

Office of the Deputy Prime Minister/ Department for Transport

ICT Service Level Agreement

Version - 14 April 2004

General

1. This Service Level Agreement (SLA) is between the Office of the Deputy Prime Minister (ODPM) and the Department for Transport (DfT) (the Principal Parties) in respect of the provision of services relating to information and communications technology (ICT). It serves to define the scope and level of the ICT services to be provided and the principal general terms and conditions under which both parties agree to operate.
2. This SLA is a framework document, setting out the broad principles through which both parties will collaborate to ensure the delivery of services to the standards set. It also covers the procedures for resolving issues between the two parties around service provision detailed in the supporting Service Catalogue and agrees the basis on which ODPM will reimburse DfT for the cost of providing the services required. Through signing this agreement both parties agree to collaborate positively, reasonably and constructively to discharge their responsibilities within it.

Purpose

3. The purpose of the services to be provided under this agreement is to support ODPM's capacity to achieve its strategic objectives and to improve its operational efficiency.

Duration

4. This agreement will remain valid until superseded by a revised SLA mutually endorsed by the Principal Parties. Either Party may terminate part or all of this agreement by giving a minimum of 12 months notice or a shorter period if mutually agreed by both principal parties. Termination of all or part of this SLA will be dependent on any associated practical arrangements, including the necessary transfer of staff, assets and financial resources, being mutually agreed in advance by both parties. In the event that agreement cannot be reached, the escalation arrangements at paragraph 45 will take effect.

Amendments

5. Minor changes may be made at any time and recorded in the format shown at Annex A of this document, providing that both Principal Parties mutually endorse them. Each amendment will be dated and given a sequential reference number.

Review

6. In the normal course of business the operation and provisions of the SLA will be reviewed six monthly, with significant changes taking place annually.

Principal Parties and Representatives

7. The Principal Parties to this agreement will be represented on all substantive issues arising under the agreement by a nominated postholder. These are:-

ODPM	Head of Information Management Division	(David A Smith)
DfT	Head of IT Services Division	(Eamonn McDonough)

Or if relevant by their nominated successor(s) in post.

8. ODPM will identify to ITSD an officer to act as the Office's Intelligent Customer. The Intelligent Customer will have responsibility for articulating the service requirement, regular liaison with ITSD about their services, and managing the SLA on behalf of ODPM.
9. In addition to liaison by the Intelligent Customer, business Units and individual customers in ODPM will be entitled to make direct contact with DfT in respect of detailed issues arising from the delivery of services under this agreement, and vice-versa. Relevant contact points are shown in the ITSD Service Catalogue (see Annex B).
10. Other arrangements for the governance of ICT services covered by this SLA are set out at paras 43 – 45 below.

Service Description

11. The services covered by this agreement are:-

- **“core” services** to be provided by DfT to the Office for a financial sum, to be estimated/budgeted for each financial year in advance. As a general principle the benchmark for defining the scope, nature and completeness of these core services is provided by:-
 - the full list of services provided by Information Technology Services Division (ITSD) detailed in the current ITSD Service Catalogue (copy attached at Annex B).;
 - the services specified in any SLA between ITSD and any business unit which now forms part of ODPM, wholly or fully (eg the Infrastructure Services Division);
 - And other services (as detailed below) which will be defined and added to the ITSD Service Catalogue during 2004.
- **“additional services”**- ones which the Office may at its discretion draw down from DfT in addition to the core services, subject to any additional

technical and financial terms specified in any separate agreement. For example, line divisions may require specialist equipment or systems to meet specific business needs and to pay for this from line budgets. Additional services include any additions or improvements to core services or performance levels for ODPM as a whole or for parts of ODPM, or services to meet the specific requirements of individual business units. All requests for additional services will be subject to endorsement by the ODPM Intelligent Customer prior to being formally submitted to DfT

- **“agreed capital projects”** and enhancements to the infrastructure, systems or services shared by DfT and ODPM (although arrangements for governance of these are outside the scope of this SLA).

12. ODPM will have the discretion to procure its own goods, services and advice in relation to any ICT matter from sources other than DfT and to do so through its own procurement procedures. Where this results in a termination of all or part of the service provided by DfT, the notice period in paragraph 4 will apply. Subject to the availability of resources DfT will assist in carrying out technical assessments of the compatibility of any such ODPM procurement with shared infrastructure and systems. DfT will not be liable for any cost on such matters. ODPM will fund the use of contractors/consultants where DfT is unable to provide suitable or sufficient resource. DfT will have the right not to connect or interface with anything procured by ODPM which is incompatible with ITSD-managed equipment or services, or which would prevent the achievement of performance targets or compromise the integrity of the service.

Service Level Specification and Performance Monitoring

13. The service levels to be delivered are those defined in the ITSD Service Catalogue.

14. From time to time, DfT may propose amendments to the core IT Services contained in ITSD Services Catalogue:

- Where the proposal leads to a reduction in the service offered, or a degrading of service levels, or additional services or improved service levels at additional cost to ODPM, DfT will consult fully with ODPM. Any such proposal will only be implemented by mutual agreement between DfT and the ODPM Intelligent Customer.
- Where the proposal relates to additional services or improvements to existing services at no additional cost to ODPM, DfT will submit details to the ODPM Intelligent Customer for ICT (or Head of EBU if the Intelligent Customer is out of the office). If no response is forthcoming within two weeks the change will be implemented.
- Where the proposed amendments are minor changes, which do not affect the nature of the service provided, or the associated service levels or costs, DfT need only inform the ODPM Intelligent Customer.

15. DfT will submit to the ODPM Intelligent Customer a monthly service report on performance against the full range of targets specified in the Service Catalogue :
- the report will describe performance against the full range of targets specified in the ITSD Service Catalogue The report will be in the format specified at Annex C, or as otherwise mutually agreed;
 - a monthly invoice, supported by a Statement of Service Charges, in the form specified at Annex D

The report, the invoice and the Statement of Services Charges, in the format specified at Annexes C and D will be sent to the ODPM Intelligent Customer. The invoice and Statement of Service Charges will be sent within five working days of the end of the preceding month. Any amendments to the previous month's charges may be made on the following month's invoice. Any changes to the format must be agreed in advance between DfT and ODPM.

ODPM Buildings

16. The ODPM Buildings for the purposes of this agreement are listed at Annex E.
17. Other buildings in London or the English Regions may be added to the above list, or some of the services in this SLA may be provided to such other buildings, subject to mutually agreed terms.

Budgeting

Core Services

18. Each year, and to a timetable centrally determined, the Principal Parties will agree an annual budget bid for the provision of core services for the next financial year. At the beginning of each financial year, and when the ODPM and DfT budgets have been agreed, DfT will provide ODPM with a statement setting out a monthly profile of the ODPM share of the annual budget. The profile will be disaggregated between expenditure types as appropriate and agreed and broadly reflect the format at Annex D.
19. When a final budget allocation is significantly different than the budget bid, and it affects the provision of the core services, any changes to the services to be provided, or the performance levels of the services, will be determined and agreed by the Principal Parties as soon as is practicable.
20. During the year, any variation to the total annual budget must be agreed between DfT and ODPM, including both DfT and ODPM central finance teams, and a revised budget profile issued. In particular, DfT will advise ODPM of any application for an increase, or surrender, of budget at mid-year review. DfT will also advise ODPM in December of each year of the forecast outturn to be included in the Spring Supplementary.

Capital Projects

21. In respect of each capital project, the DfT (Finance Division) and ODPM (ICT Client Side) will determine and agree the budget and their share of the capital costs prior to the project progressing. ODPM central finance will transfer the agreed ODPM contribution to DfT (liaising with DfT central finance as necessary) in the next Main or Supplementary Estimates. At the start of each project DfT and ODPM will also determine and agree their share of the ongoing capital charges, which will be met as set out in paragraphs 33 - 37. All decisions and agreements reached will be fully documented in each Department.
22. Where a shared project underspends against its capital allocation in a given financial year, and the unspent funds are still required in the following year, the lead Department will take action to ensure that the funds are carried forward under the Department's EYF rules. If for any reason, EYF is not granted then the lead Department will need to ensure that the gap funding is found from elsewhere. Where the underspend is due to savings in project costs etc. then the lead Department will arrange for the appropriate level of funds to be transferred back to the customer Department at the next Supplementary/Main Estimates.
23. Where a shared project is likely to overspend each Department will need to consider the case for additional budgetary cover as appropriate and following written explanation and justification for the increased costs from the project Senior Responsible Officer. The lead Department will need to arrange transfer of additional funds at the next Supplementary/Main Estimates. Projects cannot overspend without prior business case approval.
24. For a dual project it will be for each Department to deal with any underspends as appropriate. Projected and approved overspends in respect of project management costs will be recharged by the lead Department along the lines set out in paragraph 32 and following written explanation and justification for the increased costs from the project Senior Responsible Officer.

Additional Services

In respect of additional services, DfT will agree the budget and rechargeable cost with relevant ODPM business units and notify the ODPM Intelligent Customer Function for information.

Fees for 2004-5

25. The basis of recoverable cost payable by ODPM to DfT for the provision of ICT services will comprise:
 - actual costs, where defined as such;
 - the percentage contribution to the actual costs incurred by the service provider in delivering the core services (as defined at Annex F); and
 - an agreed share of joint projects, including capital, resource and administrative costs.
26. Recoverable costs include only those costs incurred as a result of providing the service. The charge to ODPM for services in accordance with this SLA will exclude any charges for services delivered to third parties (such as Agencies) or

directly attributable to a single ODPM business unit. Indirect costs such as rent, rates and other accommodation costs are also to be excluded, as is recoverable VAT.

27. The fee payable by ODPM for the provision of core services represent its contribution to all the costs incurred by DfT in delivering Account Management, ICT Learning, ICT Desktop, ICT Infrastructure, ICT RAS and ICT Telephony services, including capital, resource and administrative costs in 2004-5 will be £5.500 million (see breakdown by service at Annex F. There will be an additional fee of £251k in respect of the ODPM share of ICT Procurement services.
28. If at any time DfT believes that ODPM's contribution to costs should be increased in-year because of significant increased costs of providing the service, relevant information will be provided to the ODPM Intelligent Customer at the earliest opportunity together with a supporting business case.
29. The relative headcount of the Office and Department, (as evidenced by the number of active NetWare logins) will be reviewed quarterly (starting July) and, should the population of one or both departments change by more than two percentage points (2%), the percentage contribution may be re-appraised and agreed by the Principal Parties. The findings of the headcount review will contribute to the basis for charging in subsequent quarters.
30. The absolute headcount (as evidenced by the number of active NetWare logins) will be reviewed quarterly. Should there be a variance in headcount of 5% or greater, the Principal Parties will review the fees and charges. For the purposes of this review, the headcount figure for March 2004 will be taken as the starting point.

Variable Fees

31. The variable fees for 2004-5 will comprise project and other costs which do not form part of the fee for core ITSD services. They will be notified to, and agreed with, the ODPM Intelligent Customer at the earliest opportunity.
32. Information technology projects can range from a large capital investment, which will provide benefits to both Principal Parties, to smaller projects, which will provide benefits to only one of them. The main types of project are :-
 - Shared Projects: those which will deliver a single asset (or other defined deliverable) for the use of both DfT and ODPM but which will remain in the ownership of DfT.
 - Dual Projects: those which deliver a separate asset or other defined deliverable for each of the Principal Parties, and which will be owned by each of them.
 - Single (specific) projects: those progressed only for ODPM and which will deliver an asset for the Department.

33. For shared projects, during the development stage, DfT will hold the capital budget (including ODPM's share for the project transferred to DfT). ODPM's contribution to the cost of capital charges will be agreed in the project business case, approved by the ODPM Intelligent Customer Function and recharged in the monthly invoice (see paragraph 15).
34. On completion of the shared project, DfT will provide a service based on the asset and will include a proportionate share of any depreciation and cost of capital costs in the monthly Statement of Charges (see paragraph 18). ODPM's share of these costs will be agreed as part of the project business case.
35. For any dual capital projects, DfT and ODPM will hold its own capital budget and meet its share of developmental costs. DfT will meet the costs of project management and recharge an agreed share to ODPM through monthly invoicing. Throughout the course of the project ODPM will build up its own asset(s), and on completion meet its own depreciation and cost of capital.
36. For any single (specific) capital project ODPM will hold its own capital budget and DfT will recharge the agreed developmental, project management, and direct resource costs to ODPM (or smaller unit such as an Agency if this is relevant). Throughout the course of the project ODPM will build up its own asset(s), and on completion meet its own depreciation and cost of capital.
37. If at any time DfT believes that the variable fees payable by ODPM should be changed, relevant information will be provided to the ODPM Intelligent Customer at the earliest opportunity and resolution sought through the change control procedures.

Payment Procedures

38. Each month, together with the performance reports required at paragraph 15, the service provider will submit to the ODPM Intelligent Customer in-year financial information set out in an invoice and a Statement of Service Charges. The Statement of Service Charges will include the budget (profiled monthly) for the year, actual cost to date and the forecast outturn for the year as described at Annex D.
39. ODPM will ensure payment of undisputed invoices within 30 days of receipt.
40. During the year, any variation to the annual budget must be agreed between ODPM and the service provider, including both ODPM and DfT finance teams, and a revised budget profile issued. In particular, the service provider will advise ODPM in December of each year of the forecast outturn to be included in the Spring Supplementary.

Ownership of Assets

41. Unless otherwise mutually agreed in advance, assets will be owned by DfT. Where appropriate DfT will recharge to ODPM a percentage of the capital charges

(cost of capital and depreciation) in accordance with the agreed headcount split (see paras 25 – 29 above), or a percentage mutually agreed (see para 33). In the event of a full or partial termination of the service, and before the termination takes effect, the Parties will mutually endorse arrangements for the separation of assets following advice from their respective Finance Divisions.

42. If this agreement is terminated before an apportioned charge for a given asset has been fully recovered, ODPM will be liable to reimburse DfT any outstanding charges.

Service Review Arrangements

43. Services provided under this SLA will be reviewed quarterly by an SLA review group comprising ITSD Customer Relations staff and the ODPM Intelligent Customer for ICT. ODPM will chair such meetings and provide the secretariat.
44. ODPM will at its discretion establish one or more user groups to gain feedback on the effectiveness and quality of service delivery from the customer perspective and to discuss any options for further improvement and DfT will send appropriate representatives to any such user group meetings, where requested.

Escalation Arrangements

45. Any disagreement on the operation or interpretation of this SLA which cannot be resolved by staff carrying out functions in relation to IT, telephony etc. will be referred to the nominated representatives for ODPM and DfT, with a view to them resolving it in correspondence or discussion. Where resolution is not achievable that way, the matter will be referred to the “e-champions” for ODPM and DfT.

Signatures:

Eamonn McDonough (DfT - ITSD)Date

David Smith (ODPM – IMD)Date

ANNEX A - format for agreeing minor change to the SLA (including Annexes)

1. Proposal for change submitted by : ODPM / DfT / BOTH

Reason (and benefits) for change :	Estimated cost of change	SLA paragraph reference(s)

Proposed revision(s) to SLA	SLA paragraph reference(s)

2. Are there cost implications for ITSD (and ODPM) budget : YES / NO

(If YES) Set out any budget implication of agreeing the minor change(s)	To be put to ODPM / DfT finance? YES / NO

3. Proposal considered by SLA review group on (date) :

SLA review group decision (minuted):

(A) REJECT PROPOSAL

(B) AGREE PROPOSAL IN PRINCIPLE (SUBJECT TO FINANCE AGREEMENT OF ANY ADDITIONAL COSTS)

Reason (for rejection or agreement of no cost amendment)	SLA paragraph reference(s)

4. (If relevant) Refer to ODPM / DfT Finance teams (date) :

ODPM Finance comment :	YES / NO
DfT Finance comment :	YES / NO

5. SLA review group final decision (minuted) :

Annex B – ITSD Service Catalogue

See <http://odpm-intranet/services/Information Technology/ICT/IT Service Catalogue/001.asp> for the current up to date version.

Field Code Changed

Annex C - format of monthly management summary of performance.

It will be in two parts - the management report, and summary of service performance.

MONTHLY INFORMATION TECHNOLOGY SERVICE REPORT**GENERAL**

- 1 [Short narrative report about ICT performance against SLA targets and progress (and any problems) with other projects].
- 2 (eg) : xxx of xxx targets were achieved.
- 3 There are [xxx] services where acceptable monitoring processes have yet to be implemented:
 - *Where necessary, say what has gone wrong, and when the service will resume or reach an acceptable service standard?.*
- 4 Highlights
 - *Include good news here - especially if it reflects a significant advance on previous months, or is a good achievement against an unexpected or one-off pressure.*
- 5 Lowlights
 - *set out disappointments here - identifying problems within and outside ITSD control. Say when problem is likely to be resolved, and whether there are outside dependencies involved.*
- 8 Other relevant issues
 - *As appropriate, mention here other corporate ITSD activities that have a bearing on ODPM performance delivery.*

SUMMARY OF SERVICES IN REPORTING PERIOD (and previous two months)

SLA Met = Yes, No, Don't Know

	Nov	Dec	Jan	Comments
Service Category				
Service A				
Service B				

Etc for each entry in the ITSD Service Catalogue.

Annex D - Statement of Service Charges - Minimum Content**Statement Update**

1. A statement of the service(s) provided over the previous period. (Description)
2. A statement of the service(s) to be provided over the next period and, if required, to the end of the financial year in accordance with the SLA.
3. Total costs of providing the entire service(s) during the previous period
4. Statement of Charges Due for services provided to ODPM during previous period
5. An explanation of reasons for any changes between previous forecast(s) of these charges, and the current statement of charge.

Budget Profile

SERVICE	Pay	Non-pay	Non-cash charges	Total
Core Service (ITSD Service Catalogue)				
Other service 1				
Other service 2				
Etc..				

Each expenditure heading should show as appropriate the costs against the relevant general ledger account(s) to which accruals have been charged (ie Non Pay - consultants, agency staff, etc). Non Pay should include line and relevant central service costs. Other should be used for any non-administrative cost limit expenditure, excluding capital. As the year develops, the profile should clearly distinguish actual monthly costs from plan months (perhaps by shading).

Forward Look

6. Reasons for any change between what had been forecast before for this period, and what is now being forecast
7. Forecast of changes for next periods to end of financial year. (Profiled)

Annex E

For the purposes of this agreement, the following comprises the complete list of locations of the Office of the Deputy Prime Minister. Not all services will necessarily be delivered to all locations, and some services may be subject to a separate, subsidiary detailed SLA.

26 Whitehall	London SW1A 2WH
Eland House	Bressingham Place, London SW1E 5DU
Great Minster House	76 Marsham St, London SW1P 4DR
Ashdown House	123 Victoria St, London SW1E 6DE
Romney House	43 Marsham St, London SW1P 3HW
Portland House	Portland House, Stag Place, SW1E 5LP
Riverwalk House	157-161 Millbank, London SW1P 4RR
Ashdown House	Sedlescombe Road North, St Leonards on Sea East Sussex TN37 7GA
Hempstead House	2 Selden Hill, Hemel Hempstead, Herts, HP2 4XN
10 Alfred Place	London WC1E 7LR
Great Eastern House	Tenison Road, Cambridge CB1 2TR
Ladywood House	45-46 Stephenson St, Birmingham B2 4DH
Sunley Tower	Piccadilly Plaza, Manchester M1 4BE
1 Market Avenue	Chichester, W Sussex PO19 1JU
Fire Service College	Moreton-in-Marsh, Gloucs GL56 ORH
77 Paradise Circus	Queensway, Birmingham, B1 2DT
DVLC	Longview Road, Swansea SA6 7JL
Temple Quay House	2 The Square, Temple Quay, Bristol, BS1 6EB
Wellbar House	Gallowgate, Newcastle upon Tyne, NE14
Merton House	Stanley Road, Bootle, L20 3DL
Stanley House	56 Talbot St, Nottingham NG1 5GU
Marchington	Marchington Ind Est, Stubby Lane, Marchington, Staffs ST14 8LP
BRE	Bucknalls Lane, Garston, Watford, WD25 9XX
Glossop Building	2 Victoria St, Glossop, SK13 8AB
Clifton House	87-113 Euston Road, London NW1 2RA
Welbeck St Building	5 Welbeck St, London W1G 9YG
Queen's Yard	2nd Floor, 179a Tottenham Court Rd, London W1T 7PA
Exchange Tower	10 th floor, 2 Exchange Tower , Harbour Exchange Square, London E14

Annex F – Basis for charging in 2004-5

Team	Basis for charging	Estimated cost in 2004-5
Account Management	Based upon actual staff working on the ODPM Accounts	£233,194
ICT Learning	Based upon 58% of total	£180,783
ICT Desktop	Based upon 58% of total	£790,321
ICT Infrastructure	Based upon 58% of total	£2,124,281
ICT RAS	Based upon 50% of total	£102,055
ICT Telephony	Based upon 58% of total	£2,069,637
ICT Procurement	Based upon 58% of total	£250,583
Total		£5,750,854