

 Executive Committee – 9th January 2013		Agenda Item No. <h1 style="text-align: center;">6</h1>
Title	Provision of WDC Legal Services	
For further information about this report please contact	Andrew Jones Andrew.jones@warwickdc.gov.uk (01926) 456830	
Wards of the District directly affected	None	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers		

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan?	Yes
Equality & Sustainability Impact Assessment Undertaken	N/A

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive	17 th December 2012	Chris Elliott
Deputy Chief Executive & Monitoring Officer	13 th December 2012	Author
CMT	17 th December 2012	Chris Elliott Bill Hunt Andrew Jones
Section 151 Officer	17 th December 2012	Mike Snow
Portfolio Holders	17 th December 2012	Councillors Doody & Caborn
Consultation & Community Engagement		
Final Decision?	Yes	
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 The report recommends a four-year Service Level Agreement for the continuation of a joint legal service with Warwickshire County Council.

2. RECOMMENDATIONS

- 2.1 That Executive notes the review of the Council's three-year joint legal services arrangement as detailed at Appendix A.
- 2.2 That Executive notes the independent procurement advice at Appendix B in respect of entering into a further period of a joint legal service with Warwickshire County Council (WCC).
- 2.3 That Executive agrees that Warwick District Council (WDC) shall enter into a four-year Service Level Agreement (SLA) for a joint legal service with WCC.
- 2.4 That subject to agreeing recommendation 2.3, Executive agrees the SLA at Appendix C with any necessary future minor changes being delegated to the Council's Monitoring Officer.
- 2.5 That the budgetary position with regard to Legal Services, as set out in Section 5 of this report, is noted.

3. REASONS FOR THE RECOMMENDATIONS

- 3.1 In December 2009, Executive approved the creation of a joint legal service with WCC underpinned by an SLA. Executive considered that a joint team would bring resilience, diversity of knowledge, expertise and experience which was not present within the in-house team alone. Therefore from March 2010, Warwick District Council staff TUPE-transferred to WCC under a shared service arrangement. As at December 2012, all five transferees are still in employment with WCC.
- 3.2 At Appendix A to this report a review of the performance of the joint service is provided. The report has been produced by WCC but this Council's Monitoring Officer (the SLA Contract Manager) considers it to be an accurate reflection of the situation. The review paints a very positive picture from the diversity of support offered (housing possessions to major projects such as Newbold Comyn Golf Course lease and the proposed Chase Meadow Community Centre construction), as well as the significant reduction in external legal assistance, to the satisfaction of WDC officers who have commissioned work. There are of course opportunities for improvement but nothing that wouldn't be found in any partnership arrangement.
- 3.3 WCC's view of the arrangement is as follows:

"(WCC) places significant value in the relationship that has developed with WDC over the three year period and would want to see that relationship continue for the future. The arrangement would appear to be beneficial to WDC in terms of cost effectiveness and also quality, breadth and experience of service provided. In addition it provides scope for (WCC) staff to widen their experience base which is beneficial for the resilience and capacity of the service as well as individual career development purposes."

- 3.4 Given positive feedback from WDC Members and officers about the current arrangements, WDC's Monitoring Officer wanted to seek independent advice in relation to the procurement issues should WDC wish to enter into a further SLA with WCC. In the first instance WCC provided its own legal view (Appendix B(i)) of the position. Having received this view, the Monitoring Officer procured advice from leading local government lawyers Bevan Brittan. The advice at Appendix B(ii)) advises that entering into a further SLA with WCC would not be problematic from a procurement perspective.
- 3.5 Taking all of the information together it is officers' view that this Council should enter into a further SLA with WCC and given the success of the venture thus far, there would appear to be limited risk in entering into a four-year agreement.
- 3.6 Should Members agree to the officer recommendation then a new SLA will need to be signed. The SLA at Appendix C has been produced by WCC and this Council's Monitoring Officer and is largely based on the current agreement. It is proposed that this SLA is endorsed and should any minor changes be required the Monitoring Officer is given delegated authority to agree the necessary changes.

4. ALTERNATIVE OPTION(S) CONSIDERED

- 4.1 The option of bringing the service back in-house was rejected as the issues of capacity, expertise and resilience would still remain. These are precisely the issues which encouraged Members to seek alternative arrangements in 2009.
- 4.2 The option of procuring work from external law firms was rejected as the business case of 2009 demonstrated that the rates were at least double those of WCC. There would also be a very strict client/contractor relationship with the benefits of the collaborative SLA approach being lost.

5. BUDGETARY FRAMEWORK

- 5.1 Outturn expenditure for 2010/2011 was £470,000 (the first year of the agreement) and for £2011/2012 was £486,000. The current budget for legal services is £489,700 with current expenditure trends forecasting outturn expenditure of £488,000. During this period, WCC had actually reduced its hourly rate by £1 per hour.
- 5.2 The new SLA proposes uplift in hourly rates (averaging at c.5%) however, when set against the benchmark analysis at Appendix D, these rates are still the cheapest and significantly cheaper than private sector rates as demonstrated through the work in 2009. WCC has advised that it is having to increase its rates as it is currently making a "loss" on WDC work.
- 5.3 As part of budget setting for 2013/2014, it is proposed to hold the budget at 2012/13 levels as WCC has committed to a programme of work to ensure that referrals are only made to Legal Services at the appropriate time. This programme will be overseen by this Council's Monitoring Officer.

6. POLICY FRAMEWORK

- 6.1 The report recommends the approval of a joint service that is providing excellent value for money and quality advice. This is consistent with the strategic objectives of FFF.