

REPORT FOR: **CABINET**

Date of Meeting:	14 July 2015
Subject:	Expansion of HB Public Law
Key Decision:	No
Responsible Officer:	Tom Whiting, Corporate Director of Resources
Portfolio Holder:	Councillor Kiran Ramchandani, Portfolio Holder for Performance, Corporate Resources and Policy Development
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	None

Summary and Recommendations

This report sets out Aylesbury Vale's agreement to join HB Public Law in the next few months and asks Cabinet to support their inclusion.

Recommendations:

Cabinet is requested to:
Welcome Aylesbury Vale District Council's decision to ask HB Public Law to discharge its legal function, and

Delegate to the Corporate Director of Resources & Commercial following consultation with Portfolio Holders for Performance, Corporate Resources and Policy Development and Finance and Major Contracts authority to execute an agreement with Aylesbury Vale underpinning the relationship, and to make any necessary amendments to other agreements.

Reason: To support HB Public Law delivering a cost effective and high quality legal service and its plans for growth.

Background

As a large employer, service provider, regulator and landowner, Harrow has a steadily increasing demand for legal advice and advocacy. That demand is driven by both significant changes in the law, e.g. the Care Act 2014, and the increasingly difficult decisions facing the Council as it copes with reduced grant support.

In 2010 a shared legal service model was explored to see how it might address the 'perfect storm' of increasing demand, greater complexity of work and pressure on budgets.

Experience elsewhere suggested that creating a larger legal practice to support more than one authority delivers the following benefits:

- A greater range and depth of legal expertise;
- More flexibility in response to Council demands;
- Reduced cost;
- Improved career opportunities for staff;
- Reduced reliance on private sector legal advice;
- Improved ability to recruit and retain the best staff; and
- Greater resilience.

Given these benefits, HB Public Law was established in 2012 on the merging of Harrow and Barnet's legal teams, which has allowed both Councils to enjoy improved services at a reduced cost.

Options considered

When the project was first developed, one option was for the Barnet/Harrow merger to be its conclusion, but its Leaders were clear from the start that further growth and expansion would be pursued, to create a sustainable, quality legal practice capable of supporting a range of public sector clients.

Recent Developments

A Cabinet report in November 2014 explained and authorised the setting up of a separate legal practice, HBPL Ltd, capable of supporting private sector providers of services to local authorities.

A subsequent report in January 2015 welcomed Bevan Brittan LLP, a leading national law firm as HB Public Law's private sector partner. This report also advised members that discussions were on going with other authorities who wished to join HB Public Law, but that at the time nothing had been agreed.

A report in February 2015 welcomed the decision of the London Borough of Hounslow to ask HB Public Law to discharge its legal function. Hounslow subsequently joined the practice on 1st June 2015.

Current situation

For the last three months officers have been discussing with Aylesbury Vale District Council the possibility of HB Public Law discharging their legal function. HB Public Law has for some months been handling an increasing volume of Aylesbury Vale's legal work. Aylesbury Vale is one of the largest District Councils in the country.

In December 2014, Aylesbury Vale's Cabinet agreed an 'in principle' change to the way in which legal services will be delivered to the Council. This was followed by a report in April 2015 which agreed the approach which was to source a third party provider to provide legal services to the Council. HB Public Law was identified as this provider as it is an existing local government focussed supplier and has for some time been providing legal services to Aylesbury Vale to supplement and support the in house service.

A report mirroring this one will be considered by Aylesbury Vale's Cabinet on 14th July 2015, with the formal delegation of function being considered by their full Council on 23rd July.

Structure of New Arrangement

As is clear from the above, no formal agreement has yet been executed between the 2 authorities, but Aylesbury Vale's agreement to delegate its legal function to Harrow is based on Aylesbury Vale agreeing to:

- Delegate its legal function to Harrow for 5 years;
- Retain a Monitoring Officer who will also discharge the 'client' function in relation to the arrangement;
- Commission an agreed number of legal hours from HB Public Law each year for an agreed hourly rate;
- Provide hot desk at its civic centre;
- Channel all of its legal work (including that currently outsourced to other providers) through HB Public Law.

In addition to the above the proposed agreement would include detailed provisions to cover:

- The scope of the services HB Public Law will offer;
- Service standards, liaising with clients and key performance indicators
- Managing conflicts of interest;
- Risk management and quality accreditation
- Minimising the impact on both authorities if Aylesbury Vale decided to withdraw;
- Dispute resolution;
- Extending the agreement if the parties so wish;
- Confidentiality and data protection;
- Insurance;
- Payment of bills and disbursements;

The above reflect the arrangements which underpin Harrow's relationship with Barnet and Hounslow.

Implications of the Recommendation

This arrangement should increase HB Public Law's market presence and ability to retain existing clients and attract new ones particularly in relation to District Councils.

Resources, costs

As host authority Harrow will be liable for the staffing, infrastructure and support costs of the larger practice, but these are fully recovered from authorities using HB Public Law's services.

Staffing/workforce

No staff will transfer to Harrow from Aylesbury Vale as all its legal staff (other than its Monitoring Officer) will have left the Council by 1st September when it is anticipated that this arrangement will commence.

Performance Issues

The proposed agreement with Aylesbury Vale will include detailed provisions to ensure a quality and timely service is provided. HB Public Law has consistently delivered to a high standard against equivalent provisions in its agreement with Barnet.

Environmental Implications

HB Public Law operates a flexible working model to minimise staff travel, and hence the impact of its operation on the environment. This will be replicated in the agreement with Aylesbury Vale, through e.g. the provision of hot desks.

Risk Management Implications

The project will be overseen by a Project Board including Aylesbury Vale's Chief Executive and Harrow's Director of Legal & Governance Services, and that oversight will include risk management.

Legal Implications

The council has the power to provide legal services by virtue of s111 of the Local Government Act 1972.

Each authority, by virtue of the 1972 Act, has the power to arrange for the discharge of their functions by another authority.

There is a legal basis for the sale and purchase of legal services between local authorities using Section 1 of the Local Authority (Goods and Services) Act 1970.

HB Public Law will need to comply with all Solicitors' Regulatory Authority regulations in relation to acting for Aylesbury Vale.

Financial Implications

All staffing, infrastructure and support costs pertaining to the expansion of the practice will be recovered from Aylesbury Vale.

The proposal before Aylesbury Vale ensures that costs of employing any additional staff are fully recovered.

Equalities implications

There are no equalities implications arising directly out of the recommendation, but as the project is implemented, a full equalities impact assessment will be undertaken to ensure awareness and mitigation of any adverse impacts.

Council Priorities

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 boroughs on shared services and procurement opportunities.

This initiative supports 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 resilient legal service so that the Council can focus resources into front line services.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 15 June 2015		
Name: Linda Cohen	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 11 June 2015		

Ward Councillors notified:	No , as it impacts on all Wards
EqIA carried out:	No

Section 4 - Contact Details and Background Papers

Contact: Hugh Peart, Director of Legal & Governance Services, 020 8424 1287, hugh.peart@harrow.gov.uk

Background Papers: None.