



Report to:	Strategy and Resources Committee	Date:	11 April 2016
Report title:	Admittance of LB of Wandsworth into the Shared Legal Service		
Report from:	Gerald Almeroth, Strategic Director of Resources		
Ward/Areas affected:	Borough wide		
Chair of Committee/Lead Member:	Councillor Simon Wales, Deputy Leader of the Council		
Author(s)/Contact Number(s):	Paul Evans, Head of South London Legal Partnership		
Corporate Plan Priorities:	<ul style="list-style-type: none"> ● An Open Council ● A Fair Council ● A Smart Council 		
Open/Exempt:	Open		
Signed:		Date:	29 March 2016

1. Summary

- 1.1 A report to agree the expansion of the South London Legal Partnership (SLLP), the shared legal services hosted by Merton LBC, with the joining of Wandsworth LBC.
- 1.2 The report is provided in support of accepting the request from Wandsworth Borough Council (WBC) to join the South London Legal Partnership (SLLP).

2. Recommendations

- 2.1 To agree that Wandsworth Borough Council are admitted to join the South London Legal Partnership.

3. Background

- 3.1 The South London Legal Partnership has existed in its current form since October 2013 when the Royal Borough of Kingston (RBK) and London Borough of Sutton (LBS) joined the shared legal service established in 2011 between the London Borough of Richmond upon Thames (LBRuT) and London Borough of Merton (LBM). Clause 20 of the collaboration agreement between the four councils who form the shared legal service states that "No new council shall be admitted to the Shared Service without the unanimous agreement of all then existing members of the Shared Service."



- 3.2 The SLLP has been providing legal services to the four partnership boroughs and associated bodies since 2013 – acting as the in house legal department to the four councils and using a mechanism to charge Councils for the legal resource used based on an hourly rate referred to as “hard charging”.
- 3.3 The shared service has been judged as a success with two thirds of internal customers surveyed reporting that service quality has improved. In addition the service has increased resilience and delivers on going efficiencies in streamlining its processes and reducing external legal costs. Staff surveyed agreed that the shared service has worked and has a clear performance and customer led culture
- 3.4 Work on the possible expansion of the service has been framed and developed around some important principles. These are as follows:
- 3.5 Customer satisfaction – the service should produce improved customer satisfaction with appropriate levels of responsiveness and client care as well as being able to respond effectively to individual client need.
- 3.6 Cost savings – the service should achieve reductions in spend on legal services for the same outcomes, including through improved efficiency of administrative and management operations , and reductions in spend on external legal advice as the in-house function would have greater resilience:
- 3.7 Risk minimisation – any merger needs to ensure the minimum disruption to the existing legal services and thereby the client services so that effective legal advice and support continues over the implementation period, and;
- 3.8 Culture and staff – the success of the service will aim to bring together staff from different organisational cultures and give them an environment that will inspire staff to achieve excellence. The shared organisation will be something they would be proud to work for with a high level of morale, good education and personal and career development
- 3.9 As part of the discussions between LBRuT and Wandsworth Borough Council (WBC) around their moves to create a Single Staffing Arrangement (SSA) a piece of work was carried out by WBC to assess whether it was desirable for them to request the opportunity to join the SLLP. This work has now concluded and in February WBC Cabinet agreed, subject to staff consultation, a commitment to join SLLP.
- 3.10 This paper details the proposed plan for the implementation of the merger between the SLLP and WBC legal team and presents it for approval by Sutton LBC



4. Issues

- 4.1 WBC plan to transfer their legal budget by transferring their team into the SLLP. They propose to transfer a budget of £1.4m. Likewise, they also propose to transfer a number of staff, the cost of which will come to approximately £1.2m. This will give Wandsworth a saving of around 10% of current non-management in house legal spend.

Deliverability

- 4.2 Analysis suggests that this expectation is deliverable. This is for the following reasons:
- 4.3 There are a number of efficiencies that WBC will receive due to their being a member of an already successful legal partnership. These include:
- Adopting workflows and processes to reduce the time spent on key types of legal files by SLLP staff – this includes use of the case management system which supports these ways of working
 - By delivering economies of scale between the five boroughs, there are pieces of work that will either be deliverable for WBC at the same cost as SLLP currently do or at least represent a substantial reduction on what WBC currently pay.
 - The SLLP will deliver a new structure which should provide a flatter management structure and thus reduce some costs
 - By using comparative data between the councils the SLLP will be able to identify areas where all Councils can reduce demand
- 4.4 In addition, WBC have two other factors external to the SLLP that should lead to lower legal spend:
- WBC and LBRuT are forming a SSA and as such it seems likely that both authorities should be able to reduce their individual demand on legal services
 - WBC have an external legal contract, currently with Ashfords LLP, which could be used to absorb capacity should WBC have more need for legal services than that which they are paying for.
- 4.5 It should also be noted that the hard charging mechanism at the heart of the SLLP allows for the board to manage demand between the different councils and if there is an authority making higher demands of the service than the funds they have allocated this can easily be picked up.

Benefits for Sutton Council

- 4.6 The four existing Councils in the SLLP including Sutton will see added benefits from an expanded service.



- A merger will create one of the largest and comprehensive local government legal teams in the country with over 110 staff with resilience, strength and depth across the range of local government legal disciplines
- Wandsworth has a strong team of lawyers with particular skills and experience in larger commercial property transactions, licencing, project support, litigation, housing and children's and education.
- A larger team will provide further opportunities for economies of scale and development I non staff costs including a cutting edge case management system
- A greater ability to introduce further improvements and cost saving to Sutton such as the transfer of all Sutton childcare cases to digital technology and increased use of in house advocates.

Project delivery

- 4.7 In November 2015, the SLLP governance board (which is made up of current partner authorities) agreed in principle, that if WBC were to join the SLLP then it would make sense to use this as an opportunity to review the structure of the service as a whole.
- 4.8 This would enable the service to set itself up for the future demands of the boroughs and not just assimilate WBC. At the time the board agreed that there were a few core tenets of the service that were not to change:
- Service continues to be based in one office with mobile working
 - A single case management and office operating procedure
 - The SLLP will operate a hard charging system.
- 4.9 In addition, the board agreed that the following issues were worth reviewing:
- Management team structure and capacity
 - Legal specialisms and groupings e.g. property and planning
 - Staff development and reward
 - Effective clienting by the Councils
 - A uniform, client led , performance culture
 - Be sustainable
 - Accommodate future savings with increased internal efficiencies and income production
 - Accommodate possible differential funding by Council's in the future.
- 4.10 As such the project to implement this new five borough SLLP has been designed to capture this element of service redesign as well as the technical work needed to add WBC to the service.
- 4.11 The project is based around a number of workstreams that will be staff led (including staff from WBC and SLLP) and will help to design the outline of the new service – this will then be followed by the formal staffing processes and the detailed implementation work.
- 4.12 This would mean the new service was ready to hit the ground running on the 1 April 2017.



Benefits to SLLP

- 4.13 The South London Legal Partnership has demonstrated considerable success over the past 3 years – delivering more efficient legal services to four London boroughs and leading the way in a number of key areas of innovation, including the development of the hard charging model case management system and the digitising of Children’s courts in South London.
- 4.14 All boroughs benefit from this and from the very competitive charge for legal services they currently pay. Adding another large London borough will increase the capacity of the service and allow it to continue to exploit its market position and service resilience to the benefit of all five boroughs. Further, because of the hard charging, strong governance board, synergies with LBRuT, external legal contract and the experience we have previously had bringing boroughs into the partnership with similar needs the risk to the four existing partners is minimised.

5. Options Considered

- 5.1 Expanding the SLLP will mean significant work in the short term but the proposal to use this as an opportunity to bring about other improvements in the service supports the overall direction of this paper – which is to recommend bringing WBC into the SLLP.

6. Impacts and Implications

Financial

- 6.1 The full set-up costs for this project have yet to be established but WBC will meet the costs for IT, data migration etc. as well as any costs related to establishing a hot desking space in WBC for SLLP staff to work in. All other costs should be minor and met in-kind.
- 6.2 Sutton originally targeted £360k of revenue savings from the Legal Service in 2012 with £200k of this being delivered through the shared legal service. This proposal for WBC to join the partnership will contribute to the final stages of that saving target and have the potential to exceed it in the medium term. The current budget for the four borough service is £4.5m, which excludes any external court or legal costs.

Legal

- 6.3 There are no significant legal implications further to those service improvements described in the body of the report.

Risks

- 6.4 The key risks are a reduction in service quality and responsiveness through the proposed implementation period, these will be mitigated by bringing in additional resources to manage the transition and close monitoring of the service with regular engagement with customers.



7. Appendices and Background Documents

Appendix letter	Title
None	n/a

Background documents
Report of the Strategic Director - Resources to Strategy and Resources Committee on 11 February 2013 - proposal for a shared legal service

Audit Trail		
Version	Final	Date: 23 March 2016
Consultation with other officers		
Finance	Yes	Gerald Almeroth
Legal	Yes	Paul Evans, SLLP