

**BUSINESS PLAN FOR LEGAL SERVICES (THE PRACTICE)
2016/17**

Service Leads			
Head of Practice	VACANT		
	Cambridge City Council	Huntingdonshire District Council	South Cambridgeshire District Council
Director	Ray Ward	Julie Slatter	Alex Colyer
Lead Councillor	Cllr Herbert	Cllr Harrison	Cllr Topping

APPROVED BY	Status	Date
Management Board	Draft	8/02/16
Shared Services Partnership Board	Draft	Electronically 17/2/16
Joint Advisory Committee	Final draft	29/2/16
Cambridge City Council [Executive Councillor and Scrutiny Committee]	Final	15/3/16
Huntingdonshire District Council Cabinet	Final	21/4/16
South Cambridgeshire District Council Cabinet	Final	14/4/16

3C Reporting timetable	
<p>Progress reports on Business Plan implementation and progress against key measures will be monitored at the monthly 3C Management Board meetings and then submitted every six weeks to the 3C Chief Executives' Board. Quarterly performance reports will be submitted to the Joint Shared Service Group (Leaders) prior to consideration by each partner at executive and scrutiny level.</p> <p>Progress updates in quarterly reports will inform the preparation of annual reports, to be submitted to the partners' decision-making bodies in <i>March 2017</i> as part of the strategic review process set out in Schedule 2 to the Partnership Agreement.</p>	
Version FINAL	Date 24 February 2016

A. PURPOSE OF THIS DOCUMENT

This is the proposed Business Plan for the Practice, part of 3C Shared Services, for 2016/17. It describes how the shared service arrangement outlined in the approved Business Case proposes to be delivered, to ensure objectives are achieved and business benefits are realised within a robust governance framework and in the context of the partner councils' corporate plans.

The following objectives have been agreed:

- Protection of services which support the delivery of the wider policy objectives of each Council
- Creation of services that are genuinely shared between the relevant councils with those councils sharing the risks and benefits whilst having in place a robust model to control the operation and direction of the service
- Savings through reduced managements costs and economies of scale
- Increased resilience and retention of staff
- Minimise the bureaucracy involved in operating the shared service
- Opportunities to generate additional income, where appropriate
- Procurement and purchasing efficiencies
- Sharing of specialist roles which individually, are not viable in the long-term

The Plan is divided into the following sections:

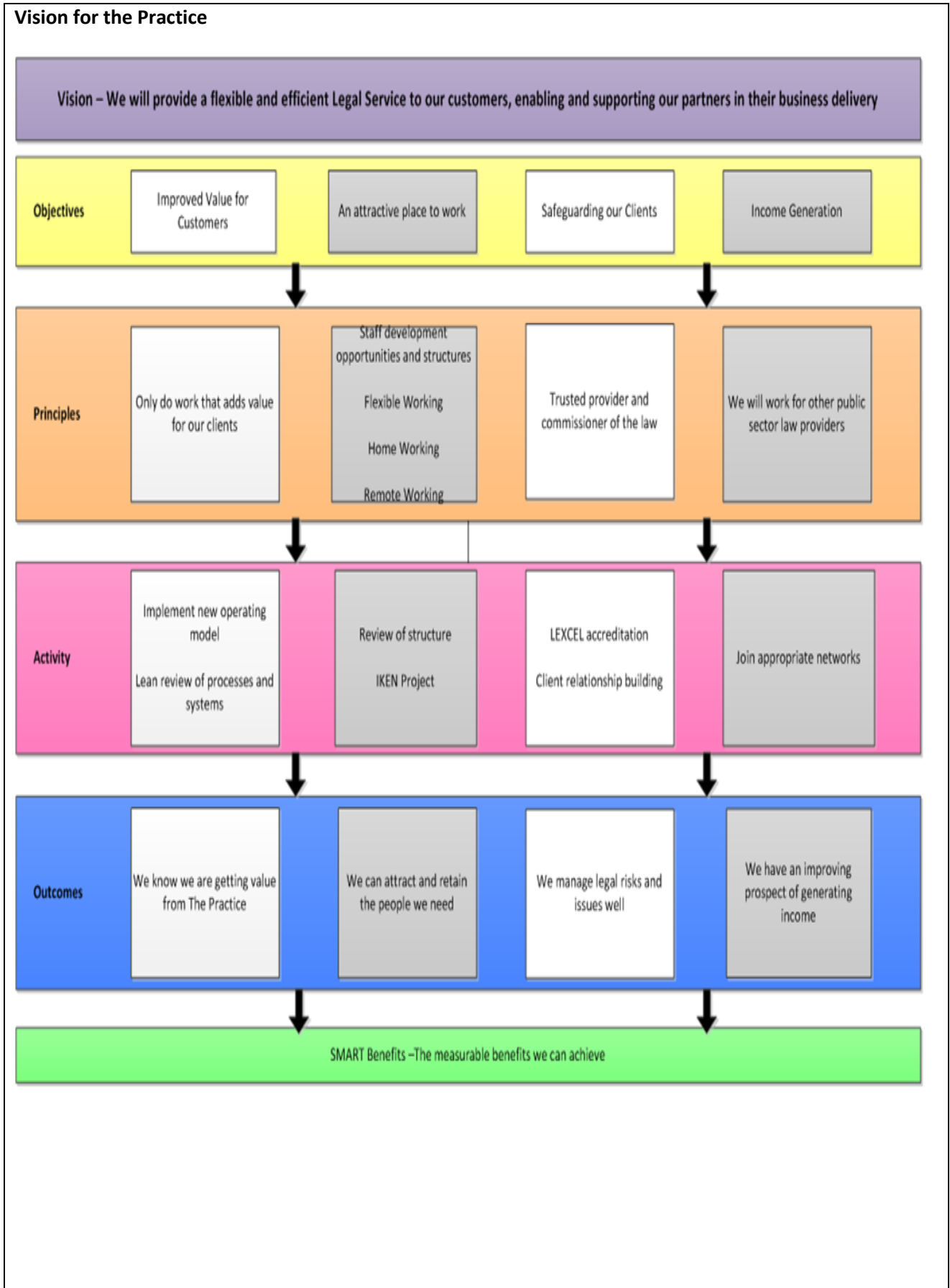
- Section 1: Context and Overview
- Section 2: Operational Plan (business as usual activities)
- Section 3: Development Plan (service improvement & project based activities)
- Section 4: Summary of Performance Indicators

B. DESCRIPTION OF THE SERVICE

Vision

The Legal Shared Service known as the Practice went live in October 2015. The service is in the transition stage and is moving from 3 distinct and separate units to a true shared service.

The rationale for the establishment of a shared legal service between CCC, SCDC and HDC is that it will enable a reduction in the externalisation of legal work through the broader sharing of legal capability, increase output from lawyers by managing non-lawyer work away from them, create a single point for commissioning legal services to improve value for money from the process of externalising legal work, increase the opportunity for income generation by offering legal services to public and voluntary sector bodies, and improve staff recruitment, retention and development.



This business plan will form part of ensuring that the Practice becomes a true shared service and that the benefits are realised.

Description of The Practice

The Practice carries out legal work for the 3 Councils covering all areas and types of work in which the Councils are involved including general legal advice, drafting documents and representing the Council in court.

The Practice is committed to providing an excellent legal service to assist the Councils in meeting its objectives and to ensure that the individual Councils act within the law.

Staffing

Historically each Council had a standalone Legal department (see appendix 1). Following TUPE, SCDC and HDC staff were transferred to CCC as employing authority.

The TUPE transfer consultation document included the new job description and person specification for the new post of Head of Legal Practice and proposed a new structure, showing two Service managers below the Head of Practice to head up the contentious and non-contentious teams. The role of Head of Practice was not disputed and is in the process of recruitment.

The main outcome of the consultation was that a re-design of the second tier management structure should be considered to make any management structure flatter and the arrangements for have been consulted on in a second consultation process which finished on 8 February 2016. As the outcome of the second consultation cannot be pre-empted, and for the purposes of this document only, an assumption is being made that there will be no major change to the structure under consultation (the business plan will be updated after the outcomes of consultation are known if required).

Objectives

Workshops have been completed with client departments and a clearer indication of the levels of expectations from the client departments is now known. How the Practice itself will be structured below the second tier of principal lawyers to meet the current and future demands of the clients of the Practice will be influenced by the outcomes of these workshops. It is a requirement of the Business case that client departments should inform the future operation of the Practice and feed into the Business Plan.

The Business Case also states there should be a review of accommodation requirements within the first six months of the Practices operation. This should feed into the accommodation strategy of each of the partnering local authorities' asset management plans.

Referring to the Business Case, the focus for the Practice remains the same as stated in the Business Case approved by all three Councils: A high standard of leadership, whereby the senior management team possess the right range of managerial, commercial, innovation and change management skills necessary to deliver the new service:

- Align current capacity with demand from within the practice itself
- Reduce external spend by 10% (i.e. £38k) in the first year of operation
- Optimise effective use of legal skills
- Reduce the books and publications spend

- Client departments to have a major role in developing the Business Plan
- Introduce appropriate KPIs to be monitored by the new management team of the Practice
- Income generation is key to the success of the Practice, and should derive income from legal costs incurred or recovered in a legal activity
- A detailed and comprehensive staffing review to be undertaken within the first year, based on an assessment of the needs of the new service and a new structure being implemented.
- To have a joint time recording and case management system
- A new management team be appointed to oversee a service-wide restructuring within the first year of operation
- Existing teams would stay where they are upon commencement of the practice however this arrangement would be reviewed within 6 months of operation

Stakeholders and Partners

The client services from the 3 partner councils are identified as key stakeholders and are being liaised with through workshops and meetings to review current and further requirements.

C. FINANCIAL OVERVIEW

The Business case is based on:

- A Practice budget of £1.4m
- A 10% reduction in external spend is expected to achieve savings of £39k.
- Better commissioning of external legal advice
- The re-structure will see efficiencies in management and business support arrangements (latter being driven by the extended use of technical support via IKEN, together with better processes) expected to achieve a balance of £140k balance of the savings

Therefore the proposal is to achieve savings of £179k from 2016/17.

The table below is an illustration of the reduction in net budget as a result of the proposed savings targets for 2016/17

The Practice Budgets (excluding recharges / overheads)

	Year 0*	Year 1		
	2015/16	2016/17	Savings	Savings
	£	£	£	%
Gross Budget	722,035	1,303,800	140,270	
Less Income	125,355	289,440	38,730	

Net Budget	596,680	1,014,360	179,000	15%
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*Yr. 0 figures are for the 6 month period from Oct 15 to Mar 16. Year 0 figures assume savings already taken from Partners prior to baseline budget setting.

2016/17 savings shared by Council in proportion to 2015/16 gross budget contribution

57.21%	14.05%	28.74%	
CCC	HDC	SCDC	Total
£	£	£	£
102,403	25,146	51,451	179,000

Budget monitoring for the period Oct 2015 to December 2015 is illustrated below

	Budget to Date	Actual to Date	Variance Over/(underspend)
Expenditure	£361,110	£317,445	(£43,665)
Income*	(£62,770)	(£29,483)	£33,187
Net	£298,440	£287,962	(£10,478)

**This only includes fees collected at Cambridge City Council. A further £37k is due from SCDC for the period Oct-Dec 15 in respect of fees from s106 agreements.*

D. STAFFING OVERVIEW

In October 2015 Cambridge City Council became the Employing Authority for the Practice. The current structures are shown at appendix 1 and the proposed structure is shown at appendix 2 the latter is the subject of the second consultation which commenced on the 6th January 2016 and concluded on the 8th February 2016. This consultation and the client workshops will inform the structure of the Practice moving forward.

The flatter structure, with the principal solicitors taking on the leading roles in specific discipline of the Practice with knowledge in other disciplines, will allow for a broader range of skill sets, whilst still retaining the specialism which client departments have shown a preference for. The creation of the Business Support Manager role will allow the Practice to be more resilient and more responsive by stripping out the routine administration work, allowing the lawyers to focus on legal work. Client workshops have been held to identify their aspirations and needs to enable the Practice to build the right level of efficient and effective capacity and capability going forward. The staff have been engaged in this process through away days, completing a basic skills template and providing details of their experience of capacity demands from client

departments.

It is acknowledged that the Practice staff have and are still going through major change with the implementation of the shared service. Staff are being briefed through regular newsletters, team meetings and electronic communications. Staff have been encouraged to provide feedback and comments on any proposed changes to the structure or processes of the Practice.

The Practice is carrying several vacancies at present. In order to maintain service to clients interim arrangements have been put in place. This consists of arrangements with external third party suppliers of local authority legal services to support the Practice through its transition to full structural operation in summer 2016. This solution will be funded by the use of savings made from vacant posts and is on the basis that the Practice will only pay for the work carried out by the third party supplier.

To further improve the transition from 3 individual services to one single shared service a review of accommodation requirements and ways of working is underway. Staff will be consulted on this following on from the management structure consultation.

The recruitment process to Head of Practice is underway and Ray Ward (Director of Business Transformation) is acting Interim Head of Practice during the transition period.

E. LOOKING BACK

Achievements

1. The Practice is still within budget and over the past three months (over the life of the Practice). There is a current underspend of approximately £92k on permanent staff costs. However there is an overspend on temporary staff during this transition which amounts to approximately £72k, which leaves a net underspend of some £20k. The income for the Practice also appears to be on target for 2015/16. Monthly meetings are held to monitor the budget.
2. A review of client demand has also led to a negotiated increase in budgetary contributions to the Practice from partner councils.
3. No vacancies have been recruited to at the moment pending the reviews of the service, however interim arrangements have been put in place to minimise any affect to client services.
4. There is evidence of the flexible use of legal resources across the three Councils. The formal introduction of revised structures and working arrangements will build on and accelerate this
5. The Practice now operates a uniform case management and time recording system, so time can be captured by all fee-earners. Further work is required to maximise the use of the system.

F. LOOKING FORWARD

The Practice plans to increase its efficiency and effectiveness to its three partner Councils by bringing in some of the work which is currently outsourced, better more focussed use of “Legal” time, developing new and streamlining processes. It will also improve resilience in covering the legal requirements of partner councils by the flexible use of its legal capability.

The next phase of our restructuring of the Practice will focus on developing a structure that facilitates career progression to enable improvements in the recruitment and retention of staff – this work will be completed in summer 2016.

One area identified that can assist the three historic teams becoming one is accommodation. It is thought at this stage that moving the staff over to one base with two hubs, will help build a stronger more integrated team which currently has challenges simply because of the geography and locations of the three offices. Any changes will be consulted on with the staff in advance.

With the introduction of standard case management system and time recording system the aim is to get people working more flexibly through home working, remote working and the use of regional hubs. Putting adequate ICT solutions in place is key for the delivery of this objective and further work is being carried out in this area.

The service client workshops has identified the following areas of focus for the Practice:

Opportunities

- Harmonisation of policies, procedures and constitutions
- Ability to provide legal advice for commercial opportunities
- Consistency of legal advice
- A single point of contact
- To be less risk averse
- More procurement opportunities
- Increased self-help for client departments
- Specialist advice across whole spectrum of Councils’ work
- Obtaining government grant funding

Cambridge City Council currently has Lexcel accreditation This is a management accreditation recognised and run by the Law Society and the process is vigorous. It is a prestigious award; where local authority in-house departments can shine against their private practice counter-parts. It is an aspiration for the Practice to have consolidated accreditation.

G. COMMUNICATION AND CONSULTATION

On-going dialogue will continue with Client departments and the Practice staff via the workshops and face to face meetings, team meetings and the regular newsletter. A weekly update email is to be sent out to all Practice staff to keep them updated on progress, issues and updates.

The interim implementation manager has also been meeting with managers, to discuss levels of service to their departments during the transition and it is intended for this to continue in the short-term, until the recruitment of Head of Practice. During discussions a consensus is emerging that is welcomed, namely that

specialist leaders in their fields are necessary but also a much broader skill range to cope with the ever-increasing demands for legal services.

Consultation on any potential office moves is planned imminently, to avoid as much disruption as possible.

Early indications of the outcomes from the workshops have been mentioned in section F. An outcomes report will be prepared in order to feed into a future Business Planning, and provide the necessary evidence for the Head of Practice to take the Practice in the right direction in the future.

The interim implementation manager will report monthly to the Management Board for Shared Services through a highlight report providing information on progress, risks, issues etc.

SECTION TWO – OPERATIONAL PLAN 2016/17

This Section sets out the “Business as Usual” priorities and the activities that *3C Shared Legal Services* will undertake to deliver value-adding services to customers.

	Priorities for the service	State where these priorities are outlined <i>(i.e. Corporate plans, ICT strategy)</i>	Actions that will deliver the priority	Outputs from the activity	Outcomes from the activity	Lead Officer
1	<p>Integrate varying policies and procedures of the three Councils into single policies and procedures e.g. the recording and collection of disbursements, the payment of fees to bodies such as HMLR and courts</p> <p>Integrate a single fees charging mechanism and charge out rate for the fee earners</p>	<p>Identified from the workshops - work in progress</p> <p>Business plan and client departments</p>	<p>Investigation into the varying policies and procedures to unite these and form into single policies and procedures</p>	<p>Single policy and procedure where appropriate</p> <p>Make a comparison of fees and charges and look at updating these to have a single fees and charges model</p> <p>Compare costs allowed by the courts</p>	<p>Uniform policy where appropriate.</p> <p>Uniform procedures for handling legal matters</p> <p>Uniform fees and charges</p> <p>Uniform system for payment to bodies</p> <p>Uniform charge – out rates</p>	MM

2	Review what work is outsourced at the moment and make and review if it could be carried out in-house where possible	Initial business case agreed at July 2015 S&R Committee	Analysis of external spend and review of capability and capacity within the Practice	Reduce the legal spend of the practice	A reduction in the cost of outsourced work More work being carried out in-house	MM
3	An interim solution to the work force situation	Business Plan	Procure a third party supplier with call off arrangements. Carry out a mini procurement exercise	Appointment of a third party supplier to call upon as and when to plug the gaps	The client departments to have an efficient and professional service during the interim	MM

Priority	Performance Measures <i>(provide a list only - target information is included in section 4)</i>	Dependencies <i>(ICT, Finance, Human Resources, accommodation etc)</i>	Key risks to delivery <i>(include how these will be mitigated)</i>
1	Cycle time – to provide insights into the timeliness of delivering legal services	ICT system Business Process Review (BPR) Accommodation Strategy implemented	BPR work not carried out - Mitigated by review the resource required across all the shared services and allocation adequate resource ICT system not working - Mitigated by highlighting issues through the Management Board for escalation
2	Process efficiency – to outline how well the processes and procedures are designed	Business Process Review Lexcel Accreditation	BPR work not carried out - Mitigated by review the resource required across all the shared services and allocation adequate resource Lexcel Accreditation not achieved - Resource to be allocated to implement changes, standards and liaise with Lexcel

3	Staff productivity – to assess the outputs delivered by legal personnel	ICT Use of case management system	<p>ICT system not working</p> <ul style="list-style-type: none"> - Mitigated by highlighting issues through the Management Board for escalation <p>Staff are not recording their time correctly</p> <ul style="list-style-type: none"> - The Business Manager will be providing regular reports to the Head of Practice and immediate correctional action can be taken
4	Cost effectiveness – to reflect the quality of financial management	Finance ICT	<p>The Practice does not deliver stated savings</p> <ul style="list-style-type: none"> - The budget will be monitored monthly and reported to the Management Board for reporting or action

SECTION 3: 2016/17 SERVICE DEVELOPMENT ACTIVITIES

Development objective	Design, agree and implement accommodation strategy	Describe the desired outcome – what will it look like when it has been achieved?	The Practice staff located in the post appropriate locations with the ability to work from home and work remotely	Lead officer	<i>Maria Memoli – Interim Implementation Manager</i>
Is this a Project?	This is a project which has already commenced and is due for completion by July 2016.				
Business Benefits			How will it be measured?		
<u>Better integration of teams</u> <ul style="list-style-type: none"> - Integrating the historic teams to become one - Easier to influence historical cultural differences - More clarity for client services on points of contact 			Feedback from staff to be sought through consultation Customer and staff satisfaction will be measured by way of regular feedback forms and meetings.		
<u>Alignment with CCC and wider shared service accommodation strategies</u> <ul style="list-style-type: none"> - Better use of accommodation through the 3 Councils estates - Increased use of hot desking - Focus on remote and home working 			Aim of desks to staff ratio of 7 to 10 employs measured. Business Manager to produce report on remote and flexible working figures to the Management Board.		
<u>Increased flexibility for the Practice staff</u> <ul style="list-style-type: none"> - Ability to work from various locations - Ability to work from home - Hubs in place near local courts 			Plan implemented and in use		

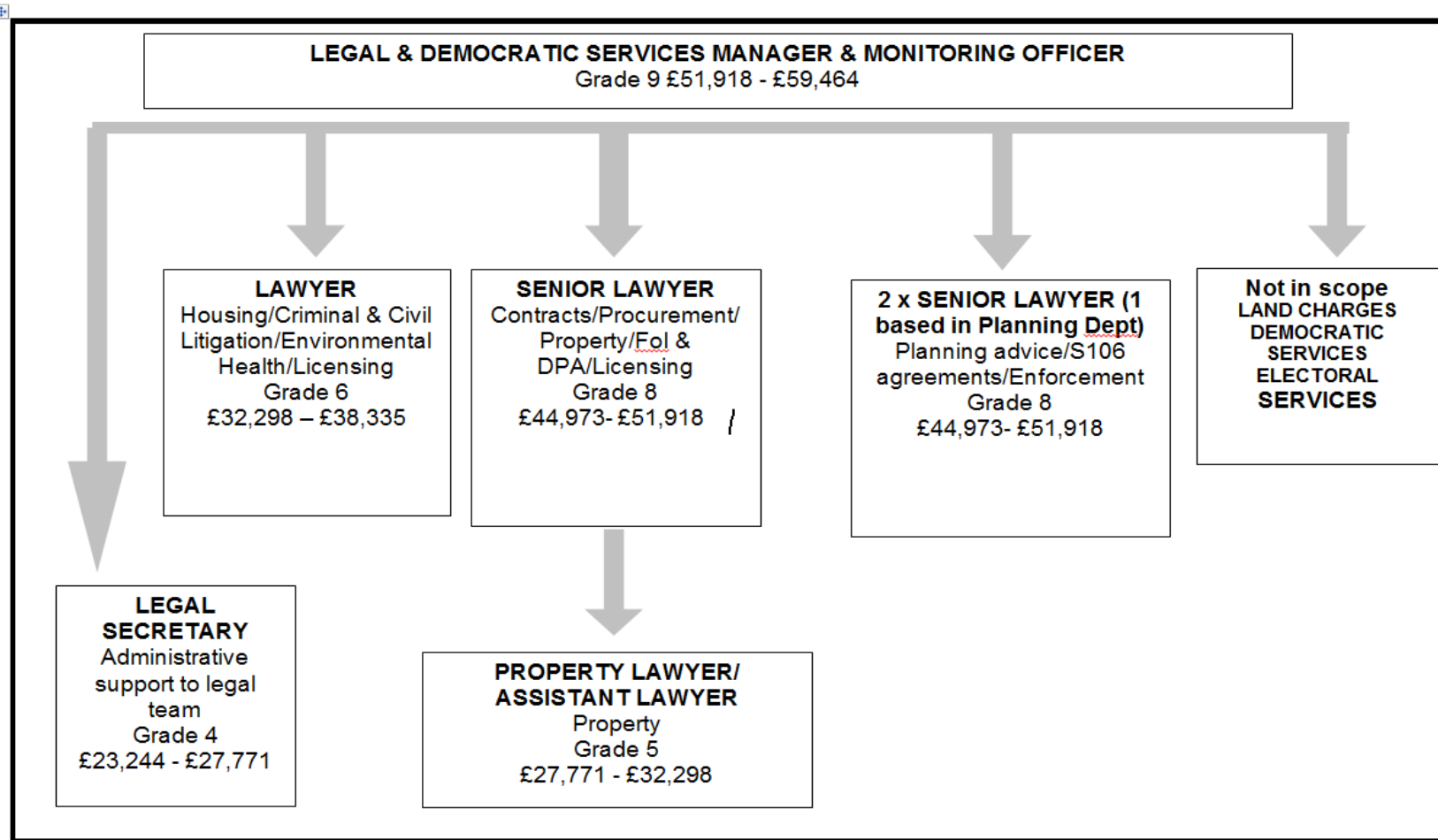
Outputs & products	Resources	Responsible Officer	Target delivery date
Accommodation Strategy Consultation Document Implementation Plan	Ray Ward – Sponsor Maria Memoli – Project Manager Alex Coyler – MAC Lead Richard Wesbroom – Finance Ruth Leyshon-Wilson - HR	Ray Ward	July 2016
Key risks	ICT infrastructure does not support vision Capacity to deliver on time		

SECTION 4 – KEY PERFORMANCE INDICATORS (KPIs)

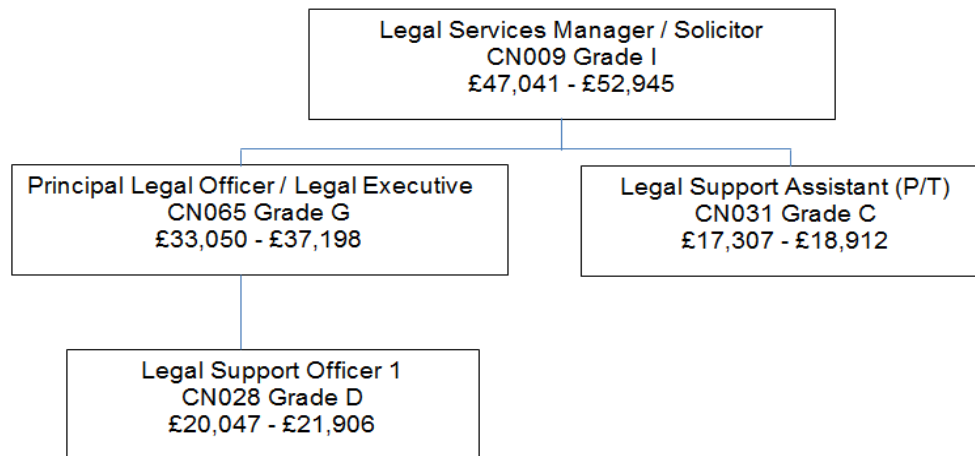
KPI Reference and Description	Reporting frequency	2015/16 Target	2015/16 Final Outturn	2015/16 Target	2016/17 Year End Estimate
Key Service PIs (to be selected from the action plan at section 2A)					
Cycle time – to provide insights into the timeliness of delivering legal services – aim to reduce overall cycle time by 10% against baseline by improving demand management	Monthly to Management Board	n/a	n/a	n/a	TBC
Process efficiency – to outline how well the processes and procedures are designed – aim to remove 25% of waste from processes	Monthly to Management Board	n/a	n/a	n/a	TBC
Staff productivity – to assess the outputs delivered by legal personnel – aim to increase staff productivity by 10% over agreed baseline	Monthly to Management Board	n/a	n/a	n/a	TBC
Cost effectiveness – to measure achievement of 15% saving from baseline budget	Monthly to Management Board	n/a	n/a	n/a	Savings of £179K
Customer Satisfaction surveys – to establish baseline level of customer satisfaction	Monthly to Management Board	n/a	n/a	n/a	TBC
Reduction in externalisation of work – to measure achievement against the 10% reduction target	Monthly to Management Board				

Appendix 1

Existing Structure Charts (as at August 2015) - South Cambridgeshire District Council Legal Services Structure



Existing Structure Charts (as at August 2015) - Huntingdonshire District Council Legal Services Structure



Appendix 2 Proposed Structure

