

# RESOURCES SCRUTINY PANEL

7<sup>th</sup> February 2013

## Shared Legal Service

Report of the Head of Legal Services

STRATEGIC AIM:	<b>Creating a Brighter Future for All</b>
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### 1. PURPOSE OF THE REPORT

- 1.1 To provide an update on the progress of the shared legal services arrangement between Peterborough City Council and Rutland County Council.

### 2. RECOMMENDATIONS

- 2.1 That the Scrutiny Panel notes the progress of the shared service.

### 3. SHARED LEGAL SERVICES

#### Background

- 3.1 Rutland County Council (RCC) and Peterborough City Council (PCC) have been operating a shared legal service since May 2011. The basis of the shared service is set out in a memorandum of understanding between the two Councils governing how the service will operate. The document reflects a shared commitment to provide a full range of legal services to the mutual benefit of both Councils for a period of 5 years, with reviews being undertaken annually.
- 3.2 Sitting underneath the memorandum of understanding are five separate service level agreements which monitor the service delivery. Quarterly cost reports are provided to the Strategic Director of Resources and the Head of Legal Services meets monthly with the Strategic Director of Resources to monitor overall performance of the team and plan resources.

#### Progress to date

##### *Achievement of intended benefits*

- 3.3 The intended benefits of the shared legal service were set out in the last report to the Corporate Services Scrutiny Panel in April 2012. The view from both RCC and PCC is that these benefits have been realised although there are opportunities for further improvement. The intended benefits are shown below:
- 3.3.1 a more resilient team by joining staffing resources together. For RCC it moved from access to a legal service team of 4 lawyers to a team of 26

- lawyers with those lawyers divided into specialist teams. For PCC, it supplemented its specialist teams by the additional of two transferring lawyers;
- 3.3.2 keeping costs to a minimum by the continued future of a non-profit legal service;
  - 3.3.3 ensuring that both Councils have access to an in house team with expertise in local government law and governance; and
  - 3.3.4 ensuring efficiency across the teams in avoiding duplication (of training, library resources, external advice etc).

*Views of RCC (Strategic Director of Resources)*

- 3.4 The Shared Legal Service with PCC has given RCC greater resilience at no extra cost. The Council now has access to a bigger team of specialists and is able to refer legal queries quickly confident that the scale and scope of expertise available is sufficient to deal with issues arising.
- 3.5 Council officers are generally of the view that the quality of advice is good and that existing arrangements represent considerable improvement on the previous in-house service. Notwithstanding the above comments, RCC believes that there are opportunities for improvement in the following areas:
  - consistency of timeliness of response to individual referrals;
  - quality of performance information; and
  - proactive working on emerging issues.
- 3.6 The Council also recognises that the Shared Service is a partnership and for it to be more effective, there needs to be active engagement from RCC to drive performance improvements. In this regard, the Council is:
  - carrying out a survey of all those officers using the service to establish a baseline performance against which future performance can be assessed;
  - undertaking reviews of SLA's to ensure they are fit for purpose and continue to reflect its needs;
  - seeking to regularise performance review meetings so that ongoing feedback can be given and discussed.

*Costs and value for money*

- 3.7 The costs for Legal Services as shown in the table below are broadly consistent with those prior to the introduction of the shared service. The costs of the service in any year will vary according to the number of referrals and complexity of caseload so a year on year comparison is difficult. However, the Council has been able to achieve greater resilience and better quality of service at no additional cost.

	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>
Costs	300,000	326,000	305,000	335,000
Income	(9,000)	(15,000)	(21,000)	(18,000)
<b>Net Cost</b>	<b>291,000</b>	<b>311,000</b>	<b>284,000</b>	<b>317,000</b>

- 3.8 One way of assessing value for money is through benchmarking of costs with other providers. PCC's own benchmarking shows:
  - that a comparison of our hourly rate figure with other authorities and with private practice firms shows that we are offering value for money. In relation

to the latter, a study of our EM Lawshare partners illustrated that cost could vary between £280 for a partner, to £125 for a non-qualified lawyer, with an average blended rate in the region of £131 per hour for a private firm. This compares to our currently blended hourly rate to RCC of £80 per hour.

- In terms of benchmarking with other authorities, this shows that our target hours are higher than most other authorities and our hourly rates are generally lower. Target hours are the number of hours each lawyer undertakes work on files – it does not include time for training, leave or administration. Because our target rates are higher than other authorities we have more productive hours as a team. Our hourly rates are lower than other authorities which means that it costs less per hour to operate our team than most other local authority teams. This is based on informal benchmarking of authorities that are willing to disclose the information and therefore will vary due to region and requirements.
- The last benchmarking exercise was carried out in 2011 (CIPFA). It demonstrated that:
  - (a) The Net Cost of Legal services was average (£9.65) per 1000 of population compared with 52 Counties and Unitary Authorities
  - (b) Fee Earner costs were generally lower than average, with support costs being much higher. This was expected as we actively delegate as much work as possible to ensure that senior lawyers are undertaking tasks appropriate to their expertise
  - (c) Our Child protection team deal with more cases per fee earner than the average (by 8%), as do Contracts (9%)
  - (d) The Senior lawyer rate in 2011 was an average of £85. Our charge to Rutland at that time was £75 and we are currently charging £80 per hour
  - (e) Staff sickness and time lost was 4.4 days per FTE, against an average of 5.1

#### *Looking ahead: service improvements*

- 3.9 The Legal Services team are continuing to seek improvements in service delivery. Efficiencies made within the budget over the previous three years have enabled the team to purchase a new case management system which is currently being installed. This new system will enable the team to provide much more sophisticated costs reporting and performance management information.
- 3.10 In anticipation of this new case management system, the Head of Legal Services has been able to agree that more regular reporting and case monitoring information can be provided to each of the service level agreement lead officers within Rutland. In addition the senior lawyers within the Legal Services team will meet routinely with each of these officers to discuss the performance monitoring information.
- 3.11 Service improvement measures for the Legal Services team were identified as follows in the last report to this Scrutiny Committee:

- to improve efficiency through the introduction of a new case management system,
- to revise all legal processes and procedures reducing any unnecessary administrative tasks,
- to work with clients to review their processes to make them more self sufficient and less reliant upon legal services
- and specifically for RCC, to improve turnaround times on legal advice to committee reports

3.12 Those service improvement targets remain as relevant as ever and Legal Services continues to progress each and every one of those targets as follows:.

3.12.1 As part of the introduction of the new case management system, Legal Services has reviewed processes and procedures for approximately 160 work types. Each of those work types has produced a set of templates so that as much administrative work is pre-programmed into the new case management system which should result in considerable time saving for the lawyers.

3.12.2 One of the main issues coming out of the SLA meetings was the need to free up more time for the senior lawyers who undertake the more complex legal cases. This has meant a further restructure of the Legal Services team to devolve managerial responsibility to other lawyers within the team. A structure chart at appendix 1 demonstrates the current structure of the team.

3.12.3 The senior lawyers continue to work with officers within Rutland to develop their internal procedures. To give some examples of this:

- the Legal Services team has agreed to take on the administration of estates where there have been Court of Protection appointments. This was being handled by the Benefits team but they were unfamiliar with the law. Legal Services has agreed to assume responsibility for the service in the interim whilst it trains the Benefits team how to handle these cases
- social workers from Rutland have attended training delivered by lawyers to social workers at PCC on attending court as a witness which has helped reduce costs and ensured that common practices are being employed within both Councils
- all land registry searches were formerly carried out by lawyers within the Rutland legal team. Now officers have trained them how to conduct their own online searches to make the service more efficient
- lawyers continue to develop a more streamlined section 106 agreement process with the planning team which should ensure that these agreements are agreed within statutory deadlines. These are a few examples of where Legal Services continues to work with officers to make improvements to the system.

3.12.4 Turnaround times on Committee reports was proving challenging for Legal Services because this is not a work type that could be aligned within existing processes. Developing a schedule with the Strategic Director of Resources to make clear which lawyer is responsible for each specific area of law has assisted to allocate reports more quickly and improve turnaround times. Having said that Legal Services still requires approximately three days to guarantee review of reports which cannot always be allowed for.

3.12.5 Legal Services is a knowledge service in that it relies upon the expertise of its people, regular training and a comprehensive library of legal resource books. A review of the library system was undertaken to ensure that the Council was receiving best value for its online library resulted in a change of supplier and a considerable reduction in cost. Such reviews have become part of an annual budget review of Legal Services.

3.12.6 Legal Services will continue to benchmark its services against external firms and other in house local authority departments to ensure it is providing good value for money.

#### 4. RISK MANAGEMENT

<b>RISK</b>	<b>IMPACT</b>	<b>COMMENTS</b>
<b>Time</b>	<b>Low</b>	<b>The memorandum of understanding anticipates a 5 year shared service</b>
<b>Viability</b>	<b>Low</b>	
<b>Finance</b>	<b>Low</b>	<b>Legal Services continues to be provided within expected budget limits</b>
<b>Profile</b>	<b>Low</b>	<b>Although this is a new approach to service delivery for Rutland and Peterborough the service does not have high profile as it is an enabler to front line delivery</b>
<b>Equality and Diversity</b>	<b>Low</b>	<b>Legal Services conducts its own equality and diversity monitoring as part of its service delivery</b>

**Report Author**  
Kim Sawyer  
Head of Legal Service:

Tel No: (01733) 452361  
e-mail: enquiries@rutland.gov.uk

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