



**Pre-Tender Market Engagement
Right to Buy Agents Service
CPD/004/117/100**

Authority: Department for Communities and Local Government (DCLG) (“**the Authority**”).

Date Response required: 17:00 (GMT) 9th March 2017

1 PURPOSE

1.1 This Pre-Tender Market Engagement (PTME) seeks information in preparation for the potential procurement of a Supplier (from herein referred to as a “**Potential Supplier**”) to provide the Right to Buy Agent Service.

1.2 The purpose of this PTME is to:

- Give advance notice that the Authority will be looking for a Potential Supplier to provide the Right to Buy Agent Service from August 2017-August 2020.
- Provide the market with an opportunity to ask questions, raise queries and any issues to be addressed at an early stage.

1.3 The information collected during this PTME will not be used for any other purpose and, where agreed, will be treated as commercial in confidence.

2 INTRODUCTION

2.1 The Right to Buy Agent Service is essentially a customer service centre for tenants of social housing and their landlords (local authorities and housing associations). The Agents are required to:

- handle general enquiries through a range of media (phone / web / email / post), including sending out relevant information packs and providing dynamic tailored advice on eligibility for the scheme and affordability for the tenant;
- to provide an ongoing ‘caseworker’ service to support tenants through their application to buy their property with local authorities / housing associations under the statutory Right to Buy scheme; and

- support landlords informing them of the terms, process and guidance for the different Right to Buy schemes; and for local authorities to provide guidance on the regulatory requirements placed on them.

2.2 The complexity of home buying can put people off going through the process and social tenants looking to exercise their Right to Buy do not have the benefit of an estate agent to guide them. To overcome this and to ensure that every eligible tenant knows about the Right to Buy and how to go through the process of buying their property, a Government funded Agent Service was set up in 2014. This helpline and free-to-tenants support service provides proactive help to any public sector tenant (of both local authorities and housing associations) to understand more about the Right to Buy and to assist them if they choose to apply. Tenants are not required to use the service. More details on the current service provided can be found at: <http://righttobuy.communities.gov.uk/>.

3 BACKGROUND

3.1 The statutory Right to Buy has been in existence since 1980 and relates to local authority tenants, including those who held secure tenancies at the point their homes were transferred from a local council to a housing association whereby the tenant retains what is called a 'preserved' Right to Buy their property in future. The Government trialled a pilot to extend Right to Buy equivalent discounts to tenants of housing associations, and in the Autumn Statement (November 2016) it announced a further regional pilot would be run during 2017/18, which has not yet started.

3.2 The statutory Right to Buy scheme allows eligible social tenants to buy their home at a discounted price. The discount received is dependent upon the length of time as a social tenant. Local authority tenants of between 3 and 5 years receive a 35% discount on a house or 50% discount on a flat. After 5 years, the discount increases by 1% for every year of tenancy (or 2% for a flat) up to a maximum discount of 70% of market value, or £77,900 (£103,900 in London), whichever is lower. Discounts increase annually in line with the percentage change in the Consumer Prices Index (CPI) and the next increase will come into effect on 6th April 2017 when discounts will increase to £78,600 or £104,900 in London.

3.3 In 2012 the Right to Buy scheme was reinvigorated and the maximum discounts available were increased. Since reinvigoration, over 63,000 Right to Buy and Preserved Right to Buy

sales have occurred and sales have risen from nearly 4,000 in 2011/12 to around 16,000 a year from 2013/14 onwards.

3.4 Information on the statutory Right to Buy scheme, can be found at <https://www.gov.uk/right-to-buy-buying-your-council-home/discounts>.

3.5 In 2015/16 the Right to Buy Agents dealt with over 135,000 enquires, with volumes peaking between 11.00 and 14.00 daily (detailed breakdown of volumes is available at Annex A). Of the total enquiries received, 33% related to casework, while 21% were general enquiries with livechat representing 10% of the total volume.

3.6 Peaks in the number of enquiries received relate to DCLG marketing campaign activity promoting the Right to Buy and the Agent Service. The majority of this activity has been through a targeted direct marketing campaign which is supported by other advertising such as Radio and Digital. The last campaigns took place in October 2016 and February 2017 and we anticipate that further marketing campaigns will take place on a regular planned cycle, although the campaign is still subject to approval.

3.7 Currently DCLG outsources the development of the creative and data purchasing of the marketing activity and hosting and maintenance of the Right to Buy website to third parties, and the Agents will need to work closely with them to ensure that the phasing of marketing fits with their ability to respond within the service levels, and that information flow and services across suppliers operate well (e.g. the website live chat is managed by a third party but the Agents capture and respond to the chats). The Agents may also be asked to contribute and support the marketing activity in other ways for example by providing images and advisers for case studies, other marketing material and to manage the enquiries on the Facebook page.

3.8 It was a Government Manifesto commitment to extend Right to Buy discounts to tenants of housing associations and this is being taken forward through a voluntary agreement with the sector. The intention is for the Agents to provide a similar advice and support service to these tenants when the voluntary scheme regional pilot, and subsequently the main scheme, are launched.

3.9 It is estimated that upon launch of the pilot and the main scheme there will be a high level of interest in the voluntary Right to Buy as it will be the first time these housing associations tenants will have had the opportunity to buy their home. Up to 1.3 million households are

likely to be eligible for the voluntary Right to Buy when the main scheme rolls out. Sufficient capacity will be needed to manage any potential increase in demand as and when it occurs. At present around 25% of all enquiries received by the Right to Buy Agents relate to the voluntary Right to Buy, and it is not currently active (the initial pilot closed to applications in October 2016).

- 3.10 A launch date for the main voluntary Right to Buy scheme has yet to be confirmed and it is unlikely that this will occur before 2018. A Regional Pilot is to be undertaken during 2017/18 before the main launch (the precise dates are not yet set) and this is likely to lead to an increase in enquiries received by the Agents.

4 HIGH LEVEL OUTLINE PROJECT OUTCOMES REQUIRED

4.1 The high level outcomes should support Government's overall objective of helping people into home ownership, as outlined below:

- Tenants make informed decisions about applying to purchase their property under the Right To Buy or voluntary Right to Buy schemes, through the delivery of high quality, accurate guidance including on eligibility and affordability (but not professional legal or financial advice unless the Agent has appropriate FCA registration and/or legal qualifications and registration). Increase the proportion of successful applications, whilst reducing the amount of speculative applications that are submitted.
- Social housing providers are adequately supported as required in understanding their legal obligations, the terms of the Right to Buy schemes and the end-to-end processes for completing a Right to Buy sale, including mediating blockages in processes between tenant and local authority on the statutory Right to Buy scheme.
- Marketing campaigns are adequately analysed by DCLG through the Agent's role in tracking

5 OUTPUTS/DELIVERABLES

5.1 The Authority expects that the potential supplier shall:

- Run an email and telephone enquiry service dealing with general queries about the Right to Buy schemes from both tenants and social housing providers, and to manage casework for individual tenants to support progress on their applications (current operational hours are between 8am and 6pm, Monday to Friday, excluding

bank holidays, with targets to reply to emails within 3 hours, no more than 5% calls to be lost and to return voicemail calls within 3 hours);

- Manage a centralised database of enquirers capturing necessary information as agreed with DCLG, including logging responses to marketing campaigns;
- Send out information and application packs, electronically and in hardcopy (current target is within 3 hours if the request has been received via email);
- Monitor the Right to Buy Facebook page and any additional social media outlets to answer queries and provide information for tenants (current target is within 24 hours);
- Respond to online chat messages (current target is within 90 seconds)
- Assist tenants with any aspect of the Right to Buy application process where possible and where the tenant requests support;
- Provide a signposting service for tenants to obtain mortgage and legal advice;
- Advise on and issue formal “delay notices” to local authorities (via the tenant), where requested by the tenant and where the local authority has not met its legal obligations on time targets for handling parts of the application process;
- Pass on technical policy queries to the DCLG team that the Agent is not able to answer by the end of the working day.
- Operate an Agent-specific core service area of the existing Right to Buy website (agents will be provided with administrator rights to selected areas of the website as necessary).
- Provide monthly management information electronically in a format to be agreed with the Authority. This will include, but not be limited to:
 - the volume and length of phonecalls, average calls waiting to be answered, and number of lost calls
 - the volume and length of live chat enquiries;
 - the number of information and application packs sent out;
 - a breakdown of the enquiries/work by topic, and workflow across the hours, days and weeks;
 - being able to separate out information on the voluntary Right to Buy once launched.
- Co-ordinate with other Government suppliers to provide a seamless service across marketing activity, the website and the Agent’s service.
- Run an internal training programme for all staff to ensure that Agents are knowledgeable about the Right to Buy schemes including relevant parts of the legislation, and are regularly trained on other areas (e.g. security of information,

handling personal data etc) in line with the Government standards and other requirements as laid out within the contract.

- Comply with ISO27001 information security management standards.

5.2 The Agents will be expected to meet agreed service level targets relating to the quality and speed of responses.

5.3 The existing telephone number is managed by DCLG and will feed through to the Agent's telephone systems. All Right to Buy branding and related materials will be provided to the Agents. Core materials for information and application packs will be owned and provided by DCLG in online and hard copy formats, along with conversation scripts.

5.4 There are unlikely to be contractual, licences or other agreements needed between the Agents and any of DCLG's other suppliers in relation to the Right to Buy schemes.

6 KEY DATES & TENDERING PROCESS

6.1 If it is decided this service is required, it is anticipated that a procurement may start in March / April 2017 with the contract to commence in June 2017 and for the selected supplier to take over the service from 4 August 2017. These indicative dates are for information purposes only. DCLG reserve the right to amend these dates at any time, and Potential Suppliers rely on them entirely at their own risk.

6.2 The contract is expected to be for a period of 3 years. The core service to deliver the statutory Right to Buy service will operate throughout the term of the contract. We would like the flexibility to start and end the voluntary Right to Buy service to meet our needs, giving reasonable notice to the supplier and ensuring no financial penalty to DCLG, depending on the costing models proposed.

7 RESPONSE

7.1 Please respond by email to tim.lundy@communities.gsi.gov.uk with the following by 17:00 GMT) 9th March 2017 (the "Response Deadline").

Q1 Would you be interested in bidding for this project, and if so in what capacity do you envisage bidding (eg lead contractor, sub-contractor, consortium etc)?

- Q2 The proposed procurement timetable allows a 2 month period from award of contract for potential mobilisation / transition of the service. Do you feel this is appropriate, and are there any particular considerations the Authority should be aware of?
- Q3 Is there anything here which is irrelevant, outdated or unnecessary? Are there alternative service / delivery models the Authority should be considering?
- Q4 What key due diligence information would you want or expect to be provided by the Authority as part of any formal procurement?
- Q5 What pricing models do you think would be most effective and appropriate for this requirement, particularly considering the demand led nature of the services, the anticipated launch of the voluntary Right to Buy scheme, and the potential need to upscale and downscale activity accordingly?
- Q6 What performance monitoring and management models do you think would be most effective and appropriate for this requirement, particularly considering the need to ensure quality advice is being provided by agents and that the most cost –effective channel strategies are being implemented?
- Q7 What would the indicative annual costs be for this requirement?
- Q8 What do you see as the key risks or concerns for the Potential Supplier, and what can the Authority do to help mitigate these?
- Q9 Are there any other key points or considerations you wish to raise?

8 QUESTIONS AND CLARIFICATIONS

- 8.1 Potential Suppliers may raise questions or seek clarification regarding any aspect of this PTME document at any time prior to the Response Deadline. Questions must be submitted by email to tim.lundy@communities.gsi.gov.uk only.
- 8.2 To ensure that all Potential Suppliers have equal access to information regarding this PTME exercise, responses to questions raised by Potential Suppliers will be published in a “Questions and Answers” document, which may also be circulated by email, with updates appearing at regular intervals (approximately two to three working days).

8.3 Responses to questions will not identify the originator of the question.

8.4 If a Potential Supplier wishes to ask a question or seek clarification without the question and answer being revealed, then the Potential Supplier must state this in their email and provide its justification for withholding the question and any response. If the Authority does not consider that there is sufficient justification for withholding the question and the corresponding response, the Potential Supplier will be invited to decide whether:

- the question/clarification and the response should in fact be published; or
- it wishes to withdraw the question/clarification.

9 GENERAL CONDITIONS

9.1 This PTME will help the Authority to refine the requirements and to understand the potential level of interest in the delivering requirements. It will also aid Potential Supplier's understanding of the requirements in advance of any formal competitive tender exercise.

9.2 The Authority reserves the right to change any information contained within this PTME at any time, and Potential Suppliers rely upon it entirely at their own risk.

9.3 The Authority reserves the right not to proceed with a competitive tender exercise after this PTME or to award any contract.

9.4 Any and all costs associated with the production of such a response to this PTME must be borne by the Potential Supplier.

9.5 No down-selection of Potential Suppliers will take place as a consequence of any responses or interactions relating to this PTME.

9.6 The Authority expects that all responses to this PTME will be provided by Potential Suppliers in good faith to the best of their ability in the light of information available at the time of their response.

9.7 No information provided by a Potential Supplier in response to this PTME will be carried forward, used or acknowledged in any way for the purpose of evaluating the Potential Supplier, in any subsequent formal procurement process.



Annex A

Current volumes

	Caseworker Enquires	Total mins	General Enquires	Total mins	Live Chat Enquires	Total mins	Application pack Email	Application Pack Post	Enquiry Clarification - post	Enquiry Outcome - Email	Enquiry Outcome - Post	Information Pack - Email	Information Pack - Post	Social Media	Total Enquiries
Aug-14	509	1,150	1,275	11,898	807	14,809	75	118	7	262	5	184	33	35	3,310
Sep-14	1,074	1,911	1,694	11,662	356	10,518	65	197	20	189	5	117	100	84	3,901
Oct-14	2,584	5,607	2,382	14,132	334	4,749	38	366	2	115	2	48	1,874	15	7,760
Nov-14	3,304	6,888	1,272	8,520	234	2,178	33	208	2	169	18	47	634	7	5,928
Dec-14	4,081	8,948	1,133	7,134	214	3,023	26	148	4	305	25	43	178	10	6,167
Jan-15	3,818	9,395	1,033	12,333	408	6,326	56	261	3	449	19	79	130	18	6,274
Feb-15	3,509	9,427	2,119	13,845	1,191	15,493	33	495	1	518	14	42	1,891	10	9,823
Mar-15	3,746	10,154	1,728	11,447	1,146	16,248	75	452	1	851	16	35	776	22	8,848
Apr-15	2,292	7,608	1,481	9,289	914	13,692	50	370	4	900	13	39	295	28	6,386
May-15	2,009	6,643	1,491	8,605	1,053	17,083	32	322		899	27	35	315	53	6,236
Jun-15	3,899	12,783	1,735	10,131	1,206	16,651	42	512	6	1,011	29	42	411	27	8,920
Jul-15	5,101	16,068	1,802	10,189	1,443	18,555	25	548	4	802	29	21	494	30	10,299
Aug-15	4,700	15,130	1,219	6,786	915	15,617	34	452	3	805	27	50	497	33	8,735
Sep-15	5,490	14,609	1,656	8,755	965	17,083	29	502		792	80	47	556	24	10,141
Oct-15	4,735	14,915	2,160	12,315	1,249	20,802	40	567	15	1,021	49	43	859	23	10,761
Nov-15	5,639	17,697	2,412	12,461	1,309	21,206	30	536	28	1,826	47	22	1,331	26	13,206
Dec-15	3,901	12,445	1,360	6,526	703	11,524	12	280	12	1,106	42	16	359	11	7,802
Jan-16	3,915	15,994	2,416	11,545	753	14,963	32	533	28	1,419	43	47	582	20	9,788
Feb-16	3,932	16,898	2,069	11,545	544	10,482	37	540	12	1,706	50	35	507	103	9,535
Mar-16	4,844	16,073	3,554	20,366	624	9,629	34	754	2	2,070	57	31	3,348	148	15,466
Apr-16	4,332	10,729	2,916	15,332	1,025	16,052	24	567	7	3,231	74	33	729	46	12,984
May-16	3,242	8,958	2,659	14,439	658	7,711	14	437	0	1,412	56	21	440	85	9,024
Jun-16	3,207	8,981	2,579	13,679	1,450	18,874	15	468	3	1,885	37	16	475	52	10,187
Jul-16	2,816	7,890	2,453	14,497	1,285	16,777	19	394	3	1,831	72	14	473	37	9,397
Aug-16	3,360	10,115	2,315	13,035	1,488	18,353	9	515	6	1,852	83	15	580	57	10,280
Sep-16	3,392	10,369	2,320	14,212	1,603	22,837	21	508	5	2,306	138	16	564	80	10,953
Oct-16	4,202	12,425	1,138	7,343	1,739	25,546	16	622	16	3,232	113	17	1,013	122	12,230
Nov-16	4,347	12,795	2,488	14,863	1,522	21,163	19	467		3,444	331	22	2,186	100	14,926
Dec-16	2,758	7,903	1,437	7,932	865	12,363	10	286		3,284	524	7	1,168	43	10,382

Volumes of enquires

