

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO PARTNERSHIPS AND GOVERNANCE OVERVIEW AND SCRUTINY COMMITTEE

19th June 2015

REPORT OF THE ASSISTANT CHIEF EXECUTIVE

LEGAL SERVICES COLLABORATION

1. Purpose of Report

1.1 This report seeks to provide information on the legal services collaboration.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

2.1 The collaboration assists in achieving all objectives and priorities.

3. Background

3.1 The committee is aware that legal services collaboration is the result of Monitoring Officers from Bridgend, Ceredigion, Carmarthen, Swansea, Neath Port Talbot and Pembrokeshire Councils recognising the future resilience problems to be faced. Since 2012 Powys County Council has joined the collaboration.

3.2 The Collaboration is overseen by the Central & South West Programme Board. This consists of the Leaders and Chief Executives of all the Local Authorities in that area along with Welsh Government representation. The project received Welsh Government funding for a full time project manager. This created discipline within the project. The direct involvement of the Monitoring Officers / Heads of Legal ensured a pragmatic and realistic project plan.

3.3 Initial work involved the development of a skills matrix to better understand the skills shortages within each Authority. Initial and ongoing savings were provided by joint procurement of library and time recording / performance management systems. These savings were fed directly into departmental annual budget reductions.

3.4 Recognition was given to the need for support to staff. Special Interest Groups (SIGs) were set up in order to strengthen service resilience and support and encourage the development of staff. Specialists from each Authority were able to contact and meet each other to work together on regional projects, develop skills through joint training and support each other in daily working. With most Authorities having a single lawyer in some specialist areas, it enabled those staff to give and receive support from another five Authorities.

3.5 A central web based support site was created with the intention of providing a central hub of support for the storage of precedent and a method of secure contact between lawyers. In the event the Hub failed due to the considerable success of

the SIGs. Equally while cross authority working took place, it was less than originally anticipated. A recognition that even when working together, capacity issues usually mitigated against the flexibility to work for other Authorities.

- 3.6 In recognition of this problem and the cost of externalised legal work two projects were entered into to increase flexibility. The first was the employment of a joint commercial team; the second, a full EU procurement of external legal services.
- 3.7 The Commercial team, providing contract, procurement, property and latterly planning support is paid for equally by each Authority. Each therefore has access to a set amount of support, with the ability to purchase more, should one or more Authorities use less. The team provides services at cost and is therefore significantly less expensive than use of the private sector. The service is around £100 per hour less expensive than externalisation.
- 3.8 The E.U procurement process was led by Bridgend and was undertaken for the wider public sector in Wales. It has therefore been utilised by local authorities in Wales as well as police and fire services and higher Education. It provides procured hourly rates for both Solicitors and Barristers and has the facility of a software package to accurately determine the most advantageous rate. It enables simply the cheapest rate but also enables comparison on the basis of experience in that particular area of law. The procurement has saved 10% on previous rates and has (although not without contention) led to rates falling further.
- 3.9 Without doubt one of the most productive project streams has been in the education and training of staff. The impact has been both on the quality of training, being dedicated to local government in Wales and the cost. In Bridgend that has reduced, this report has already recognised the significant impact both on cost of provision and the quality of the training provided. Benchmarking data shows that Bridgend spent the most in Wales on training per fee earner at over £900. In the last financial year Bridgend was one of the lowest spenders at under £200. This has not been at the expense of quality or quantity with Bench marking data showing Bridgend providing 19 hours average per full time equivalent employee against the Welsh average of 17.2.
- 3.10 As the project progressed, funding was reduced to a part time project support. This has proven successful as the on-going work of the project is now more incremental than 'big bang'.

4. Current situation / proposal

- 4.1 The collaboration enables legal advice and representation for BCBC to be a truly commissioned service. It is a genuine mixture of internal, collaborative, joint and procured services.

4.2 Regional Commercial Team

- 4.2.1 The Regional Commercial Team was originally located in Swansea. It is currently split between Swansea and Bridgend and for the future is likely to include officers across the collaboration. The team has a current vacancy for a Principal Lawyer the team supports property, contracts / procurement and planning advice. The team receives instructions from authorities to work on matters pertaining to each

individual authority and has also carried out several pieces of work for regional projects involving three or more local authorities. The team has been successful in tendering for legal service provision to the Pembroke National Park and has carried out work for other authorities. The income from this enables the costs of the services to the collaboration as a whole to be reduced. For the future, individual authorities have recognised pressure points that cannot be met in the current structure and propose to invest further in the joint team. It is hoped that the trading aspect of this work can be increased in the future with the proviso that the core service to member authorities is not compromised.

4.2.2 The Medium Term Financial Strategy (MTFS) requires a £1.6m reduction to the Department. This has led to a consultation on future structure and redundancies for staff. There are capacity issues to a significant increase in work for the department, particularly in relation to contract/procurement/EU law and property. Equally other pressures have arisen due to maternity leave. The department is currently utilising under capacity in other authorities although it has been necessary in the short term to use agency staff.

4.3 Regional Litigation Team

4.3.1 The Regional Litigation team has been recruited and commenced in June 2014. The team consists of one Solicitor and one Paralegal and will provide services to three local authorities; namely, Carmarthenshire, Pembrokeshire and Ceredigion. Welsh Government funding supports the team. The project board has determined to fill the current vacancy of the solicitor post with two paralegals.

4.4 Regional Trainee Solicitors

4.4.1 A total of nine trainee solicitors were recruited in 2013/14. This work-stream ensures ongoing development of expertise within Local Government. In the longer term this should lead to a reduction of costs through decreased externalisation and skills transfer training from the private sector. The addition of newly qualified solicitors to the region will have a significant impact on resilience and succession planning, however, partner authorities have not had funding to maintain the employment of all trainees. Again Welsh Government funding supported the appointments although Bridgend are not part of this project stream and the funding ended. There is concern at the board that whilst training has been provided the present funding situation across the collaboration is such that those newly qualified solicitors will be lost to the private sector. Equally there is no further funding to continue to train lawyers.

4.5 Legal Services File Sharing Portal

4.5.1 In conjunction with the Regional ICT Programme, a file sharing portal has been developed to allow documents and bundles to be shared electronically between Chambers, solicitors firms and other organisations. The objective of the system is to reduce printing and administration costs, while making data transfer more secure. The system is now live and provides a useful resource although; in Bridgend's case is affected by the inability to use the system in the Cardiff courts.

4.5.2 In addition to the above, the Regional Collaboration Fund (RCF) funding has provided Programme Management support to implement and oversee the projects.

This resource has also assisted with the identification of other potential areas for collaboration.

- 4.5.3 The RCF funding has facilitated projects which otherwise would not have been progressed. It has allowed for a step change in the approach to the delivery of legal services and is an opportunity to pilot shared service teams. There is a view that the service should now be implemented commercially as an income source. Future business planning is however required.

4.6. Current Issues

- 4.6.1. The individual authorities need to reduce budget and the removal of some Welsh Government funding is an obvious pressure on the collaboration. The impact has been a negative and positive force within the collaboration. It is disappointing that all trainee solicitors have not been able to find a place within local government and that the funding for these posts has been lost for the future. The pressure on in house teams has led to a greater reliance on partner authorities and on the joint teams which strengthens the need for the collaboration. The operation of the special interest groups has been a concern to the Board however and it is recognised that within some specialties the effectiveness of the SIGs is questionable outside the provision of training. Part of this is due to the decrease in staff and loss of experienced staff (particularly those who chaired the SIGs) due to budget cuts and new appointments. Other influences are in house pressures for time and support for those chairing the SIGs. The Board has organised a special meeting to discuss the issues with the SIG chairs with a view to restructuring the SIG portfolios.
- 4.6.2 The greatest concern for the collaboration at present is the loss of the framework agreement for externalising work to solicitors and barristers. Members are aware that the collaboration had undertaken its own procurement exercise (with Bridgend as the lead) and made this available to the public sector in Wales. That terminated on the 1st April and there have been delays in implementing a new framework undertaken by the National Procurement Service. It is hoped that the new framework will be finalised by August of this year. However there remain concerns that it may not be as effective as the previous framework.

4.7. Conclusion

- 4.7.1 The collaboration enables the Bridgend legal service to affect a truly commissioned service. The service provided to the Authority is a genuine mix of internal, collaboration with other Authorities and procured external legal services through an EU Framework agreement.
- 4.7.2. The collaboration has provided a significant support to staff and to the service provided to the Authority. Whilst historically it has not proved successful in sharing work between authorities there is a notable increase in shared work. The appointment of joint teams is an effective way of developing skills and providing services between the authorities. It is also proving successful in providing services to the wider public sector and producing an income for investment into the development of teams. There is of course a balance to be struck between trading and service provision.

- 4.7.3 The legal service is subject to benchmarking. Whilst care needs to be taken with the data the current benchmarking demonstrates Bridgend to have consistently high client satisfaction in totality and in being kept informed of progress. Sickness levels in Bridgend are low (as is seen internally), and the overall cost of the legal service was at its highest in 2010-2011. This dropped for two consecutive years, this being most likely due to the withdrawal from the joint childcare service and savings through collaboration. It is the case however that the costs of the service rose again in the last financial year with an increase in externalised work. This is an indication of the complex relationship between cutting services and the cost of providing those services externally even with the Framework agreement. It is fair to say however that the rise in the cost of legal services is one affecting all Authorities in Wales. The pressure on staff is also demonstrated by the benchmarking data with Bridgend recovering the highest number of chargeable hours from each employee at 1512 against an industry standard of 1200. The internal service costs on average are between 28% to 36% of the cost of procuring from the framework.
- 4.7.4 As can be seen from this report there is a divergence of project work within the collaboration. This is due to some Authorities seeking funding for this project while others sought funding for other project streams. In Bridgend the Public Protection Collaboration is funded but this has resulted in Bridgend not being part of the joint litigation team and the employment of trainee solicitors.
- 4.7.5 For the future there is a strong commitment from the partner Authorities to continue to develop the collaboration. The future is by no means straight forward with significant financial pressures on all authorities. It is considered however that the project is worthwhile and brings considerable advantage to the Bridgend. Work is planned to develop opportunities for trading within the public sector.

5. Effect upon Policy Framework & Procedure Rules

- 5.1 None.

6. Equality Impact Assessment

- 6.1 There are no equality implications in this report

7. Financial Implications

- 7.1 The Committee has already been provided with the following savings attributed to legal collaboration. It is likely that there will be an increased reliance on the joint commercial team in the current year as preparations are made to reduce the Legal & Regulatory budget by £1.6 million over the period to 2017/18.

- 7.2 The collaboration savings already identified across the Authorities for previous years are:-

2012/2013 – £357,351

2011/2012 - £257,153

2010/2011 - £107,786

- 7.3 For BCBC it is estimated that the legal collaboration has achieved savings on an annual basis of approximately £103,000 contributing to savings targets met from

Legal & Regulatory budgets in previous financial years. Examples of savings achieved are as follows:-

Staffing savings due to joint team £23,190

Framework agreement savings on external spend £16,800

Training costs reduction due to framework and Partner firms £15,000

Library procurement savings of (three year period £13,000) £7,000

Joint team outsourced work estimated for year £41,480 (based on £100ph saving)

At the time of writing the past years savings are being collated for the Regional Board.

8. Recommendation

8.1 To note the report

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Background documents: None.