitors' Chambers Member is liable in its own right to make such payments (or repayments) which may be due to us in connection with any Contract Work which it has (or should have) performed.
 - (f) all Solicitors' Chambers Members must be named on your Principal Schedule.

Do any special provisions apply to consortia?

27. If you are the lead member of a consortium, you and we are the only parties to this Contract. The responsibility for performance under this Contract, and compliance with it, is yours alone. Your agreement with consortium members must give us the same rights to audit etc them as we have to audit etc you, must require them to enter into such contracts with us and provide such indemnities as we may reasonably require and include such other terms as we may reasonably specify.

Are you obliged to check Certificates and authorities issued by a regional office in connection with Contract Work?

28. It is your responsibility to check any Certificates and authorities that any of our Regional Offices issue to you in connection with Contract Work. If after checking a Certificate or authority you have any concerns, you may raise them with the Regional

Office concerned. No matter what sum is assessed by a court as costs incurred under a Certificate, we have no obligation to pay you for any work that is outside the scope of a Certificate, or which is in excess of that covered by a limitation on a Certificate, and if any such payment is made to you an equal sum is repayable by you to us.

Do you have to tell us of any change in your capacity to perform Contract Work?

29. You must notify us of any significant changes in your personnel deployed in Contract Work and of any other changes affecting you such as might reasonably be expected significantly to affect your ability to perform Contract Work.

May we carry out Client satisfaction surveys?

30. You must permit us to carry out surveys of Clients and must provide us with such information as we may require for such purpose.
31. If you request it, we will provide you with the information we obtain in any of the surveys of Clients (and Former Clients) for whom you have performed Contract Work.

What material changes do you have to tell us about?

32. Without prejudice to Clause 16, you must notify us of any material alteration:
- (a) to any material information you have provided to us (including information which you provided in seeking to become a Contractor); and
 - (b) to the manner in which you perform the Contract Work (including material alterations to your management systems).

For the purposes of this Clause, material alterations include any decision to stop providing Contract Work in any Category of Work at any Schedule Office or any fundamental change in your management or the management of your Schedule Office.

Do you have to tell us about disciplinary and other proceedings?

33. Immediately you become aware of them, you must notify us (and provide details) of any professional disciplinary proceedings concerning any of your personnel and must notify us of the outcome of them.

Do you have to tell us about prosecutions and convictions?

34. You must notify us immediately if you, or any of your personnel, is charged with an offence punishable by imprisonment and if you, or they, are convicted of such an offence.

Are we authorised by you to obtain a Report?

35. By signing this Contract, you authorise us to obtain a Report if at any time we have good reason to suspect serious professional misconduct, breaches of Regulations or dishonesty by (i) you (whether or not you are under Official Investigation) (ii) any of your personnel who have been, or may be, involved in Contract Work (iii) any of your partners or (iv) any of your directors and must use all reasonable endeavours to ensure that such of them as may be required to give consent to enable such Reports to be given to us, must do so.

Do you have to tell us about events which entitle us to apply a Contract sanction?

36. You must notify us (and provide details) if you become aware of any event which would entitle us to terminate this Contract, or to apply any other Contract sanction.

19. How the Contract can be ended

No fault termination by either party

1. You may, at any time, serve no less than three months' notice on us terminating this Contract.
2. Subject to Clause 19.3, we may, at any time, serve no less than three months' notice on you terminating this Contract, or terminating specified powers, rights and authorities to perform Contract Work under it e.g. we may terminate your right to perform Contract Work in a specified Class of Work or Category of Law in a specified geographical area.
3. We will exercise our rights under Clause 19.2 only when we consider it necessary or desirable to do so in order to facilitate a Reform of the Legal Aid Scheme.

When will this Contract terminate automatically?

4. If, after you have signed this Contract, but before the start date of the first Office Schedule, we notify you that we have grounds for terminating this Contract, it terminates automatically on the date specified in the notice. If we notify you, before the Contract start date, that we have grounds for terminating this Contract, it immediately lapses and shall not come into force on its start date.
5. If you have failed to meet a specified condition on which we granted this Contract (e.g. that we would receive satisfactory responses to what are normally pre-contract enquiries or that you would recruit a Supervisor) this contract terminates on:
 - (a) the date specified in the condition; or
 - (b) if no date is specified in the condition, on such date as we may specify.

When will this Contract terminate immediately?

5. This Contract terminates immediately if:
 - (a) there is an intervention by your Relevant Professional Body (or by any other organisation that may lawfully do so) that has the effect of preventing you from carrying out work under this Contract; and
 - (b) if you are a sole principal (sole trader) and your Relevant Professional Body (or any other organisation that may lawfully do so) makes and order or direction that has the effect of prohibiting you from performing Contract Work.

When might we terminate immediately?

6. We may serve a Sanction Notice on you terminating this Contract on the date specified in the Sanction Notice in any of the following circumstances:
 - (a) no Office Schedule has come into force within one month (or such longer period as we may agree with you) of the Contract start date;
 - (b) you are under Official Investigation or we receive a Report and in either case consider that termination is required to protect Clients or us from possible serious harm or to protect public funds or Clients' interests;
 - (c) we receive a Report that identifies that there has been such a serious breach of Contract or of legislation or such serious professional misconduct or dishonesty that, in all the circumstances, termination is justified;

- (d) your financial situation is such that we consider that we or Clients are at risk of financial loss or other material prejudice;
- (e) you have failed to provide documents or access to premises in accordance with Clause 3;
- (f) either you are required to comply with the SQM and a Notice to Terminate under the SQM has been issued or your right to hold the Q.A. Standard has been terminated or has otherwise ended;
- (g) we entered into this Contract on the basis that you were receiving core funding from another organisation (e.g. you are a Not for Profit organisation and you receive core funding from a local authority) and that funding ceases or is reduced (unless it is replaced to our satisfaction within such period as we may specify).

When might we terminate after a Warning Notice?

- 10. If you have breached this Contract, we may serve you with a Warning Notice specifying the breach. If we consider that the breach is capable of remedy, the Warning Notice will require you to remedy it within a specified period, which will not be shorter than 28 days. Otherwise, the Warning Notice will require you not to repeat the breach.
- 11. If a Warning Notice requires you to remedy a breach within a specified period and you fail to do so to our reasonable satisfaction, we may serve a Sanction Notice on you terminating this Contract on the date specified in the Sanction Notice.
- 12. If a Warning Notice requires you not to repeat the breach then, if you do so, or we serve you with two further Warning Notices (each of which may be in respect of any breach), we may serve a Sanction Notice on you terminating this Contract on a specified date.

Can there be termination or suspension of part of the Contract?

- 13. Whenever we are entitled to terminate this Contract we may terminate any part of it or suspend it, or any part of it. We will set out the effects of any suspension (which shall be less serious than termination) in a notice to you.

Termination for Fundamental Breach

- 14. If you have committed a Fundamental Breach, we may serve a notice on you terminating this Contract (or any part of it) with effect from the date specified in the notice. (See Fundamental Breach Annex).

20. Other Contract Sanctions

When may we apply the sanctions in this Clause?

1. If you have breached this Contract or we may apply a Contract sanction under any other Clause of this Contract, we may (without prejudice to any of our other rights) apply one or more of the sanctions set out in this Clause 20.
2. We may also (without prejudice to any of our other rights) apply a sanction, in the circumstances specified in any provision in this Clause 20.

May we curtail Contract Work?

3. We may send you a Sanction Notice to curtail the Categories of Law or Classes of Work in which you may perform Contract Work and to impose restrictions on the Contract Work that you may perform. If we do so, we will also issue a Schedule Amendment Notice.

May we refuse to pay for specified Contract Work?

4. We may send you a Sanction Notice specifying that you are not entitled to payment for, and we will not pay you for, some or all of the work specified in the Sanction Notice.

May we suspend payments?

5. We may serve you with a Sanction Notice suspending some or all payments due from us to you under this Contract for such period as may be stated in it (a "vendor hold"). We may also do this if you are under Official Investigation or your financial situation is such that we consider that there is a risk to Clients or to public funds.

May we prohibit you from taking on any new matters or cases?

6. We may serve you with a Sanction Notice, which prohibits you from starting any new matters or cases under this Contract. We may also do this if you are under Official Investigation and we consider that there is a risk to Clients or to public funds.

May we prohibit you from holding yourself out as a Supplier?

7. We may serve a Sanction Notice on you suspending (with effect from such date as we may specify) your entitlement under this Contract to use LSC Promotional Items and to hold yourself out, or to promote yourself, as a Supplier, for a specified period. We may also do this is
 - (a) any of your solicitors engaged in Contract Work and required under the Solicitors' Act 1974 to have a valid practising certificate, ceases to have one; or
 - (b) you are under Official Investigation.

May we exclude individuals from being supervisors or performing Contract Work?

8. If any of your personnel or former personnel is, or has been:
 - (a) a cause of, or a subject of, an Official Investigation or Report; or
 - (b) a cause of a Contract sanction;
 - (c) charged with, or convicted of, an imprisonable offence

we may, if we reasonably consider that such a step is necessary either to protect Clients' interests, or to protect public funds, or to protect us from material harm, prohibit the person concerned (either permanently or for such period as we may reasonably specify) from being:

- (a) a supervisor of Contract Work; or
 - (b) Approved Personnel (so that they can no longer perform or supervise any Contract Work for you or any other Supplier).
9. Clause 21.8 applies even if the relevant circumstances occurred before the person concerned became a member of your personnel.
10. We will maintain a list (accessible by you) of individuals whom we have prohibited from being supervisors of Contract Work or from being Approved Personnel.

21. Consequences of termination

What about Clients and files?

1. When your right to perform any Contract Work ends, you must immediately notify all relevant Clients, take all reasonable steps to protect them and their rights, and provide them with information about other Suppliers able to continue their matter or case (and offer to make appointments with them) and with such other information as we may specify.

What happens to your rights, authorisations etc when this Contract (or part of it) ends?

2. Subject to Clause 21.10, when this Contract ends:
 - (a) all rights, authorisations, approvals, powers, licences and any status under it (of you and of any of your personnel) end immediately;
 - (b) you must immediately stop all Contract Work;
 - (c) you must immediately stop holding yourself out as able to perform Contract Work;
 - (d) you must immediately stop holding yourself out as a Supplier.
3. Subject to Clause 21.10, when any authority to perform Contract Work in any Category of Law or Class of Work or from any Office ends, you must immediately stop all Contract Work in the relevant Category of Law, Class of Work or from the relevant Office and must immediately stop holding yourself out as able to perform it.
4. Subject to Clauses 21.8, 21.9 and 21.10, when this Contract ends, our obligation to make payments to you under it ceases.

What happens to overpayments and Payments on Account if this Contract ends?

5. When this Contract ends all "overpayments and mispayments" (as described in Clause 8) and all Payments on Account become repayable to us.
6. When any authority to perform Contract Work in any Category of Law, or Class of Work, or from any Office ends all overpayments (as described in Clause 8) and all Payments on Account in respect of that Category of Law, Class of Work or Office become repayable to us.

What about work in progress?

7. When this Contract ends or your right to perform Contract Work in any Category of Law or Class of Work, or from any Office, ends you must immediately send us a Contract Report and such Claims as we may require.

What about existing rights?

8. Subject to the provisions of this Contract, the ending of this Contract is without prejudice to any of your or our accrued rights (including, without limitation, our rights to Assess your Claims and to recover any overpayments to you and your rights to recover in respect of any underpayments by us).
9. Any provision of this Contract which relates to, or governs your or our acts after it (or any part of it) ends, remains in full force and effect and is enforceable even though it has ended.

What about Remainder Work?

10. Although we will not normally do so, if we consider it appropriate, we may authorise you to perform Remainder Work. Any such authorisation is subject to our right to impose restrictions, requirements and conditions on your performance of it at any time, and not merely when authorisation is given. Restrictions, requirements and conditions may be on a case-by-case basis, on a time basis, on a step in proceedings basis or on any other basis that we consider appropriate.
11. Unless we notify you otherwise, you must perform Remainder Work as if it were Contract Work, and we have all the rights we would have had if this Contract had been in force (for the avoidance of doubt, including our rights under Clause 3 and our rights to Assess Claims).

What about TUPE?

12. If TUPE applies on the termination of this Contract or part of it, the provisions in the **TUPE Annex** apply.

After termination, may you apply for a new contract?

13. Except for any termination under Clause 19.1 (no fault termination) if we terminate this Contract, neither you nor any of your partners, shareholders, directors, members, trustees, executive officers or personnel who, we determine, were responsible (in whole or in part) for the circumstances leading to the termination, may (for such period as we may prescribe – at the time of termination or later) apply to us for a contract under the Act. The prescribed period will be at least two years and will, normally, be longer. This prohibition continues to have effect after this Contract has ended.

22. Reconsidering decisions and the review procedure

What should you do if you disagree with something we have done, or not done, or a decision we have made?

1. If you disagree with something we have done or not done, or a decision we have made, you should – normally through your Liaison Manager – contact our Contract Manager or Relationship Manager to request an informal reconsideration of the decision.

What is the formal review procedure for?

2. The formal review procedure is to enable you to require us to carry out a formal reconsideration of matters within the scope of Clause 22.3.

When may you invoke the formal review procedure?

3. Subject to Clause 22.4, you may invoke the formal review procedure if:
 - (a) we have issued a Sanction Notice; or
 - (b) you disagree with our decision either (i) not to issue an Office Schedule, (ii) on the duration of an Office Schedule, or (iii) on payment or allocation or authorisation of work under an Office Schedule; or
 - (c) you consider that we have breached this Contract (in which case, you must specify which provision of this Contract you consider that we have breached and set out the reasons why you consider we have breached it).

What is outside the formal review procedure?

4. The following are outside the formal review procedure:
 - (a) decisions on individual Client matters and Claims;
 - (b) the issue of a Warning Notice unless and until we subsequently apply a Contract sanction consequent on the Warning Notice;
5. Decisions of independent committees, persons and other third parties exercising functions in connection with Contract Work e.g. Independent Funding Adjudicators, Independent Costs Assessors, Costs Appeals Committee, Public Interest Advisory Committee are not subject to the formal review procedure – because they are not our decisions.

Must you apply promptly for formal review?

6. If you do not pursue your rights under this Clause 22 (and Clause 23) as required by this Clause (and Clause 23) within the periods of time specified (or such longer periods of time as we may agree) you thereby accept the position and lose your right to dispute it.

What is the review procedure?

7. To invoke the formal review procedure, you must write to the Regional Director setting out your reasons, with all the information that you wish to be taken into account, endorsing your request “formal review”. Your request must be received by the Regional Director within 14 days (or 28 days if you first requested our Contract Manager or Relationship Manager to reconsider the decision informally) of the date of:

- (a) the service of the Sanction Notice (Clause 22.3(a));
 - (b) the decision (Clause 22.3(b)); or
 - (c) the alleged breach of Contract (Clause 22.3(c)).
8. If the Regional Director receives a written request for a formal review they will, within seven days of receipt, forward it to the CRB with any information that they consider is relevant and, at the same time, will send you a copy of what they have forwarded.
9. The CRB will determine whether to invite or require any further information before making a decision e.g. any further written or oral representations from you or the Regional Director and will notify you and the Regional Director accordingly.
10. If oral representations are invited, you and we may make oral representations for a maximum of fifteen minutes (unless the CRB, exceptionally, allows a longer period).

When will the CRB determine the formal review?

11. The CRB will determine the formal review within a reasonable period after it has received it (and, for the avoidance of doubt the CRB's decision is our decision). The CRB may e.g. allow the formal review, dismiss the formal review, make a different decision, give directions to the Regional Director or recommend that a fresh decision is made after a specified period.

Will the CRB give reasons for its decisions?

12. The Contract Review Body will send you and the Regional Director written reasons for its decision.

23. Mediation and Arbitration

What can be referred to mediation?

1. If you disagree with the decision of the CRB, the decision shall (if both you and we agree) be referred to a neutral mediator within 14 days of the CRB's decision.

How is the mediator chosen?

2. The neutral mediator will be chosen by agreement between you and us. If you and we are unable to agree on the choice of a mediator (or if any chosen mediator will not act) both you and we will apply jointly to a nationally recognised mediation body to appoint a mediator.

Who pays for mediation?

3. Unless a binding mediation agreement provides otherwise, you and we are jointly and severally liable for the costs of any mediation.

What is the mediation procedure?

4. Within 14 days of the appointment of a mediator, you and we must meet them to agree a programme for the exchange of information and a timetable and structure for discussions. If you and we are unable to agree on any issue at the meeting, the mediator may give directions or seek assistance from a nationally recognised mediation body.
5. Unless otherwise agreed, all negotiations connected with the dispute and any settlement or agreement relating to it must be conducted in confidence and are without prejudice to either your or our rights in any future proceedings.
6. If agreement is reached on the dispute, it shall be put in writing by the mediator for signature by you and us. Once both you and we have signed the written agreement, it is binding.
7. If you and we are unable to reach agreement on the dispute, either party may ask the mediator to provide a non-binding but informative opinion in writing. Such an opinion shall be provided on a without prejudice basis and must not be used in evidence in any proceedings relating to this Contract without both your and our prior written consent.
8. If no agreement (or no full agreement) is reached within 60 days of the appointment of the mediator (or such longer period as you and we may agree) the dispute, or any remaining part of it must be referred to arbitration under Clause 23.9.

When are disputes subject to arbitration?

9. Subject to Clause 23.10, if you disagree with the decision of the CRB (or if Clause 23.8 applies) the decision of the CRB shall be referred to arbitration to be decided under the Arbitration Act 1996.
10. Any decision by us to exercise our auditing powers (and your consequent obligations) e.g. our right to audit, our right to access to premises, your obligation to send files, your obligation to provide facilities is not subject to arbitration unless both you and we agree.

What arbitration scheme applies and how does arbitration start?

11. The arbitration shall be in accordance with the relevant arbitration scheme run by the Chartered Institute of Arbitrators and shall be final and binding. Notice of intention to enter arbitration must be given in accordance with the terms of the scheme within 21 days of the decision of the CRB or (if later) of the date when Clause 23.8 applies.
12. The “relevant arbitration scheme” is the current scheme established by the Chartered Institute of Arbitrators for the purpose of determining disputes under the Commission’s contracts for legal services.
13. The role of the arbitrator shall be to determine whether our decision was one that a public body, required to discharge its functions under the Act, might reasonably have made.
14. Both you and we must use reasonable endeavours to ensure that any arbitration is concluded within three months or as soon as practicable thereafter, and must provide in a timely manner all reasonable information, assistance, co-operation and responses that may be required.