

Meeting: **Overview and Scrutiny Committee**

Date: **4 November 2013**

Title: **Change, Efficiency and Improvement – Legal Services**

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Service: Law and Governance

Wards affected: All

1. Purpose of Report

1.1 This report is to accompany the Change, Efficiency and Improvement (CEI) report to provide the Committee with further information regarding the income generating and savings activity undertaken within Legal Services.

2. Recommendations

2.1 The Committee is recommended to note the information provided in the report relating to the deliver of the CEI programme target for Legal Services.

3. Details

3.1 The Change, Efficiency and Improvement (CEI) project for Legal Services is referred to in the substantive CEI report as “Legal Shared Services” but is now more accurately referred to as “Legal Traded Services” . Legal Services is collaborating with another local authority legal team to offer legal services to other public sector bodies but it also generates income on its own account.

3.2 In the financial year 2013-14 Legal Services achieved a saving of £53k through the deletion of a management post. The projects seeks to secure the remaining £55k via additional income generation and a reduction in expenditure. While the project status is reflected as amber the Authority can be reasonably confident that income levels (if they remain as forecasted) combined with efficiency savings will meet the income target to secure a balanced budget.

- 3.3 Legal Services has undertaken various activities in order to improve income generation and they are set out in the report below.
- 3.4 **Benchmarking:** Following a benchmarking exercise the legal costs charged to third parties in connection with the completion of planning, highways and property agreements were increased in line with fees charged by neighbouring authorities.
- 3.5 **Waiver:** There are legal restrictions which largely prevent in-house lawyers representing those other than their employer. Legal Services obtained a waiver from the Solicitors' Regulation Authority permitting it to charge for providing legal services to voluntary and community sector bodies.
- 3.6 **Collaboration:** Legal Services is working separately with the legal teams of two public sector partners (Newcastle City Council and Northumbria Police) to identify opportunities for efficiencies, collaboration and developing a traded services potential for Legal Services.
- 3.7 **NNT Law:** Dialogue with a neighbouring local authority (Newcastle City Council) is on-going with regular project team meetings to explore joint trading opportunities, areas of mutual support and shared resilience. A joint marketing initiative to offer legal services to other public and third sector bodies has been pursued, initially targeted at the registered social landlord sector.
- 3.8 A webpage for the traded venture, termed "NNTLaw" has been established and marketing to the registered social landlord sector has commenced. NNTLaw's details have been provided to Northern Housing Consortium and the service is now advertised on the consortium's web based market place. In September, NNT Law successfully delivered a workshop on anti-social behaviour injunctions to attendees of the Northern Housing Consortium's Crime and Anti- Social Behaviour Conference. The purpose of the workshop was to raise awareness of NNT Law and its availability to provide legal services to other housing providers. It focussed upon an award winning intervention undertaken by North Tyneside Council's Safer Estates Team and Legal Services. NNT Law promotional materials were provided to attendees. In addition, we are also submitting an article to their electronic magazine (E-Zine) for members with a view to raising our profile. Although positive soundings have been received, to date, it has not resulted in income generating work.
- 3.9 **Tenders:** (i) Following success in the pre qualification stage, in September NNT Law submitted a tender to secure a place on a national framework for the provision of legal services to academies, further education and other education establishments. The outcome is awaited. If a place is secured it will not be any guarantee that legal work will be available for NNT Law but it will provide an opportunity to bid for work from institutions that have signed up to the framework. (ii) An expression of interest for inclusion in a legal framework advertised by a consortium of West Yorkshire local authorities was submitted on behalf of NNTLaw but was ultimately unsuccessful. (iii) Two further tender opportunities have been considered but not pursued due to unsuitability (due to location and capacity).
- 3.10 **Newcastle City Council Learning Trusts:** This year, through our collaborative working with Newcastle City Council's legal team and building upon our expertise gained in establishing the North Tyneside Learning Trust an opportunity arose to undertake income

generating work to establish 5 education trusts in Newcastle. Newcastle City Council's interests in the necessary transactions are represented by their in-house legal team.

- 3.11 **Northumbria Police:** We have developed closer working links with the Northumbria Police Legal Team, focused upon provision of mutual support upon key areas of work rather than income generation. Through this relationship we arranged the provision of a free court skills training event for the Authority in October 2013. Nineteen officers from across the Authority and its partners, including planning enforcement, neighbourhood wardens, education welfare, building control and environmental health benefitted.
- 3.12 Links between key officers within Northumbria Police and Law and Governance continue to be developed. Discussions between lawyers undertaking employment law work have taken place to identify support that may be offered to each organisation during forthcoming maternity leave. Officers providing support on information governance will meet in November.
- 3.13 This year, through our collaborative work with the Northumbria Police Legal Team an opportunity arose to undertake property related legal work for the Police and Crime Commissioner's Office (PCC). This work is ongoing and provides an income stream.
- 3.14 **North Tyneside Learning Trust and Schools:** Legal Services undertakes legal work for the North Tyneside Learning Trust and has reviewed its offer to schools for 2014-2015 to ensure that support is targeted effectively and appropriately funded
- 3.15 A small number of conveyancing matters have been undertaken for Authority staff in 2013-14 but upon review it is not viable for roll out as an income generating initiative due to current staffing levels.
- 3.16 In addition to generating increased income, Legal Services has made expenditure savings wherever possible, for example, (i) library resources were reduced and renegotiated, with a move towards on-line resources rather than hard copy books; (ii) an on-line training resource aimed at local authority lawyers was utilised to reduce training costs while ensuring lawyers completed their annual accredited mandatory training hours. The Service also sought and obtained the ability to self award accredited training courses and will be delivering cross team training to share knowledge and minimise training costs.
- 3.17 **Partnership Working – Benefits:** The main benefits relate to increased resilience through closer working with our partner organisations. The relationships have provided opportunities for new income generating work and through NNT law there is the potential to attract additional public sector and third sector clients. A cultural shift within the Service is apparent, officers have an even greater awareness of the need to work efficiently and the role of income generation in relation to the Service budget. Legal Services has received very positive feedback upon the work it has undertaken for other bodies.
- 3.18 **Issues and Risks:** Income generation targets are vulnerable to changes in demand for the Service. There is a risk that the NNT Law collaboration will not establish new customers in order to generate income or that trading activity may be minimal and be slow to build. There are implications for staff time in participating in promotional activity, client management and linked additional costs in undertaking work for external bodies. If there was an increased demand from external bodies it would require careful monitoring to ensure it did not impact negatively on the capacity of Legal Services to undertake work for the Authority.

3.19 **Future:** Legal Services will continue to undertake work for the PCC and the education charities. There will be continued dialogue with our partners, for example, to identify further low cost marketing opportunities for NTT Law, suitable tender opportunities and areas to provide mutual support and resilience (e.g. maternity leave support).

4. Appendices

None

5. Background Information

None