

DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS

Part 1: Letter of Appointment

Dear Sir/Madam

Letter of Appointment

This letter of Appointment dated 13/08/2020, 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:	CCZZ20A14
Customer's Reference Number:	CPD4120057
From:	The Ministry of Housing Communities and Local Government (the "Customer")
To:	Sheffield Hallam University (the "Supplier")

Effective Date:	13 th August 2020
Expiry Date:	End date of Initial Period: 28 th March 2021 End date of Maximum Extension Period: 28 th June 2021 Minimum written notice to Supplier in respect of extension: 30 days

Services required:	Set out in Part A -Specification of the DPS Agreement and refined by all of the following: Annex A - the Statement of Requirements Annex B - the Supplier's Proposal Annex C – the Price Schedule
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Key Individuals:	<u>For the Customer:</u> REDACTED <u>For the Supplier:</u> REDACTED
Guarantor(s):	N/A

Contract Charges (excluding VAT, but including all other expenses related to Contract delivery):	The total contract value is £98,655.00 (excluding VAT and excluding the extension option).
Insurance Requirements	See RM6018 Research Marketplace Contract Terms.
Liability Requirements	See RM6018 Research Marketplace Contract Terms.
Customer billing address for invoicing:	Invoices should be submitted to: REDACTED

GDPR	See Contract Terms, Schedule 7
Alternative and/or additional provisions (including Schedule 8 (Additional clauses)):	N/A

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:
Customer:**

For and on behalf of the

Name and Title:

Name and Title:

REDACTED

REDACTED

Signature:

Signature:

REDACTED

REDACTED

Date:

REDACTED

Date:

REDACTED

ANNEX A

Statement of Requirements

1. PURPOSE

- 1.1 The Ministry of Housing Communities and Local Government (herein, the ‘Customer’) is commissioning research to understand how local authorities (LAs) in England are using their enforcement powers in the private rented sector.
- 1.2 The Customer will also use this research to strengthen the Customer’s understanding of how widespread the practice of property guardianship¹ is in England, the scale and severity of poor standards and treatment in the sector, the reasons people decide to become and remain property guardians, and the impact of property guardian companies².
- 1.3 This research will be split into 3 phases (set out below) and this Contract is for all 3 phases. Phases 2 and 3 can be undertaken concurrently.

PHASE 1	Much of Phase 1 will be completed by the Customer internally. The Customer will design and produce a survey sent directly to LA enforcement officers, which will result in a dataset detailing the LA’s enforcement activities generally, and the local position with regard to property guardians. The Supplier will add contextual information to the dataset (e.g. population of the LA area), analyse the data and produce a report of findings. The dataset will also be used to choose LA case studies for Phase 2.
PHASE 2	The Supplier will use the survey to choose several LAs for qualitative research. This will include developing case studies. Case study selection should be targeted to best address the project’s research questions. The Customer expects the methodology for these case studies will involve in-depth interviews and desk-based research.
PHASE 3	This is a further stage of qualitative research on property guardians to interview property guardians themselves and any associated businesses.

2. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 2.1. This project addresses two issues in the Private Rented Sector division:

¹ A property guardian is someone who has entered into an agreement to live in a building or part of a building that would normally be otherwise empty for the primary purpose of securing and safeguarding the property.

²A property guardian company finds residents for unused premises that (normally) they don’t own, for the purpose of securing and safeguarding the property. The relevant property guardian company will be the company who advertised the property and/ or collects the fee.

- 2.2. The lack of data in how local authorities use their enforcement tools; and
- 2.3. The lack of data regarding property guardians. This includes the number and locations of property guardians in local authority areas, and the rationale to become and remain property guardians.
- 2.4. Enforcement Tools
- 2.5. It has now been almost four years since the 2016 Housing and Planning Act (the Act) came into force. The Act increased the powers that LAs had to tackle enforcement in the Private Rented Sector (PRS), many of which came into force on 6 April 2018. The Customer wants to gather more evidence which demonstrates how LAs are using their powers and any issues they face.
- 2.6. LAs are not required to report as part of their new powers: LAs follow locally-devised enforcement strategies and enforcement information is not collected centrally and a formal reporting mechanism was not established, so the Customer does not collect up to date information.
- 2.7. The exception is with banning orders where a local authority is under a duty to enter the details on the database of rogue landlords and letting agents who have been banned.
- 2.8. Property Guardians
- 2.9. There is a lack of up-to-date national data on property guardians and this research will strengthen the Customer's understanding of the sector. The research will help the Customer understand how widespread the practice of property guardianship is, standards and treatment in the sector and the reasons people decide to become and remain property guardians. The Customer also wants to understand the nature of guardianship agreements to identify the circumstances when property guardians have licences or assured shorthold tenancies (ASTs) and to explore the effect of different property guardian companies on the market. This research will be both quantitative and qualitative and will include in depth discussions with key stakeholders. The research will also enable the Customer to test whether current policies remain fit for purpose.
- 2.10. Prior to contract award, the Customer will be undertaking quantitative research (via a survey of LA enforcement officers) in-house (Phase 1 of the research). The dataset will be made available to the Supplier to inform the rest of the research. It will be expected that the Supplier will take the raw data from this research and add publicly available data to analyse the survey findings and write a report.

3. DEFINITIONS

Expression or Acronym	Definition
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MHCLG	Ministry of Housing, Communities and Local Government (the Customer)
LA	Local Authority
AST	Assured Shorthold Tenancy
HMO	House in Multiple Occupancy
Property Guardian	Someone who has entered into an agreement to live in a building or part of a building that would normally be otherwise empty for the primary purpose of securing and safeguarding the property.
Property guardian company	A property guardian company finds residents for unused premises that (normally) they don't own, for the purpose of securing and safeguarding the property.
DELTA	The Customer's electronic data collection portal
PRS	Private Rented Sector
Enforcement powers	<ul style="list-style-type: none"> • Selective, additional and mandatory HMO licensing • Civil penalties Rent repayment orders • Banning orders and the database of rogue landlord and property agents

4. SCOPE OF REQUIREMENT

- 4.1. There are three elements to the research, which are outlined below. Further detail on each phase is provided in section 6 'The Requirement'. The suggested methodology and ways of working set out under each phase are not a definitive list, and additional/different methods shall be provided by the Supplier from the outset to provide a comprehensive research project. The Supplier can also suggest additional methods throughout the lifetime of the project. Objectives must be agreed with the Customer.
- 4.2. The Customer expects that the Supplier will engage with LAs that cover a number of variables. This should include but is not limited to north urban, north suburban/ rural, south urban, south suburban/ rural.
- 4.3. Phase 1
- 4.4. Data collection from a survey of LA enforcement officers undertaken by the Customer is due to be completed by end March 2020. This survey has been distributed using the Customer's DELTA system, to encourage higher response rates from LAs. This will produce a data set and the Supplier will be required to deliver a report based upon this, adding publicly available information about the conditions of the LA area, for example socio-economic characteristics, details

of PRS stock etc. This work could also include a literature review of any publicly available or published LA policy documents. Within the report, there should be a separation of information on enforcement tools and information on property guardians.

- 4.5. The property guardians' section should give the Customer an understanding of the numbers of property guardians, where they are located, the types of properties they live in, fees being charged and the demographics of property guardians.
- 4.6. Phase 2
- 4.7. Using the outputs of Phase 1, the Supplier will complete qualitative research, including case studies, through desk-based research using LA documents and in-depth interviews with a sample of LAs. There should be at least 15 LAs chosen for this phase. The Supplier is expected to suggest a case study selection strategy informed by research questions and the output of Phase 1.
- 4.8. Whilst case study selection will depend on the outputs of Phase 1 and the variables agreed upon, the Customer would expect between 15- 20 case studies to cover for both LA enforcement and property guardians.
- 4.9. This phase would produce two reports; one on general enforcement and another on property guardians. The format of the reports shall be determined by the Supplier, however the Supplier shall ensure that all reports are presentable to an audience and publishable should the Contracting Authority receive any FOI requests.
- 4.10. This phase will also be used to complete the Customer's understanding from the data collected in phase 1.
- 4.11. Phase 3
- 4.12. This phase will be on property guardians only.
- 4.13. This phase will involve further qualitative research to enable the Customer to better understand the reasons behind entry into property guardianship, the standards of properties used, whether poor practices are widespread, local authority concerns in tackling poor practices and standards, and help to identify areas of best practice.
- 4.14. This phase will also enable the Customer to understand in more detail the different business models used by property guardian companies and their possible impact on the market.
- 4.15. The Customer invites the Supplier to suggest their own approach to this phase. For example: focus groups, in-depth interviews, desk-based research in local authorities/property guardian companies, literature review of public facing or published stakeholder policy documents (including LAs where property guardianship is more prevalent), or a combination of these.

- 4.16. The Customer expects outputs to identify whether patterns exist; to analyse what is working (or not) in different areas and why this might be the case.
- 4.17. The Customer expects outputs to build a picture of the type of tenancies afforded to property guardians and to what extent they have 'licences to occupy' when they should have assured shorthold tenancies (ASTs), and whether they are being correctly licensed as houses of multiple occupancy (HMOs).
- 4.18. This phase will include engagement with property guardians and property guardian companies. A clear plan of how the Supplier will engage with property guardians and property guardian companies will be expected.
- 4.19. The Customer expects that there will be engagement with property guardians and property guardian companies that cover a number of variables. This should include north urban, north suburban/ rural, south urban, south suburban/ rural.
- 4.20. The Supplier will also use this phase to complete the Customer's understanding from the data collected in phase 1 and 2.

5. THE REQUIREMENT

- 5.1. Phase 1
- 5.2. Review and analyse data from a survey of LA enforcement officers to produce a report which will detail what enforcement tools LAs use and the issues they face in using these. It should include information about LA areas to show trends in how these tools are used in different geographical areas.
- 5.3. Review and analyse data from a survey of local authority enforcement officers about property guardians. This should give the Customer an understanding of LA enforcement of property guardians which should be combined with other available information to map the sector, e.g. the numbers of property guardians, where they are located, the types of properties they live in, fees being charged and the demographics of property guardians.
- 5.4. Outputs of this phase:
- 5.5. Report (including analysis of data set) with sections on LA enforcement and property guardians. Report format shall be determined by the Supplier, however the Supplier shall ensure that all reports are presentable to an audience and publishable for any FOI requests the Contracting Authority may receive;
- 5.6. A literature review of any relevant policies and public facing documents;
- 5.7. An agreed plan for Phase 2 of the research project;
- 5.8. Agreed topic guide for LA interviews for Phase 2.
- 5.9. Phase 2

- 5.10. To get an in-depth understanding of both LA enforcement powers and how LAs manage property guardianship the Customer is seeking Suppliers to carry out qualitative research in this Phase. Phase 2 will use the outputs of Phase 1 to select an appropriate sample of LA areas to carry out in depth qualitative research. There should be at least 10 LAs chosen for this work.
- 5.11. For enforcement this should include in depth interviews with LA enforcement officers with questions which focus on what enforcement tools (both formal and informal) officers are likely to use, and in what circumstances, and if there is an escalation of tools which are used when landlords are non-compliant. They should establish the locally used definitions for formal and informal enforcement. Interviews should include discussion of what tools have most success in improving conditions in the PRS or which enable enforcement to be self- funding. The LAs chosen for the interviews should be a representative sample of LA experience.
- 5.12. For property guardianship, this phase will enable the Customer to understand in more detail the standards of properties used, LA concerns in tackling poor practices and standards and help to identify areas of best practice. This should be a representative sample of LA experience.
- 5.13. Whilst case study selection will depend on the outputs of Phase 1 and the variables agreed upon, the Customer would expect between 15-20 case studies to cover both LA enforcement and property guardians.
- 5.14. This phase will also be used to complete the Customer's understanding from the data collected in phase 1.
- 5.15. Outputs of this phase:
- 5.16. Additional quantitative information not captured in phase 1 but relevant to the research project
- 5.17. A report that details:
- 5.18. The themes from LA interviews.
- 5.19. Case studies of LA engagement with landlords and how specific enforcement tools were used to remedy the situation. For example, how different tools were used in non-compliance.
- 5.20. Case studies of LA experience with the property guardian sector. This should include good / bad practice examples.
- 5.21. Sense check the accuracy of the LA's understanding of their PRS stock etc. (comparison between what was reported in Phase1 and desk analysis of data they hold).
- 5.22. In summary, the report should provide a detailed evidence base from which to make informed policy decisions. Report format shall be determined by the

Supplier, however the Supplier shall ensure that all reports are presentable to an audience and publishable for any FOI requests the Contracting Authority may receive.

5.23. Phase 3

5.24. This phase will be on property guardians only.

5.25. The Supplier shall carry out qualitative research in this Phase. This phase will include engagement with property guardians and property guardian companies. This phase will enable the Customer to understand in more detail the standards of properties used, how poor practice is tackled, treatment in the sector and the reasons people decide to become property guardians.

5.26. This phase will also enable the Customer to understand in more detail the different business models used by property guardian companies and their possible impact on the market. The Customer is primarily concerned with impacts on the property guardians market, but also how this might also impact the wider housing market.

5.27. The phase will also be used to complete the Customer's understanding from the data collected in phase 1 and 2.

5.28. To help consider a range of options and choose the one that is most effective, the Customer invites the Supplier to suggest their own approach to this phase should they wish. However, the Customer is keen for this to include focus groups of property guardians. Other options may include:

5.29. In-depth interviews

5.30. Desk based research in property guardian companies

5.31. Literature review of any public facing or published stakeholder policy documents (including countries where property guardianship is more prevalent)

5.32. The Customer expects that there will be engagement with property guardians and property guardian companies that cover a number of variables. This should include north urban, north suburban/ rural, south urban, south suburban/ rural.

5.33. Outputs of this phase:

5.34. Additional quantitative information not captured in phase 1 but relevant to the research project

5.35. A research report that details:

5.36. Best practice examples.

5.37. Examples of challenges that property guardians and property guardian companies face.

- 5.38. Case studies of innovations undertaken by property guardian companies.
- 5.39. Case studies of property guardian experience with property guardian sector. This should include good/ bad practice examples.
- 5.40. In summary, the report should provide a detailed evidence base from which to make informed policy decisions.

6. MANAGEMENT INFORMATION/REPORTING

- 6.1. The Supplier will update the Customer through a highlight report at monthly intervals throughout delivery and attend regular face-to-face meetings with the Customer. This will include a monthly project board and weekly catch up meetings with the project managers. Location for the meetings shall be disclosed upon Contract Award.
- 6.2. The Customer will request regular weekly light touch monitoring reports submitted in a format agreed by the Customer via email, as part of the weekly catch up meetings with the project managers. The Customer will use these reports to question and challenge on progress in regular face-to-face monitoring meetings.
- 6.3. The Customer will review programme performance against specific deliverables agreed in line with the service areas outlined in section 12 of the Statement of Requirements.
- 6.4. There will be two lead project management contacts at the Customer; who shall be the main points of contact throughout the project. Contact details shall be provided upon Contract Award.

7. VOLUMES

- 7.1. The initial contract will be for an estimated period of 6 months from contract award.
- 7.2. The Customer will consider an extension of the contract should additional work be required. This can be up to a period of 3 months.

8. CONTINUOUS IMPROVEMENT

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

9. SUSTAINABILITY

- 9.1. Suppliers should take account of potential environmental, social and economic sustainability issues in their submissions.

10. QUALITY

- 10.1. Resources deployed by the Potential Suppliers should have relevant professional expertise and qualifications for the tasks.

11. STAFF AND CUSTOMER SERVICE

- 11.1. The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.
- 11.2. The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard.
- 11.3. The Supplier shall ensure that staff understand the Customer's vision and objectives and will provide excellent customer service to the Customer throughout the duration of the Contract.

12. SERVICE LEVELS AND PERFORMANCE

- 12.1. The Customer will measure the quality of the Supplier's delivery by:

KPI/SLA	Service Area	KPI/SLA description	Target
1.	Outputs	Deliver four phase reports (including one overall summary)	Delivered by February 2021
2.	Methodology	Engagement with LAs	At least 10 LAs engaged with, covering a number of variables outlined in paragraph 5.2
3.	Methodology	Engagement with property guardian companies	Covering at least the four variables outlined in paragraph 5.2
4.	Methodology	Engagement with property guardians	Covering at least the four variables outlined in paragraph 5.2
5.	Communication	Responding to communications within 3 working days	100%
6.	Ways of working	Senior research executives at all project board meetings	100% of project board meetings to be attended by

			senior research executives
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12.2. In the event of continuing poor performance of the Supplier, the Customer reserves the right to seek early termination of the Contract in accordance with the procedures set out in the Contract Terms.

13. SECURITY AND CONFIDENTIALITY REQUIREMENTS

13.1. The Supplier will be responsible for securely storing any personal information captured during this research.

13.2. The Supplier must employ the appropriate organisational, operational and technological processes and procedures to keep participants' data safe from unauthorised use or access, loss, destruction, theft or disclosure. The organisational, operational and technological processes and procedures adopted are required to comply with the requirements of ISO/IEC 27001 or equivalent; and Cyber Essentials <https://www.gov.uk/government/publications/cyber-essentials-scheme-overview>

13.3. The Supplier will securely process and store personal data in accordance with the Data Protection Act and the General Data Protection Regulation (GDPR). The Supplier must include a clear technical explanation of the organisation's security standards and what measures will be in place to keep the personal data secure and separate. If more than one organisation is processing personal data for this contract, the lead Supplier must ensure all the organisations involved meet the required data security standards.

14. PAYMENT AND INVOICING

14.1. Reasonable and proportionate milestone payments will be agreed with the Supplier.

14.2. Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.

14.3. Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.

15. CONTRACT MANAGEMENT

15.1. Attendance at Contract Review meetings shall be at the Supplier's own expense.

16. LOCATION

16.1. The location of the Services will be carried out in any local authority area in England, subject to demand and need. The Supplier will need to be able to

identify areas of need from the outset and throughout the project, and deliver required sessions in locations in such a way as to allow required attendees to easily attend. Recommended locations will be reviewed by the Customer.

Annex 1

Questions that formed the survey to Local Authorities as part of Phase 1

Part 1 – Local Authority Enforcement

1. Approximately how many dwellings are there in your local authority area?
 - 1a. What estimate do you have of the number of dwellings in your local authority area?
 - 1b. What is the data source for this number?
2. Approximately how many private rental dwellings are there in your local authority area?
3. What is the total number of Houses in Multiple Occupation (HMOs) in your local authority area? (estimate)
 - 3a. What is the total number of HMOs that are licensable?
 - 3b. What is the total number of HMOs that are licenced?
4. Do you conduct a survey of your housing stock?
5. How often do you hold a survey of your housing stock?
6. Does the survey include housing stock quality?
7. Can you provide an estimate of how many private rented properties you are aware of with Housing Health and Safety Rating System (HHSRS) Category 1 Hazards?
8. Can you provide an estimate of how many private rented properties meet the decent homes standard?
9. How many Full Time Equivalent (FTE) members of staff undertake enforcement work?
10. How many FTE roles have been vacant for more than 6 months? (include those being covered by temporary staff)
11. How many contractors fulfil FTE enforcement roles at this current date?
12. What is the value of the civil penalties that you have issued? (2017/18, 2018/19, 2019/20)
13. Is revenue generated through civil penalties ringfenced for enforcement work?
14. Do you have a selective licensing scheme in place?

15. What were the total fees collected through selective licensing? (2016/17, 2017/18, 2018/19, 2019/20)
16. How much revenue has been collected through mandatory HMO licensing schemes? (2016/17, 2017/18, 2018/19, 2019/20)
17. How much revenue has been collected through additional HMO licensing schemes? (2016/17, 2017/18, 2018/19, 2019/20)
18. How much housing benefit was recovered from Rent Repayment orders (from PRS properties where the revenue would be collected by the LA)? (2016/17, 2017/18, 2018/19, 2019/20)
19. Do you run, or sponsor, a landlord or property accreditation scheme?
 - 19a. How many landlords have received accreditation?
 - 19b. How many properties have received accreditation?
20. Do you have a current enforcement strategy or policy?
21. Is your enforcement strategy available online?
22. Do you have a strategy or policy on how to deal with Category 2 Hazards?
23. Do you have a shared enforcement strategy with other local authorities?
24. How many Housing Act 2004 notices have you served (cumulatively) for category 1 hazards? (2016/17, 2017/18, 2018/19, 2019/20)
25. Of the enforcement action taken for category 1 hazards, how many have not been complied with? Please give estimates for each of the last four years? (2016/17, 2017/18, 2018/19, 2019/20)
26. How many banning orders for rogue landlords have you served? (2016/17, 2017/18, 2018/19, 2019/20)
27. How many prosecution cases have you undertaken due to your enforcement work? (2016/17, 2017/18, 2018/19, 2019/20)
28. How many formal cautions have you issued due to your enforcement work? (2016/17, 2017/18, 2018/19, 2019/20)
29. In coming 18 months do you expect the number of enforcement activities to increase, decrease, maintain, can't say?

Part 2 – Property Guardians

1. Do you currently have property guardians operating within your local authority?
2. How many premises are you aware of that have property guardians in residence at the present time?
3. What is the number of property guardians in residence in your local authority?
4. How many property guardian businesses operate in your area?
5. What types of premises are being used by property guardian companies in your area?
6. What are the average fees per month being charged per person to be a guardian in properties in your area?
7. Do you know if the property guardian businesses within your local authority use assured shorthold tenancies (ASTs) or licences to occupy?
8. Are any guardian properties in your local authority being licensed as houses of multiple occupation (HMOs)?
 - 8a. What is the total number of guardian properties that are HMO licensable?
 - 8b. What is the total number of guardian properties that are HMO licenced?
9. Does your local authority use property guardians in council owned buildings?
10. Has your local authority taken enforcement action in relation to property guardian premises?
11. Within the last five years have there been any incidents or complaints about property guardian premises in your local authority e.g. poor standards, nuisance or exploitation?
12. Do you have a published strategy regarding properties with property guardians in residence? If yes, please provide a link to this in your response.
13. Are you aware of future plans to use property guardianships in your area?
14. Overall, what are your experiences of property guardians?

ANNEX B
Supplier Proposal

REDACTED

ANNEX C
Price Schedule

REDACTED