



Council name	COTSWOLD DISTRICT COUNCIL
Name and date of Committee	OVERVIEW AND SCRUTINY COMMITTEE – 7 MAY 2024 CABINET – 9 MAY 2024
Subject	LEGAL SERVICES PARTNERSHIP AGREEMENT & TRANSFORMATION PROGRAMME UPDATE
Wards affected	None
Accountable member	Cllr Tony Dale, Cabinet Member for the Economy and Council Transformation Email: tony.dale@cotswold.gov.uk
Accountable officer	Angela Claridge, Director of Governance & Development Email: angela.claridge@Cotswold.gov.uk
Report author	Angela Claridge, Director of Governance & Development Email: angela.claridge@Cotswold.gov.uk
Summary/Purpose	To seek authority to enter into a formal partnership agreement for a shared legal service with Forest of Dean and West Oxfordshire District Councils and to note progress on the Legal Services Transformation programme to date.
Annexes	Annex A – Service Catalogue Annex B – Staff Model
Recommendation(s)	That Cabinet resolves to: <ol style="list-style-type: none">1. Delegate authority to the Chief Executive, in consultation with the Cabinet Member for the Economy and Council Transformation, to enter into the formal Legal Services Partnership Agreement with Forest of Dean and West Oxfordshire District Councils with immediate effect.2. Note progress and the direction of travel for the Legal Services Transformation Programme to date.
Corporate priorities	<ul style="list-style-type: none">• Delivering Good Services
Key Decision	NO
Exempt	NO



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Consultees/ Consultation	Cabinet Member for the Economy and Council Transformation. Chief Executive Officer, Chief Finance and Monitoring Officers representing Cotswold, Forest of Dean and West Oxfordshire District Councils. Head of Legal Services and Legal Services Change Programme Manager.
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1. EXECUTIVE SUMMARY

- 1.1 Following a review of the shared Legal Service by an external consultancy, Cadence Innova Limited, a transformation programme for the shared Legal Services Team has been progressing under the stewardship of the officer led Legal Services Steering Board.
- 1.2 This transformation programme is underpinned by our ambition to create a modern and innovative shared service, providing high-quality, efficient services that deliver on the vision for its three council and Publica clients. The programme, although focussing on value for money, is not a savings programme, instead transforming the function to be future ready.
- 1.3 This report informs the Cabinet of the progress to date and seeks delegated authority to enter into a formal partnership agreement.

2. BACKGROUND

- 2.1 Cotswold, Forest of Dean and West Oxfordshire Councils currently share a joint legal service. The Service has operated on an informal footing since 2016 with all legal staff being made available by, and to, the other participants on a co-operative and collaborative basis. The staff are however retained by their employing authority. A mutual co-dependency has developed between the councils with each reliant on the other for legal service provision.
- 2.2 In 2022, this Council completed a review of Legal Services assessing it against an external provider. Following that assessment, Cotswold District Council's Cabinet, on 4 July 2022, determined that legal services should continue to be provided by the shared legal team; resolving; *“that the Council's legal service continued to be provided by Your (the inhouse) Legal Service, supported a review of the service for economy, efficiency and effectiveness, and supported the formalisation of the shared service under a Collaboration Agreement and Section 101 agreements”*. This decision was subsequently endorsed by Forest of Dean and West Oxfordshire District Councils.

3. SERVICE REVIEW

- 3.1 A review of Legal Services was commissioned by the Chief Executives of the three partner councils. Cadence Innova Limited, who've worked with other local authority legal teams, were engaged to undertake a review of the shared service to ensure its “economy, efficiency and effectiveness” recommending a programme of transformation.
- 3.2 It is important that Cotswold District Council has access to an effective legal service. The Council provides a wide range of services in a complex legal environment. While the current shared team has provided a cost-effective service for the Council with a team of skilled lawyers, a programme of transformation was required to ensure the shared service is fit for the future and can meet the Council's ambitions.
- 3.3 Cadence Innova were engaged to review the operations of the shared legal service. Specifically, to -



- Discover and understand what the current service looks like – the ‘As Is’ Operating Model
 - Provide recommendations of what the service should look like to meet the demands of the three councils and Publica – the ‘To Be’ known as the Target Operating Model (TOM)
 - Identify the changes that need to happen to reach the Target Operating Model (TOM)
 - Provide a Roadmap – a set of priority activities and recommendations to embed success.
- 3.4** Throughout the review, Cadence Innova Limited focussed on the five core components that form the foundation of every high-functioning team or organisation - Strategy, Governance, People, Process and Technology.
- 3.5** The review contained a number of approaches to gather information to assess the “as is” position, including engaging with twenty-four stakeholders from across the councils and Publica, clients and Legal Services which contributed to the identification of current pain points, underlying causes and challenges that both users of the service and the lawyers experience.
- 3.6** To build the ‘To be’ target operating model (TOM), Cadence Innova ran four face to face group workshops with senior leaders and Legal Services to collect information to build the TOM and held meetings with individuals and groups to co-design the TOM.
- 3.7** To develop the Roadmap, Cadence Innova used their knowledge and experience to map out the high-level activities that are required to achieve the TOM and identify the priority activities and timings to embed success.
- 3.8** The “as is” position identified a number of pain points and underlying challenges and causes, including:
- Current service is reactive.
 - No agreed service specification.
 - Absence of a formal contractual agreement between the councils.
 - Limited assessment of whether the service is providing value for money.
 - Insufficient capacity within the team, with qualified, experienced lawyers spending 20% of their time on general admin, and work that could be handled internally being sent to external law firms to provide capacity.
 - Limited opportunities for professional growth or “grow your own” trainee roles.
 - Limited technology – no legal case management or document management system.
- 3.9** The assessment of the “as is” position, when aligned with the current and future model activities identified a number of operating components that should be undertaken to reach the future goals and strategic objectives of Legal Services, including:
- Strategy – decision to operate a target operating model; produce a service delivery document and change or transformation plan.



- Governance – governance agreement and governance board or joint management committee across the three partner councils.
- People – team structure and skills mix, recruitment and trainee programme.
- Processes – single “pipeline” of work, work allocation and standardised templates.
- Technology – data capture and management information, case management software and resource management.

4. LEGAL SERVICES CHANGE PROGRAMME – DELIVERY TO DATE

4.1 To spearhead the change programme, a Legal Services Change Programme Manager was appointed on a twelve-month contract in September 2023. This role, although employed by Cotswold District Council, has been funded by the three partner councils. The change programme has been led by the Steering Board comprising of the three individual Monitoring Officers, Head of Legal Services and Change Programme Manager.

4.2 Since September 2023, substantial change has been achieved in all of the core component areas –

4.3 Governance & Strategy:

- Programme governed by a Steering Board made up of all three Monitoring Officers, Head of Legal Services and Change Programme Manager.
- Involvement of the three Monitoring Officers has ensured all decisions made have been in the best interest of the partner councils and aligned to each Council’s strategic goals.
- Service catalogue established – a description of work undertaken.
- Agreement from all Chief Finance Officers that the costs of operating Legal Services will be split equally across partner councils
- Partnership Agreement shared and agreed with the three partner council Chief Executive Officers – overview of terms in paragraph 5.

4.4 People:

- Investment in the service from all three partner councils has increased the establishment from 8.68 FTE to 11.65 FTE – although the service is not fully staffed.
- Two new Legal Support Officers in place, recruitment for third ongoing
- Trainee/paralegal on hold – pending completion of transformation programme

4.5 Process:

- Review of which activities were being carried out identified several tasks that should not be undertaken in Legal Services – transition to the correct areas within the organisation is ongoing.
- The new legal case management software “Iken” offers opportunities to standardise some low-level processes with workflows & templates.



- Small task force, identified from within the Legal Services staff cohort, to improve the current process of receiving instructions and allocating work within the team.
- Develop the internal webpage to give instructing officers more information around the services provided.
- Clear guidance in terms of what's needed from instructing officers – what do 'good instructions' look like.
- Improved communications between lawyers and instructing officers and provide expectation around lead-times.
- Moving the responsibility of day-to-day work allocation away from Head of Legal Services.
- Legal Support Officers creating new matters in Iken.

4.6 Technology:

- Following a procurement and selection process, the legal case management software application "Iken" successfully went live on 20th March.
- Working collaboratively with ICT colleagues who delivered fully, and in line with the project plan.
- Early signs are that adoption is going well with positive feedback from across the team.
- Iken offers greater visibility across the team.
- Opportunity to develop automated workflows offer efficiency and productivity.
- Time recording & analysis provides essential data for financial and management information.
- Document and email management with Microsoft 365 integration.

4.7 Next Steps:

- Over the next three months the service will continue to transform as it subsequently moves into a phase of stabilisation. Areas of focus over the next three months are:
- Complete recruitment to the team.
- Embed Iken case management software and start to develop automated workflows for repeatable processes.
- Complete a service delivery plan detailing the way in which the team will deliver to include the prioritisation and allocation of instructions.
- Regular service meetings with other core services to jointly set expectations on the pipeline of work and ways to work collaboratively.
- Develop the intranet site to provide the instructing officers with guidance and knowledge to improve the instructing process.

5. PARTNERSHIP AGREEMENT

- 5.1** One of the issues that required addressing has been the absence of a formal contractual agreement between the councils.



- 5.2** Permission is sought to delegate authority to the Chief Executive, in consultation with the Cabinet Member for the Economy and Council Transformation, to enter into the formal Legal Services Partnership Agreement with Forest of Dean and West Oxfordshire District Councils.
- 5.3** The draft Partnership Agreement includes the following terms:
- Provision of services – working arrangements of the team who remain with host council but seconded across partner councils.
 - Financial arrangements – operating costs for the service to be split equally.
 - Conflicts of Interest
 - Dispute Resolution
 - Service Catalogue - core services provided by Legal Services
 - Team Structure – providing a base line for the agreement
 - Terms of Reference for the Partnership Board
 - Agreed definition of Operating Costs
 - Termination arrangements
- 5.4** Once the Partnership Agreement has been signed by all three partner councils, the existing Steering Group over-seeing transformation will transition into a Partnership Board akin to the existing arrangements in place for another shared service, the Counter Fraud and Enforcement Unit.
- 6. ALTERNATIVE OPTIONS**
- 6.1** Members could choose not to enter into a Partnership Agreement with Forest of Dean and West Oxfordshire District Councils. Although the shared legal service has operated successfully without one since 2016, a formal agreement is recommended.
- 7. FINANCIAL IMPLICATIONS**
- 7.1** In line with the terms of the Legal Services Partnership Agreement the financial arrangements state that the operating costs incurred to deliver the service will be equally split initially by all partner councils. The annual cost to Cotswold DC is £275,609.00 which is within current budgets.
- 7.2** Until Iken, the legal case management system had been implemented, there was a lack of any meaningful data to be able to attribute the work volume to each of the partner councils. As a result for a twelve month period, the Chief Finance Officers of each council have agreed that the initial financial arrangement will be an equal 3-way split of the total operating cost for the full Legal Services team. The team have started to use the time recording function in the new case management system and the plan is to use this data in the future to get a clearer idea of the actual distribution of work, and if necessary the share of the costs can be adjusted going forward.



7.3 There has been significant spend on external legal advice by all three councils over the last four years. This is an area where there is potential to make savings, but it must be borne in mind that specialist advice will be necessary in some cases and that any shared legal service will not hold specialist expertise in every field. Nevertheless, there is scope for savings with more appropriate use of the skills mix within Legal Services.

8. LEGAL IMPLICATIONS

8.1 The legal documents to underpin the shared service, such as a Partnership or Collaboration Agreement and formal arrangements under S.101 of the Local Government Act 1972 should be completed as a priority to place the shared service on a sound footing. Now that the Council has decided to continue to rely on an in-house shared legal service, it is necessary to place the informal agreement for shared working on a formal basis. The Partnership Agreement will do that by acting as the legal mechanism by which each of the three partner councils places its own staff at the disposal of the other partner councils under section 113 Local Government Act 1972. In doing this, it also confirms that the Head of Legal Services is put at the disposal of all 3 councils, and this reinforces the delegated powers that are held by them under all three councils' constitutions.

8.2 The Agreement has been drafted with the input of all three Monitoring Officers and allows the flexibility for the councils to exit the shared arrangement in the future, should circumstances change.

9. RISK ASSESSMENT

9.1 Good governance of partnership arrangements enables an authority to work more effectively and to manage risk. Risk within the shared Legal Service can be mitigated more easily through a Partnership Board and Partnership Agreement.

10. EQUALITIES IMPACT

10.1 No negative effect on different service users, customers or staff is expected from the implementation of this transformation programme.

11. CLIMATE AND ECOLOGICAL EMERGENCIES IMPLICATIONS

11.1 None arising from this report.

12. BACKGROUND PAPERS

12.1 The following documents have been identified by the author of the report in accordance with section 100D.5(a) of the Local Government Act 1972 and are listed in accordance with section 100 D.1(a) for inspection by members of the public:

- Legal Services Commissioning Review, Cabinet 04.07.2022



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- Legal Services Review Presentation - Target Operating Model, Key Activities and Roadmap (February 2023), undertaken by Cadence Innova Ltd.
- Legal Services Review – Final Report, Forest of Dean, West Oxon & Cotswold District Councils (February 2023), authored by Cadence Innova Ltd.
- Draft Partnership Agreement, held by the Change Programme Manager (Debbie.Smart@cotswold.gov.uk)

These documents will be available for inspection online at www.cotswold.gov.uk or by contacting democratic services democratic@cotswold.gov.uk for a period of up to 4 years from the date of the meeting.

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