



Briefing Note to CPP on Service Level Agreements

What is a Service Level Agreement

At its most basic level, a Service Level Agreement (SLA) is a document between two or more parties which sets out the parameters and requirements of how one party is going to carry out identified activities in return for payment or some other benefit from another party.

Within local government, SLAs tend to fall into the following four categories:

Category 1 – Financial grants

The Council can provide financial grants in furtherance of its corporate priorities and functions. These grants fall into one of the following groups:

- a) Community grants. Information is provided about these grants at the following link: [About community grants | About community grants | Borough Council of King's Lynn & West Norfolk \(west-norfolk.gov.uk\)](#). Examples: Festival Too and King's Lynn Festival
- b) Service area grants. These are made by a service area within the Council in furtherance of its functions. These primarily fall under the 'People & Communities' portfolio, for example the funding for the Ukrainian Welcome Centre provided by the Hanseatic Union.
- c) Project/issue specific grants. These are made in relation to bespoke funding becoming available externally which is channelled through the Council, for example Shared Prosperity Funding, CIL Funding, the Council Tax Energy Rebate

In respect of categories a) and b) above, where these are annual grants, Service Level Agreements will be used to detail how the grant is to be used, together with such information about the organisation's finances and other matters (e.g. audited final accounts, business plans, etc.) as may be considered appropriate.

A wholesale review is due to be commenced of all annual community grants, to include an evaluation of their relevance to the Corporate Strategy, consideration of the amount paid and the production of a template Service Level Agreement to be entered between the Council and the grant recipient. This work will continue through 24/25 with a view to any changes taking effect from 1 April 2025.

Category 2 – Service provision between public bodies

Local authorities can provide services to one another and specific other public bodies outside the usual procurement regime for procuring services.

To differentiate a 'public body > public body' service provision from a procurable services contract, it is common terminology within the public sector to refer to the agreement that captures the arrangement between the two public bodies as a 'Service Level Agreement'.



The provision and receipt of these services can be by way of the enabling power in the Local Authorities (Goods and Services) Act 1970 or a delegation of function under section 101 of the Local Government Act 1972.

Examples within the Council of this type of arrangement are the provision to other authorities of CCTV and car park enforcement functions and services. The legal agreements to capture these arrangements will often be referred to as SLAs.

This category also applies to the Council's wholly owned companies. The arrangements whereby services are carried out by the Council for the companies, which are charged to the companies, are referred to as SLAs.

Category 3 – Services Contract

Sometimes, the reference to an SLA is just shorthand for a reference to a procurable contract for services. There is nothing about it being referred to as an SLA which imports any legal difference to the arrangement being anything other than a services contract; it is just a label.

Category 4 – Schedule to a Services Contract

An SLA can be an identifiable schedule to a services contract, which is the part of the contract where the service level is defined in detail. This will be very common in day-to-day delivery of time-critical functions, where a certain required level of service is fundamental to the practical delivery of the contract, for example software and other IT contracts. These schedules will commonly set out matters such as support hours, type of support, support requests, priority levels, service credits, etc

Alexa Baker
Monitoring Officer

