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## Model contract

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Contract for (services)  
provided at (area)  
under a Local Management  
Agreement

# Contract

This contract sets out how (contractor) will (provide the service) to residents at (area), for a period of 12 months.

## 1 Who's involved

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The contract is between:

- (residents/group/association) (the client)

and

- (contractor) (the contractor)

The client is authorised to enter into this contract by a Local Management Agreement dated (date) with (Council).

(Council) has exclusive third-party rights to this contract, and can enforce any of the terms of the contract under The Contracts (Rights of Third Parties) Act 1999.

## 2 What's involved

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The (contractor) will (provide the service) specified in appendix 2 at (area) to the areas marked on the plan attached at appendix 1, under a Local Management Agreement with (Council).

The client will pay the contractor (£amount) per (period) (including/excluding VAT) as set out in section 6 of this agreement for the service, subject to satisfactory performance and meeting the standards and obligations set out in this contract.

## 3 Timing

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The contract will run from ??/??/20?? until ??/??/20??. The contract may be extended from ??/??/20?? for up to 12 months at a time by negotiation and written agreement between the parties, so long as the Local Management Agreement remains in effect.

## 4 Objectives of the contract

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The key objectives are:

- (insert objectives)

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## 5 Standards

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The key service standards are:

- (insert standards)

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These standards are explained in more detail in the specification for the work attached at appendix 2.

The contractor must get approval from the client before carrying out any extra works outside the scope of the specification. The client will not pay for any unauthorised extra work.

## 6 Money

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The client will:

- Pay the contractor (£amount) (including/excluding VAT) for the first year, in (twelve/four) equal (monthly/quarterly) instalments of (£amount), paid in arrears on receipt of a valid invoice.
- Increase the (monthly/quarterly) payments by the current retail price index each year on the anniversary of the start of the agreement, or by any other amount mutually agreed in writing between the parties when the contract is extended or renegotiated.
- Be entitled to charge reasonable damages for demonstrable loss of income or facility and inconvenience caused by the contractor's action, fault or neglect.

The contractor will:

- Prepare and send the client an itemised invoice for the service within (7/28) days of the end of each (month/quarter) during the period of the contract.
- Be entitled to charge interest at (x%) on any amounts due from the client which are outstanding more than (30 days) from the date the invoice was received.
- (Provide details of their VAT registration number, if applicable).
- (Provide details of their status under the Inland Revenue Construction Industry Tax Deduction Scheme, if applicable).

## 7 A fair service

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The client and contractor will provide the service so that it, and all related practices, are sensitive to the needs of the local community, and do not unfairly disadvantage or discriminate against anyone.

The contractor must demonstrate that they are committed to equal opportunities, and agrees to observe the client's equal opportunities policy.

With the exception of the (Council), the contractor will not disclose the terms of this contract to a third party without the prior express written permission of the client.

The contractor will not enter into any price-fixing agreement or otherwise act in any anti-competitive manner that might affect the probity of this contract or the quality and value for money of the service.

## 8 Insurance and indemnity

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The contractor will arrange and maintain the following insurance cover:

- Public liability to £XXXXXXXX
- Fidelity to £XXXXXXXX
- Employer's liability to £XXXXXXXX
- Contents to £XXXXXXXX
- Professional indemnity (if applicable) to £xxxxxxxx

The contractor or its broker will provide written confirmation of its insurance cover if the client requests it.

The contractor indemnifies the client and the (Council) against all actions, claims, and costs arising from this agreement, except if they relate to the client or Council being negligent.

## 9 Health and safety

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The client and contractor will:

- Carry out risk assessments and comply with the relevant health and safety laws and regulations set out in [appendix 3](#).

The contractor will:

- Maintain safe working practices at all times
- Keep written records of all health and safety matters relating to this contract and allow the client and/or Council to inspect these if it gives reasonable written notice
- Promptly provide any reasonable information related to health and safety requested by the client and/or Council.
- Report any serious health and safety problems or incidents related to this contract promptly to the client.

## 10 A quality service

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The contractor will exercise the appropriate skill, care and diligence that could be reasonably expected of a competent contractor for a service of this scope and nature.

The contractor will not use any sub-contractors or other indirect labour to provide the service without the prior, express written permission of the client.

The contractor will allow the client and/or Council to inspect its work under this contract at any reasonable time on receiving 24 hours' notice. The client will tell the contractor in writing if there are any shortfalls in the service. The contractor will then

put right any shortfalls within one month. If the contractor cannot put things right, it will refund the client any reasonable costs arising from the shortfalls.

The contractor will cooperate with and act upon any reasonable systems that the client uses to gather customer feedback on the quality of service provided by the contractor.

The client will keep written records of all complaints about the service provided under this agreement, and the action it takes in response. These records will be available for inspection by the contractor at any reasonable time on receiving 24 hours' notice.

## 11 Changing the contract

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Either the contractor or the client can ask for a change to the contract by requesting this in writing to the other party. Both parties will consider any reasonable suggestion to change the contract.

Both parties must sign a new, amended version of the contract to confirm any changes. Any changes are subject to the Local Management Agreement with the Council still being in effect.

The contractor cannot pass on the rights and obligations of the contract, or any part of it, to anyone else, unless the client agrees in writing.

The client cannot pass on the rights and obligations of the contract, or any part of it, to anyone else, unless the Council agrees in writing.

## 12 Ending the contract

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If either the contractor or client fails to meet its obligations under this contract, the other party must tell them in writing, and allow at least one month for the failure to be put right.

If the problems are not resolved, the contractor or client can then bring the contract to an immediate end by confirming this in writing to the other party.

Either party can end the contract at any other time, by giving the other at least three months' notice in writing.

If the contract is brought to an end, the parties will carry out an accounting exercise to calculate any work or payments outstanding and pay any sums due on receipt of a valid invoice.

## 13 Contacts

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For the client:

??Name

??Address

??T

??E

For the contractor:

??Name

??Address

??T

??E

## 14 Appendices

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- 1 Plan of **area** covered by the contract
- 2 Specification of works or services
- 3 Health and safety requirements
- 4 The client's Local Management Agreement with the Council dated **??/??/??**

## 15 Signatures

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For the client:

Name .....

Signature .....

Date .....

For the contractor:

Name .....

Signature .....

Position .....

Date .....