

# REPORT FOR: **CABINET**

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<b>Date of Meeting:</b>	15 January 2015
<b>Subject:</b>	HB Public Law Update
<b>Key Decision:</b>	No
<b>Responsible Officer:</b>	Hugh Peart, Director of Legal and Governance Services
<b>Portfolio Holder:</b>	Graham Henson, Portfolio Holder for Performance, Corporate Resources and Policy Development
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	None
<b>Enclosures:</b>	None

## **Section 1 – Summary and Recommendations**

### **Recommendations:**

Cabinet is requested to:

1. Welcome Bevan Brittan LLP as partners in the HB Public Law project and endorse the principles of the partnership set out in the report.

2. Note that there will be a service agreement entered into between Bevan Brittan LLP and HBPL Ltd to secure the delivery of legal services to "joint" clients.
3. Authorise the Director of Legal and Governance Services following consultation with the Portfolio Holder for Performance, Corporate Resources and Policy Development to enter a Deed of Variation to amend the inter authority agreement between Harrow and Barnet to reflect both Barnet's revised governance arrangements and the operation of HB Public Law Ltd.
4. Record its commitment to other authorities joining the HB Public Law project, on which subject further reports will be submitted to Cabinet at an appropriate time.

**Reason: (For recommendations)**

To support the development of a resilient and cost effective legal practice.

## **Section 2 – Report**

### **Introductory paragraph**

HB Public Law ('HBPL') is the in-house legal practice which since 1<sup>st</sup> September 2012 has been providing legal services to both Harrow and Barnet Councils. The enlarged practice has brought benefits to both Councils including greater resilience, more specialist services, reduced cost and improved service levels.

Given the bleak outlook for local authority finances however, it is likely that HBPL's core clients will over time reduce their demand for legal services, which poses a risk to the future viability of the service. There is also a risk to those core clients that should HBPL not be able to maintain the current range of specialisation, additional specialist external legal support may have to be commissioned which is inevitably at a higher cost than in house provision.

### **HBPL Strategy**

Given the above, HBPL is working to grow the shared Legal Practice by working with more Councils and by providing legal services to other organisations. This was the main driver in establishing HBPL Ltd and obtaining a licence as an Alternative Business Structure, which was approved by Cabinet in November.

An increased client base should allow the current range and depth of expertise and level of resilience to be at least maintained if not improved and a greater critical mass then supports further expansion, to the benefit of the council.

### **Private Sector Partner**

To support this strategy, officers undertook a procurement exercise to identify a private sector partner who could help it to develop and to take advantage of the significant changes which are taking place in both the legal and local government worlds. At the conclusion of the process Bevan Brittan LLP were the clear front runner, and they have worked closely with HBPL since then. The relationship is not formal, involves no cost to the Council, but is anticipated to continue for at least 3 years

Bevan Brittan is a 41 partner law firm with over 200 lawyers, delivering legal services to the public services market (i.e. to public, private and third sector organisations which deliver, commission and fund public services). Bevan Brittan acts for virtually every local authority in England, supporting in house teams on all aspects of council services including commercial contracts, regeneration, housing, governance, employment, litigation and new delivery models. They are ranked number one for providing local authority legal services in the legal directories and have offices in London, Birmingham and Bristol.

### **Context for Partnership**

- Recognition of fast changing legal market and mutual opportunities
- Complementary skills and resources of legal teams
- Shared values and culture
- Need for HBPL to retain clients in increasingly fragmented market
- Drive for HBPL to increase revenue, critical mass, sustainability, robustness & diversification of clients
- Pressure in the public services market to keep costs down and seek alternative solutions
- Opportunities presented by the Legal Services Act
- Shared desire to be first movers in the market

### **Aims of Partnership**

This can be summed up as “to maximise the commercial advantage for and the financial sustainability of both parties; including by developing a new public/private solution which offers an excellent, cost effective combined legal services product to the market”

### **Partnership Activities**

- Mutual support and benefit
- Support to HBPL as a growing sustainable business
- Exploit mutual opportunities
- Work to assist each other be successful
- Collaborate to transfer skills /support training, etc
- Explore innovative new ways of working.

### **Partnership Values**

- Openness
- Honesty
- Trust
- Mutual respect
- Commitment from the top
- Prioritisation/making time available.

### **Jointly Bidding for new work**

It was an express aim of the partnership that it should be able to jointly bid for new work, to the parties' mutual benefit. One way this might happen is for Bevan Brittan to bid and secure a piece of work, and for at least some of it to be done by HBPL as its sub-contractor. By way of example in May last year Bevan Brittan and HBPL submitted a tender to be part of a large County Council legal panel, and have subsequently been appointed for childcare, commercial and governance advice. This panel has just commenced operation and Bevan Brittan/HBPL will now actively work to get instructions from councils which can be jointly delivered.

In order for HBPL Ltd to act for Bevan Brittan in this way, the parties need to conclude a service agreement. This will be between Bevan Brittan and the company and will address all usual issues including:-

- The obligations of the company
- Fees and payment
- Professional requirements
- Confidentiality and data protection
- Liability and insurance
- Indemnities.

### **Other Authorities**

A number of authorities have approached HBPL to join its successful practice, including London Boroughs and County Councils. These councils are not all geographic neighbors and negotiations on each are at different stages. Should one develop into a concrete proposal, a further report will be brought to Cabinet. The working model is likely to see some additional staff based at the Civic Centre, some with client Councils, and some accessing core systems remotely, in order to minimise the overall cost of the service.

Such growth would be built on maximising the refurbished first floor accommodation as a hub to support dispersed staff groups. This could only be delivered with the full implementation of the mobile and flexible working project.

Any agreement for other authorities to join HBPL would only proceed if there is a solid business case, and would be underpinned by an inter authority agreement.

### **Barnet Governance**

Members will be aware of the recent governance difficulties experienced by Barnet at its annual council meeting. Following an external investigation, Barnet now wish formally to extend the scope of the inter authority agreement signed in 2012 so that HBPL can offer governance advice and act as Barnet's deputy monitoring officer when required by the Barnet monitoring officer both of which were excluded from the original agreement. Additionally the agreement needs to be updated to reflect the existence of the ABS, and authority is sought to effect these amendments. They will be effected through a formal Deed of Variation to the original IAA.

### **Staffing/workforce**

Following the establishment of the partnership with Bevan Brittan, staff from both parties have the opportunity for placements, secondments and training opportunities, which is likely to open up new career opportunities.

### **Risk Management Implications**

There is a risk of failure to deliver the financial savings. However this will be mitigated by carrying out a detailed due diligence exercise with the assistance of appropriately qualified and experienced legal and financial advisers. The final agreements for any arrangements will include clauses to protect Harrow's financial interests.

### **Legal Implications**

The proposals in this report are all legally compliant.

### **Financial Implications**

There is no additional cost to any of the proposals in this report. The entering of the partnership arrangements with Bevan Brittan should assist HBPL in generating more revenue. Consideration will be made of all costs (both direct and indirect) before new authorities join the HB Public Law project. These will be considered as part of the Business Case and report(s) will be submitted to Cabinet.

### **Equalities implications / Public Sector Equality Duty**

Members should have due regard to the public sector equality duty when making decisions. It is not considered that the recommendations before Cabinet have specific equality implications, nor that anything proposed would have any material impact on those with a protected characteristic. This will however be kept under review as the various projects develop.

### **Council Priorities**

This initiative supports the Council's approach to:

- Making a difference for the most vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families.

The Council wants to be a modern, efficient Council, able to meet the challenges ahead. It aims to protect frontline services by delivering support functions in the most cost effective way, including collaborating with other Councils on shared services and procurement opportunities. These initiatives support these aims as it puts the legal service in a much stronger position to develop services for other organisations and widening its client base, thereby

providing a cost effective and resilient legal service to Harrow and Barnet Councils so that the Council can focus its resources on to front line services.

### Section 3 - Statutory Officer Clearance

Name: Simon George	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 8 December 2014		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 30 December 2014		

<b>Ward Councillors notified:</b>	<b>NO, as it impacts on all Wards</b>
<b>EqIA carried out:</b>	<b>NO</b>
<b>EqIA cleared by:</b>	Not applicable at this stage

### Section 4 - Contact Details and Background Papers

**Contact:** Hugh Peart, Director of Legal and Governance  
Tel: 020 8424 1287  
Email: [hugh.peart@harrow.gov.uk](mailto:hugh.peart@harrow.gov.uk)

**Background Papers:** None.

<b>Call-In Waived by the Chairman of Overview and Scrutiny Committee</b>	<b>NOT APPLICABLE</b> <i>[Call-in applies]</i>
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