



SERVICE LEVEL AGREEMENT
FOR THE PROVISION OF
COMPLAINTS ADJUDICATION SERVICES
FOR THE INSOLVENCY SERVICE
BY THE ADJUDICATOR'S OFFICE

**ADJUDICATOR'S OFFICE
SERVICE LEVEL AGREEMENT**

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PARTIES TO THE AGREEMENT

The Adjudicator

Signed

Name Judy Clements OBE

Date 13th October 2011

Inspector General & Agency Chief Executive of The Insolvency Service

Signed

Name Stephen Speed

Date 13th October 2011

**ADJUDICATOR'S OFFICE
SERVICE LEVEL AGREEMENT**

DEFINITIONS

Agreement means this Service Level Agreement (SLA), including all appendices.
AO means the Adjudicator's Office.
AO Head of Office means the person with accountability to the Adjudicator for the administration of the Adjudicator's Office
Assistance case means cases where the Assistance Team have provided complainants and their representatives with information about how to pursue a grievance.
Charges means any charges that may be made for the provision of the services under the arrangements set out in appendix B.
Conditions means the terms and conditions in this agreement and in any amendments and variations that may be agreed from time to time between The Insolvency Service and the Adjudicator.
He/She the feminine, includes the male. The singular includes the plural and vice versa.
HMRC means HM Revenue & Customs.
IG/ACE means the Inspector General & Agency Chief Executive of The Insolvency Service.
Recognised Professional Bodies means one of the professional bodies recognised by the Secretary of State for Business, Innovation and Skills for the purpose of authorising insolvency practitioners.
Service(s) means the services described in the agreement.
Service(s) Standards means the agreed service and quality standards detailed in appendix A.

CHANGE HISTORY

Date	Action
20 April 2009	Agreement and signature of Service Level Agreement
9 December 2009	Terms reviewed
13 th October 2011	Detailed review and general update

1. INTRODUCTION

1.1 This agreement takes effect from 13th October 2011.

1.2 The agreement is between:

The Inspector General & Agency Chief Executive and the Adjudicator.

1.3 The Adjudicator agrees to provide the services in accordance with the conditions in this agreement and shall perform the services in a manner wholly consistent with the agreement.

1.4 The Insolvency Service will provide a reasonable level of support to the Adjudicator to enable her to deliver the services detailed in this agreement. All data, including electronic, instructions and intellectual property used in the delivery of the services required by this agreement, shall be the property of The Insolvency Service.

1.5 The agreement sets out the arrangements under which the Adjudicator and the AO will provide to The Insolvency Service an independent adjudication service into unresolved complaints about the way in which The Insolvency Service has handled the affairs of its customers in respect of complaints arising on or after 1 April 2003; with the exception of any matters arising out of a commercial or employment contract between The Insolvency Service and the complainant.

1.6 The Adjudicator will be responsible for the provision of the services detailed in this agreement to the IG/ACE.

1.7 The Insolvency Service will be responsible for expenditure associated with the provision of the service. The Adjudicator will be accountable to The Insolvency Service for expenditure incurred in the execution of the service.

1.8 The AO Head of Office will be the Service Manager who will be responsible on a day by day basis to the Adjudicator for ensuring the delivery of the services as specified in this agreement.

Term of agreement

- 1.9 The agreement shall commence on 13th October 2011 and shall remain in force until and unless effect is given to its termination under the conditions set out in para 1.17 of this agreement.

Reviews

- 1.10 Reviews of the services and service standards being achieved shall take place between The Insolvency Service and the AO at mutually agreed intervals. There will be a formal annual performance review of the services covered by this agreement between the IG/ACE and the Adjudicator. This may be supplemented by *ad hoc* meetings during the year between the IG/ACE and the Adjudicator.
- 1.11 Liaison and other meetings may be called at any mutually agreed time by the IG/ACE or the Adjudicator to discuss the agreement, the services, the service standards and any other related matters.

Variation

- 1.12 At least 20 working days' notice must be given by either the IG/ACE or the Adjudicator of any proposals to vary or change the conditions of this agreement.
- 1.13 All changes must be agreed between the IG/ACE and the Adjudicator.
- 1.14 A timetable for the implementation of any changes will be agreed and the changes documented as decided by the IG/ACE and the Adjudicator.

Resolution of disputes

- 1.15 All disputes, differences or questions between the Adjudicator and the IG/ACE pertaining to this agreement, other than on a matter where this agreement states that the decision is one for the IG/ACE to make, shall be resolved using the service review procedures as outlined in sections 1.10 and 1.11 of this agreement.

Default in performance

- 1.16 If the AO fails consistently to achieve the agreed service standards and budgetary arrangements set out in this agreement, and, having taken all reasonable steps to improve performance, continues to fall below a standard acceptable to The Insolvency Service, then both parties to the agreement will take such action as is mutually acceptable to review the working arrangements under this agreement.

Termination of agreement

- 1.17 The IG/ACE or the Adjudicator may terminate this agreement for operational or for any other reasons whatsoever. Such termination to take effect at the expiry of a minimum of 90 calendar days from the date of service of such notice of termination.
- 1.18 If a different organisation is required to take on one or more of the services at the termination of the agreement, the Adjudicator and the AO Head of Office shall co-operate in the transfer. The transfer shall be arranged to reduce to a minimum any disruption in the services.

Customer complaints

- 1.19 The AO will provide assistance to complainants about how to pursue a grievance regarding the way their affairs have been handled by the AO.
- 1.20 All complaints against the services, whether directed to the Adjudicator or the AO Head of Office, will be investigated initially in all instances by the AO Head of Office in accordance with the arrangements in appendix E.

Force majeure

- 1.21 Where the Adjudicator or AO Head of Office is unable to fulfil their obligations under this agreement due solely to the intervention or actions of a third party or parties, or due to circumstances beyond their control, the agreement will be suspended for the duration of the difficulty.

Audit arrangements

- 1.22 Audit procedures pertaining to this agreement are set out in appendix D.

Funding arrangements

- 1.23 The funding arrangements shall be as detailed in appendix B to this agreement and as agreed with HMRC.

Sub-contracting

- 1.24 The Adjudicator shall not sub-contract any of the services without the prior written agreement of the IG/ACE, on terms to be agreed at the time.

Value Added Tax

- 1.25 The supply of services provided by the Adjudicator under this agreement is outside the scope of VAT.

Forms, leaflets and booklets

- 1.26 The Adjudicator will be responsible for the provision of leaflets detailing her services to the public. All costs incurred in printing and distribution shall be borne by the Adjudicator's Office as part of the overhead costs for the office.

2. GENERAL SERVICE REQUIREMENTS

- 2.1 The Insolvency Service requires the Adjudicator and the AO to consider, mediate where possible, and adjudicate upon unresolved complaints. These complaints may arise where the complainant is unhappy with the way their affairs have been handled by The Insolvency Service and the matter has not been resolved through The Insolvency Service's own internal procedures.

Scope and remit

- 2.2 The Insolvency Service requires the Adjudicator to review complaints by reference to the law and departmental guidance, instructions and practices. Where compensation is appropriate, the recommendation should be in accordance with The Insolvency Service's own practices.
- 2.3 The Adjudicator will not consider complaints regarding decisions or omissions made by an insolvency practitioner; decisions or omissions made by the official receiver when acting as trustee or liquidator; matters which relate to the professional conduct of an insolvency practitioner not authorised by the Secretary of State including the disciplinary procedures of the Recognised Professional Bodies; insolvency legislation or any particular government policy; or any issue for which there is a right of determination by any court of law or tribunal or other body with specific jurisdiction over these matters.
- 2.4 The Adjudicator will not enquire into any matter during the currency of any criminal proceedings or any court or tribunal proceedings or subsequent to any such proceedings, where the matter could reasonably have been considered during those proceedings or be the subject of an appeal to a higher court or tribunal. The 'currency' of any

investigation includes where there is an intention to proceed toward criminal proceedings.

- 2.5 The Insolvency Service will notify the Adjudicator of any cases falling under the provisions of para 2.4, and:
- When such notification is received, the Adjudicator will consider such a notification and, where appropriate, will inform the complainant that the complaint cannot be taken up at the present time. The Insolvency Service will indicate those cases where no reference is to be made to the nature of the enquiries or the likely outcomes. The Adjudicator will be entitled to request clarification about any such notification and to monitor such cases to ensure that the complaint is taken up at the earliest opportunity.
 - The Insolvency Service will notify the Adjudicator as soon as the restriction on investigating a complaint can be lifted because legal proceedings either have been concluded or will not be pursued.
- 2.6 The Adjudicator should investigate unresolved complaints and any recommendation letter should deal only with issues related to the complaint. Any unrelated matters that come to light during the investigation should be brought to The Insolvency Service's attention separately for them to take appropriate action. If considered appropriate by the Adjudicator, the complainant will also be notified.

Access to departmental staff and records

- 2.7 The Adjudicator and the AO will have access to all The Insolvency Service's staff, records and material relevant to the consideration of any complaint subject to the following exclusion:
- any documents or other specified information, the disclosure of which will cause serious harm to the public interest. Classification of documents within this category will be at the sole discretion of The Insolvency Service.
- The Insolvency Service will give written notice to the Adjudicator in such cases.
- 2.8 Original documents, which are required as evidential material, may be examined on The Insolvency Service's premises and copies taken.
- 2.9 The Adjudicator will be bound by the rules of confidentiality and by the Data Protection Act 1998 or any modification or re-enactment of that Act.
- 2.10 The Insolvency Service's documents, when on AO premises, should be afforded the same degree of security as if they were on any of The Insolvency Service's premises.

Exceptional procedures

2.11 The Adjudicator will in those cases:

a) where the Adjudicator intends to make personal criticism of the behaviour of an identifiable official, send The Insolvency Service a copy of her draft recommendation letter, allowing The Insolvency Service no less than 10 working days for comment

b) where, in the opinion of the Adjudicator, her conclusion may be especially difficult for The Insolvency Service, send The Insolvency Service a copy of her draft recommendation, allowing The Insolvency Service no less than 10 working days for comment, or

c) which, in the opinion of the Adjudicator, involve particularly complex technical issues or points of potentially controversial legal interpretation, seek to resolve through dialogue with The Insolvency Service, prior to the issue of her recommendations, any dispute over such issues. The Insolvency Service will, at the earliest possible opportunity, highlight any areas of the complaint which, in their opinion, warrant treatment under this sub-section.

2.12 The Insolvency Service may also notify the Adjudicator in advance that a case is complex or contentious enough for them to want to see the draft recommendation letter. The request will be in writing from the IG/ACE. The Adjudicator will consider the request and, if she agrees, will send a copy of the draft recommendation letter, allowing The Insolvency Service no less than 10 working days for any comment. If the Adjudicator denies the request, she will explain her reasons in writing.

2.13 The Adjudicator's responsibility to form a judgement on the facts shall in no way be inhibited or impeded by the arrangements under 2.11 and 2.12 above.

2.14 The Insolvency Service will be responsible for informing the AO of any cases which, in their opinion, should have been but were not handled under the provisions of 2.11. These cases will be discussed at meetings between The Insolvency Service and the AO with a view to reaching mutual understanding and an agreed way forward.

Management information requirements

2.15 The AO shall provide The Insolvency Service, within agreed timescales, the management information as specified in appendix C of this agreement.

2.16 The AO shall provide such other information as The Insolvency Service may require to assist them in monitoring the agreement or for other

purposes. Where the collection and collation of such information will involve the AO in additional costs, these will be payable by The Insolvency Service.

Personnel issues

- 2.17 Staff will be loaned to the AO by The Insolvency Service for periods of normally up to 3 years with an expectation of a minimum of 24 months' service. Extensions beyond 3 years will be agreed between loanee, AO and The Insolvency Service. Any extensions will be reviewed annually.
- 2.18 Staff on loan will be covered by formal Interchange rules to be agreed between the AO and The Insolvency Service. The Insolvency Service will provide appropriate support to the AO to ensure that staff on loan are kept up to date with developments in The Insolvency Service.
- 2.19 Staff on loan should be contacted by The Insolvency Service's personnel section no later than six months before their due date for return to discuss options and procedures to facilitate a move back to The Insolvency Service.
- 2.20 Whilst on loan, staff will be subject to the personnel policies and practices of the AO except in relation to performance assessment and pay and grading.

3. ROLES AND RESPONSIBILITIES

- 3.1 The Adjudicator will provide an independent review of complaints from customers that The Insolvency Service has been unable to resolve. The Adjudicator will only review complaints that have not been resolved through The Insolvency Service's own internal complaints procedures.

When the Adjudicator accepts a case from a customer for investigation, she will look to compare what The Insolvency Service has done in respect of following a fair and consistent application of their published standards and codes of practice.

- 3.2 The Insolvency Service is not bound to accept the Adjudicator's conclusions or recommendations.

Media Access

- 3.3 The Adjudicator will have direct access to the media.
- 3.4 The Adjudicator will publish annually a report of the work done and how The Insolvency Service, and the other organisations, have handled complaints their customers have made. There will be no right of veto for The Insolvency Service over the contents of the report, but as a

courtesy The Insolvency Service will see an advance copy and the Adjudicator will consider any comments The Insolvency Service wishes to make.

The Adjudicator's Office

- 3.5 The Insolvency Service will provide personnel to the AO on loan. The duties performed by such personnel will be the sole responsibility of the AO Head of Office.
- 3.6 In order to provide the required services the AO Head of Office will ensure:
- There is a point of contact for complainants and representatives wanting information about how to pursue a complaint
 - Complainants and/or their representatives and The Insolvency Service are kept informed of progress on individual complaints
 - The Insolvency Service is informed of the classification and outcome of complaints
 - Implementation of any formal recommendations from the Adjudicator is followed up with The Insolvency Service
 - The Insolvency Service is provided with accurate management information and validated statistics, including details of any areas of general failure in administration or good practice.
- 3.7 The above activities will meet the overall service requirements of The Insolvency Service. Operational processes to deliver the required services will be the responsibility of the AO Head of Office. The AO Head of Office will be responsible to the Adjudicator for the delivery, within the agreed budget, of the services to the standards in this agreement.

Service standards

- 3.8 The service standards relevant to the services detailed above for the Adjudicator's Office and The Insolvency Service can be found in appendix A.

APPENDIX A

The key performance measures and service standards are contained in the Adjudicator's Office Business Plan. In addition to these, the Adjudicator's Office will aim to conclude 80% of investigations within 6 months of receiving The Insolvency Service's report.

This appendix sets out the service standards applicable to The Insolvency Service.

THE INSOLVENCY SERVICE

Service standards

The Insolvency Service will:

- ensure complainants are made aware of the services offered by the AO
- investigate all assistance cases referred by the AO within 15 working days
- provide case reports to a format and quality standard within 20 working days
- provide any subsequent information as required, normally within 10 working days, and inform the AO if the provision of such information is going to take longer than 10 working days
- normally expect to accept the Adjudicator's recommendations, confirm with the Adjudicator that the recommendation has been accepted and inform the Adjudicator when the recommendation has been implemented
- implement recommendations within 20 working days, unless the Adjudicator has been informed that implementation will take longer and told the reason for this
- explain, in writing to the Adjudicator, the reasons behind any decision not to implement a recommendation
- respond to suggestions made by the Adjudicator relating to departmental procedure and practice, setting out either:
 - the action The Insolvency Service plan to take to implement the suggestion
 - the reasons why The Insolvency Service plan to take alternative action and what that action will be, or
 - reasons why The Insolvency Service plans to take no further action.

APPENDIX B

FINANCIAL ARRANGEMENTS

1. Funding

- 1.1 The Insolvency Service will provide sufficient funding to cover a proportion of the full operational costs of the AO and the Adjudicator to deliver the outputs shown in the service plan to agreed standards.
- 1.2 Staff on loan will be paid directly by The Insolvency Service and the cost thereof will form part of The Insolvency Service's contribution to the full operational costs of the AO.
- 1.3 The arrangements for meeting a share of the full operational costs will be agreed between The Insolvency Service and HMRC. The AO will provide any necessary estimates of costs to facilitate this.
- 1.4 Such estimates will be based on the number of Insolvency Service cases settled as a percentage of the total cases settled by the AO in the most recent year.
- 1.5 If additional temporary or permanent resources are considered necessary during the year for the AO to provide the agreed level of service to The Insolvency Service, the AO Head of Office will prepare and submit a case to The Insolvency Service. If agreement cannot be reached, the Adjudicator will consult the IG/ACE whose decision on such matters shall be final.

2. Workload

- 2.1 The workload of the AO is unpredictable and volatile. Changes in legislation, policy and operational practices can affect the number of assistance cases and unresolved complaints that the AO has to deal with. The AO will estimate the number of cases that it needs to deal with each year based on the numbers received in the preceding year and any other information which the AO considers might cause a significant increase or decrease in the number of complaints to be received.
- 2.2 The Insolvency Service will alert the AO to any changes in legislation, policy or operational practices that are recognised as having an impact on the AO.

APPENDIX C

MANAGEMENT INFORMATION REQUIREMENTS

- 1.1 The AO Head of Office will be required to keep information on the demand for the services provided and the work undertaken.
- 1.2 The AO Head of Office shall provide The Insolvency Service with management information as specified in this appendix.
- 1.3 The AO Head of Office shall provide such other information as The Insolvency Service may require to assist in monitoring the agreement or for other purposes. Where the collection and collation of such information is over and above that identified in this appendix and will involve the AO in additional costs, for example overtime working or programming changes to computer or telecommunication systems, these will be payable by The Insolvency Service.
- 1.4 The format for the presentation of the data will be discussed by The Insolvency Service and the AO Head of Office.
- 1.5 The following table lists the information requirements as presently identified. The list may be amended from time to time to meet changing needs.

INFORMATION REQUIREMENT
Quarterly
Number of complaints taken up for investigation
Number of Assistance cases received
Number of Investigation cases closed
Year to date on Quarterly basis
Case numbers broken down by: Subject area of complaint Cause of complaint OR Region/HQ Directorate Outcome OR Region/HQ Directorate & Outcome Completion method Cause of complaint & completion method
Amount of redress by compensation/consolatory payment
The number of open investigation cases exceeding 9 months from date of receipt
The number of open investigation cases exceeding 12 months from date of receipt

APPENDIX D

**AUDIT ARRANGEMENTS UNDER WHICH THIS
AGREEMENT WILL BE MONITORED**

1. Introduction

- 1.1 The Insolvency Service will wish to ensure that the services are delivered in accordance with the service levels and quality standards set out in the AO Business Plan.
- 1.2 The AO Head of Office will be required to demonstrate that the services are provided throughout the duration of this agreement in a cost efficient manner, providing continuing value for money for The Insolvency Service.

2. Accountability

- 2.1 The AO Head of Office is responsible for ensuring that adequate audit trails are documented and in place to enable the verification of all work undertaken and costs incurred.
- 2.2 The IG/ACE is responsible for ensuring that all work undertaken has been correctly accounted for.

3. Audit methodology

- 3.1 The Insolvency Service will accept any necessary assurances provided by HMRC's internal audit function.
- 3.2 The IG/ACE or his nominee(s) may examine any records (including electronic and magnetic media) of work done, costs incurred and charges made, except to the extent that the records contain information confidential to other clients of the AO. Such decision shall be at the sole discretion of the Adjudicator and AO Head of Office.
- 3.3 Subject to 3.2, the IG/ACE will aim to reduce to a minimum the disruption to ongoing services whilst audit activity is taking place. Wherever appropriate, statistically sound random sampling techniques will be employed.

4. Audit programme

- 4.1 Subject to 3.1, any additional audit programme will be agreed with the IG/ACE at the beginning of each financial year.

5. Discrepancies and adverse observations

- 5.1 Discrepancies discovered during audit processes will be documented and notified to the AO Head of Office who may be asked to explain the circumstances under which these arose.
- 5.2 The AO Head of Office will be given the opportunity to comment upon any adverse observations made as a result of audit. Observations and comments will be documented and presented to the IG/ACE for consideration.
- 5.3 The AO Head of Office will fully consider recommendations arising from audit reviews and produce an action plan for implementation or enter into further dialogue with the audit function if there are issues with the validity of recommendations made. The AO Head of Office will normally expect to accept recommendations arising from audit reviews.

APPENDIX E

PROCEDURES TO BE USED IN DEALING WITH COMPLAINTS AGAINST THE ADJUDICATOR AND THE AO

1. General

- 1.1 A complaint is defined as any expression of dissatisfaction by a customer with the adjudication services provided, whether the complaint is made in person, on the telephone or in writing to the Adjudicator, the AO or The Insolvency Service. This definition excludes those complaints made by customers pertaining to the recommendations made by the Adjudicator.

2. Complaints against the AO

- 2.1 All complaints about the services provided by the AO and its staff, whether directed to the AO, the Adjudicator or The Insolvency Service, will be investigated in accordance with procedures set out by the AO Head of Office.
- 2.2 All such complaints are to be recorded by the AO Head of Office and the relevant records made available for audit purposes.
- 2.3 The AO Head of Office will be responsible for ensuring that complaints are dealt with to the satisfaction of the complainant. Where this cannot be achieved, the complaint will, where appropriate, be referred to the Adjudicator who will attempt to resolve the complaint directly with the complainant and, if this cannot be achieved, the complainant will be informed about the role of the Parliamentary Ombudsman.

3. Complaints against the Adjudicator

- 3.1 Where, exceptionally, a complaint falling within paragraph 1.1 is made against the Adjudicator, she will attempt to resolve the complaint directly with the complainant. If this cannot be achieved the complainant will be informed about the role of the Parliamentary Ombudsman.

4. Complaints procedures

- 4.1 The AO Head of Office will be required to maintain a documented complaints procedure that is visible to users of the adjudication services provided and all complaints will be registered in a complaints register which will be held at the AO.

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- 4.2 If a complaint about the services provided by the AO is made directly to The Insolvency Service, it will be referred to the AO Head of Office within 48 hours of receipt and the AO Head of Office will be asked to register and deal with it in accordance with the agreed complaints procedure. Notification of the actions taken by the AO Head of Office to resolve the complaint will be made to the IG/ACE.