

Service Level Agreement May 08 Update – Item 6 Appendix A

SLAs withdrawn from in 2007/08

Department	Service Area	Full Year SLA Reductions (based on 2007/08) £
Chief Executive	Design and Print	77,340
	Central Reprographics – formal SLA	<u>(55,136)</u> 22,204
Corporate Services	Internal Audit	76,587
	Design and Property Services	346,100
	Human resources	109,458
	Media & Communications (PR)	<u>50,570</u> 160,028
	Fleet Management – Administration	55,780
City Development	Safety Advisors	29,126
		<u>(1,032)</u> 28,094
ICT	SXS Support Services	572,700
TOTAL		**£1,261,493
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 will not necessarily lead to savings of the amounts shown above as the provision of the related services will usually have to be delivered through additional internal resources or by an external provider.

Ongoing SLAs

Department	Service Area	Current Position	Action Required	07/08 Final Outturn £	08/09 Full Year Budget £
City Development	Drainage and Drain Testing	Draft 2008/09 SLA in place. Awaiting review and response from the City Council.	No further action required.	12,150	12,450
	Safety Advisors	Services required are to be provided internally in future years within the budget and resource allocations associated with the new Organisational Development structure. Some budget has been retained in 2008/09 as a contingency to support transitional arrangements.	No further action required.	1,032	6,350
Corporate Services	Design & Property Services	NCH has formally withdrawn from the SLA and NCC will cease providing services on 4 th August 2008.	A review of options available to the Company is currently underway and it is envisaged that some service elements may be carried out through the utilisation of the new repairs contract. Other more specific works such as legion-ella testing and air conditioning will be tendered as specific contracts, which are currently being drafted.	346,100	352,620
	Human Resources	NCH has formally withdrawn from the SLA and NCC will cease providing services on 4 th August 2008.	Director of Organisational Development is currently negotiating the continued provision of some specific areas of service support required by the Company e.g. OHU, counsel line, HR systems and Jobs on Line. The City Council is currently in the process of compiling full details of the costs associated with these services and to ensure VFM these will be used to market test and tender these services in the future.	160,028	118,380
	Legal Services	Director of Housing Operations and the City Council's Legal Services Manager are currently negotiating a revised SLA.	2008/09 SLA to be agreed, signed by both parties and subsequently approved by the Performance and Regulatory Committee in July.	326,880	337,380

Department	Service Area	Current Position	Action Required	07/08 Final Outturn £	08/09 Full Year Budget £
			Market testing of services provided within the SLA will be performed, subsequent to those services being agreed with the City Council, to ensure that Value for Money is obtained in future year SLAs.		
	Insurance	Target SLA completion date of March 2007 revised to July 2008 due to the departure of the City Council's Risk & Insurance Manager and subsequent delays in negotiations.	Director of Finance, ICT and Governance to draft and agree SLA with the City Council by July 2008. Final 2008/09 SLA to subsequently be approved by the Chief Executive.	49,920	49,920
ICT	Phones	The City Council have provided some 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. NCH Head of ICT is currently discussing NCH's IT requirements with the City Council to identify the services it wishes to purchase 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.	Draft 2008/09 IT SLA to be compiled based on NCH's IT requirements and the results of the IT equipment audit.	46,890	48,380
	IT Admin.			Services established within the draft 2008/09 IT SLA are to be agreed with and fully costed by the City Council. Market testing of appropriate services provided within the SLA will be performed to ensure that Value for Money is obtained in future year SLAs.	1,110,161
	Support Services (SX3)	NCH has formally withdrawn from the SLA and NCC will cease providing services on 4 th August 2008.	Discussions are currently underway with the City Council around the process of NCH incorporating the SX3 team, notably which staff the City Council will retain and which they would expect to transfer to NCH under TUPE regulations. In the meantime information is being collated regarding the current services provided by Housing ICT so that plans can be made to ensure continuity via the new arrangements.	572,700	518,650
Neighbourhood Services	Building Cleaning	SLA is split into two parts. 1) Residential 2) Office	Proposals outlined in the Cleaning SLAs business case to be reviewed by Housing Operations DMT.	412,601	494,930

Department	Service Area	Current Position	Action Required	07/08 Final Outturn £	08/09 Full Year Budget £
		<p>Draft SLAs have been prepared, together with a business case outlining proposals for taking the service forward.</p> <p>Some market testing has been performed against the current SLA charges, but further analysis to be undertaken.</p>	Final SLAs and approach to be agreed, internally and with the City Council, and subsequently signed by both parties.		
	<p>Fleet Management:</p> <p>Vehicle repair and maintenance</p> <p>Vehicle leasing</p>	NCH has formally withdrawn from the SLA and NCC will cease providing services on 1 ST July at the latest (final date yet to be formally agreed).	<p>Meetings have taken place between officers from the Company and the City Council to highlight the need for a phased withdrawal from the agreement in line with the delivery timetable for the new vehicles.</p> <p>Whilst final details of this have not been determined and will depend on actual delivery dates, the broad arrangements have been agreed and will be finalised as soon as this is possible.</p>	<p>55,780</p> <p>249,504</p> <p><u>707,991</u></p> <p><u>1,013,275</u></p>	<p>66,787</p> <p>347,240</p> <p><u>808,000</u></p> <p><u>1,222,027</u></p>
	Garden Assistance	Service specification is currently being drafted for 2008/09 services based on the 2007/08 SLA.	Service specification to be reviewed and market testing of the services provided within the SLA will be performed to ensure that Value for Money is obtained during 2008/09 and in future years.	1,016,879	1,042,300
	Refuse Collection, including Skip Hire	<p>Discussions are currently underway with the City Council in order to establish a 2008/09 SLA.</p> <p>However, the City Council are concerned about the sustainability of the service and believe they may be making a loss. The City Council are therefore keen to review their business and to examine whether to stay in the skip business before signing up to a continuation of the service under future year</p>	<p>NCH Procurement and Operational Support Manager to liaise with the City Council over future service provision.</p> <p>Should the City Council wish to withdraw from the SLA NCH will have 6 months to establish alternative arrangements and this process will be supported by the information obtained during 2007/08 market testing.</p>	275,639	254,500

Department	Service Area	Current Position	Action Required	07/08 Final Outturn £	08/09 Full Year Budget £
		SLAs.			
Finance	Financial Services	<p>Agreement has been obtained informally for NCH to withdraw from some services within the SLA and provide them in-house. However:</p> <ul style="list-style-type: none"> - The City Council has provided no additional information on the services or costings included in the current SLA to inform any such decisions; and - The City Council has cancelled a number of meetings arranged to process and agree on current SLA services. 	<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 SLA information from NCC, the NCH senior finance team will perform a gap analysis between the services costed, those received and those required. Subsequently, proposals for withdrawal from elements of the SLA will then be drafted.</p> <p>Market testing of services provided within the SLA will be performed to ensure that Value for Money is obtained in future year SLAs.</p>	623,550	547,790
New	ASB	<p>'Practical working arrangements' are being finalised and a draft SLA is yet to be compiled or agreed with the City Council 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>New lead officer appointed by Director of Housing Operations to now take the SLA forward and agreeing costed services with the City Council at the earliest opportunity.</p>	60,000	60,000
TOTALS				6,027,805	6,120,167

SLAs for Services Provided by NCH to the City Council

Department	Service Area	Current Position	Action Required	07/08 Outturn & 08/09 Budget £
New	Non- HRA properties	To be split into two parts. 1) Hanley & Gellestropes 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 the City Council.	New lead officer appointed by Director of Housing Operations to now take the SLA forward and agreeing costed services with the City Council at the earliest opportunity.	(3,328)
	Hounds Gate office	Considered to be a working protocol –EMT paper to be submitted.	Results of the Accommodation Strategy will determine the future use of the Hounds Gate site and inform the compilation of a new Working Protocol.	(0)
	Out of Hours work	ASB Hotline annual income recharge has been agreed with the City Council. Limited progress has been made during negotiations with the City Council on an income contribution to cover the cost associated with NCH providing Out of Hours services. These services do not form part of the annual Management Agreement and are therefore not included in the Management Fee.	Out of Hours Services to be addressed in the Customer Service Centre Business Plan.	(12,000)
	Other Services e.g. Cash collection	As part of the Financial Services SLA NCC Finance are currently reviewing the basis of the charge associated with the collection of rental income by City Council cashiers. Significant delays have been experienced and SLA service and costing information still awaited from the City Council.	Upon receipt of information from the City Council in relation to their revised cashiers charge, a comparable estimate of the cost associated with the collection of City Council income by NCH's cashiers will be established. Subsequently, a 'Cash Collection' Income recharge SLA will be drafted, agreed with the City Council and signed by both parties.	(87,180)
TOTAL INCOME				(102,508)

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 the City Council and NCH, where necessary.	Reviews to be completed by July 2008.
Emergency Accommodation		
ASB		
Environmental Works		
Pest Control		
Dog Wardens		

Recharges

Department	Service Area	Current Position	Action Required	07/08 Budget £	07/08 Forecast £
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.	634,401	623,540
	Guildhall Accommodation			43,410	45,150
	Asset rental (office/equip)			<u>392,277</u>	<u>443,760 #</u>
	Window Cleaning			19,094	21,020
	Car Park Parking			15,824	25,270
	Unison	Recharge based on a salary apportionment of the City Council's Branch Secretary.	No further action required.	11,220	1,000
	Central Reprographics	Recharge by NCC based on ad-hoc usage.	Usage and cost to be monitored and interrogated by finance through monthly budget management procedures.	55,136	95,490
TOTALS				1,171,362	1,255,230

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