

## DPS FRAMEWORK SCHEDULE 4: LETTER OF APPOINTMENT AND CONTRACT TERMS

### Part 1: Letter of Appointment



Ministry of Housing,  
Communities &  
Local Government

*Ministry of Housing, Communities &  
Local Government*

REDACTED

Tel: REDACTED

Date: 14/08/2019

Dear Sirs

### Letter of Appointment

This letter of Appointment dated 14<sup>th</sup> August 2019, 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: | CCZZ19A35  |
| From:         | The Ministry of Housing, Communities and Local Government (the "Customer") |
| To:           | UCL Consultants Limited (the "Supplier")                                   |

|                 |   |
|-----------------|---|
| Effective Date: | Monday 19 <sup>th</sup> August 2019   |
| Expiry Date:    | End date of Initial Period: Wednesday 18 <sup>th</sup> December 2019<br>End date of Maximum Extension Period: Monday February 18 <sup>th</sup> 2020<br>Minimum written notice to Supplier in respect of extension: thirty (30) days |

|                    |  |
|--------------------|--|
| Services required: | Set out in Part A - Specification of the DPS Agreement and refined by the Customer's Statement of Requirements |
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|  | attached at Annex A and the Supplier's Proposal attached at Annex B and Suppliers Pricing Schedule at Annex C. |
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|                  |  |
|------------------|--|
| Key Individuals: | <u>For the Customer:</u><br><b>REDACTED</b><br><br><u>For the Supplier:</u><br><b>REDACTED</b> |
| Guarantor(s)     | N/A  |

|  |   |
|--|---|
| Contract Charges<br>(including any applicable discount(s), but excluding VAT): | <p>As confirmed in Annex C – Supplier's Pricing Schedule. The total contract value shall not exceed £95,700.00 excluding VAT.</p> <p>Payment can only be made following satisfactory delivery of pre-agreed certified products and deliverables.</p> <p>Before payment can be considered, each invoice must include a detailed elemental breakdown of work completed and the associated costs.</p> <p>Payment milestones shall be agreed with the Supplier based on the schedule of work proposed.</p> <p>The Customer may require an extension period of two (2) months, dependent on their needs as the research develops. If the extension is required, the Customer will require additional budgetary approval to provide budget for the extension.</p> |
| Insurance Requirements   | In line with RM6018 Contract Terms.   |
| Liability Requirements   | In line with RM6018 Contract Terms.   |
| Customer billing address for invoicing:  | <p>Invoices should be submitted to:</p> <p><b>REDACTED</b></p>  |

## 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:

**REDACTED**

**REDACTED**

Date: **REDACTED**

Date: **REDACTED**

## ANNEX A

### Customer Project Specification

# 1. BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

- 1.1. Permitted development rights are a national grant of planning permission for specified types of development set out in the Town and Country Planning (General Permitted Development) (England) Order 2015 as amended. They play an important role in the planning system: providing developers with a more streamlined and certain route through the planning system while allowing for local consideration of key planning matters. Increasingly, the Government has introduced new permitted development rights to support key Government agendas: housing, high streets and growth.
- 1.2. Permitted development rights provide for the change of use from certain types of buildings to residential use: offices, shops, financial and professional services, agricultural buildings, storage and distribution, light industrial, betting shops, pay day loan shops, launderettes, casinos and amusement arcades. From 25 May 2019 it shall allow the change of use from hot food takeaway to residential use. These rights are subject to certain limitations, such as size, and whether they are allowed in conservation areas, etc. Applications are subject to prior approval by the local planning authority in respect only of specific planning matters as set out in the individual rights.
- 1.3. Prior approval provides a streamlined planning process that provides more planning certainty. It means, however, that the local planning authority cannot consider the breadth of planning matters that would otherwise be considered through a planning application, nor does it determine the application in accordance with the local plan including where a local planning authority has adopted the nationally described space standards. By its nature, permitted development should already be generally acceptable in planning terms and therefore planning obligations would ordinarily not be necessary.
- 1.4. These national permitted development rights continue to make a significant contribution to housing delivery, having provided 46,000 homes in the three years to March 2018. There is evidence to suggest that many of these are additional homes that would not otherwise have come forward through the planning system. However, concerns have been raised about the quality, size, location and local amenities of some of the homes delivered. The Government therefore announced in a Written Statement on 13 March that it would review the quality standard of homes delivered under national permitted development rights.
- 1.5. To provide the evidence base for the review, the Customer wants to commission research on the local market drivers for delivery of different standards of conversions, and on the quality, size, amenity and location of such homes. The research shall consider how homes delivered under permitted development rights compare to homes that would have been delivered if they had required a planning application; the local market drivers for delivery of

different standards; and the potential impact that introducing certain standards would have on quality, scheme viability, the number of new homes delivered and their location. While MHCLG publish volume data on applications, grant of prior approval and the volume of homes delivered, it does not collect data on the size or location etc. of individual developments. This research shall therefore provide the evidence base to inform the policy review which shall consider the impact on delivery of housing through permitted development if wider planning requirements were applied.

## 2. DEFINITIONS

| Expression or Acronym        | Definition   |
|------------------------------|--|
| MHCLG                        | Ministry of Housing, Communities and Local Government  |
| Permitted development rights | A national grant of planning permission for specified types of development set out in the Town and Country Planning (General Permitted Development) (England) Order 2015 as amended.   |
| Prior approval               | A streamlined planning process, allowing local consideration of specified matters. Permission may be granted for prior approval, refused, or the local planning authority may determine that prior approval is not required.   |
| Planning Obligations         | Section 106 of the Town and Country Planning Act 1990 enables a local planning authority to seek agreement from developers to planning obligations to mitigate the impact of otherwise unacceptable development to make it acceptable in planning terms. These are commonly referred to as section 106 agreements. Local authorities can also obtain these contributions by charging a Community Infrastructure Levy on new development. |

## 3. SCOPE OF REQUIREMENT

3.1. The objectives of this research are to:

- 3.1.1. Investigate and analyse the quality of homes from permitted development rights in terms of space, amenity, location and design and how this differs from homes delivered through a planning application.
- 3.1.2. Identify the housing market drivers for the delivery of different standards of conversions to residential use and how that applies in the local area.
- 3.1.3. Consider the potential impact on the number and quality of homes delivered, if other requirements, such as section 106 contributions or space standards were introduced by the local authority that would normally be considered as part of a planning application.

3.2. In doing so, this research shall contribute to the policy review with the potential to inform future policy considerations.

- 3.3. As such, the Customer is interested in evidence on the operation of the rights for the change of use from offices, shops, financial and professional services, storage and distribution, light industrial, betting shops, pay day loan shops, launderettes, casinos and amusement arcades to residential use. In particular the Customer is seeking evidence of the quality of the developments, including an assessment of whether there are any identifiable typologies and/or groups of indicators that demonstrate quality standards in respect of size, location, amenity and design. For instance, these might include:
- 3.4. Floor space of units delivered, and whether these units meet nationally described space standards;
- 3.5. Number and mix of units delivered (studio, three-bedroom house etc);
- 3.6. Number of storeys in the development, and overall building;
- 3.7. Location and amenity.

## **4. THE REQUIREMENT**

- 4.1 The Customer requires a series of outputs that directly address the research objectives outlined in sections 3.1 to 3.3.
- 4.2 The research shall provide a detailed, in-depth case study approach to comparatively explore the operation of the rights compared with planning applications for the same type of development and the quality of the homes delivered in respect of size, amenity, location and design.
- 4.3 The Research**
- 4.4 Following the awarding of the Contract, the Supplier shall be required to present their proposed methodology and detailed timetable for undertaking case studies within the sample local planning authorities to the Customer for approval. This project shall gather both qualitative and quantitative data.
- 4.5 The research shall need to consider all applications for the change of use to residential from the specified uses across a sample of at least 10 local planning authorities in England (providing a mix of urban, rural, metropolitan, and geographical spread) in the three years from April 2015.
- 4.6 The Customer will work with the Supplier to identify possible sample local planning authority case studies, and with the identification of possible datasets that will assist in identifying locations of sites of development under permitted development rights and planning applications, and their characteristics that may be relevant to the study, but the Supplier shall also need to think about which other data sources shall be needed to deliver the study.
- 4.7 The Customer envisages that the study shall involve significant case study and desk-based research elements, and structured interviews with local planning authorities and developers, but would be interested in innovative approaches,

especially in relation to the collection of site/property level data, which shall be required for the study.

- 4.8 The study should also include a review, in the same sample authorities, of planning applications for similar development for the change of use, and the housing delivered, to provide a comparator of the quality of housing coming forward.
- 4.9 The Customer is interested in a broad range of questions that it shall wish to see addressed by the study, including:
  - 4.9.1 Handling of applications for the change of use to residential through both permitted development and planning applications.
  - 4.9.2 The physical nature of the completed development in relation to size of units, types of units, and tenure.
  - 4.9.3 Energy performance of the units.
  - 4.9.4 Evidence that building regulations have been met and evidence of ongoing building management.
  - 4.9.5 Types of developer, and the economic drivers on scheme design and viability.
  - 4.9.6 Amenity, private open space and public realm.
  - 4.9.7 Whether section 106 or Community Infrastructure Levy may have been sought had permission been granted on a planning application.
  - 4.9.8 Location, including position and access to services.
  - 4.9.9 Resident experience.
- 4.10 Potential Providers should note that this is not an exhaustive list, and that the Customer shall require the Supplier to have a strong understanding of the issues emerging in this policy area and an ability to identify these when they emerge within individual sites and planning authorities in the course of the study.
- 4.11 The Supplier shall develop and provide an evidence base for the three (3) years from April 2015 across the sample authorities. In relation to permitted development, this shall include for example: details of volumes of applications for prior approval for each of the specified rights, the size and numbers of homes delivered and qualitative evidence of the reasons for refusal of prior approval. The evidence base should include similar information in respect of planning applications for similar change of use in order to make a comparison between homes delivered through permitted development rights and those delivered through a planning application. Detail of the rights are set out in Part

3 of Schedule 2 of the Town and Country Planning (General permitted development) (England) Order 2015, as amended. MHCLG can share some data with the Supplier, for the Supplier to feed into the evidence base, including:

- 4.11.1 Prior approval application data for each local planning authority (*Planning Applications Statistics, Live Table PDR1*).
  - 4.11.2 Data on the volume of homes delivered under the rights by local planning authority. (*Live tables on housing supply: net additional dwellings. Table 123*).
  - 4.11.3 Energy Performance Certificate ratings by local planning authority, and size of homes delivered.
  - 4.11.4 Local authorities where there is a selective licencing scheme in place.
- 4.12 The Supplier shall be required to prepare a final report, setting out the evidence base and case studies to help inform a policy review. The report shall also include summary write-ups of the findings in each of the individual local planning authorities and for each of the individual rights in a consistent and accessible format, to be agreed with the Supplier following contract award.
- 4.13 The final report shall focus on presenting the evidence identified during the course of the fieldwork, and how this informs any conclusions. The report shall offer views on the proportion of homes considered to be good quality, and whether this proportion is different to that for homes delivered through a planning application. The Supplier shall not be required to make policy recommendations. The report shall be made publicly accessible on GOV.UK.
- 4.14 The Supplier shall be required to store the underlying data collected as part of the research. This dataset, once the research exercise has concluded, shall be given to the Customer, in a format to be agreed (such as an Excel spreadsheet) to allow for on-going analysis to support further policy development.

## **5. KEY MILESTONES AND DELIVERABLES**

- 5.1. The following Contract milestones/deliverables shall apply:



| <b>Milestone/Deliverable</b> | <b>Description</b>   | <b>Timeframe or Delivery Date</b>                             |
|------------------------------|--|---|
| 1                            | Inception meeting, to include MHCLG Project Manager and Supplier project lead        | Week commencing Monday 19 <sup>th</sup> August 2019           |
| 2                            | Supplier to present proposed methodology and detailed timeline to MHCLG for approval | No later than 1 week after inception meeting.                 |
| 3                            | Research (with regular progress reporting to the Customer)                           | Research 2 <sup>nd</sup> September – 18 <sup>th</sup> October |
| 4                            | Interim findings from early case study activity                                      | 28 <sup>th</sup> October 2019                                 |
| 5                            | Draft final report and presentation to officials                                     | 4 <sup>th</sup> November 2019                                 |
| 6                            | Final report   | 11 <sup>th</sup> November 2019                                |

## **6. MANAGEMENT INFORMATION/REPORTING**

- 6.1 The Supplier shall be required to provide all outputs in plain English and for these to be quality assured and proof read by the Supplier before submission to the Customer. Reporting is to be delivered in a format agreed by the Customer post contract award.
- 6.2 The Customer shall require fortnightly progress reports throughout the project and these may be in written form or conducted through teleconference and confirmed via email as necessary.
- 6.3 The outputs the Supplier shall be required to provide are set out in paragraphs 4.11 to 4.14.
- 6.4 The Contract shall conclude following the submission of the case study findings report to the Customer, provided it meets the required scope and is of the expected quality.

## **7. VOLUMES**

- 7.1 The research shall require a sample of at least ten (10) local planning authorities. The volume of applications for prior approval and planning applications may vary markedly between authorities. Potentially there could be a range of between 0-180 applications for prior approval and between 10-100 development sites. It is not known how many planning applications for similar change of use and resulting sites there may be.

## **8. CONTINUOUS IMPROVEMENT**

- 8.1 The Supplier shall 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, where practical, identify and present new ways of providing the Services to the Customer within the fortnightly progress reports.
- 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. QUALITY**

- 9.1 The Supplier shall be required to provide all outputs, including the final report, in plain English. Further, all outputs must be well presented and be quality assured and proofread by the Supplier before submission to the Customer. Reporting is to be delivered in a format agreed by the Customer. Where applicable, the quality of products shall be reviewed as part of the regular progress updates.
- 9.2 During the evaluation of bids, the Customer shall pay considerable attention to Potential Provider's internal project management arrangements and to the quality plan and monitoring arrangements that they propose.

## **10. STAFF AND CUSTOMER SERVICE**

- 10.1 The Supplier shall provide a sufficient level of resource throughout the duration of the Contract in order to consistently deliver a quality service.
- 10.2 The Supplier's staff assigned to the Contract shall have the relevant qualifications and experience to deliver the Contract to the required standard. This shall include a detailed understanding of the planning system, including national permitted development rights, to ensure that the Supplier, following introductory meetings with the Customer, can undertake the project at pace and with minimal input from the Customer (excluding general oversight and reporting).
- 10.3 The Supplier shall ensure that staff understand the Customer's vision and objectives and shall provide excellent customer service to the Customer throughout the duration of the Contract.

## **11. SERVICE LEVELS AND PERFORMANCE**

- 11.1 The Customer shall measure the quality of the Supplier's delivery by:

| KPI/SLA | Service Area        | KPI/SLA description  | Target |
|---------|---------------------|--|--------|
| 1       | Communication       | Brief progress reports by email against agreed work milestones circulated by the Supplier no later than one working day before progress meetings. Regular discussions via telephone as required.                 | 100%   |
| 2       | Communication       | Fortnightly progress reports throughout the project. These may be in written form or conducted through teleconference and confirmed via email as necessary.  | 100%   |
| 3       | Project management  | All action points from progress meetings circulated and agreed within two days of meeting.   | 100%   |
| 4       | Evidence base       | Robustness of evidence base: volume of local planning authorities engaged with, volume of site visits.   | 100%   |
| 5       | Reporting outputs / | Draft final report to be submitted to the Customer by the agreed deadline.   | 100%   |
| 6       | Reporting outputs / | Final report and evidence to be submitted to the Customer by the agreed deadline. This shall include an analysis on each of the sample local planning authorities and on the operation of each individual right. | 100%   |

11.2 The Customer shall maintain a record of Supplier adherence to the agreed service level and performance timelines. Any non-adherence shall result in performance review meetings between the Customer and the Supplier, to provide a full debrief and explanation as to why the service level agreement was not met. Improvement plans shall also be established here. Performance Management shall be in accordance with the terms and conditions set out in the Contract Terms.

11.3 Where the Supplier fails to provide a Service Improvement Plan or fails to deliver the agreed Service Improvement Plan to the required standard, the Customer reserves the right to seek early termination of the Contract in accordance with the procedures set out in the Contract Terms.

## **12. SECURITY AND CONFIDENTIALITY REQUIREMENTS**

12.1 Any personal data processed as part of the project shall be collected, transferred, recorded, stored, retained and destroyed in accordance with the Data Protection framework and the new GDPR requirements.

- 12.2 Following the expiration of the contract the Supplier shall be required to transfer to the Customer all data captured as part of the research project. Any personal data that is not necessary for the Customer to process from this stage shall be destroyed.
- 12.3 A privacy notice shall be drafted collaboratively between the Supplier and the Customer following the awarding of the contract.
- 12.4 The Supplier shall not be required to undergo security clearance. The majority of the exercise shall be conducted outside of the Customer's premises.
- 12.5 The Intellectual Property Rights of all material produced for this requirement shall belong to the Customer, as detailed in Section 20 of the Contract Terms.

## **13. CONTRACT MANAGEMENT**

- 13.1 The Customer shall require fortnightly progress reports throughout the research project. These may be written or conducted through teleconference and confirmed via email as necessary. Prior notice must be given if the Supplier is unable to provide a scheduled progress report. Should this happen, an update on progress must be given to the Customer as soon as possible after the scheduled date (or as otherwise agreed with the Customer).
- 13.2 Attendance at Contract Review meetings shall be at the Supplier's own expense.

## **14. LOCATION**

- 14.1 The location of the Services shall be carried out at a sample of local planning authorities in England. The Supplier shall be required to attend meetings at **REDACTED** from time-to-time if not utilising dial-in facilities.

**ANNEX B**  
**Supplier Proposal**

**REDACTED**

**ANNEX C**  
**Supplier Price Schedule**

**REDACTED**