

## Service Level Agreements – February 2009 Update

## APPENDIX A

### SLAs withdrawn from in 2008/09

| Department             | Service Area                 | 2008/09 Budget<br>£ |
|------------------------|------------------------------|---------------------|
| Corporate Services     | Design and Property Services | 352,620             |
|                        | Human resources              | 118,380             |
| ICT                    | SXS Support Services         | 518,650             |
| Neighbourhood Services | Fleet Management             | 1,222,027           |
|                        |                              |                     |
|                        | <b>TOTAL</b>                 | <b>*£2,211,677</b>  |

\* - It should be noted that the withdrawal from all 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   | 08/09 Full Year Budget<br>£ |
|--------------------|----------------------------|--|---|-----------------------------|
| City Development   | Drainage and Drain Testing | 2008/09 SLA has been finalised and signed by NCH and issued to the respective City Council officer for signing.  | 2009/10 SLA to be drafted and agreed with the City Council.   | 12,484                      |
|                    | Safety Advisors            | 2008/09 SLA has been finalised and signed by the respective City Council and NCH officers.   | 2009/10 SLA to be drafted and agreed with the City Council.   | 5,104                       |
| Corporate Services | Design & Property Services | NCH has formally withdrawn from the SLA.<br><br>Work is currently ongoing, internally and with the City Council, to resource services in-house, complete works under the recently tendered repairs contract and benchmark and re-cost other service provision. | Completion of information gathering by NCH and establishment of a new City Council SLA with reduced service provision.<br><br>Establishment of formal plans for resourcing services taken in-house.<br><br>Tendering of all services designated for external provision. | 352,620                     |

| Department | Service Area    | Current Position  | Action Required   | 08/09 Full Year Budget £ |
|------------|-----------------|---|---|--------------------------|
|            | Human Resources | Having now withdrawn from two elements of the HR SLA (recruitment and employee wellbeing) testing is under way on a new e-recruitment system to be operated in-house and the employee wellbeing service is currently out to tender. The remaining two SLAs where the City Council has been retained as the service provider, will be reviewed next year.  | Final 2008/09 SLA(s) has been agreed and will be signed subject to NCH VFM review of SLA charges proposed by the City Council.  | 118,380                  |
|            | Legal Services  | A draft 2008/09 SLA has been produced and the Company is still awaiting final costings from the City Council before the SLA can be finalised and formally agreed. Housing Services and Legal Services are working together to review the services provided through this SLA on a monthly basis although costing information is not available.   | Awaiting response from the City Council.  | 337,380                  |
|            | Insurance       | A 2008/09 Insurance SLA is currently being drafted by the City Council following discussions between the two parties.   | Awaiting response from the City Council.  | 49,920                   |
| ICT        | Phones          | The transfer of IT staff under the old Housing ICT SLA allows NCH to take more control of ICT strategy and prioritisation as well as being more responsive to the needs of the business. It also allows a fresh assessment of the resources required to provide the service and to review VFM aspects. More work is to be done with the City Council to establish best practice management arrangements for the Housing ICT systems themselves which they currently still control.<br><br>The Resources ICT (RICT) SLA is still under review with a target for completion of March 2009 to allow the new financial year to commence with SLAs agreed for each specific ICT service. This timing has allowed the new Director of ICT at the City Council time to assess the current situation and be in a position to respond to NCH's future requirements. In the meantime NCH have compiled a breakdown of ICT services and the City Council are due to provide an initial split of SLA charges to each service in January 2009 - to replace the blanket ICT charges used previously | Services established within the draft 2008/09 IT SLA(s) are to be agreed with, and fully costed by, the City Council.<br><br>To ensure that Value for Money is obtained in future year SLAs, market testing of services provided under each SLA will be performed where appropriate (first of all for those services where concerns exist regarding quality and / or cost). | 48,380                   |
|            | IT Admin.       |   |   | 1,054,490                |

| Department             | Service Area                   | Current Position  | Action Required  | 08/09 Full Year Budget £ |
|------------------------|--------------------------------|---|--|--------------------------|
|                        |                                | and to facilitate meaningful VFM discussions.<br><br>Draft 2008/09 IT SLA(s) based on NCH's IT requirements have now been completed for the majority of the ICT services needed by NCH.   |  |                          |
|                        | Support Services (SX3)         | NCH has formally withdrawn from the SLA.  | NCH is currently waiting for formal confirmation from the City Council of all 2008/09 SX3 related charges so that anticipated budget savings can be quantified.  | 518,650                  |
| Neighbourhood Services | Building Cleaning              | SLA is split into two parts:<br>1) Residential buildings; and<br>2) Office accommodation.<br><br>Progress is as follows:<br><br>1) Proposals and TUPE implications of withdrawing from the SLA have been included in the updated Caretaking Review and are currently under consideration and review by NCH Housing senior management.<br><br>2) Draft SLA has been revised in light of the implementations of the Accommodation Strategy, notably the cleaning requirements associated with the new Housing Service Centre. The SLA has been provided to the City Council for review. | Final 2008/09 SLA(s) to be formally agreed with the City Council and subsequently reported to P&R Committee/Chief Executive as required.<br><br>Formal notice to be provided to the City Council in respect the areas of the SLA(s) the Company wishes to withdraw from. | 403,370                  |
|                        | Fleet Management:              | NCH has formally withdrawn from the SLA(s).   | Awaiting response from the City Council on agreement of a phased 2008/09 SLA charge.   | 66,787                   |
|                        | Vehicle Repair and Maintenance | Discussions with the City Council as to a 'phased' 2008/09 SLA charge for Fleet Management and Vehicle Repair are ongoing.  |  | 347,240                  |
|                        | Vehicle Leasing                |   |  | <u>808,000</u>           |
|                        |                                |   |  | <u>1,222,027</u>         |
|                        | Garden Assistance              | 2008/09 SLA has been finalised and signed by the respective City Council and NCH officers and was provided to Members during the November P&R Committee.  | Service provision to be reviewed by Housing senior management.   | 1,047,385                |

| Department               | Service Area   | Current Position  | Action Required  | 08/09 Full Year Budget £ |
|--------------------------|--|---|--|--------------------------|
|                          | Waste Services (formerly Refuse Collection, including Skip Hire) | 2008/09 SLA has been finalised and signed by the respective City Council and NCH officers.  | 2008/09 SLA to be approved by P&R Committee.<br><br><i>**The SLA is based on usage, but the cumulative annual charges are budgeted to be in excess of £150k (the level above which SLAs require P&amp;R Committee approval).</i> | **254,500                |
| Finance                  | Financial Services   | Individual SLAs have been drafted for each of the 6 constituent parts of the historic Financial Services SLA. However, the City Council are yet to formally confirm the respective SLA charges.<br><br>Agreement has been obtained informally through discussions with the City Council for NCH to withdraw from some services within the SLAs and provide them in-house. | Awaiting confirmation of 2008/09 SLA budgets/charges from the City Council.  | 547,790                  |
| New                      | ASB  | Awaiting response from the City Council in relation to the Legal Services SLA so that an SLA for ASB can be established where required.   | See Legal Services SLA above.  | 60,000                   |
| <b>TOTAL SLA CHARGES</b> |  |   |  | <b>6,032,480</b>         |

## SLAs for Services Provided by NCH to the City Council

| Department          | Service Area  | Current Position  | Action Required  | 08/09 Budget £   |
|---------------------|---|---|--|------------------|
| New                 | Non- HRA Properties   | Separated into two parts:   |  |                  |
|                     |   | 1) <u>Hanley &amp; Gellestrop</u> Charity. NCH provides housing management and administration services for several charity properties. Draft SLA is currently under review within the Leasehold team.   | Draft 2008/09 SLA to be finalised, formally agreed and subsequently approved by NCH Chief Executive.   | (3,328)          |
|                     | 2) <u>Chamber and Bridge Estates</u> . NCH provides housing management and administration services for a number of properties and land on both estates No existing draft or agreed SLA has been identified and status is currently under review by the Head of Company (Finance) and Assistant Director of TEM. | Full scope of services provided by NCH, and related income recovery, to be reviewed and subsequently incorporated into a draft SLA with the City Council.   | (12,900)   |                  |
|                     | Out of Hours  | ASB Hotline annual income recharge has been agreed with the City Council.<br><br>Assistant Director of TEM is currently working with the Supporting Housing team to identify all services, provided by NCH, which do not form part of the Management Agreement and whose associated costs are not funded by the City Council.<br><br>Out of Hours services are being considered as part of the Customer Service Centre Business Plan. | Upon completion of the reviews future year SLAs are to be drafted, where required, subject to discussion and agreement with the City Council.  | (12,000)         |
|                     | Non-rental Income Cash Collection   | A 2008/09 SLA, to charge the City Council for the use of NCH cashiers to collect rent and other non-rental income, has been drafted.<br><br>An estimate of the 08/09 income charge, based on the City Council's costing methodology used to charge NCH for using its cashiers (included in the Financial Services SLA), has been established.   | 2008/09 estimated income charge to be invoiced to the City Council following review by the Director of Finance, ICT and Governance (current estimate is in excess of £87k budget).<br><br>Draft 2008/09 SLA to be finalised, formally agreed and subsequently approved by NCH Chief Executive. | (87,180)         |
| <b>TOTAL INCOME</b> |   |   |  | <b>(115,408)</b> |

## Recharges

| Department             | Service Area                  | Current Position  | Action Required  | 08/09 Budget<br>£ |
|------------------------|-------------------------------|---|--|-------------------|
| Various                | Accommodation – General Rents | NCH's accommodation requirements are to be established upon completion of the Accommodation Strategy.   | Completion of the Accommodation Strategy.  | 623,540           |
|                        | Asset Rental (office/equip)   | 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.  | The City Council will continue to recharge NCH over the next few years as assets and equipment used by the Company depreciate to a zero net book value.<br><br>In future years however, the asset rental budget will be retained by the Company to fund NCH procured lease arrangements. | 443,760           |
|                        | Window Cleaning               | The City Council provides window cleaning services for NCH's office accommodation (excluding Hounds Gate) and warden-aided buildings.<br><br>No SLA has historically been in place and the Company is invoiced monthly.<br><br>Services required and the respective charges have been reviewed by NCH's Accommodation Strategy Project Manager and included as part of the Office Accommodation Cleaning SLA. | Awaiting response from the City Council.   | 21,020            |
| <b>TOTAL RECHARGES</b> |                               |   |  | <b>1,088,320</b>  |