

**BUSINESS PLAN FOR LEGAL SHARED SERVICE
2019/20**

Service Leads			
Head of Practice	Tom Lewis		
	Cambridge City Council	Huntingdonshire District Council	South Cambridgeshire District Council
Director of Shared Service	Fiona Bryant	Oliver Morley	Mike Hill
Lead Councillor	Cllr Robertson	Cllr Tysoe	Cllr Hart

APPROVED BY	Status	Date
Steering Group		
Management Board		
Joint Leaders and CEX Group		
Cambridge City Council [<i>Executive Councillor and Scrutiny Committee</i>]		
Huntingdonshire District Council Cabinet		
South Cambridgeshire District Council Cabinet		

Reporting timetable	
<p>Progress reports on Business Plan implementation and progress against key measures will be monitored at the quarterly Member Steering Groups and subsequently Management Board meetings. Quarter 2 and end of year performance will be submitted to the Joint Leaders and CEX Group. The Annual Report and draft Business and Finance Plans will feed into the corporate planning / MTFS cycles in July and January each year.</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 2019</i> as part of the strategic review process set out in Schedule 2 to the Partnership Agreement.</p>	
Version	Date

SECTION 1: CONTEXT AND OVERVIEW

A. PURPOSE OF THIS DOCUMENT

This is the Business Plan for the Legal Service, part of 3C Shared Services, for 2019/20. It describes how the shared service arrangement outlined in the approved Business Case will 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.

B. DESCRIPTION OF THE SERVICE

The Legal Shared Service known as the Practice went live in October 2015.

The Practice is an internal facing service (unlike Building Control for example) providing advice to the 3 partner authorities. The Practice does not provide a service directly to the public.

The first full financial year of the Practice was extremely challenging with the need to claw back a substantial overspend. Last year the Practice delivered a surplus (£39k) in relation to its budget while it should also be noted that the Practice has achieved the £150k savings target identified in the original business case.

The figures for this financial year show the Practice to be in a much better position and on track to deliver a budget surplus of approximately £120k. This represents a real achievement.

The Practice has sought to develop the role of the intelligent client across the partner authorities. By working closely with clients to understand their needs and make the best use of their knowledge and expertise the Practice has been better able to deliver effective legal services and add value. The intelligent client role has seen processes for the Practice refined and has sought to involve legal at the earliest possible stage in projects to allow potential problems/pitfalls to be identified and where possible pragmatic solutions delivered. In areas such as procurement where collaborative exercises have been run across the partnership the Practice has been to support that process and work closely with relevant teams.

Where it has been necessary to procure external expertise to provide legal support to particular matters the intelligent client role is one where the Practice will work with the client to understand that need and source the most appropriate and cost effective solutions from the market place. The support offered by the Practice would continue as needed working alongside those external colleagues and the client.

C. FINANCIAL OVERVIEW

	BASELINE 2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL SAVINGS ACHIEVED
	£	£	£	£	£	£
Baseline Budget	1,193,360					
Savings Target	-179,000					
Savings Target %	15%					
Original Budget		1,193,360	1,120,490	1,149,370	1,191,220	
Add - Inflationary adjustments including pay award		46,130	28,880	41,850	37,880	
Budget plus inflation		1,239,490	1,149,370	1,191,220	1,229,100	
Savings Achieved on Inflated Budget		-119,000	0	0	-119,100	-238,100
Revised Budget (Net of savings and inflation)		1,120,490	1,149,370	1,191,220	1,110,000	
Savings Achieved		-10%	0%	0%	-10%	

Forecast Budgets - Including Savings

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	£	£	£	£	£	£
Gross Budget	1,389,660	1,390,760	1,418,575	1,446,947	1,475,886	1,505,403
Less Income	198,440	280,759	286,374	292,102	297,944	303,903
Shared Services Contribution	1,191,220	1,110,001	1,132,201	1,154,845	1,177,942	1,201,501

Budget contribution by each Partner

	54.22%	18.54%	27.24%	100.00%
	CCC	HDC	SCDC	TOTAL
	£	£	£	£
2017/18	623,230	213,060	313,080	1,149,370
2018/19	645,813	220,862	324,545	1,191,220
2019/20	601,843	205,794	302,364	1,110,001

The tables on the previous page show some extremely positive results for the Practice.

In the original business case for the Practice the target for the Practice was to achieve a saving of 15% on the baseline budget of £1,193,360. This was achieved and in fact savings of 20% were delivered thereby exceeding the target by 5%. In figures savings of £119k were achieved in 16/17. For the next financial year 19/20 savings equated 10% of current budget have been identified. These will equate to £119k. Against the original business case target of 15% the Practice would therefore have delivered a saving of 20% or £238K against the baseline budget £1,193,360. The savings are split according to budgetary contribution across the partnership.

Currently the Practice has exceeded its income target for the financial year (this is included in the forecast £120k surplus) and at the end of December had generated income of £212k (against a target of £198k for the financial year). It is therefore well on track to match or even exceed the extremely positive income figure generated for the last financial year of £247k.

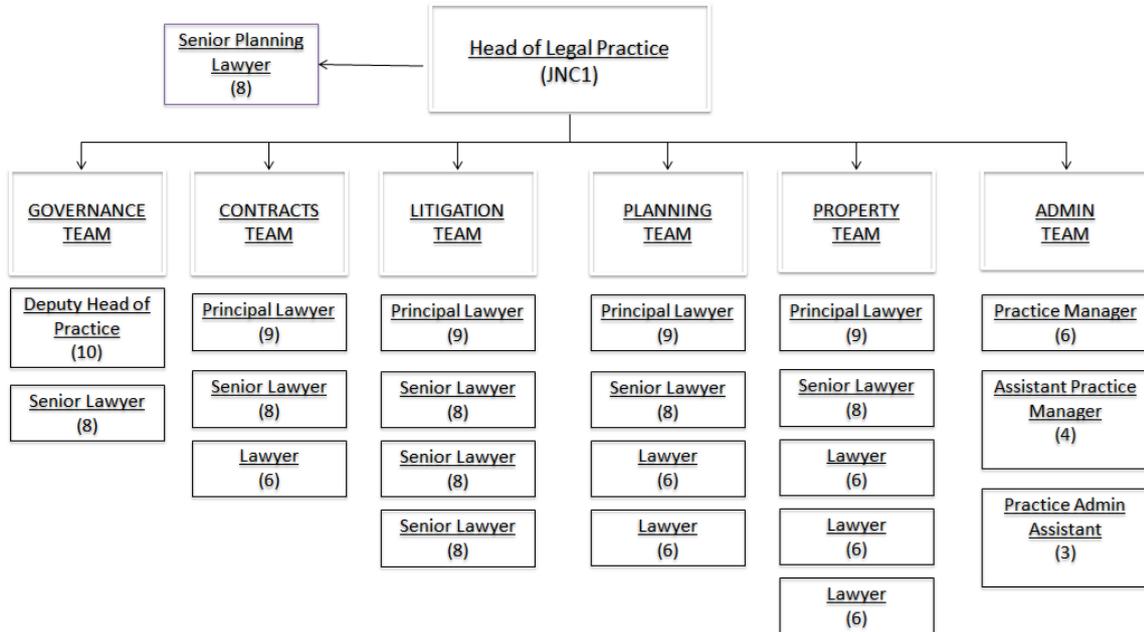
D. STAFFING OVERVIEW

Organisational Structure

The Practice currently has 23 posts in its structure and follows the Cambridge City Council policies and procedures in relation to recruitment/handling of existing staff.

For ease of reference an up to date organisational structure is produced overleaf showing the composition of the team:

Legal Practice Structure Chart (Pay Bands in brackets)



Looking at staff sickness levels across the Practice for the reporting year to date there has been 72 days sickness since 1 April 2018.

Based on current staffing levels this works out at 4.5 per full time employee, the corporate target for Cambridge City Council is 7.7. This is a positive performance for the Practice and will be considered for the whole year in the end of year report for the Practice.

Equality :

All recruitment adheres to the Cambridge City Council policy to ensure all applicants are treated fairly. Recruitment and selection meets the requirements of Equal Opportunities Employment Policy, the Equality Act 2010 and all other relevant employment legislation. The Practice adheres to all other relevant Cambridge City Council policies in relation to Equality.

The year has seen a marked improvement in the level of hours recorded by fee earners. It was not ultimately possible to submit to Lexcel accreditation but the drive to improve processes and more effective utilisation of fee earner time occasioned by preparatory work for potential inspection has delivered a lasting benefit to the Practice.

In terms of Lexcel accreditation the decision by the Law Society not to consider the application by the Practice was disappointing given the positive indications provided in the build up to the submission. The reason provided was that the Practice was not a legal entity in its own right. It would be possible for each of the constituent Council's to be separately accredited. This would require completely separate applications for each Council. This would be possible but the cost of doing so would be considerable and would throw up practical difficulties (for example the need for separate accountancy) but could be explored further in the future. It would also be the case that Lexcel accreditation would be possible in the event the Practice were set up as a stand-alone company. This is an option which will be considered further in a future paper to be brought before members.

The last 2 reporting quarters have seen a continuation of the positive performance shown by the Practice towards the end of the last reporting year. That positive progression allowed the Practice to achieve a figure for recorded hours within 1% of the annual target with those last 2 quarters in excess of the target at greater than 100%. For this year the first 2 quarters have shown delivery continue in excess of target despite IT downtime a trend which is continuing into the third reporting quarter:

Performance – 1 April 2018 to 31 December 2018

Target Hours	Actual Hours	Variance
12,470	11,335	-1,135
	KPT Target	95%
	Actual	91%

Note:-

330 hours were lost to ICT issues, including the Iken Upgrade

The achievement of a 91% return in relation to target hours does narrowly fall short of the 95% KPI target. The improvements represented by Council Anywhere will certainly assist in hitting the target for the next reporting year. Improved processes and efficiency across the Practice, including the enhancements to the IKEN practice management software will also assist in this regard.

Positive performance has been mirrored in relation to successful litigation outcomes where performance has exceeded the KPI target of 75% with figures in excess of 90%. This is extremely positive:

Successful Litigation Cases – 1 April 2018 to 31 December 2018

Council	Cases Closed	Cases Marked as Successful	Success Rate (%)
CCC	182	153	84.07%
HDC	361	325	90.03%
SCDC	28	22	78.57%
		KPI Target	75%
		Overall Success Rate	87.57%

In terms of the high number of cases comparatively for HDC this is explained by the work undertaken by the Practice in relation to debt recovery and parking prosecutions. In terms of complexity such matters are more straightforward. Work is underway with the client to seek to enable the client to process more routine paperwork /activity on these matters which is a more effective mechanism for interfacing with court/public. However, the figures remain extremely encouraging and it is certainly the case that the work currently underway with the client (developing that intelligent client role) will seek to enhance the success rate.

In overall terms it is worth reflecting on the current split of cases open across the Practice.

	Cases Open as at today	
CCC	338	53.65%
HDC	177	28.10%
SCDC	115	18.25%

Here the split across the Practice reflects comparative budgetary contributions when the 56 parking prosecutions currently underway for HDC are taken into account.

Customer satisfaction levels (as reported quarterly to the management board) have also exceeded the 90% KPI target set last year.

3C Legal Practice – Client Satisfaction

April 2018 to date

Surveys Sent during this period	391
Returned	144 (63%)
Clients expressing satisfaction*	384
Clients expressing dissatisfaction	7
Satisfaction achieved	98%

*clients who do not return their survey within 14 days are deemed satisfied with the service.

Working with clients through regular liaison meetings encourages feedback and interaction in addition to the client satisfaction surveys. These are available to clients at every level of the Practice and regular meetings are something which have been increasingly developed across the Practice over the last 12 months. By listening to clients concerns and feeding back any areas where they can assist the Practice (through improved instructions/processes for example) the work of the Practice has become much more client focused.

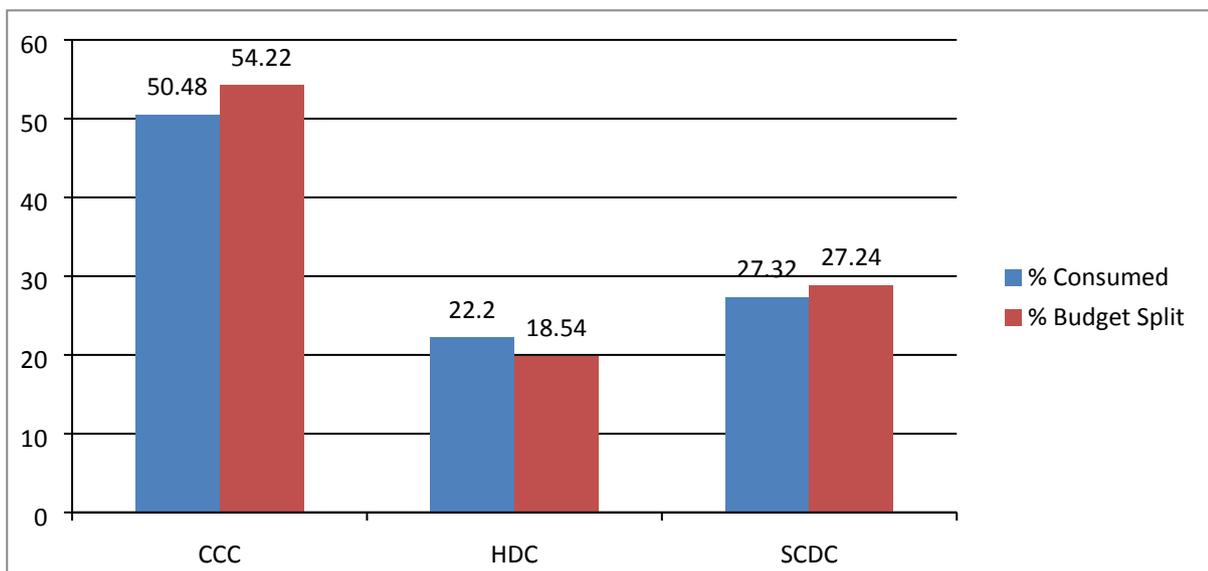
The Practice has settled into its principal hub office at Cambourne but has generally seen staff integrate into the shared structure with far greater staff movement between offices at Cambridge, Cambourne and Huntingdon. This is to the benefit of the Practice and clients in enabling greater resilience/client interface.

Performance on income generation has remained positive as against target while increased efficiency on spend in relation to agency staff has enabled the Practice to remain on track to deliver a budgetary surplus of approximately £120k.

Several welcome additions have been made to the staffing structure and there are currently 2 live recruitments with a view to enabling further full time appointments. The market remains a difficult one and it is a challenge to attract high quality staff. Flexible working is an extremely valuable selling point in attracting staff to the Practice.

Consumption – 1 April 2018 to 31 December 2018

Council	Hours Consumed	
CCC	5,876.90	50.48%
HDC	2,585.09	22.20%
SCDC	3,180.03	27.32%



Budgetary contributions by the respective Councils' remain in line with consumption as demonstrated by the final table above.

F. LOOKING FORWARD

The roll out of Council Anywhere should greatly benefit the Practice.

There have been a number of difficulties with the IT platform across the last 12 months .In simple terms loss of network connection for fee earners has meant that they are unable to log on to the practice management system (IKEN) to work: given that all files, templates, time recording facilities are via this system. As well as issues with simply accessing the network there have been difficulties with IKEN and its interface with current systems and software. This is a problem which would not be resolved by using another practice management package. Essentially any such package would be set up to interface with more up to date software packages than currently in use by the Practice. For a small additional fee (approximately £5k) the Practice has upgraded its IKEN package (following liaison with ICT). This has practical benefits in terms of allowing greater analysis of work in progress but should also assist the software to interface with the ICT platform.

In addition ICT have made a single point of contact available to the Practice to co-ordinate and deal with service specific issues which has helped. Council anywhere should improve matters considerably with the update in software assisting both in accessibility and cohesion with the IKEN system. The benefits in productivity and therefore efficiency are perhaps obvious. However, what is crucial to enable the Practice to progress is the ability to attract and retain staff. Efficient flexible working arrangements

are a huge plus point in selling the Practice as a good environment in which to work. Better access to IKEN and improved ICT systems will enhance flexible working and therefore the attractiveness of the Practice to staff.

The business continuity plan for the Practice has been developed to reflect the importance of continuous liaison with ICT and the specific expertise now carried by ICT in relation to the IKEN system. This should enhance resilience for the Practice considerably. On the ground a text and what's app group have also been established for internal communication amongst the Practice.

It is vital that the good work of the past 12 months in developing the effective, cohesive relationship between client and lawyer continues. Efficient working practices can continue to be developed with this relationship to encourage the best use of time for both parties.

Positive engagement with (as just one example) the Director of the 2c Shared Planning Service is seeking to reduce external spend on Counsel (involved in the Local Plan). Given the ability of the Practice to seek to negotiate preferential rates with Counsel and identify appropriate seniority there is a great deal the Practice can do to assist matters. If it is the case that external legal spend is not been directed through the Practice the role out of FMS will allow this to be effectively captured.

Working closely with clients allows the Practice to make the partner Councils' more effective by identifying potential risks/challenges early in any project and working to either find a solution or mitigate risk. An example of such assistance can be seen with Cambridge City Council's Quality Assurance Group where legal are one of a number of participants to input into new projects at the earliest possible stage.

Risk is an area where next year the Practice will welcome the opportunity to participate in a group to challenge the current risk appetite across the partner Councils'. There could be developed a group to consider how risk is approached (with involvement from audit and accounts) with a regular meeting to challenge/adapt the current approach.

The Commercial growth of the practice will be considered in a future paper to be brought before members in July. The current position for income generation is positive. This year's target has already been achieved as outlined in the financial overview.

Risks and Threats:

Risk Description	Risk Mitigations
IT - continued disruption to the service caused by systems failures, outages, inability of staff to log on/access practice management (IKEN) system.	Roll out of Council Anywhere and continued work with ICT to alleviate current issues. Development of IKEN specific expertise in ICT and improvements to the IKEN package. Roll out of What's App internal group.
Loss of staff – salaries in the relation to private practice are not on the same level and the cost of living in the surrounding area is high. This together with any number of other circumstances could lead to the loss of staff.	The IKEN management system allows for work to be picked up by alternate fee earners. The role out of Council Anywhere should assist in boosting ability of current staff to work from further afield whilst aiding recruitment. Access to locum/temporary cover via framework agreements assists in relation to any recruitment gaps.

G. COMMUNICATION AND ENGAGEMENT

On-going dialogue will continue with Client departments and the Practice has set up an Intelligent Client

role to liaise with individual partner's authority's needs, consumption rates and issues.

The Client Care brochure is available via the following link -

<http://intranet.3csharedservices.org/media/1317/client-care-brochure.pdf>

A number of regular client meetings are in place across the Practice for litigation, planning, property and procurement teams seeking feedback on the performance of the Practice, to discuss and agree changing and new priorities, and identify opportunities for improvement and service development to meet colleagues' needs and increase external income generation. These meetings are extremely helpful in identifying any areas where performance can be improved and equally in allowing areas where the client can assist in improving performance through for example the provision of better instructions or in assisting with assembly of information.

In addition the Head of Practice has had useful discussions with various heads of service/Directors in order to drive through improved performance and enforce good practice in terms of instructions to legal as well as considering how best to procure future external legal advice. To foster the best possible working relationships such dialogue at fee earner/Head of Service level is encouraged and available at any time. In the last 12 months an example of the efficiencies that can be generated through such cooperation has been the increased client role in readying information to submit to the court service in relation to housing matters.

SECTION 2: OPERATIONAL PLAN 2019/20

SECTION 2A: BUSINESS PLAN PERFORMANCE INDICATORS

	Priorities for the service	State where these priorities are outlined (<i>Corporate plans, strategies</i>)	Actions that will deliver the priority	Outputs from the activity	Outcomes from the activity
	Embed the use of consumption recharging model	3C Management Board Business Case	Use of coding with Iken time recording system	Quarterly consumption report for partner authorities	Ability for partner authorities to identify areas for reduction in legal spend

<p>Reduce external spend across partner Councils by improving 3C Legal commissioning role and reviewing what legal work is outsourced by Councils at the moment outside the 3C Legal framework and review if it could be carried out in-house where possible</p>	<p>Initial business case agreed at July 2015 S&R Committee</p>	<p>Analysis of external spends across each Council.</p> <p>Review of direct delivery and commissioning capability and capacity within the Practice. This will be assisted by use of FMS across Partner authorities.</p>	<p>Reduce the external legal spend of each Council and the Practice</p> <p>Improve commissioning of external legal advice to deliver quality, value-for-money support.</p> <p>3C Legal has an accurate and timely oversight of all externally commissioned legal work and future need.</p>	<p>A reduction in the cost of out-sourced work</p> <p>More work being carried out in-house</p> <p>Improved value-for-money for partner Councils</p>
<p>Improve performance management of the Practice through the use of the new IKEN Analysis and Reporting Module.</p>			<p>Detailed management information on the caseload, resource consumption and performance of the Service</p>	<p>Partner Councils are satisfied with the Practice's performance.</p> <p>Partner Councils can better influence work priorities to meet their needs</p>

SECTION 2B: SERVICE KEY PERFORMANCE INDICATORS

KP I	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>
KP I-1	Staff productivity - 20 fee-earning staff to record 1,200 hours per annum	ICT, accommodation, Human Resources, Practice Management	ICT has proved a difficulty in terms of staff productivity. By necessity the Practice operates using a paperless practice management system (IKEN). When ICT downtime is experienced fee earners are severely limited in terms of work that can be done. Work is underway in direct liaison with the interim Head of ICT to tackle the Practice specific problems in addition to work being undertaken by ICT to tackle network issues.
KP I-2	Case Disputes Resolves in favour of the Practice - Measure of percentage of disputes awarding in favour of the Practice		Quality of instructions , ability to recruit and retain staff
KP I-3	Customer Satisfaction Levels	ICT, accommodation, Human Resources, Practice Management	ICT – where delays to output are as result of downtime. See mitigation against KPI 1

SECTION 3: 2019/20 SERVICE DEVELOPMENT ACTIVITIES

SECTION 3A: SERVICE DEVELOPMENT OBJECTIVES

DEVELOPMENT OBJECTIVE

Development objective	Participation in Local Government Association (“Local Government Association”) Framework for provision of legal services to other public authorities.	Describe the desired outcome – what will it look like when it has been achieved?	Increase in external income	Lead officer	TL
Is this a Project? (Yes/ No) and description	Not a Council led project. The LGA has identified a gap for Councils’ nationwide.				
Business Benefits			How will it be measured?		
1. Increased income generation without the pitfalls of establishing an arm’s length trading arm. There are a number of instances where such models for legal services have encountered difficulties			Income generated		
2.					
3.					
Outputs & products	Resources	Responsible Officer		Target delivery date	
A flexibility ability to utilise spare capacity to generate income. This perfectly fits the needs of the Practice without complications of insurance, marketing, fluctuations in capacity etc.	Minimal at development stage. LGA currently seeking expressions of interest	Tom Lewis		TBC	
Key risks	LGA fail to take forward the project.				

SECTION 4: KEY PERFORMANCE INDICATORS (KPIs)

Organisational, Service and Corporate Plan Performance Indicators

The table below should list organisational performance indicators (KPIs) applying to the service, key PIs from the action plan in section 2A and any PIs from partners' Corporate Plans that this Service is responsible for reporting against.

KPI Reference and Description		Reporting frequency	2019/20 Target
Key Service PIs (to be selected from the action plan at section 2B)			
KP I-1	Staff productivity	Quarterly	1,200 hours per annum per fee earner pro-rata
KP I-2	Case Disputes Resolves in favour of the Practice	Quarterly	80% success
KP I-3	Customer Satisfaction	Quarterly	90% success
Business Plan KPIs (all PIs in the Business Plan that your service is responsible for should be listed here at Section 2A)			
Customer Satisfaction		Quarterly	90%
Litigation Case Success		Quarterly	80%
Staff Productivity		Quarterly	90%

