

Service Level Agreements – May 2009 Update

APPENDIX A

Services Provided by the City Council to NCH

Service Level Agreement	Current Position	Action Required	08/09 Budget £	08/09 Actual £	09/10 Budget £
Drainage and Drain Testing	Discussions on required changes to the respective 2008/09 agreed SLA are ongoing.	2009/10 SLA to be drafted and agreed with the City Council.	12,450	6,770	12,780
Health & Safety – Corporate Violence	Discussions on required changes to the respective 2008/09 agreed SLA are ongoing.	2009/10 SLA to be drafted and agreed with the City Council.	6,350	5,110	5,238
Design & Property Services	NCH has formally withdrawn from the SLA. A number of services covered by the historic DPS SLA are now being delivered within the Company's existing resources. The Company will continue to source some services from the City Council and discussions in relation to a respective SLA are ongoing.	2009/10 SLA to be drafted and agreed with the City Council.	352,620	234,473	240,335
Human Resources	NCH has withdrawn from all HR services provided by the City Council with the exception of HR systems support. NCH are awaiting confirmation of the monthly HR systems charge from the City Council. 2009/10 budget is subject to confirmation from the City Council as to their proposed monthly charge and subsequent VFM review by NCH.	2009/10 SLA to be drafted and agreed with the City Council post VFM review of proposed SLA charge.	118,380	159,850	120,000
Legal Services – General	A draft annual 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. 2008/09 Actual charge includes £41,690 for customer relations support. The City Council has provided limited information on this charge hence it has been disputed by NCH and excluded from the 2009/10 budget.	Awaiting response from the City Council.	337,380	319,750 <u>41,690</u> 361,440	327,744
Legal – ASB	Awaiting response from the City Council in relation to the Legal Services – General SLA so	See Legal Services – General SLA above.	60,000	62,399	63,959

Service Level Agreement	Current Position	Action Required	08/09 Budget £	08/09 Actual £	09/10 Budget £
	that an SLA for ASB legal support can be established where required.				
ICT – Phones	Draft annual IT SLA(s) based on NCH's IT requirements have now been completed for the majority of the ICT services needed by NCH.	Services established within draft IT SLA(s) are to be agreed with, and fully costed by, the City Council.	48,380	48,380	49,590
ICT – IT Support		To ensure that Value for Money is obtained in future year SLAs, benchmarking of services provided under each SLA will be performed – first of all for those services where concerns exist regarding quality and / or cost.	1,054,490	972,050	996,351
ICT – SX3 System	NCH has formally withdrawn from the SLA. The difference between 2008/09 Actual and 2009/10 budget is not a saving. This budget provision has been transferred to 2009/10 IT salary budgets to fund the full year cost of the SX3 team TUPE transferred to NCH from the City Council in 2008. The 2009/10 budget of £143,500 has been retained to fund the residual cost of SX3 systems support – still required by NCH. Head of ICT is establishing an SLA for this charge as the process of agreeing SLAs for IT Support (see above)	As above.	518,650	430,806	143,500
Building Cleaning	SLA is split into two parts: 1) Residential buildings; 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. 2) Office accommodation. 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	2009/10 SLA(s) to be formally agreed with the City Council and subsequently reported to P&R Committee/Chief Executive as required. 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	389,599	399,339

Service Level Agreement	Current Position	Action Required	08/09 Budget £	08/09 Actual £	09/10 Budget £
	Council for review.				
Fleet Management	All SLAs ended in the 2008/09 financial year.	Not Applicable.	66,787	41,606	-
Vehicle Repair and Maintenance			347,240	230,676	-
Vehicle Leasing	NCH continues to lease 19 vehicles from the City Council. The lease charge is based on City Council's associated prudential borrowing costs. No formal SLA is proposed.		<u>808,000</u> <u>1,222,027</u>	<u>384,059</u> <u>656,341</u>	<u>51,951</u> <u>51,951</u>
Garden Assistance	Discussions on required changes to the respective 2008/09 agreed SLA are ongoing and subject to VFM review of service provision.	Service provision to be reviewed by NCH Housing Directorate Senior Management.	1,047,385	1,047,385	1,073,570
Waste Services	Discussions on required changes to the respective 2008/09 agreed SLA are ongoing and subject to reviewing external service provision. * - Approximate costs as SLA charge is based on usage.	Awaiting outcome of ongoing discussions and review of external service provision.	*254,500	202,533	*220,000
Financial Services	Individual SLAs have been drafted for each of the constituent parts of the historic Financial Services SLA. 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.	Meeting to be held in May/June 2009 with City Council Finance Chief Accountant to agree respective 2009/10 budgets. 2009/10 SLA(s) to be formally agreed with the City Council and subsequently reported to P&R Committee.	547,790	507,680	342,378
Insurance Management	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	49,920	51,168
TOTAL EXPENDITURE			6,033,692	5,134,736	4,097,903

Services Provided by NCH to the City Council

Service Level Agreement	Current Position	Action Required	08/09 Budget £	08/09 Actual/ Invoiced £	09/10 Budget £
Non- HRA Properties	1) <u>Hanley & 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)	(3,402)	(3,402)
	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, including related income charges, to be reviewed and subsequently incorporated into a draft SLA with the City Council.	(12,900)	(8,486)	(12,900)
Out of Hours – ASB Hotline	ASB Hotline annual income recharge has been agreed with the City Council. 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. Out of Hours services are being considered as part of the Customer Service Centre Business Plan.	Future year SLAs are to be drafted, where required, subject to discussion and agreement with the City Council.	(12,000)	(12,000)	(12,000)
Cash Collection – Non-Rental Income	Discussions on required changes to the respective 2008/09 draft SLA are ongoing.	Draft 2009/10 SLA to be finalised, formally agreed with the City Council and subsequently approved by NCH Chief Executive.	(87,180)	(143,382)	** (89,580)
TOTAL INCOME			(115,408)	(167,270)	(117,882)

** - Prudent budget to reflect possible reduction in NCH's cash collection expense and associated reduction in the level of NCC Non-Rental Income collected by NCH.

City Council Recharges

Service Area	Current Position	Action Required	08/09 Budget £	08/09 Actual £	09/10 Budget £
Accommodation Rents	NCH's accommodation requirements are to be established upon completion of the Accommodation Strategy.	Completion of the Accommodation Strategy.	374,515	293,544	***381,726
Asset Rental (office/equip)	The City Council continues to recharge NCH the cost of assets and equipment used by the Company, but purchased by the City Council, as their value depreciates to a zero net book value.	Awaiting response from the City Council.	443,760	298,834	****420,840
Window Cleaning	<p>The City Council provides window cleaning services for NCH's office accommodation (excluding Hounds Gate) and warden-aided buildings.</p> <p>No SLA has historically been in place and the Company is invoiced monthly.</p> <p>Services required, and the respective City Council charges, have been reviewed as part of NCH's Accommodation Strategy and are to be considered for inclusion as part of the Office Accommodation Cleaning SLA.</p>	<p>Awaiting response from the City Council.</p> <p>Completion of the Accommodation Strategy.</p>	21,020	20,077	18,633
TOTAL RECHARGES			839,295	612,455	821,199

*** - Includes a budget increase of £116k in relation to Property Services' accommodation. This has been included to reflect the risk of rents charged by NCC to the Repairs Contract, being aligned with market rents.

**** - NCH is awaiting confirmation from the City Council as to the 2009/10 proposed asset rental charge. It is envisaged that this charge will be substantially below budget and the surplus will be used to replace existing asset hardware – mainly desktop computers.