



REDACTED
RH Environmental Ltd,
PO Box 59,
Llandysul,
Ceredigion SA44 5WX

Attn: REDACTED
Email: REDACTED

Date 22^h October 2020
Contract Reference: CCZZ20A36

Dear REDACTED,

**Letter of Appointment for the Provision of Research into Housing Health & Safety Rating
System Review: Phase 2.**

This letter of Appointment dated 22th October 2020 is issued in accordance with the provisions of the DPS Agreement (RM6018) between CCS and the Supplier.

Capitalised terms and expressions used in this letter have the same meanings as in the Contract Terms unless the context otherwise requires.

Order Number:	To be provided Post Award
From:	Ministry of Housing, Communities & Local Government ("Customer")
To:	RH Environmental Ltd ("Supplier") Registered address: c/o Bevan & Buckland LLP, Langdon House, Langdon Road, Swansea SA1 8QY

Effective Date:	Monday 26 th October 2020
Expiry Date:	Tuesday 25 th October 2022

Services required:	Set out in Section 2, Part B (Specification) of the DPS Agreement and refined by: · the Customer's Project Specification attached at Annex A and outlined in schedule 2 of the terms and conditions and the Supplier's Proposal attached at Annex B;
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Key Individuals:	Contracting Authority: REDACTED - Head of Private Rented Sector Standards REDACTED – Senior Executive Policy Officer REDACTED - Executive Policy Officer Supplier: REDACTED - Team Leader REDACTED – Team Leader REDACTED – Team Leader
Guarantor(s)	N/A

Contract Charges (including any applicable discount(s), but excluding VAT):	In accordance with Contract Terms Schedule 6 – Contract Charges. For the avoidance of doubt, the total Contract value shall not exceed £1,531,320.00 (ex VAT) and will be charged in accordance Schedule 6 – Contract Charges - Annex 1.
Insurance Requirements	Product liability insurance cover all risks in the provision of Deliverables under the Contract, with a minimum limit of £1,000,000.00 million for each individual claim.
Liability Requirements	Suppliers limitation of Liability (Clause Error! Reference source not found. of the Contract Terms);
Customer billing address for invoicing:	Ministry of Housing, Communities and Local Government Invoice Processing team. Finance Shared Services Division High Trees Hillfield Road, Hemel Hempstead, Herts. HP2 4XN Email: REDACTED

GDPR	In accordance with Contract Terms Schedule 7 (Processing, Personal Data and Data Subjects
Alternative and/or additional provisions (including Schedule 8 (Additional clauses)):	Not Applicable

FORMATION OF CONTRACT

BY SIGNING AND RETURNING THIS LETTER OF APPOINTMENT (which may be done by electronic means) the Supplier agrees to enter a Contract with the Customer to provide the Services in accordance with the terms of this letter and the Contract Terms.

The Parties hereby acknowledge and agree that they have read this letter and the Contract Terms.

The Parties hereby acknowledge and agree that this Contract shall be formed when the Customer acknowledges (which may be done by electronic means) the receipt of the signed copy of this letter from the Supplier within two (2) Working Days from such receipt

For and on behalf of the Supplier:

For and on behalf of the Customer:

Name and Title:

Name and Title:

REDACTED

REDACTED

Signature:

Signature:

Date:

Date:

ANNEX A - STATEMENT OF REQUIREMENTS

1. PURPOSE

- 1.1 The Ministry of Housing, Communities and Local Government (hereafter referred to as the Contracting Authority or Authority) wishes to commission a comprehensive review of the Housing Health and Safety Rating System (HHSRS).
- 1.2 This proposal relates to phase 2 of the project. Phase 1 has been completed and consisted of a review scoping out the scale and extent of a comprehensive review of the HHSRS. The outputs from phase 1 have been used to develop the specification for this comprehensive review.
- 1.3 The outcomes of the scoping review can be found here:
<https://www.gov.uk/government/publications/housing-health-and-safety-rating-system-outcomes-of-the-scoping-review>
- 1.4 The Contracting Authority are commissioning a contractor with relevant expertise to undertake a comprehensive review and produce specific recommendations and outputs for overhauling the HHSRS. The specific requirements can be found below.

2. BACKGROUND TO THE CONTRACTING AUTHORITY

- 2.1 The Ministry of Housing, Communities and Local Government aims to help create great places to live and work right across the country and to back communities to come together and thrive.
- 2.2 The Contracting Authority strives to:
 - Deliver the homes the country needs
 - Make the vision of the place you call home a reality
 - Support local government to deliver high quality services with sustainable finances
 - Create strong communities, socially, economically and a sense of place
 - Secure effective support for those effected by the Grenfell Tower disaster, delivering the changes this tragedy demands and ensuring people are safe and feel safe within their homes
- 2.3 Our Single Departmental Plan can be found on the GOV.UK website.

3. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 3.1 The HHSRS is a health-based, risk assessment framework used by local authorities for the evaluation of conditions in residential properties. Based on the numerical score following an HHSRS inspection, local authorities have a power or a duty to take legal enforcement action under the Housing Act 2004.
- 3.2 Despite a consistent improvement in the private rented sector, with 84% of individuals satisfied with their accommodation, privately rented homes were more likely to fail the statutory minimum standard for housing. In 2017, 14% (700,000) of private rented dwellings had at least one serious 'Category 1' hazard, as defined by the HHSRS. Poor housing conditions have a detrimental impact on mental and physical health, with some estimates that poor housing costs the NHS at least £600 million per year.
- 3.3 The HHSRS was developed in the late 1990s and has not been updated in 13 years. Landlords and tenants have reported that it is complicated and inefficient to use. Local authorities have limited time and resources to enforce standards in the private rented sector but, due to the complexities of the system, including the fact that there are no digital systems for inspections and assessments available, local authorities are reporting the effective use of enforcement action is being hampered.
- 3.4 Landlords and tenants who would also like to be able to use the tool to assess the condition of their property have reported that it is complicated to use.
- 3.5 The recommendations of the scoping review set out three options for the second stage of the HHSRS review. We are now ready to proceed with the second option in order to make the system easier to understand for landlords and tenants, correct disconnect between the HHSRS and other legislative standards, and facilitate the effective enforcement of housing standards by local authorities.

4. DEFINITIONS

Expression or Acronym	Definition
HHSRS	Housing Health and Safety Rating System
PRS	Private Rented Sector
LAs	Local Authorities
MHCLG	Ministry of Housing, Communities and Local Government
Category 1 Hazard	A hazard which is a serious and immediate risk to a person's health and safety. LAs have a duty to take action when a category 1 hazard is identified.
Category 2 Hazard	A hazard which is less serious or less urgent, but still impacts on the wellbeing of the tenant. LAs have a power to take action when a category 2 hazard is identified.
Operating Guidance	Guidance for local authorities about the inspection and assessment of hazards.
Enforcement Guidance	Guidance for local housing authorities about their duties and powers under part 1 of the Housing Act 2004.
Worked Examples	Model answers for the 29 categories of potential hazards included in the HHSRS, designed to encourage consistency of rating and to provide a training resource.
Minimum standards	Standards below which a rented property would be deemed to be unsuitable.
HMO	House in Multiple Occupation, a house or flat occupied by three or more people who are from two or more families and who share facilities like bathrooms or kitchens.

5. SCOPE OF REQUIREMENT

- 5.1 The objectives for the project are to undertake a full review and provide specific recommendations to Government for a comprehensive overhaul of the HHSRS, as well as updates to guidance and worked examples.
- 5.2 The scale and scope of the review has been determined by the aforementioned scoping review and in consultation with ministers.
- 5.3 The review should provide specific outputs and make specific recommendations that build on, as well as seek to amend, the existing HHSRS assessment process to provide:

- A simplified approach to illustrating the outcomes of the HHSRS assessment process which will provide greater clarity to all stakeholders;
 - Certainty to stakeholders by the development of a range of specific minimum standards. Once integrated into the HHSRS assessment process, this would help ensure enforcement action is efficient, effective and evidence-based and that it is clearly understood by all stakeholders;
 - A reduction in the complexity of the assessment system by the rationalisation of hazards;
 - Clarity and consistency in the HHSRS assessment process;
 - Clarity around the HHSRS's relationship with other regulatory regimes, including those in development;
 - Clarity around the application of enforcement measures which result from the outcomes of HHSRS assessments.
- 5.4 It is understood that some recommendations resulting from the review may require changes to primary legislation.
- 5.5 The review should be conducted using a combination of desktop research, case studies and fieldwork. Methodologies that should be used include, but are not limited to:
- 5.5.1 The evidence and methodology used when the HHSRS was developed and introduced, and a re-assessment in light of technical and policy developments since then;
 - 5.5.2 Engagement with stakeholders including local government officers, landlords, tenants and any others, which will mean working with focus groups and liaising with local authorities and other organisations;
 - 5.5.3 The risk assessment methodology itself should be thoroughly explored and tested, along with the existing body of worked examples and other evidence, which will call for testing desktop and real-world scenarios.
- 5.6 The list of methods outlined above is not meant to be exclusive, and the successful supplier will be expected to establish a thorough methodology as part of their proposal.
- 5.7 During the assessment of bids by Potential Provider's, the Contracting Authority will be looking for innovative ways, or types, of research considered.

6. THE REQUIREMENT

- 6.1 Following the Scoping Review, the Authority, working with Ministers and stakeholders, identified specific objectives required as part of the review.
- 6.2 At all times, the Potential Provider should consider how the HHSRS can be 'future-proofed' to mitigate against the need for another full review/overhaul within the next 15 years. This may include, but is not limited to, considering how the HHSRS can be updated when new evidence emerges or if Government sets new minimum standards.
- 6.3 From the outset, the Potential Provider should bear in mind that local authorities are increasingly using digital solutions to carry out assessments similar to the HHSRS. At all times the Potential Provider should remain aware of the [Government Digital Service's service standard](#) and not make any recommendations that could conflict with the principles therein.
- 6.4 Throughout the review, the Potential Provider should also consider the impact that any revisions to the HHSRS will have on statistical reporting, for example through the English Housing Survey.
- 6.5 The following outputs are required from the review:
- Reviewed and updated HHSRS Operating Guidance. The Operating Guidance will facilitate local authorities' effective use of the system but will also be approachable and understandable by non-experts and laypersons. The Operating Guidance should also incorporate new thinking on assessments of high-rise residential buildings with cladding systems.
 - A comprehensive set of worked examples which encompass the range of hazards and illustrate the utilisation of standards and provide a spectrum of risks. The worked examples should be readily available and it should be possible for local authorities to regularly add to these to continually refine the consistency of assessments.
 - Reviewed HHSRS assessor training, including the training needs of assessors and other stakeholders, and the establishment of an HHSRS competency framework. The HHSRS assessor training curriculum should be time-bound and based on continuous development ensuring holders of the assessor qualification are up-to-date.
 - A simpler means of banding the results of HHSRS assessments that is clear and understandable by all stakeholders, including landlords and tenants.
 - New minimum standards for incorporation into the HHSRS assessment process (following any necessary legislative changes). All hazards should be considered and existing legislation should be carefully taken

into account. Work on the fire hazard will give particular consideration to assessing risk of harm from fire in tall, multi-occupied buildings, with a special focus on common parts as well as the statutory Operating Guidance and ensuring alignment with developing regulatory regimes.

- A detailed assessment of the amalgamation or removal of existing hazard profiles, clearly setting out where and why this would be appropriate.
- Identification of what a digital HHSRS assessment tool would achieve. This would incorporate a) a detailed description of the as-is use of technology in the end-to-end HHSRS assessment journey and the range of different solutions being used, b) any technical or profitability barriers that are preventing the market from operating in this space and c) what is necessary to surmount these barriers.
- Reviewed and updated guidance available for landlords and property-related professionals and the introduction of separate guidance for tenants. This guidance should allow these groups to engage effectively with the process and understand the associated steps in order that they feel empowered to intervene or object where necessary. The guidance should make reference to other private rented sector enforcement provisions. As above, this guidance should be easily updateable.
- Reviewed and updated HHSRS Enforcement Guidance that facilitates effective local authority enforcement. The Enforcement Guidance will incorporate all enforcement options available to local authorities, it should refer to related private rented sector enforcement available under other provisions and it should be designed so as to adapt or be easily updateable in the case of new enforcement provisions.

7. KEY MILESTONES AND DELIVERABLES

- 7.1 Specific dates will be agreed at the monthly progress meetings with the Supplier.
- 7.2 The following Contract milestones/deliverables shall apply

Milestone/Deliverable	Description	Timeframe or Delivery Date
Phase 1		
1	Inception meeting	Within week 1 of Contract Award
2	<p>Delivery of detailed project plan including any risks and mitigations, and an estimate of the completion of the following tasks:</p> <ul style="list-style-type: none"> • Reviewing assessment banding • Reviewing training • Investigating the use of digital technology • Reviewing and updating guidance 	Within week 3 of Contract Award
Phase 2		
3	An initial plan setting out proposals for the review of the Fire Safety Hazard with emphasis on common parts, including proposals for the Operating Guidance.	Within the first three months of Contract Award
4	Interim report on minimum standards.	Within the first six months of Contract Award
5	Conclude focus groups / other engagement with stakeholders and provide transcripts, and interim reports and presentation to the project board.	Within the first six months of Contract Award
6	A completed review of the Fire Safety Hazard including a recommended minimum standard and detail on how the assessment hazard works. This should align with other cross-government work to address fire safety such as the Building Safety Bill and the Fire Safety Bill.	Within the first nine months of Contract Award
7	An assessment of which, if any, hazards should be amalgamated or removed.	Within the first year of Contract Award

Phase 3		
8	Draft reviewed and updated Operating Guidance, Enforcement Guidance presented to the project board.	By the beginning of the second year of the Contract Award
9	Draft landlord, property professional and tenant guidance to be presented to the project board.	By the beginning of the second year of the Contract Award
10	Draft examples presented to the project board.	By the beginning of the second year of the Contract Award
11	A HHSRS competency framework and training programme presented to the project board.	Within the first 18 months of the Contract Award
12	A detailed description of the as-is use of technology in the end-to-end HHSRS assessment journey and the range of different solutions being used.	Within the first 18 months of the Contract Award
13	Following review by the project board, completed outputs as set out above.	Within the first two years of the Contract Award

8. MANAGEMENT INFORMATION/reporting

8.1 Authority's Responsibilities:

- 8.1.1 The Authority will ensure all contractual obligations are adhered to and managed accordingly. This will primarily be achieved through a project board. The Authority will be responsible for setting up and providing the secretariat function for the project board.
- 8.1.2 A key contact will be identified within the Authority as the Contract Manager to oversee the project. Any supplier queries will be addressed and responded to within 3 working days by the Contract Manager. The Authority will provide suitability qualified persons to attend and chair supplier meetings when required to do so.
- 8.1.3 The Authority will assist the Supplier in sharing data where possible, including working closely with the successful Supplier to identify links with stakeholders.
- 8.1.4 The project board, Senior Civil Servants, and eventually ministers, will be responsible for reviewing and valuating the quality of outputs.

The Authority will also be responsible for disseminating the outputs of the review.

8.2 Reporting:

- 8.2.1 The project will be overseen by a project board, meeting monthly initially and setting a programme of meetings once the project is underway. The project board will be chaired by the Contract Manager and will include an economist, lawyer, representatives from other divisions within the Authority, other departments including the Home Office, the Department for Business Energy and Industrial Strategy, the Department for Health and Social Care, industry and local authorities.
- 8.2.2 The Supplier is required to provide a weekly update on progress to the Authority's Contract Manager and flag any issues that need the attention of the project board. The board will also maintain a risks and issues register to identify any potential barriers to delivery and take appropriate mitigating action.
- 8.2.3 The Supplier will be required to provide all outputs in Microsoft Word, unless previously agreed with the Authority, in plain English and for these to be quality assured and proof read by the Supplier before submission to the Authority. Reporting is to be delivered in a format agreed by the Authority in line with the Supplier's proposed approach/methodology.

9. CONTINUOUS IMPROVEMENT

- 9.1 The Supplier will be expected to continually improve the way in which the required Services are to be delivered throughout the Contract duration.
- 9.2 The Supplier should present new ways of working to the Authority during quarterly Contract review meetings.
- 9.3 Changes to the way in which the Services are to be delivered must be brought to the Authority's attention and agreed prior to any changes being implemented.

10. SUSTAINABILITY

- 10.1 The Supplier should consider sustainability issues as part of the review, this may include but is not limited to:
 - 10.1.1 Considering how future environmental and sustainability standards can be incorporated into the HHSRS without the need for another overhaul;
 - 10.1.2 Considering how climate change may impact on the risks included in the HHSRS and identify potential new risks that may occur because of climate change in the future.

- 10.2 The Supplier should also take steps to mitigate against any potential environmental impact of conducting the review. For example, by limiting the use of paper and transportation.

11. QUALITY

- 11.1 The project must be conducted in line with the Department's objectives and the ethical standards set out in the [Government Social Research code](#). Research should be analytically robust and ethically conducted.
- 11.2 All contractible deliverables must be of a publishable quality under the Contracting Authority's name. The project board will be convened to assess the quality of the deliverables when complete and provide final sign-off.

12. PRICE

- 12.1 Prices are to be submitted via the e-Sourcing Suite Attachment 4 – Price Schedule excluding VAT and including all other expenses relating to Contract delivery.

13. STAFF AND CUSTOMER SERVICE

- 13.1 The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.
- 13.2 The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.
- 13.3 It is understood that it is likely that some of the specialist expertise required to complete the review may need to sub-contract prior to contract commencement or during the project when required. The Supplier should ensure that suitable staff are assigned to the project at the appropriate times to meet the required deliverables. At different points during the project, staff will need to cover the following areas of expertise:
- an in-depth understanding of the HHSRS framework and how it works in practice;
 - an extensive theoretical understanding of and practical application experience of the types of statistical analysis underlying the HHSRS assessment framework
 - extensive experience of undertaking HHSRS assessments in a wide range of dwelling types;
 - an understanding of building hazards, how they arise and how they can be rectified;
 - expertise and understanding of related private housing and environmental health issues;

- an in-depth understanding of the links between poor housing conditions and health;
- general knowledge of building maintenance issues;
- digital technology skills;
- service design and user-centred design skills.

13.4 The Supplier shall ensure that staff understand the Authority's vision and objectives and will provide excellent customer service to the Authority throughout the duration of the Contract.

14. SERVICE LEVELS AND PERFORMANCE

14.1 The Authority will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1	Monitoring	The Supplier's allocated project manager should be available to hold weekly progress update calls with the Contracting Authority. The project manager should also attend, in person or via video or telephone conference, as determined by the supplier, all project board meetings. If agreed with the Authority in advance, the project manager may be substituted by another senior member of the research team.	100%
2	Delivery	The Supplier will meet all agreed deliverables outlined within this document, including the Key Milestones, on time and within budget.	100%
3	Quality	All contractible deliverables must be of a publishable quality under the Authority's name. The project board will be convened to assess the quality of the deliverables when complete and provide final sign-off.	100%
4	Reporting	The Supplier shall provide spend data and other reporting in a format agreed by the Authority within 5 working days of request.	100%
5	Meetings	The Supplier shall produce suitable materials for the project board to demonstrate progress and provide an update. This may include, but is not limited to, presentations and/or project plans.	100%
6	Monitoring	The Supplier shall meet (either in person, or via video or telephone conference) with the Authority within 5 working days of a request and respond to email/telephone enquires within 24 hours (Monday-Friday).	100%

7	Quality	The Supplier shall adhere to the Authority's branding, data protection/security and other guidance (to be provided to the successful Supplier upon appointment).	100%
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- 14.2 The Authority will maintain a record of the Supplier's adherence to the agreed service level and performance timelines. Any non-adherence will result in performance review meetings between the Authority and the Supplier, to provide a full debrief and explanation as to why the service level agreement was not met. Improvement plans will also be established here. Performance Management will be in accordance with Terms and Conditions as set out in Attachment 5 – Terms and Conditions.
- 14.3 Where the Supplier fails to provide a Service Improvement Plan or fails to deliver the agreed Service Improvement Plan to the required standard, the Authority reserves the right to seek early termination of the contract in accordance with the procedures set out in Attachment 5 – Terms and Conditions.

15. SECURITY AND CONFIDENTIALITY REQUIREMENTS

- 15.1 The research will take place offsite. However, it should be noted that the Supplier will need to attend meetings at 2 Marsham Street where possible, or via teleconference, as determined by the Authority. Photo ID is required to allow access and bags and people are scanned.
- 15.2 The Supplier will be required to securely store data, which may include personal data, in accordance with GDPR requirements. The Supplier must follow the appropriate requirements for this as set in Schedule 7 of Attachment 5 – Terms and Conditions.
- 15.3 The Potential Provider will be required to provide assurance to the Authority that all data will be destroyed within a reasonable timeframe from completion of the project.

16. PAYMENT AND INVOICING

- 16.1 Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.
- 16.2 Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.
- 16.3 Invoices must be sent to the following address:

Ministry of Housing, Communities and Local Government
Invoice Processing team.
Finance Shared Services Division
High Trees
Hillfield Road,
Hemel Hempstead,
Herts.
HP2 4XN
Email: CLGInvoices@communities.gov.uk

17. CONTRACT MANAGEMENT

- 17.1 In addition to the monthly progress board meetings, the Supplier is expected to attend, either in person or via video or telephone conference (as determined by the Authority) a quarterly contract review.
- 17.2 Attendance at Contract Review meetings shall be at the Supplier's own expense.

18. LOCATION

- 18.1 The location of the services will be carried out at the supplier's address or in the field, with regular meetings held at the Authority's address, or via video or telephone conference as determined by the Authority.
- 18.2 In line with social distancing measures the Supplier may required to work remotely and ensure that suitable provisions are made to allow their staff to work from home wherever practical.
- 18.3 Where working from home is not a feasible option for staff, the Supplier shall ensure that social distancing measures are maintained in any used office environments.
- 18.4 Where the Supplier, and any of its staff/representatives, are required to attend site (Government Office) all efforts will be made to adhere to the social distancing and safety recommendations.

ANNEX B
Supplier Proposal

Please refer to the embedded documents, also appended to this Contract Annex B – Supplier Proposal.

REDACTED