

**TAYSIDE AND CENTRAL SCOTLAND TRANSPORT PARTNERSHIP****22 SEPTEMBER 2009****SERVICE LEVEL AGREEMENT FOR SUPPORT SERVICES****JOINT REPORT BY DIRECTOR AND TREASURER**

This report seeks the Partnership's approval of revised levels of expenditure in respect of support services provided by Perth & Kinross Council and the granting of delegated authority to the Director to conclude Service Level Agreements with Perth & Kinross Council covering these services.

**1 RECOMMENDATIONS**

## 1.1 That the Partnership:-

- (i) approves a revised financial contribution amounting to £43,500 in 2009/10 for provision of Secretariat, Financial, Legal, Information Technology and Human Resources support services by Perth & Kinross Council;
- (ii) agrees that an increased funding contribution of £12,000 in the current year is met through virement of a projected underspend in the 2009/10 Core Revenue Budget; and
- (iii) delegates authority to the Director to conclude Service Level Agreements with Perth & Kinross Council covering the future delivery of support services, and to review and update these as required by operational circumstances.

**2 DISCUSSION**

- 2.1 Upon the Partnership's initial inception it was agreed that Tactran would draw Secretariat, Financial, Legal and other support services from Perth & Kinross Council. During the first 3 years of the Partnership's existence the costs of these services have been agreed through officer negotiation, taking account of the anticipated level of input agreed and required for each support service activity, with the intention of moving towards formalised Service Level Agreements (SLAs) as the Partnership evolved.
- 2.2 Following the Internal Audit Review for Financial year 2007/08, it was agreed that the Partnership should establish more formalised SLAs covering each support service and that revised fees, based on the evolving experience of support requirements, should be agreed.
- 2.3 Meetings have been held with each of the Council services concerned and drafting of finalised SLAs covering Secretariat, Financial, Legal, Information Technology and Human Resources support is at an advanced stage. The Partnership is asked to delegate authority to the Director to finalise SLAs covering each of these support service activities, and to periodically review and update these as required by operational circumstances.

- 2.4 The development of draft SLAs has established that the previously negotiated and budgeted provision for third party payments to Perth & Kinross Council does not fully reflect the level of support required and provided. The approved 2009/10 Core Revenue Budget includes a total of £31,500 for third party payments in respect of this support. Based on a joint review of current levels of support a revised requirement of £43,500 has been agreed. The budgeted and revised amounts are summarised in the Table below :-

<b>Service</b>	<b>2009/10 Budget</b>	<b>Revised Budget</b>
Secretariat Services	£14,000	£ 14,000
Financial Services	£14,000	£ 14,000
Information Technology	£ 1,000	£ 11,000
Legal Services	£ 1,000	£ 3,000
Human Resources	£ 1,000	£ 1,000
Payroll Services	£ 500	£ 500
<b>Total</b>	<b>£31,500</b>	<b>£ 43,500</b>

- 2.5 The majority of the £12,000 variance relates to under-provision for ongoing Information Technology support and maintenance of IT systems, which are clearly critical to the day to day operation of the Partnership. An increased provision has also been included for Legal Services, primarily in relation to the role of the Proper Legal Officer as Monitoring Officer. It is intended that any additional ad-hoc Legal support would be funded from project-specific budgets. A nominal provision for ad-hoc Human Resources support and advice has been maintained at £1,000. The provision for Payroll Services is the subject of an existing SLA.
- 2.6 As discussed in a separate report on Revenue Budget monitoring, there is a projected underspend of around £48,000 in the 2009/10 Core Revenue Budget. The Partnership is asked to agree that the increased requirement of £12,000 for Support Services in 2009/10 is met through virement from this projected underspend.

### **3 CONSULTATIONS**

- 3.1 Detailed Service Level Agreements are being developed in consultation with Proper Officers and the relevant services of Perth & Kinross Council.

### **4 RESOURCE IMPLICATIONS**

- 4.1 Additional financial implications of £12,000 arising from this report in 2009/10 can be accommodated within the approved Core Revenue Budget. The budgetary implications for 2010/11 and future years will be addressed in a report on the 2010/11 Revenue Budget to be submitted to the Partnership's next meeting on 15 December 2009.

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**NOTE**

Background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (and not containing confidential or exempt information) which were relied on to a material extent in preparing this Report:-

Draft Service Level Agreements between Tactran and Perth & Kinross Council for delivery of Support Services.