



East  
Northamptonshire  
Council

## Policy and Resources Committee – 11 March 2013

### Legal Shared Service

**Purpose of report:** This report provides Councillors with an update on East Northamptonshire Council's (ENC) legal shared service with Northampton Borough Council (NBC). It also advises Councillors about NBC's intention to join LGSS and how this will be responded to by ENC.

**Attachment(s):**

Appendix A – Summary of feedback from service users

#### 1.0 Introduction

- 1.1 As Councillors are already aware, ENC entered into a legal shared service with NBC on 22 October 2012. That decision was made by the Policy and Resources Committee on 30 July 2012. Prior to making its decision, the committee was advised that NBC hoped to "grow the shared service in the future, which could include a broader shared service with Northamptonshire County Council (NCC) and Cambridgeshire County Council (via the LGSS)".
- 1.2 NBC officers have recently confirmed that they are currently negotiating with LGSS about the transfer of their legal services to them. They anticipate the transfer will take place with effect from 1 May 2013, although a final decision has not yet been made and is subject to the outcome of their negotiations.
- 1.3 We are currently considering the implications of this on us. Existing arrangements will inevitably come to an end when NBC legal services join LGSS, and to avoid a situation where a member of staff would have to transfer back to ENC under Transfer of Undertakings (Protection of Employment) Regulations (TUPE), we are looking at the following two options:
  - Joining LGSS.
  - Joining Connect Law (Wellingborough Borough Council and Kettering Borough Council).
- 1.4 A further report providing an update on the situation will be provided to the Policy and Resources Committee on 8 April 2013. Because ENC's decision is dependent on NBC's transfer date, and because NBC is yet to formally decide whether to join LGSS legal services, it is possible that the update report will seek agreement to delegate the decision about whether it will be LGSS or Connect Law who provide ENC's legal services in the future. This will be done in order to ensure continuity of service in respect of legal advice.
- 1.5 In addition, when NBC's transfer date is formally confirmed, and when an alternative provider of legal services has been agreed, the Policy and Resources Committee will be asked to formally delegate ENC's legal services function (with the exception of those of the Monitoring Officer) to the new service provider under section 101 of the Local Government Act 1972.

## **2.0 Review of current arrangements with NBC**

- 2.1 The final contract agreed with NBC was based on the provision of 2286 hours per Financial Year. This was the number of hours ENC solicitors were contracted to work prior to the transfer taking place. Since the introduction of the shared legal service, processes have been put into place to review work instructions issued to NBC and record the number of chargeable hours used each month. This process has encouraged officers to be specific about the legal advice they require and it has already identified activities that can be carried out elsewhere within the council to ensure value for money is achieved. An example of this is the transfer of work relating to public health funerals to Environmental Services, who will seek reimbursement of costs from the estate of the deceased.
- 2.2 Whilst the service only started just over four months ago, the new work instruction process suggests that it should be possible to reduce future chargeable hours. During the first three months of operation of the shared legal service, the average number of chargeable hours used per month was 143. This compares to 190.5 chargeable hours per month currently provided for in the contract, which equates to about a 25% reduction. It should, however, be noted that it is still very early days in the shared legal service and the volume of legal work fluctuates month by month. A much longer period of monitoring would be required to provide an accurate prediction of future usage. It should also be noted that, despite using fewer hours, there have been no identified increases to risk levels.
- 2.3 In terms of customer satisfaction, the majority of feedback from service users has been positive. Attached at Appendix A is a summary of feedback received to date. Feedback provided shows customer ratings as follows:
- 76% good
  - 19% average
  - 5% poor

It is, however, acknowledged that there have been some initial teething problems. These have been limited in the main to the transfer taking place, new working relationships and trust being developed, changes to communication methods and the introduction of new business processes to record legal instructions. These lessons will be taken into account with the future provider of legal services.

## **3.0 Legal implications**

- 3.1 Depending on who is selected to provide ENC's legal services in the future, there may be implications relating to TUPE. This will be taken into account prior to any decision being made. ENC will obtain independent legal advice, where it is considered necessary, on potential areas like preparing or advising on the content of contractual documentation.

## **4.0 Risk implications**

- 4.1 As reported to the Policy and Resources Committee in July 2012, there continues to be a risk that the shared legal service will not deliver all the desired benefits. There is also always a risk that a significant legal issue will arise that requires a substantial use of chargeable hours, beyond that contained in the contract, for example on a planning appeal. This risk would have existed even if legal services were still delivered by solicitors directly employed by ENC.

## **5.0 Financial implications**

- 5.1 Any financial implications will be assessed when looking at future options and will be taken into consideration when looking at how to proceed. The Policy and Resources Committee will be provided with an update on the financial implications at a future committee. The aim will be to deliver the legal shared service within the existing

budget (excluding one-off items such as compensation payments or any required specialist external legal advice on matters such as employment issues, planning application appeals, examinations and regulatory enforcement cases).

## 6.0 Equality implications

6.1 As this report is for information only, an initial Equality Impact Assessment has not been completed. However, there are no known equality issues at this time.

## 7.0 Recommendation

7.1 Councillors are asked to note the content of this report.

*(Reason: to ensure Councillors are informed about ENC's legal shared service and NBC's intention to join legal services with LGSS)*

<b>Legal</b>	Power:				
	Other considerations:				
<b>Background Papers:</b> None					
<b>Person Originating Report:</b> Katy Everitt, Head of Resources & Organisational Development, 01832 742120, keveritt@east-northamptonshire.gov.uk					
<b>Date: 20 February 2012</b>					
<b>CFO</b>		<b>MO</b>		<b>CX</b>	

(Committee Report Normal Rev. 22)

Appendix A – customer feedback

