

**BUSINESS PLAN FOR LEGAL SHARED SERVICE
2020/21**

| Service Leads | | | |
|-----------------------------------|-------------------------------------|---|---|
| Head of Practice | Tom Lewis | | |
| | Cambridge City Council (CCC) | Huntingdonshire District Council (HDC) | South Cambridgeshire District Council (SCDC) |
| Director of Shared Service | Fiona Bryant | Oliver Morley | Susan Gardner-Craig |
| Lead Councillor | Cllr Robertson | Cllr Tysoe | Cllr Gough |

| 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 | |
|---------------------|------------------|
| Version | Date |
| 1.0 | 24 February 2020 |

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 2020/21. 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 management 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 specialist advice to the 3 partner authorities. The Practice does not provide any service directly to the public.

The Practice provides legal advice across the Partnership in a range of legal disciplines including:

- Litigation
- Property
- Procurement and
- Planning.

The Practice also provides legal support to executive and non-executive committees including the main regulatory committees such as Planning and Licensing, and any appeal work that flows from their decisions and provides Monitoring Officer advice and administers the Member Conduct Complaints process.

Where a query arises, which is not covered by skills within the internal team the Practice assist the client in arranging expert advice be it from a Solicitor or a Barrister. Given the Practice has access to a range of preferential rates this results in better value for the client whilst ensuring they receive the best advice in a fast-changing local government world, where for example the pressure on commercialisation has radically changed the way councils operate.

The Practice also provides legal representation on various groups within the Partnership such as the following:

- CCC Quality Assurance Group

- HDC Quarterly Intelligent Client meetings between Head of Legal and HoS
- SCDC Investment Governing Board and The Investment Selection Team
- 3C ICT Information Security Group

This is an effective way of involving legal at the earliest possible stage in projects to allow potential problems/ pitfalls to be identified and where possible pragmatic solutions delivered.

The Practice has continued to develop the role of the intelligent client across the partner authorities deliver effective legal services and add value. Where it has been necessary to procure external expertise to provide legal support on 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 advice from the marketplace. The support offered by the Practice would continue as needed, working alongside those external colleagues and the client.

C. FINANCIAL OVERVIEW

| Budget Versus Outturn | | | | | | |
|---|--|---------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | 2015/16 BASELINE Budget £ | 2017/18 Budget £ | 2017/18 Outturn £ | 2018/19 Budget £ | 2018/19 Outturn £ | 2019/20 Budget £ |
| Gross Spend | | 1,343,690 | 1,357,013 | 1,392,060 | 1,261,070 | 1,391,090 |
| Less Income | | -194,550 | -247,011 | -200,840 | -269,565 | -280,760 |
| Shared Services Contribution | 1,193,660 | 1,149,140 | 1,110,002 | 1,191,220 | 991,505 | 1,110,330 |

The outturn for 2018/19 of £991.5k represents a 17% saving on the 2015/16 Baseline of £1,193k

| Budgets 2015/16 to 2020/21 | | | | | | |
|---|-----------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | BASELINE 2015/16 £ | 2016/17 £ | 2017/18 £ | 2018/19 £ | 2019/20 £ | 2020/21 £ |
| 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 | 1,110,330 |
| Add - Inflationary adjustments including pay award | | 46,130 | 28,880 | 41,850 | 38,210 | 22,200 |
| Budget plus inflation | | 1,239,490 | 1,149,370 | 1,191,220 | 1,229,430 | 1,132,530 |
| Reduction / Saving on Inflated Budget | | -119,000 | 0 | 0 | -119,100 | 0 |
| Revised Budget (Net of savings/ budget reductions and inflation) | | 1,120,490 | 1,149,370 | 1,191,220 | 1,110,330 | 1,132,530 |

Forecast Budgets - including savings - assumes inflation at 2% pa from 2020/21

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ | £ | £ | £ |
| Gross Budget | 1,389,660 | 1,391,090 | 1,418,910 | 1,447,290 | 1,476,240 | 1,505,760 | 1,535,880 |
| Less Income | 198,440 | 280,760 | 286,380 | 292,110 | 297,950 | 303,910 | 309,990 |
| Shared Services Contribution | 1,191,220 | 1,110,330 | 1,132,530 | 1,155,180 | 1,178,290 | 1,201,850 | 1,225,890 |

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 | 602,021 | 205,855 | 302,454 | 1,110,330 |
| 2020/21 | 614,058 | 209,971 | 308,501 | 1,132,530 |

The tables on the this and the previous page show positive results for the Practice.

Prior to its inception the combined budgets for the legal services for the three partner authorities was £1,444,000 and a savings target of £179,000 was set for 2016/17; the equivalent of a reduction of 15% of the net revenue budget after baseline budget after income has been applied.

Last financial year the outturn of £991,154 represented a 17% saving on the £1,193,360 baseline budget in 2015/16 despite £116,860 of salary inflation, which has been absorbed within the budget envelope.

For this financial year a further saving of 10% has been identified (£119K) which will remain out of the budget going forward. The current budget is forecast to be on target and the current budget includes a reduction of £119k (2019/20 savings target). The Practice is also expected to meet its income target for the current financial year. It is therefore on track to match the positive income figure generated for the last financial year of £269k.

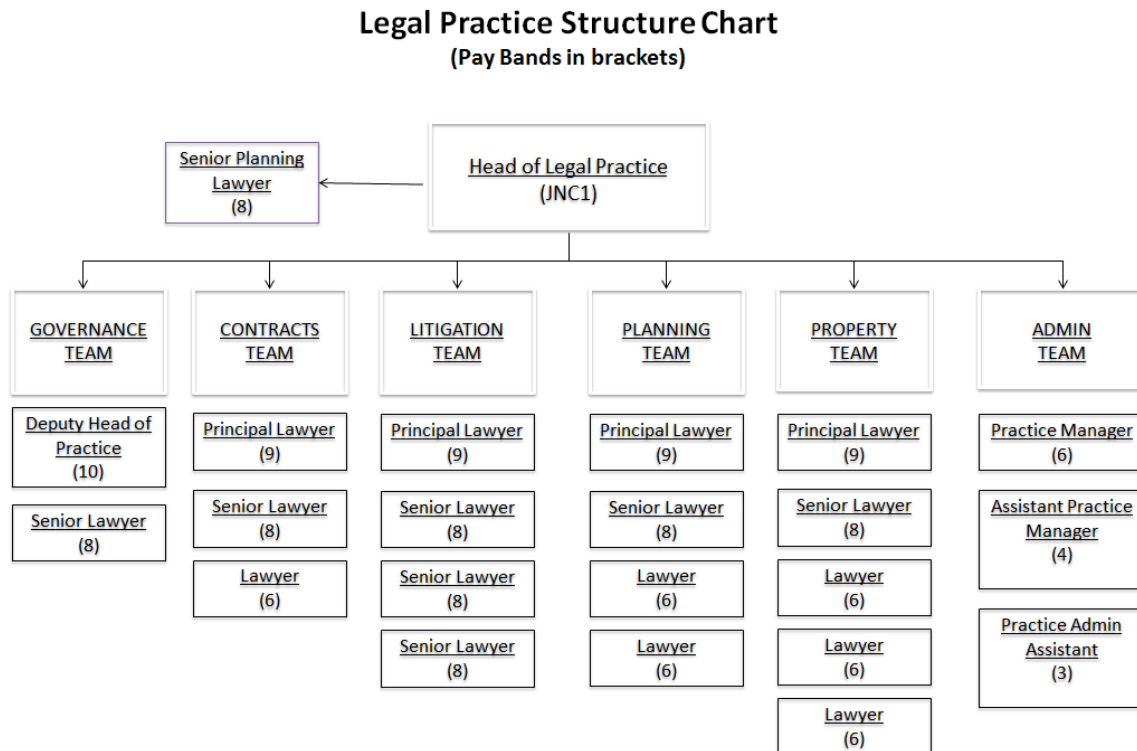
Savings have been achieved without reducing the number of fee earners for the Practice. Greater efficiency, seeking to minimise the use of agency staff and making more effective use of free/subsidised training opportunities have all contributed to achieving the saving without compromising service provision.

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 provided below showing the composition of the team:



Equality:

All recruitment adheres to the Cambridge City Council policy to ensure all applicants are treated fairly. The Recruitment and selection process 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.

E. LOOKING BACK

The first full financial year of the Practice was extremely challenging with the need to claw back a substantial overspend. Since then the Practice has stabilised and has in the last two financial years delivered a surplus against budget. Last year this was around £200k.

In relation to the savings identified for 2018/19 of £119k these were achieved and the) same figure again of £119k (representing 10% of budget) has been identified for this financial year and is not included in the budget going forward. The Practice is on course to deliver this saving this year.

The forecast for this financial year (2019/20) shows the Practice to be on target to deliver against

budget, given that the 10% saving identified for this financial year has been incorporated into the budget this represents a very positive performance.

The budgetary savings have been achieved by both cutting back on all items within the budget where alternate /more cost-effective options are available and ensuring that income generation continues to provide a means of offsetting costs. The use of free /subsidised training courses is an example of this. Given the opportunity afforded to present to an audience of potential customers, experts are willing to present at seminars on a range of topics with a view to generating potential work. Such courses are usually extremely focused as a result. By making use of such courses a saving of approximately £20k has been made.

The year to date has seen a continuation of the improvement in the level of hours recorded by fee earners seen at the end of the previous year's reporting.

Performance – 1 April 2019 to 30 September 2019

| Target Hours | Actual Hours | Variance |
|--------------|-------------------|----------|
| 10,085 | 9,334 | -751 |
| | KPT Target | 90% |
| | Actual | 92.5% |

The Performance of the Practice to date has seen a positive progression from last year when the overall figure of 91% return on target hours was achieved. The introduction of Council Anywhere in the last quarter should assist greatly with improving this performance, indications from the team are that this will assist in terms of providing a speedier and more reliable service. In enabling flexible working more effectively it will also positively reinforce the progress made to date by the Practice helping efficiency, recruitment and retention moving forward.

Positive performance has been mirrored in relation to successful litigation outcomes.

Successful Litigation Cases – 1 April 2019 to 30 September 2019

| Council | Cases Closed | Cases Marked as Successful | Success Rate (%) |
|---------|--------------|-----------------------------|------------------|
| CCC | 171 | 170 | 99% |
| HDC | 165 | 160 | 96.9% |
| SCDC | 30 | 28 | 93% |
| | | KPI Target | 80% |
| | | Overall Success Rate | 97.8% |

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 well 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 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.

Customer satisfaction levels (as reported quarterly to the management board) have also exceeded the 90% KPI target set last year. Certainly, more regular client engagement has assisted in boosting satisfaction levels to a figure of approximately 97% for the first 2 reporting quarters.

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.

Working closely with the client in relation to commissioning of external work and the way instructions are provided to the Practice has been extremely positive in improving efficiency and reducing costs. Regular meetings now take place with the client at all levels of the Practice. Examples would include participation in the Property Selection Team at SCDC whereby input is provided at the outset in relation to potential acquisitions. In this way when it does move to the stage of the Practice taking forward any property work a focused and considered set of instructions can be provided by the client already assisted by legal input to enable matters to be progressed at speed. Legal involvement in the Quality Assurance Group at CCC similarly enables legal input at the outset of projects making any legal involvement later on more efficient and focused. The quarterly intelligent client meetings at HDC held between the Head of Practice and other senior officers provide a similar function.

In recruitment there are challenges in filling several vacant posts (cover is currently being provided via locums within the existing budgetary provision). Across the last 12 months there have been recruitment drives which have not resulted in staff appointments. It is generally an extremely challenging market not just for legal but for other professional services such as accountancy. Ahead of a fresh recruitment push engagement has taken place with HR to refresh and enhance the process for legal recruitment in terms of the advertisements themselves and positioning thereof to place greater emphasis on some of the positive features of working for the Practice including flexible working, relocation packages etc. Further updates will be provided once this latest round of recruitment is concluded.

As well as the recruitment drive there is currently underway a review of the Practice by the Shared Internal Audit Service. This is part of ordinary business but will be extremely helpful in informing any changes to process/systems that the Practice needs to make. In combination with the current recruitment processes the findings of this consideration by audit will be used to inform a wider consideration of the Practice and its future direction.

Consumption – 1 April 2019 to 30 September 2019

| Council (% budget contribution) | Hours Consumed Q1 | Hours Consumed Q2 | Total for Q1 and Q2 | Forecast Budget 2019/20 using Q1/Q2 %s (£) |
|--|----------------------------------|----------------------------------|--------------------------------|---|
| CCC (54.22%) | 1,875.11 (42.53%) | 2,294 (46.57%) | 4,169.11 (44.66%) | 495,874 |
| HDC (18.54%) | 1,133.13 (25.70%) | 1,198 (24.32%) | 2,331.13 (24.97%) | 277,249 |
| SCDC (27.24%) | 1,400.65 (31.77%) | 1,434 (29.11%) | 2,834.65 (30.37%) | 337,207 |
| Total | 4,408.89 (100.00%) | 4,926.00 (100.0%) | 9,334.89 (100.00%) | 1,110,330 |

Budgetary contributions by the respective Councils' show a slight disparity in hours consumed by SCDC and HDC in excess of forecast budgetary contribution whereas CCC are consuming less than the percentage forecast budgetary contribution. Service consumption will be reviewed, and adjustments made to budgetary contributions to reflect consumption. The charging model will also be kept under review. This will become effective in the 2020/21 financial year.

F. LOOKING FORWARD

The roll out of Council Anywhere has just taken place. Early indications are that this is offering an

improved working platform for the Practice. This is crucial to enable the Practice to progress and in providing it with 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. This should improve the success of future recruitment strategies and enable the Practice to secure permanent employees.

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 in the next 12 months.

On the ground a text and “whatsapp” group has also been established for internal communication amongst the Practice. This worked extremely well during the network outage over the summer in keeping the Practice operational. This has been reflected in an update /review of the Practice’s business continuity plan and will continue to be expanded upon in future.

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.

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. |
| Recruitment of Staff - Currently recruitment is underway to several vacant posts where cover is currently been provided by agency staff. It is a challenging market and it may be that recruitment to all vacant posts is not possible. | Engagement with HR has sought to refresh and focus advertising. It has also sought to understand and learn from the experiences of other services such as Finance and Building Control who have had difficulty in recruitment. In stressing the flexibility of working arrangements and variety available to those working for the Practice it is hoped to attract good interest in this latest recruitment round. In the event recruitment is not possible while continued legal provision through agency staff will be possible it will be necessary to consider further the structure of the Practice moving forward. This would include consideration of |

the use of more paralegals and trainees given that the market for this type of staff is more buoyant and once operating within the Practice such staff could be developed and potentially advance within the Practice.

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 2020/21

SECTION 2A: BUSINESS PLAN PERFORMANCE INDICATORS

| Item | 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 |
|------|---|--|---|--|---|
| 2a:1 | 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 |
| 2a:2 | 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 | Initial business case agreed at July 2015 S&R Committee | <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> |

| | | | | | |
|------|---|--|--|--|--|
| 2a.3 | Improve performance management of the Practice through the use of the new IKEN Analysis and Reporting Module. | | The Practice will continue to make use of all available training on the IKEN management system to assist staff in improving performance. | Detailed management information on the caseload, resource consumption and performance of the Service | Partner Councils are satisfied with the Practice's performance. Partner Councils can better influence work priorities to meet their needs |
|------|---|--|--|--|--|

SECTION 2B: SERVICE KEY PERFORMANCE INDICATORS

| KPI | Performance Measures (provide a list only - target information is included in section 4) | Dependencies (ICT, Finance, Human Resources, accommodation etc) | Key risks to delivery (include how these will be mitigated) |
|-------|--|--|---|
| KPI-1 | Staff productivity - 20 fee-earning staff to record 1,200 hours per annum per fee earner | 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. |
| KPI-2 | Case Disputes Resolved 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. |
| KPI-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: 2020/21 SERVICE DEVELOPMENT ACTIVITIES

SECTION 3A: SERVICE DEVELOPMENT OBJECTIVES

| | | | | | |
|---|---|---|---------------------------------|-----------------------------|----|
| Development objective 1 | 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 several instances where such models for legal services have encountered difficulties | | | Income generated | | |
| 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. | | | | |

| | | | | | |
|--|--|---|--|-----------------------------|----|
| Development objective 2 | Internal Audit is to undertake a review and consideration of the Practice | Describe the desired outcome – what will it look like when it has been achieved? | Understand and decrease external legal spend and ensure that the Practice is providing a robust/professional service | Lead officer | TL |
| Is this a Project? (Yes/ No) and description | This is a review of the Practice being undertaken by the Shared Internal Audit Service. | | | | |
| Business Benefits | | | How will it be measured? | | |
| 1. The review will assist in identifying any areas for improvement. | | | Internal Audit will produce a report and benefits will feed into budget and KPI's | | |
| 2. The review will assist in providing surety that the Practice is providing a robust, professional and reliable legal service to the Partnership. | | | Internal Audit will produce a report and benefits will feed into budget and KPI's | | |
| 3. Assisting in capturing and understanding external legal spend | | | Internal Audit will produce a report and benefits will feed into budget and KPI's | | |
| Outputs & products | Resources | Responsible Officer | | Target delivery date | |
| Greater assurance and improved performance for the Practice. | Built into the Shared Internal Audit Services work program. | Tom Lewis | | TBC | |
| Key risks | Internal Audit identify shortcomings in the Practice and areas requiring improvement/work. | | | | |

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) | | | |
| KPI-1 | Staff productivity | Quarterly | 1,200 hours per annum per fee earner pro-rata |
| KPI-2 | Case Disputes Resolved in favour of the Practice | Quarterly | 80% success |
| KPI-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% |