

## CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** held in Council Chamber, Priory House, Monks Walk, Shefford on Tuesday, 27 October 2015.

### PRESENT

Cllr P A Duckett (Chairman)  
Cllr J Chatterley (Vice-Chairman)

Cllrs	Mrs C F Chapman MBE	Cllrs	D McVicar
	K Ferguson		T Swain
	J Kane		N Warren

Apologies for Absence: Cllrs R W Johnstone

Members in Attendance:	Cllrs	Mrs A Barker	Chairman of Children's Services Overview and Scrutiny Committee
		J G Jamieson	Leader of the Council and Chairman of the Executive
		R D Wenham	Executive Member for Corporate Resources

Officers in Attendance:	Mrs D Broadbent-Clarke	–	Director of Improvement and Corporate Services
	Mr D Galvin	–	Head of Financial Performance
	Mrs R Preen	–	Scrutiny Policy Adviser
	Mr C Warboys	–	Chief Finance Officer

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#### CR/15/26. Minutes

**RESOLVED** that the minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee held on 25 August 2015 be confirmed and signed as a correct record subject to the amendment to reflect that Telereal Trillium would be supporting the Council with developments on land east of Arlesey.

#### CR/15/27. Members' Interests

Cllr Duckett as a member of his family lived in sheltered housing accommodation.

CR/15/28. **Chairman's Announcements and Communications**

The Chairman informed the Committee the Overview and Scrutiny Coordination Panel (OSCP) had agreed that a more collaborative approach to scrutiny, recognising the cross-cutting nature of the 5 Year Plan was necessary. This collaborative approach would require Members and officers to work differently and across the current committee structure. A trial of this approach would be undertaken with the Corporate Resources OSC, proposals for which would be presented to the Committee in December

In addition the Chairman confirmed that an item on Superfast Broadband would be considered at the Sustainable Communities OSC as it fell within the remit of the Regeneration and Business Directorate.

CR/15/29. **Petitions**

None.

CR/15/30. **Questions, Statements or Deputations**

None.

CR/15/31. **Call-In**

None.

CR/15/32. **Requested Items**

None.

CR/15/33. **Executive Member Update**

The Executive Member for Improvement and Corporate Resources informed the Committee that upgraded IT infrastructure would be available in Council offices from December 2015 including upgraded Wi-Fi, use of tablets and mobile devices and changes to telephony systems, which would ensure improvements for staff and customers.

In addition the Executive Member confirmed the Five Year Plan would be considered at full Council in November 2015 and a subsequent report regarding programme management arrangements would be considered by the Committee in December 2015. A learning and development session had also been organised for Members on 11 December 2015 with regards to Scrutiny and Challenge.

CR/15/34. **Partnering Legal Services**

The Director of Improvement and Corporate Services delivered a presentation regarding proposals to partner legal services incorporating the challenges, costs and available options with regards to process.

In light of questions from Members the Director confirmed that existing staff would be TUPE'd to the new employer but would remain based within Council offices.

The proposed operating model allowed for CBC cases to be prioritised so to safeguard working practices and the reputation of the Council. The proposed working model would increase the staff pool enabling access to expertise in areas in which CBC was currently lacking resources. The model would also provide more opportunity for senior staff to generate fees and increase income streams.

Several Members stated a preference to train existing staff rather than outsourcing and expressed concerns regards the speed of this process. In response the Director and Executive Member assured the Committee that no decisions had been made and scrutiny were being provided the opportunity to comment before any decisions were taken. It was important to progress the issue in order to identify cost savings with regards to the budget and begin the process to meet requisite timescales.

In light of the conversation several Members of the Committee endorsed the proposals as they felt it would increase productivity and generate additional income for the Council.

**RECOMMENDED that the proposal be considered by the Executive and an update be submitted to the Committee for further scrutiny on 15 December 2015.**

CR/15/35. **2016 Fees & Charges**

The Executive Member for Corporate Resources introduced the fees and charges that related to the Directorate.

Members of the Committee raised concerns regarding proposed car parking charges in Dunstable and the cost of licensing charges, which appeared lower than other neighbouring authorities. Members also sought clarification with regards to income streams relating to Children's Services in light of which the Chief Finance Officer confirmed that monies would be allocated to the Children's Services Directorate with the exception of IT income which went to Improvement and Corporate Services.

Members also queried whether charges relating to the Registrars service could be increased and it was confirmed that they were set at a market comparable rate in order to encourage use in Bedfordshire.

**RECOMMENDED that the Committee endorse the Directorate fees and charges but recommend that the Sustainable Communities OSC consider the detail regarding car parking charges in Dunstable and licensing fees.**

**NOTED the recommendations agreed by the Children's Services and Social Care, Health and Housing OSC.**

CR/15/36. **Work Programme 2015/16 & Executive Forward Plan**

**RECOMMENDED** that the Corporate Resources OSC Work Programme be agreed subject to the addition of the following items:-

- **IT Strategy in December 2015**
- **Partnering Legal Services Bid in December 2015**
- **Collaborative Working Trial in December 2015**
- **Digital Transformation Strategy in February 2016.**
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(Note: The meeting commenced at 10.00 a.m. and concluded at 11.05 a.m.)

Chairman.....

Date.....

# Shared Legal Services

Corporate Resources Overview and  
Scrutiny Committee 27 Oct 2015

# Background

Legal services rising workload – eg childcare cases have doubled

Put 800k from elsewhere in the directorate into legal in 14/15

Monitoring officer and head of legal services left.

Took opportunity over the summer to look at alternative delivery models – 3 x private sector firms, 2 x public partnerships, desk research

Concluded we should look towards partnerships

# At the same time – the budget...

The financial challenge for CBC Legal next year is £245k and there will be similar asks in 17-18 and beyond.

This is part of a package of budget savings put forward by ICS.

The low hanging fruit has largely been taken.



# What are the choices?

Salaries make up 85% of cost.

1. Cutting posts = cutting the service available
2. Outsource to private sector
3. Trade – get income
4. Collaborate with other like minded public bodies through shared service

# Trading isn't easy.

- Clients are careful who they choose to be their lawyers.
- To attract clients you need to have an established reputation and track record,
- You need to deliver a good service, and
- You must be highly cost effective.
- To offer a full service, you need lawyers who specialise.
- You need to have excellent accounting, billing and case management.
- Regulation is complex – If you trade to make a surplus you must do so via a company.
- The competition is fierce.

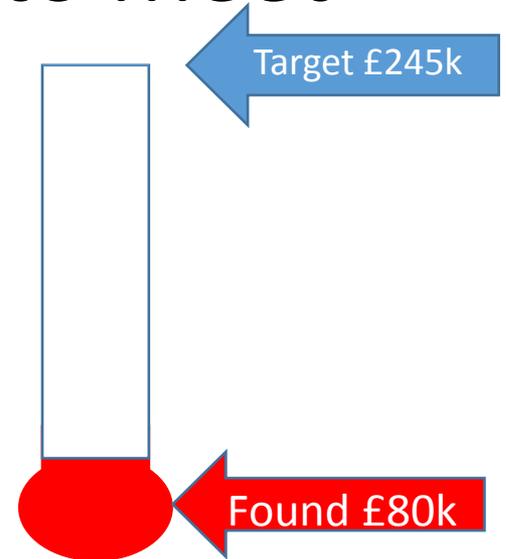
# Shared services make it more achievable

- Economies of scale
  - Spread the costs
  - More leverage in purchasing
- Enable greater specialisation
- More attractive place to work because they're bigger
- Mutual support from team mates
- Able to cope with peaks and troughs more easily
- Enabling investment



# You need to do a lot of trading to make a surplus big enough to meet the savings challenge.

Challenge = £240k  
£80k found - £160k



@ 10% surplus - required turnover = £1.5 million

@ 20% Surplus - “ “ “ £750k

# How could shared legal services deliver cost reduction for CBC?

**Efficiency Improvements** - Per unit cost of legal service is reduced through improved efficiency resulting in a reduced overall cost to CBC for the same amount of legal service:-

- Greater specialism in lawyers enable them to be more productive and to take on the work which is outsourced at considerable additional cost.
- Greater opportunity to spread the work across different levels of staff. (e.g. Trainee solicitors).
- Larger teams make it easier to manage peaks & troughs without resort to expensive locums.
- Better ICT systems enables the team to work more efficiently, effectively and more flexibly. Financial and service benefits in addition to working benefits for the team.
- Shared Knowledge – Do it once use it often – E.g. Implementation of new legislation.

# How could shared legal services deliver cost reduction for CBC?

- **Income Generation** – benefits delivered through dividend distributions and indirectly through discounted rates for shareholders.
- **Spreading Fixed Cost** over broader cost base - senior management cost reduced
- **Shared Systems/Procurement** – increased buying power/leverage.
  - Case Management
  - Research/Library
  - Training
  - External legal services/Counsel
- **Employer of Choice** – easier to recruit good staff – virtuous circle.

# What would the process be?

If we joined an existing shared legal services organisation, we could have three options;

- 1) Joint ownership
- 2) Formal collaboration through partnership and delegation
- 3) On demand service

The Shared Ownership model is what we are thinking of, due to our size and geographical location. This would require

- Initial share distribution
- TUPE of staff

The benefits of ownership would include

- Discounted rates
- Influence
- Profit share/dividend

# Our proposal.....

A merger with other teams working within close geographical proximity to maximise benefits derived from economies of scale, distribution of overhead costs and greater potential for income generation through external trading.

# Timetable

What	When
Draw up specification and consult with staff	Now to November
Put out a specification and invite bids – look for Price, quality, staff welfare	November/December
Report to Executive and delegation of decision making	December
Award of contract	December/January

# Timings

- We haven't yet had our budget proposals accepted but yet we cannot afford to delay implementation
- We want to give ourselves the maximum time to assess our options and to mobilise the new arrangements
- Staff involved throughout

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