

Service Level Agreement – Position Update – October 2007

SLAs withdrawn from in 2007/08

Department	Service Area	Original 2007/08 SLA Budget £
Chief Executive	Media & Communications (PR)	52,072
	Design and Print Central Reprographics	77,340
Corporate Services	Internal Audit	76,587
Neighbourhood Services	Building Cleaning	4,204
	Fleet Management - Administration	66,787
City Development	Safety Advisors	29,126 (6,194)
	TOTAL	**£299,922
City Development	Environmental Works	N/A – Invoiced on usage
	Pest Control	N/A – Invoiced on usage
	Dog Wardens	N/A – Invoiced on usage

*** - It should be noted that the withdrawal from all of or part of an SLA does not lead to savings of the amounts above as the service will usually have to be delivered through additional internal resources or by an external provider.*

Ongoing SLAs

Department	Service Area	Current Position	Action Required	06/07 Actual £	07/08 Forecast £	08/09 Budget £
City Development	Drainage and Drain Testing	Revised SLA has been agreed with NCC for 2007/08 totalling £12,150.	SLA to be approved by the Chief Executive. (SLA value is less than £150,000 and so within the limit delegated by NCH Board).	0	12,150	12,450
	Safety Advisors	NCH agreed with NCC to withdraw from the SLA for Health and Safety support from 31 st March 2007 onwards. Glenn Langham confirmed that a new SLA for support from NCC's Corporate Violence Project Co-ordinator has been	New SLA to be drafted and agreed with NCC's CVP Co-ordinator when appointed.	28,340 0 <u>28,340</u>	0 6,194 <u>6,194</u>	0 6,350 <u>6,350</u>

Department	Service Area	Current Position	Action Required	06/07 Actual £	07/08 Forecast £	08/09 Budget £
		put on hold as the C0-ordinator has now left the City Council and the position is unlikely to be filled in the near future.				
Corporate Services	Design & Property Services Include other recharge which believe is admin. for DPS	Steve Edlin confirmed that a new SLA has been drafted and the services required by NCH established and communicated to NCC. Mick Cristian (NCC Group Accountant) is currently costing the services proposed. When the costs have been established the figures will be agreed and inserted into the draft SLA. The SLA will be agreed for both 2007/08 and 2008/09 and then the services will be market tested to ensure that VFM is assured and obtained in future year SLAs. Current estimated annual SLA saving: £100k.	Awaiting final agreement of SLA figures with NCC. Final 2007/08 SLA to be agreed with NCC and subsequently approved by Performance and Regulatory Committee in January/February.	320,480 <u>51,500</u> 371,980	322,459 <u>21,558</u> 342,038 <i>(estimated savings excluded until formally agreed)</i>	330,520 <u>22,100</u> 352,620 <i>(estimated savings excluded until formally agreed)</i>
	Human Resources: Includes Counselling & Occupational Health Excludes Payroll	Jo Wileman confirmed that a new SLA has been drafted and the services required by NCH established and communicated to NCC. Attempts are currently being made to remove the Recruitment element of the SLA, hence further reducing the SLA charge, whilst retaining the 'Jobs On-line' service. Some benchmarking of costs has been performed by NCH and this will be used, together with potential market testing, to ensure that value for money is achieved going forward. Current estimated annual SLA saving: £57k (excluding any proposed reduction in the SLA resulting from the removal of Recruitment services).	Awaiting final agreement of SLA figures with NCC. Final 2007/08 SLA to be subsequently approved by the Chief Executive. (SLA value is less than £150,000 and so within the limit delegated by NCH Board).	127,730 9,080 <u>13,020</u> 149,830	92,793 - <u>-</u> 92,793 <i>(excludes any proposed reduction in the SLA resulting from the removal of Recruitment services).</i>	95,110 - <u>-</u> 95,110 <i>(excludes any proposed reduction in the SLA resulting from the removal of Recruitment services).</i>

Department	Service Area	Current Position	Action Required	06/07 Actual £	07/08 Forecast £	08/09 Budget £
	Legal Services	NCH Director of Finance and NCC Legal Services Manager are currently negotiating a revised SLA. Market testing of part of the SLA will be performed subsequent to agreeing a revised SLA with NCC.	Final 2007/08 SLA to be agreed with NCC and subsequently approved by Performance and Regulatory Committee in January/February.	320,480	329,156	337,380
	Insurance	Meeting with NCC arranged to agree market testing to be done by NCC on NCH's behalf.	Head of Finance to draft services SLA by December. Final 2007/08 SLA to be subsequently approved by the Chief Executive. (SLA value is less than £150,000 and so within the limit delegated by NCH Board).	46,000	47,150	48,329
ICT	Phones	NCC have provided detailed costing information on the current SLA. However, this is based on outdated equipment levels and different elements of IT services & support are assumed to be consistent across all NCH departments.	Outcome of the ICT Strategy (December 2007) will determine future requirements.	46,199	47,197	48,380
	IT Admin.	Rob Allen is currently discussing NCH's IT requirements with NCC to identify the services it wishes to purchase from NCC going forward. This work gives consideration to how different IT services and support are used across different user groups and departments and will be informed by a full NCH IT equipment audit. NCH's final IT requirements will require costing by NCC so that a 1 year SLA can agreed for 2008/09 in advance of market testing.	2008/09 IT SLA to be compiled based on NCH's IT requirements and the results of the IT equipment audit. Upon completion of the draft 2008/09 IT SLA, services are to be discussed with NCC, fully costed and subsequently agreed.	1,001,910	1,028,769	1,054,490
	Support Services (SX3)	See current position on the IT SLAs above. Limited detailed costing information held on the NCH SLA files in relation to these services.	NCC to provide SLA costing information. NCH senior finance team to perform a gap analysis between the services costed and those received.	539,860	554,706	568,570

Department	Service Area	Current Position	Action Required	06/07 Actual £	07/08 Forecast £	08/09 Budget £
		Meeting held with Jeff Abbot and Roger Paine. JA agreed to forward on all support service SLA information held by NCC in relation to the services provided and the related costs.				
Neighbourhood Services	Building Cleaning	<p>To be split into two parts.</p> <ol style="list-style-type: none"> 1) Office – plan to agree 1 year SLA followed by a full OJEU process in 07/08. 2) Residential – some scope changes effective 1st April 07. NCC advised of intention to market test. Tenant consultation required. <p>Helen Sudbury confirmed that a new SLA has been drafted and that NCC are currently re-costing the services requested by NCH. When these costings are finalised they will be inserted into the 2007/08 SLA and the agreement approved and signed at the following Housing Operation's DMT.</p> <p>Some market testing has been performed and indicative prices, for comparison against NCC Neighbourhood Services figures, received from 5 companies who provide cleaning/gardening services to other organisations. A number of queries, arising during the review of price specifications, are currently being resolved by the procurement team.</p> <p>The proposal to withdraw from the cleaning of some residencies (estimated annual SLA cost of £40k) has been delayed and is to be reviewed when all market testing has been completed and an Estates and Caretaking Manager is in post.</p> <p>NCH has withdrawn from a small element of the SLA due to NCC</p>	<p>Awaiting final agreement of SLA figures with NCC. Final 2007/08 SLA to be approved by Performance and Regulatory Committee in January/February.</p> <p>Larisa Ciupruk to escalate discussions with NCC on withdrawal from part of the residential SLA and provide an update on progress with market testing.</p>	420,479	393,536	403,370

Department	Service Area	Current Position	Action Required	06/07 Actual £	07/08 Forecast £	08/09 Budget £
		charging NCH for a number of residencies it was not cleaning. This has been communicated to NCC and reduces the annual SLA charge by £4,204.				
	Fleet Management: Vehicle repair and maintenance Vehicle leasing	<p>Property Services have withdrawn from the Fleet Management Administration element of the SLA reducing the annual charge by £67k.</p> <p>The decision on whether to withdraw from the NCC Fleet management SLA or retain reduced levels of service has been deferred until the results of the Property Services tender are known.</p> <p>The following future scenario options have been fully costed in an attempt to inform that decision:</p> <ul style="list-style-type: none"> • Retain all existing fleet and maintain by NCC; • Replace all fleet vehicles with Contract Hire; and • Retain all vehicles post 2003 and use Contract Hire (split). <p>The current year SLA charges have been revised to reflect the change in the number of fleet vehicles. For 2007/08 the SLA charge is expected to be:</p> <ul style="list-style-type: none"> • Vehicle R&M - £517,400 • Vehicle Leasing - £698,751 <p>Current estimated</p>	Proposed actions deferred until the result of the Property Services tender is known.	<p>65,725</p> <p>360,184</p> <p><u>856,997</u></p> <p><u>1,282,906</u></p>	<p>66,787</p> <p>344,005</p> <p><u>800,000</u></p> <p><u>1,210,792</u></p>	<p>0</p> <p>347,240</p> <p><u>808,000</u></p> <p><u>1,147,240</u></p>

Department	Service Area	Current Position	Action Required	06/07 Actual £	07/08 Forecast £	08/09 Budget £
	Grounds Maintenance and Garden Assistance	<p>Helen Sudbury confirmed that a revised 2007/08 SLA had been agreed and signed by NCC but would have to re-signed due to subsequent revision by NCH.</p> <p>SLA has provisionally increased to an annual charge of £1,016,879.</p> <p>Subsequent to agreement of the 2007/08 SLA market testing is to be performed to ensure that VFM is obtained and evidenced in the 2008/09 SLA agreement.</p>	Awaiting final revision of the SLA and agreement with NCC. Final 2007/08 SLA to be approved by Performance and Regulatory Committee in January/February.	1,002,970	1,016,879	1,042,301
	Refuse Collection, including Skip Hire	<p>Market testing has been performed to compare the cost of services provided by NCC Neighbourhood Services with quotes from 3 external companies.</p> <p>Market Testing confirmed that the services provided by NCC were the most competitive.</p> <p>Pete Smith confirmed that a new 2007/08 SLA has been agreed with NCC and approved at both NCC and NCH DMT.</p> <p>The SLA is based, and charged, on actual usage and agreed prices. Market Testing performed provides an estimated 2007/08 cost forecast of £271,569.</p>	2007/08 SLA to be approved by Performance and Regulatory Committee.	<p>7,400</p> <p><u>232,996</u></p> <p>240,396</p>	<p>7,490</p> <p><u>245,000</u></p> <p>252,490</p>	<p>7,050</p> <p><u>247,450</u></p> <p>254,500</p>
Finance	<p>Financial Services:</p> <p>Personnel</p> <p>City Treasurers</p>	<p>Meeting held with NCC contacts Jeff Abbot and Roger Paine to discuss the following constituent elements of SLAs:</p> <ul style="list-style-type: none"> • Accounting; • Financial Planning; • Treasury Debt Mgt; • Cashiers; • Debtors; • Payroll; • Pensions; and • Support Services & Payments. 	<p>Further meetings to be held to discuss the practicalities of withdrawing from elements of the SLA and moving services and systems into the NCH Finance function.</p> <p>Pending receipt of additional NCC SLA information NCH senior finance team to perform a gap analysis between the services</p>	<p>123,930</p> <p><u>406,960</u></p> <p>586,390</p>	<p>127,338</p> <p><u>474,978</u></p> <p>602,316</p>	<p>130,520</p> <p><u>410,263</u></p> <p>540,783</p> <p>(Note: Internal Audit charge has been</p>

Department	Service Area	Current Position	Action Required	06/07 Actual £	07/08 Forecast £	08/09 Budget £
		<p>Agreement was informally obtained that the transfer to NCH of some services, such as bank reconciliations and debt recovery, would provide efficiency and service delivery benefits for both parties.</p> <p>NCC to provide up to date detailed information on the services currently provided under the different sections of the SLA.</p>	<p>costed, those received and those required. Proposals for withdrawal from elements of the SLA to be subsequently drafted.</p> <p>Market testing to be performed to compare the cost of retained SLA Services with external suppliers to ensure that VFM is assured and obtained.</p>			<p><i>removed from the SLA budget but a similar charge will remain in 2008/09 budgets)</i></p>
New	ASB	<p>'Practical working arrangements' are being finalised and a draft SLA is yet to be compiled or agreed with NCC mainly due to NCH officers awaiting the compilation of the Legal SLA for reference purposes.</p> <p>Working protocol is in place governing operational arrangements between ASB officers and area teams.</p>	<p>Margaret Coward to compile an SLA and agree costed services with NCC at the earliest opportunity.</p>	0	60,000	60,000

SLAs for Services Provided by NCH to NCC

Department	Service Area	Current Position	Action Required	06/07 Actual £	07/08 Forecast and 08/09 Budget £
New	Non- HRA properties	To be split into two parts. 1) Hanley & Gellestrop charities – details to trustees in March 2) Other non HRA – proposal to take into HRA. Decision awaited. SLAs are currently being drafted for discussion with NCC.	Larisa Ciupruk to progress urgently.	0 N/A – No cost has been re-charged to NCC in past years.	3,910 N/A – forecast and budgets will not be adjusted until SLAs are agreed.
	Houndsgate office	Considered to be a working protocol – EMT paper to be submitted.	Larisa Ciupruk to prepare EMT paper urgently.	N/A – No cost has been re-charged to NCC in past years.	N/A – forecast and budgets will not be adjusted until SLAs are agreed.
	Out of Hours work	Confirmed with Rod Stair that the ASB Hotline provides NCH with agreed annual income of £12,000. However, NCC has (verbally) refused to continue negotiations in relation to reimbursing NCH for the cost of Out of Hours services that are provided to NCC but not included in the ALMO's Management Agreement i.e. paid for in the Management Fee.	Discussion with NCC to be escalated to NCH's Acting Director of Finance.	0 N/A – No cost has been re-charged to NCC in past years.	12,000 N/A – forecast and budgets will not be adjusted until SLAs are agreed.
	Other Services e.g. Cash collection	As part of the Financial Services SLA Jeff Abbot and his team at NCC are currently reviewing the basis for the charge associated with the collection of rental income by NCC cashiers.	Upon receipt of information from NCC in relation to the revised cashiers charge, the cost associated with the collection of NCC income by NCH's cashiers will be reviewed and estimated. Meeting with be held with the relevant NCC officers to discuss the outcome of the review.	N/A – No cost has been re-charged to NCC in past years.	N/A – forecast and budgets will not be adjusted until SLAs are agreed.

Working Protocols

Service Provided	Action Required	Proposed review completion date
Housing Benefits	Director of Finance to lead on determining the scope of reviews and establishing key contacts for each service within NCC and NHC, where necessary.	Reviews to be completed by 31 st December 2007.
Emergency Accommodation		
ASB		
Environmental Works		
Pest Control		
Dog Wardens		

Recharges

Department	Service Area	Current Position	Action Required	06/07 Budget £	07/08 Forecast £	08/09 Budget £
Various	Accommodation – General rents	NCH's accommodation, window cleaning and car parking requirements are to be established upon completion of the Accommodation Strategy.	Completion of the Accommodation Strategy. Re-costing of accommodation and associated service recharges to be agreed with NCC.	635,047	625,977	623,540
	Guildhall Accommodation			42,350	43,410	45,150
	Asset rental (office/equip)			# 657,397	# 669,387	# 668,690
	Window Cleaning			19,435	21,080	21,020
	Car Park Parking			18,630	21,670	25,270
	Unison	In negotiation with NCC the Unison recharge has been reduced to a provisional estimated value of £1,000. The actual charge will be a salary apportionment of NCC's Branch Secretary, based on an estimated proportion of time spent working on behalf of NCH each year.	No further action required.	13,030	11,230	1,000

- Asset rental charges are based on the annual depreciation and interest associated with all office and equipment assets provided to NCH by NCC. This charge varies year to year as assets are renewed.