



Policy and Resources Committee – 15 February 2016

Housing Options Contract Extension

Purpose of report

This report seeks Member approval of the Variation Agreement for the three-year extension to the Housing Options Contract.

Attachment

Appendix 1 – Housing Options Contract Variation Agreement

1.0 Background

- 1.1 The Housing Options Contract (the Contract) between the Council and Midland Heart Limited incorporates the Housing Advice, Homelessness and Choice Based Lettings Services, which the council has a statutory duty to provide.
- 1.2 The Contract was awarded to Midland Heart Limited following a detailed Competitive Dialogue procurement process, which included the formation of a Housing Contract Working Party comprised of members and officers.
- 1.3 The Contract commenced on 1st April 2012, for an initial period of 4 years to 31st March 2016. The current contract document contains the provision to extend the arrangement for up to a further 3 years, subject to agreement by both parties. This Committee agreed at its meeting on 23rd March that 'the housing contract with Midland Heart be extended for a further three years in principle, subject to agreement of final terms and conditions and a review prior to the end of the second year taking customer satisfaction in account'.
- 1.5 A further customer satisfaction survey was undertaken by Midland Heart Limited in May 2015 and demonstrated continuing high levels of satisfaction, particularly at a time when applicants may be experiencing a period of stress and uncertainty:
 - 74% of housing applicants considered the Homes Direct service (the Choice Based Lettings Scheme operated by Midland Heart) easy to use
 - 84% of respondents were generally satisfied with the service
 - 84% of those requiring help with their application confirmed the advice and information they had received had been helpful.

2.0 Contract Variation Agreement

- 2.1 The following amendments have been provisionally agreed by the Housing Policy Working Party and Midland Heart Housing Association, subject to approval by this Committee:
- 2.2 Conditions of Contract
 - Deletion of the word 'draft'
 - Extension of the contract for a 3 year period from 1.4.16, subject to early termination if required
 - Increased and improved obligations under the Data Protection Act 1998 to ensure personal data is secure, to ensure security is not breached and to notify the council of any breach
 - Improved arrangements for transfer of all files at the end of the contract

- Enhanced arrangements for all staff engaged in the service to be checked through the Disclosure and Barring Service
- Enhanced responsibilities under Equalities and Human Rights legislation
- Provision for an annual review of the services during the contract extension
- Provision of a break clause enabling both the Council and the Contractor to terminate the contract at any time by giving 6 months' notice.

2.3 Service Specification

- Enhanced information requirements regarding the occupation of temporary accommodation
- Enhanced arrangements for the retention of both paper and electronic files, including transfer to the council at the end of the contract
- Improved arrangements for transportation of case files between the contractor and the council
- Enhanced specification in relation to the types of housing options and advice available to customers to include options in the private and market sectors, as well as adaptations and grant availability.

3.0 Equality and Diversity Implications

3.1 There are no equality and diversity implications arising from this proposal. The current service is offered to all residents of the district and special arrangements are in place to assist people to access the service where required. For example, older or disabled people can be visited at home and the completion of paper application forms remains an option for those who cannot access the internet.

4.0 Legal Implications

4.1 The council has a statutory duty under the Housing Act 2002 to deliver the services covered by the Contract.

5.0 Risk Management

5.1 The Contract covers a range of services that the council is statutorily required to provide. Failure to renew the Contract or put an alternative solution in place for the delivery of the services would lead to legal challenge and significant potential costs. Homelessness in the district would also increase.

5.2 Risk PLN 016 has recently been added to the risk register – 'Cessation of the council's Choice Based Lettings Scheme' to cover frustration of the contract should the CBL scheme no longer be viable to operate. Registered Providers are having to look carefully at their costs in the light of the recent 1% per annum rent reduction. The current CBL scheme includes payments to the contractor to advertise vacant properties and this income (approximately £35,000 per annum) has been taken into consideration by Midland Heart Limited in their contract price. Should a large number of properties be withdrawn from the CBL scheme, it would be likely to fail, partly because Midland Heart Limited could not operate the service without the additional income. This would necessitate a return to the former system whereby applicants would be nominated to properties rather than being able to exercise choice and 'bid' for properties.

5.3 Service Level Agreements have been put in place with all the main Registered Providers advertising under the CBL scheme, which provide for a 6 months' notice period should they wish to leave the scheme.

5.4 It is considered that the 'break clause', enabling both parties to terminate the Contract at any time by giving 6 months' written notice, will further safeguard the parties against any frustration of the contract, giving the council time to make alternative arrangements for the letting of properties.

6.0 Resource and Financial Implications

6.1 The current cost of the Contract is £193,460 for 2015/16. The contract allows for the contract rate to be amended annually by a percentage equivalent to the rise or fall in the Retail Price Index (excluding housing). The cost of the Contract is included in the council's budget.

7.0 Constitutional Implications

7.1 There are no constitutional implications.

8.0 Corporate Outcomes

8.1 The delivery of an effective housing service relates to the following Corporate Outcomes:

- Good Quality of Life – healthy
- Good Value for Money
- Effective Partnership Working
- Effective Management
- High Quality Service Delivery
- Knowledge of Customers and Communities

9.0 Recommendation

9.1 The Committee is recommended to approve the Housing Options Variation Agreement to enable the Contract with Midland Heart Limited to be extended for a further 3 years.

(Reason – To enable the continued delivery of the service in an efficient and cost effective manner)

Legal	Power: Housing Act 2002 Public Contracts Regulations 2006				
	Other considerations:				
Background Papers:	Policy and Resources Committee 5 December 2011 – Housing Contract – Award of Contract Policy and Resources Committee 23 March 2015 – Housing Options Contract Extension				
Person Originating Report:	Name, Carol Conway, Housing Strategy and Delivery Manager ☎ 01832 742078 ✉ cconway@east-northamptonshire.gov.uk				
Date: 25th January 2016					
CFO		MO		CX	

DATED

201

EAST NORTHAMPTONSHIRE DISTRICT COUNCIL (1)

-and-

MIDLAND HEART LIMITED (2)

VARIATION AGREEMENT

RELATING TO

the provision Housing Services (Homelessness, Housing Advice and Choice Based Lettings)



Northamptonshire County Council
LGSS Law Limited
John Dryden House
The Lakes
Northampton
NN1 7YD

Ref: O-020377

BETWEEN

- (1) **EAST NORTHAMPTONSHIRE DISTRICT COUNCIL** of Cedar Drive, Thrapston Northamptonshire, NN14 4LZ (the "**Council**"); and
- (2) **MIDLAND HEART LIMITED** an Industrial and Provident Society (Number; IP30069R) whose registered office is at 20 Bath Row, Birmingham, B15 1LZ ("the **Contractor**")

IT IS AGREED AS FOLLOWS

1 BACKGROUND

- 1.1 This Variation Agreement (the "Agreement") is supplemental to a contract which commenced on the 1 April 2012 for the provision of Housing Services (Homelessness, Housing Advice and Choice Based Lettings)(the "**Contract**").
- 1.2 The Council and Contractor have agreed to vary the Contract in accordance with this Agreement.
- 1.3 Unless specified in Schedule 1 (Variations), this Agreement shall not have the effect of varying any other term, condition or obligation of the parties to the Contract.
- 1.4 This Agreement shall form an addendum to the Contract and is intended to be an amendment in writing duly executed by all the Parties of the Contract.

2 AGREED TERMS

- 2.1 The Council and the Contractor entered into the Contract dated 23rd May 2012 and have agreed that the Contract shall be extended from 1 April 2016 to the 31 March 2019 in accordance with the provisions of this Agreement
- 2.2 Further to the extension to the Contract as set out in clause 2.1 of this Agreement, The Council and the Contractor have also agreed to vary the Contract as set out in Schedule 1 of this Agreement and the Contract shall be read, construed and take effect as if the amendments set out in the Schedule had been made in the Contract.
- 2.3 The variations as set out in this Agreement shall take effect from 1 April 2016
- 2.3 Save as varied in accordance with clause 2 of this Agreement, the Contract shall remain in full force and affect all other respects.

This agreement has been entered into on the date stated at the beginning of it

SCHEDULE 1

CLAUSE NUMBER REFERRED TO IN THE CONDITIONS OF CONTRACT	VARIATION
Clause 1.5	<p>The word “Draft” shall be deleted from the first line of the definition of “Contract Documents” to provide that the reference to the Conditions of Contract is no longer referenced as draft.</p>
Clause 5 – Contract Period	<p>Clause 5.1 shall be amended to the effect that the Contract Period shall be extended for a period of 3 years beginning on the 1 April 2016 subject to early termination of the Contract pursuant to clause 25.9.</p>
Clause 6.9- Data Protection	<p>Shall be deleted in its entirety and the following words inserted in substitution:</p> <p>“6.9 The Contractor (in the provision of the Contract) shall comply with any notification requirements under the Data Protection Act 1998 (“DPA”) (including any amendments thereto) and both Parties shall duly observe all their obligations under the DPA, which arise in connection with the Contract.</p> <p>6.9.1 Notwithstanding the general obligation in clause 6.9, where the Contractor is processing Personal Data as a Data Processor for the Council, the Supplier shall ensure that it has in place appropriate technical and contractual measures to ensure the security of the Personal Data (and to guard against unauthorised or unlawful processing of the Personal Data and against accidental loss or destruction of, or damage to, the Personal Data), as required under the Seventh Data Protection Principle in Schedule 1 to the DPA; and</p> <p>6.9.1.1 provide the Council with such information as the Council may reasonably require to satisfy itself that the Contractor is complying with its obligations under the DPA;</p> <p>6.9.1.2 promptly notify the Council of any breach of the security measures required to be put in place pursuant to this clause 6.9 ; and</p> <p>6.9.1.3 ensure it does not knowingly or negligently do or omit to do anything which places the Council in breach of the Council's obligations under the DPA.</p> <p>6.9.2 The provisions of this clause shall apply during the continuance of the Contract and indefinitely after its expiry or termination.</p>

6.9.3 The Council and the Contractor shall comply with the following provisions in relation to data/information exchange

6.9.3.1 the Council and the Contractor shall subsidise the existing contractual arrangements to enable efficiencies through the utilisation of electronic systems; and

6.9.3.2 both the Council and the Contractor shall have access to information held by the other party however held in relation to the Services.

6.9.4 The nature of the Services involves regular contact between the Council and the Contractor and resulting information needs to be processed via the Council and shared. The type of information that may be shared is as follows:

6.9.4.1 Statistics and data returns;

6.9.4.2 Correspondence from and to customers (this may contain personal information);

6.9.4.3 Training and development information;

6.9.4.4 Service and budget information;

6.9.4.5 Procedures and protocols; and

6.9.4.6 Strategic and operational information.

6.9.5 Information /Data will not be shared with any other organisation/individual who is not a party to this Contract without the knowledge of the Council except where required by law or in accordance with the Data Protection Act 1998's exemptions.

6.9.6 Both the Council and the Contractor will be responsible for:

6.9.6.1 the quality and accuracy of the data/information they have provided/entered and for informing the other party of any inaccuracies discovered or notified by the data subject or otherwise.

6.9.6.2 dealing with their own Data Protection, Freedom of Information requests or complaints.

6.9.7 The Council and the Contractor will comply with the obligations imposed on them by the Seventh Principle of the Data Protection Act by taking appropriate technical, security and organisational measures against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data.

6.9.8 Any data transfers by email between the Council and the Contractor will be by secure means and follow an agreed process.

<p>Clause 15.11- Disclosure and Barring Service</p>	<p>6.9.9 The Council and the Contractor will ensure that data integrity meets its existing standards unless more rigorous or higher standards are required in which case it will seek to attain such standards.</p> <p>6.9.10 At the end of the Contract Period, including any extension of the Contract Period, the Contractor will transfer all files, information and data to the Council. Such transfer of files, information and data shall be in an agreed readable format and at no cost to the Council.</p> <p>6.9.11 The Council and the Contractor are each subject to an obligation under common law to treat personal information held by either of them, or by anyone carrying out functions on their behalf, as private and confidential because it has been disclosed for a strictly limited purpose.”</p> <p>Shall be deleted in its entirety and the following words inserted in substitution:</p> <p>“The Contractor shall:</p> <p>15.11.1 ensure that all individuals engaged in the Services are subject to a valid enhanced disclosure check for regulated activity undertaken through the Disclosure and Barring Service (DBS); and</p> <p>15.11.2 monitor the level and validity of the checks under this clause 15.11 for each member of staff;</p> <p>15.11.3 not employ or use the services of any person who is barred from, or whose previous conduct or records indicate that he or she would not be suitable to carry out the Services or who may otherwise present a risk to service users.</p> <p>15.11.4 The Contractor warrants that at all times for the purposes of this Contract it has no reason to believe that any person who is or will be employed or engaged by the Contractor in the provision of the Services is barred from the activity in accordance with the provisions of the Safeguarding Vulnerable Groups Act 2006 and any regulations made thereunder, as amended from time to time.</p> <p>15.11.5 The Contractor shall immediately notify the Council of any information that it reasonably requests to enable it to be satisfied that the obligations of this clause 15.11 have been met.</p> <p>15.11.6 The Contractor shall refer information about any person carrying out the Services to the DBS where it removes permission for such person to carry out the Services (or would have, if such person had not otherwise ceased to carry out the</p>
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<p>Clause 17 - Equalities</p>	<p>Services) because, in its opinion, such person has harmed or poses a risk of harm to the service users.”</p> <p>Shall be deleted in its entirety and the following words inserted in substitution:</p> <p>“17.1 The Contractor shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in age, race, gender, religion, disability, sexual orientation or otherwise) in employment.</p> <p>17.2 The Contractor shall take all reasonable steps to secure the observance of clause 17 by all staff, or agents of the Contractor and all suppliers and sub-contractors employed in performance of this Contract</p> <p>17.3 The Contractor shall (and shall use its reasonable endeavours to procure that its staff shall) at all times comply with the provisions of the Human Rights Act 1998 in the performance of this Contract.”</p>
<p>Clause 25 – Break Provisions</p>	<p>An additional clause shall be inserted into clause 25 of the Contract in the following words:</p> <p>“25.8 The Council shall undertake an annual review of the Services during the Contract extension.</p> <p>25.9 Both the Council and the Contractor shall have the right to terminate the Contract at any time by giving six (6) Months’ written notice to the other party.”</p>

CLAUSE NUMBER REFERRED TO IN THE SERVICE SPECIFICATION	VARIATION
Clause 7.3.2	<p>Clause 7.3.2 shall be deleted in its entirety and the following words inserted in substitution:</p> <p>“The Contractor will submit to the Housing Services Officer of the Council on a weekly basis the following for the month preceding the production of the information:</p> <ul style="list-style-type: none"> a) a schedule showing where people are accommodated in temporary accommodation, the status of their application, and the length of time in temporary accommodation. b) a schedule indicating cases where legal action is being pursued to repossess temporary accommodation outlining the progress of action on each case; and c) details of current temporary accommodation voids and future temporary accommodation units coming available.”
Clause 7.9.3	<p>Shall be deleted in its entirety and in substitution the following words shall be inserted :</p> <p>“All hard copy case files must be kept in a separate locked cabinet within the Contractor’s premises when not in use and at the end of the Contract all files will be passed to the Council including all the prime documents contained therein. The security of documents includes all electronic files and the Contractor will have in place appropriate technical and organisational measures to protect the personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access, and which provide a level of security appropriate to the risk represented by the processing and the nature of the data to be protected”</p>
Clause 7.13.3	<p>Shall be deleted in its entirety and in substitution the following words shall be inserted :</p> <p>“ Individual case files will be transported between the Contractor and Council in secure bags and these will be hand delivered to both the Homes Direct office at 50 High Street South Rushden</p>

<p>Clause 8.1.2</p>	<p>and East Northamptonshire House at Cedar Drive Thrapston.”</p> <p>Shall be deleted in its entirety and in substitution the following words shall be inserted:</p> <p>“The assistance required will include the following:</p> <ul style="list-style-type: none"> • advice on landlord and tenants rights; • finding and securing accommodation across the whole range of housing options; • housing advice relating to homelessness; • specific housing advice for young adults (16-25 year olds); • applying for housing; • advice on housing related welfare rights; • advice about legal remedies available; • administer and operate a damage deposit/ rent in advance scheme; • advice on prevention options, general housing advice and signposting to other agencies ; • referrals to specialist agencies, such as support agencies, advice on grants and assistance to improve and or adapt current accommodation.”
<p>Clause 8.2.3</p>	<p>Shall be deleted in its entirety and in substitution the following words shall be inserted:</p> <p>“The Contractor will provide housing advice on such areas as requested by the customer such as security of tenure, Landlord and Tenant law, private rented sector, open market options, grants available for improvements and adaptations, choice based lettings and homelessness”</p>

EXECUTED as a DEED by **MIDLAND
HEART LIMITED**

acting by two Directors/Company Secretary

.....
SIGNATURE OF FIRST DIRECTOR

Full Name:

and

.....
SIGNATURE OF SECOND
DIRECTOR/Company Secretary

Full Name:

The Common Seal of
**EAST NORTHAMPTONSHIRE DISTRICT
COUNCIL**

was affixed in the presence of:

.....
Authorised Officer