**Schedule 2**

**Finance**

1. **General**
   1. For the performance of the Services, the Service Provider shall be paid the Contract Price.
2. **Implementation and Transition Period Payment** 
   1. Schedule 7 (Commencement Transition Provisions) sets out the actions required by the Service Provider from the Contract Commencement Date, in addition to those expressly set out elsewhere in the Contract, leading up to the Service Commencement Date.
   2. For the delivery and performance of the Implementation and Transition Plan as per Schedule 7 (Commencement Transition Provisions), a one-off payment of £25,000 will be paid before the Service Commencement Date.
3. **Contract Price**
   1. The total annual Contract Price will be a maximum of £375,000 per year. The Contract Price shall be calculated as follows each year:
4. **Block Payments**
   1. A block payment of £300,000 will be paid in 12 monthly instalments.
   2. The Service Provider will be expected to deliver a minimum 750 successful Tier 3 four-week quits to fulfil the block Contract Price. This is a baseline of £400 for each successful Tier 3 four-week quit from priority Service Users.
   3. If the Service Provider does not achieve the minimum 750 successful Tier 3 four-week quits from priority Service Users they will be allowed to retain all block payments for that each year provided they achieve a total quit value 90% or greater of the indicative value in the first year and 95% or greater for all subsequent years of the Contract.
   4. All unachieved successful Tier 3 four-week quits from priority Service Users will be carried across to the following year, with exception of the final year of the Contract, and this will be added to the following year’s target activity value.
   5. If the Service Provider does not achieve the set allowable variance the Council may clawback the costs from the Contract Price at the value of £400 for each unachieved successful Tier 3 four-week quits from priority Service Users that year (subject to previous year’s performance).
5. **Annual Payment by Results (PbR) Premium**
   1. The following PBR premium payments will be awarded if the following Service Quality Performance Indicators are achieved annually:

* £25,000 if ≥20% of all successful Tier 3 four-week quits from priority Service Users remain quit at 12-weeks post-setting a quit date
* £25,000 if the quit rate of priority Service Users who have received Tier 3 support is ≥50%.
* £25,000 if ≥85% of priority Service Users, supported via Tier 3 Community Outreach (Face-to-Face) settings that are four-week quits in line with the Russell Standard and a verified quit (refer to Schedule 1 (Specification) for further details on Carbon Monoxide (CO) Monitoring and other means of verifying four-week status).
  1. The annual PBR premium payments will be paid on submission of the Quarter 4 Service Quality Performance Report and subsequent review at the associated Quarterly Contract Review Meeting.
  2. For the avoidance of doubt, the annual PBR premium payments are not associated to the Block Payments and remain available irrespective of the Service Provider achieving or not achieving the minimum 750 successful Tier 3 four-week quits from priority Service Users.
  3. If all three annual PBR premium payments are achieved, this is an additional £100 for each successful Tier 3 four-week quit from priority Service Users on top of the £400 baseline.

**6. Payment Terms**

6.1 Invoices must include a Purchase Order Number and be sent to the address below or to VIMEnquiries@hants.gov.uk. The Service Provider shall invoice each month in arrears.

Oxfordshire County Council

HCC Processing Centre

BOX 652

The Castle

Winchester

SO23 3NP

6.2 If Service Quality Performance Reports, as per Schedule 3 (Monitoring and Review), is not provided and/or Service Quality Performance Indicators are not met, a full explanation as to why and submission of a plan as to how this will be addressed in the subsequent monitoring period(s) will be required before payment can be made. Any payment will be subject to the Council being satisfied with the remedial action plan that is provided.