

# Gloucester City Council

<b>Meeting:</b>	<b>Cabinet</b>	<b>Date:</b>	<b>15 October 2014</b>
<b>Subject:</b>	<b>Proposal to join 'One Legal' Shared Service</b>		
<b>Report Of:</b>	<b>Cabinet Member for Performance &amp; Resources</b>		
<b>Wards Affected:</b>	<b>N/A</b>		
<b>Key Decision:</b>	<b>No</b>	<b>Budget/Policy Framework:</b>	<b>No</b>
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<b>Appendices:</b>	<b>None</b>		

## 1.0 Purpose of Report

- 1.1 The report seeks Cabinet's approval, subject to a satisfactory Business Case, to join the existing One Legal Shared Service which operates between Cheltenham Borough Council and Tewkesbury Borough Council.

## 2.0 Recommendations

- 2.1 That Cabinet resolves:

Subject to the approval of a Business Case (including the financial case) by the Head of Paid Service in consultation with the Cabinet Member for Performance and Resources and the s151 Officer:

1. To approve, the joining of the Gloucester City Council's legal services with Cheltenham Borough Council and Tewkesbury Borough Council (One Legal).
2. To transfer Gloucester City Council's legal services to staff to Tewkesbury Borough Council under the principles of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) on 31<sup>st</sup> January 2015 or such other date as is agreed
3. To delegate Gloucester City Council's legal service functions to Tewkesbury Borough Council, as host authority, in accordance with section 101 (1) of the Local Government Act 1972 and under Part 1A Chapter 2 section 9EA of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.
4. To delegate authority to the Head of Paid Service in consultation with the Cabinet Member for Performance and Resources and the s151 Officer, to enter into the s101 Agreement, other legal documentation and to take all necessary steps to implement the above mentioned resolutions.

### **3.0 Background and Key Issues**

- 3.1 One Legal was formed in 2009 as a shared service between Tewkesbury and Cheltenham Borough Councils with Tewkesbury acting as the Host Authority for 'pay and rations' purposes. The new service was established within 7 months of the idea being initiated by discussions at the Chief Executive and senior Member level and it has a successful track record of delivering savings whilst also improving service delivery to its client councils.
- 3.2 The proposal is for Gloucester City Council to delegate its legal service function to One Legal's host authority, Tewkesbury Borough Council, by 31<sup>st</sup> January 2015 although this date may change, should the preparation of the Business Case and the implementation procedures take longer than anticipated. The delegation will be set out in an agreement entered into under the legislation as laid out in 2.1, 3 above
- 3.3 The proposal is that Gloucester's legal staff would transfer to the host authority under the principles of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE). This ensures that staff terms and conditions are protected. The arrangement is proposed to continue for a term of 10 years but with an option to review in November 2019 when the current arrangements between Cheltenham and Tewkesbury are scheduled for review.
- 3.4 The governance arrangements are to be considered in detail as part of the Business Case but the intention is to continue with One Legal's current arrangement which consists of a Member/Client group, known as the joint Monitoring and Liaison Group.
- 3.5 The success of the shared service has been demonstrated by being invited to undertake work for a broad spectrum of local authority and other public bodies (such as districts, unitaries, and wholly-owned local authority companies) which has resulted in surpluses being delivered to the partner Councils.
- 3.6 Given that One Legal is now well established with a track record of high performance it seems timely for the City Council to consider joining the partnership. A review of the Legal Service has been on the 'agenda' for some time now and posts have not been filled when they became vacant pending the outcome of this review. This has meant that the service has become less resilient and has had to rely on a steady succession of locums to provide the services required of the team.
- 3.7 In addition, there is a need for the Legal Service to deliver £50,000 worth of savings and this can be best achieved through entering into a partnership arrangement.

### **4.0 The Key Benefits of the Shared Legal Service**

- 4.1 The Business Case will set out the benefits of the shared service in detail but in summary the expanded One Legal Shared Service should provide the following benefits:
- Potential cashable savings through the following means:
  - Service rationalisation
  - External spend reduction
  - Third party work.

- A revitalised lean and highly skilled team with a focus on efficient service delivery will maximise opportunities for undertaking third party work which should reduce the overall cost of the service to partner authorities.
- This shared service opportunity will enable the Shared Service to be a leading player in the largest shared legal service in the South West with excellent prospects for being the public sector legal supplier of choice in the region, with significant reputational benefits for partner authorities.
- The retention and attraction of high calibre legal staff combined with robust management and a business like worth ethic will drive improvements in service quality to the benefit of the partner authorities.
- The provision of face to face advice at short notice
- Local knowledge
- On site presence to meet clients' needs, if required.

## **5.0 Key Objectives of the Shared Legal Service**

- To provide an excellent legal service
- To act quickly to establish good working relationships with client officers, Members and key stakeholders
- To immediately identify priorities for legal tasks based on a risk and urgency assessment having taken into account high profile/politically sensitive and financially vulnerable matters
- To add value and provide supportive influence when required, always identifying and embracing the corporate context
- To embed robust processes and procedures to ensure good communication including a case management system
- To develop, in partnership with clients, specific core service standards against which service performance may be monitored
- To tailor the case and file management processes to meet clients' needs.

## **6.0 The Delivery and Governance Arrangements**

6.1 The governance arrangements will be considered in detail as part of the Business Case but the intention is to continue with One Legal's current arrangement which consists of a Member/Client group, known as the Joint Monitoring and Liaison Group.

## **7.0 Exit Strategy**

7.1 The Shared Legal Service will be provided under the s101 Agreement for a term of 10 years but with an option to terminate in November 2019 when the current arrangements between Cheltenham and Tewkesbury are scheduled for review.

## **8.0 Impact on Stakeholders**

8.1 The intention is that the provision of legal services will be "business as usual" for stakeholders. During the Implementation stage, clients, Members and other stakeholders will have clear guidance on how and where to access legal services. The increased pool of staff with their expertise and knowledge will enhance the current service to stakeholders. Furthermore, the ability to balance workloads should improve service response times.

## **9.0 Implementation**

- 9.1 A Joint Legal Service team will be established to implement the decision of Cabinet. The team will include officers from each authority (Gloucester, Tewkesbury Borough Council and Cheltenham Borough Council) and One Legal together with client representatives to ensure that client views on the proposals are considered.

## **10.0 Alternative Options Considered**

- 10.1 No change – This is not seen as a viable option as this will not address the need to make savings or provide resilience to the service. Also, there has been difficulty in recruiting to vacant posts in the past and there is no evidence that the quality of service will improve.
- 10.2 Transfer to the Private Sector – There is no evidence that this would be of benefit to the Council. There would also need to be a full EU procurement process. There would be no opportunity to share surpluses or retain a role in governance and there is no evidence that there are a sufficient number of quality firms able to undertake the wide range of Council functions. This would inevitably result in work being farmed out to specialist firms reducing the ability to build last relationships and trust.
- 10.3 Use of existing framework agreements/contracts with other providers in the Local Government Service Sector – This arrangement would not allow for any sharing of surpluses or a role in the governance arrangements. Also, there are no local providers so there is no local knowledge to draw up and locums would be called upon to support meetings. This significantly reduces the ability to build relationships.

## **11.0 Reasons for Recommendations**

- 11.1 By joining 'One Legal' all Councils will benefit from having a joint service that is efficient, resilient and cost effective. There are real benefits in working locally with other District Council's in a partnership and profit share arrangement. One Legal also support Tewksbury and Cheltenham on the JCS so joining the partnership would have real benefits for Gloucester in this piece of work alone.

## **12.0 Future Work**

- 12.1 Subject to approval by Cabinet, a Business Case will be prepared which will consider potential savings, service delivery arrangements and staffing implications. Cabinet is advised that One Legal is currently in discussions with Gloucestershire County Council and will, therefore, need to keep them advised of progress of this project.

## **13.0 Financial Implications**

- 13.1 Despite not having a Business Case at this stage, savings should be achievable through:
- Sharing books and publications
  - Reduction in payments to third parties (particularly contract staff and Counsel advice) in recognition that a shared service will provide greater resilience and specialist advice.

- 13.2 Any savings will undoubtedly be partly offset by increased travelling costs to reflect the increased travel between Tewkesbury and Gloucester.
- 13.3 One Legal costs, under the current delegated arrangements, are split proportionately between Councils on the basis of an assessment of case workloads at the commencement of the service. As part of the Business Case for Gloucester a workload assessment would be undertaken to determine the proportionate split of work between the new partner councils.

(Financial Services have been consulted in the preparation of this report.)

#### **14.0 Legal Implications**

- 14.1 The Shared Legal Service arrangements will be the subject of a formal agreement between the Councils under sections 101 (1) of the Local Government Act 1972 and under Part 1A Chapter 2 section 9EA of the Local Government Act 2000 and pursuant to the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012.
- 14.2 It should be noted that the principles of the Transfer of undertakings (Protection of Employment) Regulations 2006 shall apply.
- 14.3 Consideration will need to be given to the role of monitoring Officer as there are a number of options as to how this statutory role will be fulfilled.

(Legal Services have been consulted in the preparation of this report.)

#### **15.0 Risk & Opportunity Management Implications**

- 15.1 A Review Log will be prepared as part of the Business Case and will be kept under review by the joint Legal Services Project Team.

#### **16.0 People Impact Assessment (PIA)**

- 16.1 The PIA Screening Stage was completed and did not identify any potential or actual negative impact, there a full PIA was not required.

#### **17.0 Other Corporate Implications**

##### Community Safety

- 17.1 There would be fast and effective support for officers dealing with community safety matters.

##### Sustainability

- 17.2 By joining the partnership resilience increases and the organisation is better supported across a range of service areas.

### Staffing & Trade Union

- 17.3 Staff have been advised of this proposal and if approved, staff and the trade Unions will be consulted and fully informed throughout the implementation stages.

**Background Documents:** None