

Report To:	CABINET	Date:	21 SEPTEMBER 2017
Heading:	RENEWAL OF SERVICE LEVEL AGREEMENT – LEGAL SHARED SERVICE		
Portfolio Holder:	CLLR CHERYL BUTLER – LEADER OF THE COUNCIL		
Ward/s:	N/A		
Key Decision:	YES		
Subject To Call-In:	YES		

Purpose Of Report

To update Cabinet in respect of the shared legal service since the arrangements were put in place in November 2012 and to approve the extension of the service for a further five years.

Recommendation(s)

1. To approve the renewal of the Shared Service Agreement for the provision of Legal Services by Ashfield District Council (ADC) to Mansfield District Council (MDC) for a period of five years;
2. To grant delegated authority to the Director of Legal and Governance to review the terms of the current service level agreements for services shared with MDC and to finalise appropriate changes to the original form of agreement in light of current needs and arrangements.

Reasons For Recommendation(s)

The Service Level Agreement (SLA) for the provision of legal services by ADC to MDC began on 1 November 2012 for a period of five years. The SLA is due to expire on 30 October 2017, however, there is a provision for the agreement to be extended for a further five years.

The original drivers for change were:-

Increased Resilience

To develop a robust service with the capacity to adequately and flexibly respond to the changing demands of client groups and stakeholders.

Increased Synergy

To deliver a service that is consistent in the advice it provides, the working practices, systems and processes it employs and the work types it undertakes.

Shared Skills and Expertise

To transfer skills and expertise throughout the service to address gaps in knowledge and contribute to the development of a more robust, resilient and effective service.

Improved Efficiency (cashable and non-cashable savings)

To reduce the cost of delivering legal services to both local authorities and identify the potential for improving working practices, systems and processes.

It is considered that these drivers have been met and the team continues to develop and strive to improve performance. It is considered that the shared legal team provides a good service which is value for money for both authorities. Both Authorities start from the basis of wanting to retain an in-house legal service against the backdrop of decreasing budgets.

MDC took a decision on 23 August 2017 to seek to renew the shared service arrangement for a further five years.

Alternative Options Considered (With Reasons Why Not Adopted)

The withdrawal from the shared service arrangement such that each authority provides its own in house service is an alternative option but is not recommended as this would create significant disruption to the effectiveness of the service provision whilst new teams are put in place. The retained teams would be relatively modest in size thus reducing the resilience and breadth of expertise across the in house service. This would be contrary to the initial drivers for entering into the shared service five years ago. The need to seek external advice would consequently increase, thus increasing service costs. MDC also considered and rejected this alternative option.

The service could be provided by the private sector or other providers. This option is not considered as this would be costly and is also contrary to the intention of the Council to retain an in-house provision.

Detailed Information

Establishment of the Legal Shared Service

As a result of the predicted pressures on local government resources and the need to develop new efficient and innovative approaches to service delivery, ADC and MDC began to discuss formal partnership working proposals during 2010.

During 2011/2012 a business case for a shared legal service was developed on the back of increased close collaborative working across the two legal sections over the preceding years.

The two Authorities decided to formally create a shared legal service in the summer of 2012 and agreed that:

- The host for the Legal Shared Service was to be ADC;
- The location for the Legal Shared Service was to be ADC;
- The cost of the shared service was to be split 53.8%(MDC)/46.2%(ADC).

MDC's employees transferred to ADC on 1 November 2012, pursuant to TUPE legislation.

The SLA for the Legal Shared Service follows the template format used for all shared services with MDC with appropriate amendments for the specific service provision and agreed KPI's.

The Legal Shared Service Now and Going Forward

Vision and Purpose

The Legal Shared Service's Business Plan sets out the future vision and purpose of the shared service as follows:

Vision: Working together to grow an efficient, effective & resilient business

Purpose: A sustainable business which provides a high quality legal service enabling others to achieve their objectives

What does a 'Good' Legal Service look like?

We believe that a good Legal Service will:

- Provide a 'one stop shop' for all legal needs
- Support client departments, officers and Members to deliver their objectives
- Ensure the Councils remain lawful
- Provide legal advice and representation to a good quality standard
- Provide options not answers
- Ensure adherence with Freedom of Information and Data Protection legislation
- Provide legal related training for service areas

The legal team and the Director of Legal and Governance are committed to ensuring the accessibility of high quality legal advice, assistance and representation across both Councils. This is not always an easy task with our services being called upon by two authorities each with its own priorities, but we strive to ensure we take a partnership approach and listen to the service needs of both Councils. For instance, MDC requested a greater presence at MDC to ensure that legal advice is readily accessible. Initially a drop-in service for two days a week was provided; this has now been developed to provide a presence at MDC on a daily basis but this is worked flexibly enough to ensure that commitments for ADC are also maintained.

In order to inform the potential service extension process a legal service review was carried out during 2016 and the Principal Solicitor and Director of Legal and Governance have worked closely with the Director of Governance at MDC to assess the performance of the service to date and ways to improve service provision in the future.

The review concluded that the shared legal service has delivered greater resilience and development of expertise for both Authorities. There are numerous examples which demonstrate learning is applied across both Authorities; these include, Interim Anti-social Behaviour Injunctions, PSPO's, car parking orders, commercialism, health and safety prosecutions and preparation for the new General Data Protection Regulations to name a few. This approach allows efficient delivery of the service in house for both Councils and also reduces the need to seek external expertise and thus control external legal expenditure.

Following the service review the team has been developing its digital capability. A jointly funded legal case management system (IKEN) was introduced in April 2017 and a considerable amount of resources have been devoted to ensuring its smooth implementation. Whilst it is still in its early days the benefits of the system will include automated reporting on performance indicators, automated time recording and more efficient ways of working.

Improved performance has been demonstrated by:-

- Regular reporting on Key Performance Indicators to both the Director of Legal and Governance for ADC and the Director of Governance at MDC – demonstrating improvement across all KPI's over the past 18 months
- Customer satisfaction – this indicator has shown a clearly improving trend since 2014. Overall satisfaction with service has improved from 55% in 2014, to 84% in 2016 to 97% in 2017. Satisfaction with advice/outcome has improved from 84% in 2016 to 91% in 2017.
- Quality assurance - legal files are reviewed by both Councils on a monthly basis to assess the standard of advice and performance against KPIs

A value for money exercise has been carried out comparing the costs of the shared legal service to the current hourly rates charged by EM Lawshare, the local authority legal advice consortium of which both Councils are members. Unsurprisingly, the internal provision demonstrates a considerably more economical option than if the service was wholly sourced from the private sector.

On the basis of the overall cost and performance of the Legal Shared Service, the advantages to resilience and breadth of expertise it is considered to be both value for money and a good service for both Councils. MDC has already taken a decision to agree to renew the arrangement for a further five years. The continuation of the shared service for a further five years is therefore recommended.

Review of the Service Level Agreements

The SLA's for all the shared services between ADC and MDC follow the same format which was developed during 2011/2012. As such, it is recommended that whilst the main provisions will remain relevant, due to the passage of time a review of the terms and practical arrangements contained in the agreements should be reviewed. For instance, governance arrangements put in place six years ago are now no longer in place but the SLAs do not reflect this changed position. It is recommended that the Director of Legal and Governance is given the delegated power to work with her counterpart at MDC to review, update and finalise SLA formats.

Implications

Corporate Plan:

The provision of a robust, responsive, high quality legal service is critical to the enabling the delivery of all of the Council's priorities.

Legal:

Both councils are local authorities for the purpose of Local Government Act 1972 and best value authorities for the purposes of the Local Government Act 1999. The creation and continuation of the Shared Service is based upon the following powers:

- Local Authority (Goods and Services) Act 1970, s.1
- Local Government Act 1972, ss.111-113
- Local Government Act 2000, ss.19-20
- Local Authorities (Arrangements for the Discharge of Functions Regulations) 2000

The current SLA commenced on 1 November 2012 for an initial period of five years ending on 31 October 2017. The SLA allows for extensions of further five year periods subject to satisfactory performance.

Finance:

This report is effective from 21/09/2017 and has the following financial implications:

Budget Area	Implication
General Fund – Revenue Budget	The cost of the Shared Service for 2017/18 is budgeted at £745k. Of this, 46.2% is borne by Ashfield DC, and 53.8% will be recharged to Mansfield DC.
General Fund – Capital Programme	
Housing Revenue Account – Revenue Budget	Of Ashfield’s proportion of the cost of the Service, £54k is recharged to the HRA.
Housing Revenue Account – Capital Programme	

Human Resources / Equality and Diversity:

An Equality Impact Assessment (EIA) screening exercise was undertaken when the original proposal was considered. A further initial EIA has been undertaken which shows there are no direct implications on equality and diversity as a consequence of the proposals and recommendations outlined within this report.

The Legal Shared Service employees are employed by ADC on its terms and conditions following a restructure during 2013.

Other Implications:

Report Author and Contact Officer

Ruth Dennis
DIRECTOR OF LEGAL AND GOVERNANCE &
MONITORING OFFICER
01623 457009
r.dennis@ashfield.gov.uk