
REPORT FOR: CABINET

Date of Meeting:	15 September 2016
Subject:	HB Public Law Update
Key Decision:	Yes
Responsible Officer:	Hugh Peart, Director of Legal and Governance Services
Portfolio Holder:	Councillor Kiran Ramchandani, Portfolio Holder for Performance, Corporate Resources and Customer Services
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	None

Summary and Recommendations

This report updates Cabinet on the progress of HB Public Law since its meeting in February, and seeks authority to both extend the arrangement whereby it provides legal services to the London Borough of Barnet and enter a contract with a legal case management system provider.

Recommendations:

Cabinet is requested to:

1. Authorise the Director of Legal and Governance Services, following

consultation with the Portfolio Holder for Performance, Corporate Resources and Customer Services to agree an extension to the Inter Authority Agreement with the London Borough of Barnet which commenced on 1st September 2012 so that it continues on similar terms until 31st August 2022.

2. Authorise the procurement of a case management system for HB Public Law.
3. Authorise the establishment of a panel of legal case management suppliers, which other local authorities could join.

Reason for Recommendation:

The London Borough of Barnet was with Harrow the founder member of HB Public Law in 2012 and agreed that it should be its legal services provider until 2017. Barnet is happy with the service provided and wishes to extend the agreement.

Harrow purchased a case management system for its legal service in 2005, since when it has developed HB Public Law and grown it from around 25 lawyers to nearly 150. It is essential that the case management system it uses is a market leading modern practice management system. The procurement exercise will allow the practice to test the market and choose a system that will support it fully in future.

HBPL Update

Cabinet last considered a report on HBPL in February 2016, when it authorised it undertaking the legal work of Buckinghamshire County Council ('BCC'). On 31st June a 5-year inter authority agreement with BCC was signed, and their legal staff transferred to Harrow under the TUPE regulations on 1st July, increasing the size of the practice by 50%.

Under the agreement a branch office is maintained in Aylesbury, where many former BCC staff continue to work. Within the next few weeks the office will be connected to the Harrow IT network, and all BCC legal data transferred to HBPL's system. This will support the full integration of staff and sharing case work across all lawyers.

An induction program has been delivered for transferring staff, and senior HBPL managers are meeting with key BCC clients, to ensure appropriate services are delivered.

With now nearly 150 lawyers, Harrow has grown HBPL into one of the largest local government legal practices in the country, with a reputation for innovation and quality.

HBPL now provides legal services to the London Boroughs of Harrow, Barnet and Hounslow, Aylesbury Vale District Council, the West London Waste Authority and Buckinghamshire County Council, as well as to over 100 schools and academies.

Barnet

As Cabinet is aware, HB Public Law was formed in 2012 when Barnet agreed that Harrow would discharge its legal function, and transferred its 35 lawyers under the TUPE regulations. The arrangement was crystalized in an Inter Authority Agreement which runs from 1st September 2012 to 31st August 2017. The agreement provides for the transfer of staff, delivering and monitoring of services, KPIs and payment.

On 1st September 2016 Barnet's Policy & Resources Committee unanimously agreed to "*extend the agreement with Harrow for a shared legal service dated 17th August 2012, for a further period of five years until 1st September 2022 (in accordance with paragraph 2.2 of the agreement).*"

This decision is a welcome vote of confidence in the HB project, and will be a key element in ensuring its long term sustainability.

The committee report is at

<http://barnet.moderngov.co.uk/documents/s34164/Report%20and%20Appendix%201.pdf>

Case Management

A key element of the success of HB Public Law has been its focus on quality & consistency. This is underpinned by a case management system which holds the cases for all clients, manages information in a consistent fashion and supports lawyers working on matters for any council from any location. The practice is increasingly 'paper lite', and the increasing scale of its operations means that it is more demanding of its support systems.

In addition the complexity of its billing and financial reporting requirements means that the practice needs a finance system with the capacity, capability and ability to integrate with the case management system beyond what the Council's accounting system can offer.

It is therefore proposed to procure a market leading modern practice management system with a finance package to assist HB Public Law to continue to grow and develop, which supports the Council's commercialisation agenda.

A specification for a case management system has been drawn up and a soft market testing exercise carried out in order to gauge the range of systems that were available and to test their capabilities.

During this process it was concluded that the best way forward was to identify a number of systems that would be suitable for public sector legal practices to form a panel of system providers. This would allow Harrow and other councils to purchase such systems without separate procurement exercises, and might provide an additional income stream.

A timetable has been prepared for the procurement exercise, with an award expected early next year.

Options considered

Harrow could allow the agreement with Barnet to expire, whereupon both Barnet's legal function and lawyers doing its work would revert to Barnet, but this would be counter to both Councils' wishes for the HB Public Law project.

Similarly HBPL could simply continue with its current case management supplier without exploring the market but this is not considered good procurement practice and denies it the opportunity of refreshing a core system.

Implications of the Recommendations

The completion of an extension to the current agreement with Barnet will support HBPL's sustainability and future plans, reassure staff delivering work for Barnet about their futures, and facilitate permanent recruitment.

The case management procurement will be subject to EU public procurement law with the evaluation being based on the most economically advantageous tender. There may be one off costs if a new supplier is selected to install a new system, migrate data from the current one and train all staff. Such costs will be met as below.

The case management and finance systems will support the practice's Lexcel (the Law Society's quality standard) accreditation, ensure compliance with the Solicitors' Accounts rules and meet Harrow's requirements for paying bills and managing cash flow.

By allowing lawyers to work on any matter from various locations, it will also minimise the need for staff to travel, hence reducing their impact on the environment.

Risk Management Implications

Unsuccessful contractors may challenge the award of the case management contract. In order to reduce the chances of challenge the procurement will take place in accordance with EU public procurement rules and the Council's contract standing orders.

Legal Implications

The Council has the power to provide legal services to the London Borough of Barnet by virtue of s111 of the Local Government Act 1972, and Barnet may arrange for the discharge of their functions by another authority.

There is also 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 when acting for Barnet or any other local authority.

Under Section 3 of the Local Government Act 1999, Local Authorities are under a general duty to secure best value services. The duty is to "make arrangements to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness". The recommendations in this report will assist

with the achievement of Best Value as it will ensure that a market leading case management system is chosen to support the legal practice and aid efficient working methods. Establishing a panel of providers for use by other organisations may provide an income stream.

Financial Implications

HBPL's Business Plan assumes Barnet's continuation as a shared service partner.

The costs of the extending the agreement with Barnet and the procurement exercise will be met from the payments received from all the Councils HBPL supports.

Equalities implications / Public Sector Equality Duty

The procurement process will be carried out in accordance with the EU Public Procurement Rules and will be open to all relevant organisations to tender.

Council Priorities

The recommendations contained within this report support the Council's commercialisation agenda.

Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 25 August 2016		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 31 August 2016		

Contact Details and Background Papers

Contact: Hugh Peart, Director of Legal and Governance,
Tel: 020 8424 1287, email: hugh.peart@harrow.gov.uk

Background Papers: Report of Barnet Council

<http://barnet.moderngov.co.uk/documents/s34164/Report%20and%20Appendix%201.pdf>

<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=692&MIId=8729&Ver=4>