

Subject:	Orbis Public Law – update on proposals for the Establishment of a Shared Legal Service		
Date of Meeting:	9 February 2016		
Report of:	Executive Lead for Strategy Governance and Law		
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Ward(s) affected:	All		

FOR GENERAL RELEASE.**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 The purpose of this report is to update Policy, Resources & Growth Committee in relation to the progress on the establishment of a shared legal service – Orbis Public Law.

2. RECOMMENDATIONS:

- 2.1 That Policy, Resources & Growth Committee notes the progress and the next steps in relation to Orbis Public Law.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 In January 2016 Policy and Resources Committee agreed to the creation of a new Legal Services partnership arrangement between Brighton & Hove City Council, East Sussex County Council, Surrey County Council and West Sussex County Council to be known as Orbis Public Law, subject to due diligence. The Committee also delegated authority to officers to establish a Limited Company (Alternative Business Structure) if considered appropriate.
- 3.2 The context and rationale for the shared legal service was that each of the four Council's legal teams face similar issues of increasing financial challenges and limited capacity. By working together, the four partners will be able to realise savings in excess of those achievable in isolation, whilst still delivering a good service to their authorities and providing extended opportunities for staff. The single legal service aims to create a resilient, flexible, single Legal Service with a critical mass of expertise and provide a quality, cost-effective legal service to the constituent authorities and public sector partners.
- 3.3 Following the approval of the strategic business plan for the Shared Service by the four authorities, Orbis Public Law was soft launched on 4th April 2016, providing a shared identity across the partnership. Since then, the project team has been working on a staged approach to collaboration with the goal of a fully converged/integrated service by 2019.

- 3.4 An Orbis Public Law Joint Committee has been established, with oversight and decision making powers in relation to delivery of the shared service. The second meeting of the Joint Committee took place on 20th January 2017.

Project Approach

- 3.5 Reporting to the Orbis Public Law Joint Committee is an Executive Board, comprised of the Monitoring Officers of the four authorities. The Executive Board is accountable for the project. A Project Board has been established to deliver the work and ensure new working practices are embedded into the organisation to realise benefits.

Priority Areas

- 3.6 Two areas of integration have been prioritised, because they are seen as key to income growth and reducing external legal spend. They are being managed through two projects:
- The Commercial pathfinder
 - Child protection, advocacy, court modernisation programme and alignment of processes.

Commercial pathfinder

- 3.7 Areas of law covered by the Commercial pathfinder include property procurement, contracts and major projects. The decision to start with this area was driven by a number of factors:
- Between them, the authorities possess a significant pool of talent in a field where it proves difficult for individual teams to recruit.
 - In recent years teams have seen a significant increase in the volume of technical and complex projects requiring specialist knowledge. This work is expensive to buy-in.
 - Commercial work is readily deliverable from locations at a distance from clients and projects.
 - Commercial work is a marketable service and lends itself to inter-authority collaboration and opportunities to generate additional income.

- 3.8 A steering group and working group have been reviewing the current offer and designing a single OPL commercial law service. The teams are finalising the analysis and aim to present these recommendations to the Joint Committee in January 2017. Work has already begun to standardise processes in these areas and share key documents which can be kept updated in a more cost effective and efficient way.

Child protection: Advocacy, the Court modernisation programme and alignment of processes

- 3.9 The volume and complexity of child care cases is increasing across the partnership. This is a nationally recognised trend and is putting a sustained strain on each authority's resources. Advocates carry out work on child protection proceedings and attend court on behalf of local authority clients. Each of the four partners employ dedicated advocates and supplement this with external

representation as required. A review of advocacy arrangements across the partnership is underway to see whether expenditure on bought-in legal representation can be reduced and to establish the feasibility of setting up a single advocacy unit for Orbis Public Law. This will be reported to the Joint Committee at its next meeting.

- 3.10 In addition OPL is working collaboratively with the courts to assist them in moving to electronic processes. This project has already resulted in benefits which have been delivered through the strength of the OPL partnership and collaboration with the court. An example of this is the redesign of the Emergency Protection Orders (EPO) process, making it more cost effective and less time consuming for both the authorities and court service.
- 3.11 Building on the success of shared child protection processes, work has begun to share the key documents and standardise the processes used in the practice areas of:
- Pre-proceedings and adoptions
 - Instruction of experts
 - Issuing care proceedings

Governance

- 3.12 The legal framework for Orbis Public Law's operation will be set out in an Inter Authority Agreement (IAA). It is anticipated that it will be completed by 1st April 2017. The agreement provides for the annual contribution ratio (ACR) which defines the financial contribution from each authority, secondment of employees, dispute resolution and termination of the agreement. There is an initial 3 year "lock in" period. There are some details which are being finalised but all the key principles are agreed.

Alternative Business Structure

- 3.13 The partnership has an ambition to grow and work for a wider range of organisations beyond the core service provided. The initial intention was to prepare a business case to create Orbis Public Law Ltd as a jointly owned Alternative Business Structure (ABS). There continues to be a lack of clarity surrounding the regulatory position and the team are in dialogue with the Solicitors Regulation Authority. Given the significant cost of set-up and ongoing regulation, further integration will be established in advance of progressing an ABS and the regulatory situation (which remains fluid) will be kept under review.

Finance

- 3.14 It is the intention to have a joint operating budget and savings plan in place for April 2017. These are both key components of the Inter Authority Agreement and the Joint Committee has received a paper setting out the financial approach, principles and progress in detail.
- 3.15 The Orbis Public Law business plan proposes savings of at least £1m across the four authorities by the end of 3 years. Financial pressures across the authorities have led to additional savings targets given to legal services, commencing in 2017/18. The 2017/18 savings will be delivered by the four authorities and this will be recognised in the Agreed Contribution Ratio (ACR) before the budgets are

shared. Work is ongoing to understand how the 2018/19 savings will be delivered across the partnership. There are a variety of ways to deliver savings, such as:

- Efficiencies and additional income generated by OPL;
- Reduction in the work undertaken for an authority, flexing the ACR; and
- Savings to be made on budgets held within sovereign authorities.

3.16 The proposed 2017/18 OPL Operating Budget was presented to the Joint Committee on 20th January 2017. This proposed budget will be net of 2017/18 savings and any budgetary adjustments, such as additional funding for pressures. The 2017/18 budget will be included within the Inter Authority Agreement and will be monitored against activity levels. The full OPL budget monitoring and activity monitoring will be presented at least quarterly to the Executive Board to enable effective management. It is proposed that the budgets will be “co-managed” during the financial year 2017/18 with the budgets being pooled from April 2018.

Staff

3.17 Effective working relationships are developing across the and regular communication channels have been established.

3.18 Staff within the partnership have attended a ‘Think Change’ change management session which gives staff the tools and techniques to support themselves and their teams. 208 people have attended and feedback continues to be positive.

3.19 A uniform approach has been developed for OPL staff training and is currently being implemented across the teams. As part of this, a training programme has been published and is available to all OPL colleagues. Free training has been sourced from contacts at Barristers Chambers and private law firms. There are currently 1 or 2 sessions each month with an opportunity cost saving of @£2000 per event. This contributes to lawyers’ professional training requirements.

3.20 A recruitment protocol has been developed which looks at the capacity across the partnership to deliver the work, seeks to offer development opportunities and ensure that the work is carried out at the right level.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

4.1 The Council has already considered alternative options before deciding to join Orbis Public Law. Outsourcing, setting up a staff co-operative/mutual, establishing a trading company with neighbouring authorities and continuing as a separate inhouse practice. For the reasons set out in the original report to committee, Orbis Public Law provides the best opportunity in terms of cost, resilience, expertise and career opportunities for staff.

5. COMMUNITY ENGAGEMENT & CONSULTATION

There have been regular briefing sessions with staff throughout this process, both within the Council and in joint sessions with colleagues from other authorities.

6. CONCLUSION

This is an update report intended to inform members before the inter-authority agreement is signed. It is consistent with the rationale that underpinned the original decision taken in January 2016 to enter into the agreement

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The financial arrangements and governance are set out in the body of the report. A joint operating budget will be in place from April 2017 and the agreed contribution ratio (proportion of budget from each authority) will take into account the savings planned for the service in 2017/18. The business plan proposes savings of at least £1m over 3 years across the partnership. This council's estimated share of these savings are included within the 4 year Service and Financial Plans, part of the General Fund Revenue Budget and Council Tax 2017/18 report elsewhere on this agenda.

Finance Officer Consulted: James Hengeveld

Date: 01/02/17

Legal Implications:

The terms of the agreement will be incorporated into a legal shared services agreement which will govern the rights and obligations of the parties. The final decision to sign the agreement will be taken by the Chief Executive in accordance with the authority granted to by the Policy, Resources and Growth Committee in January 2016.

Lawyer Consulted:

Abraham Ghebre-Ghiorghis Date: 30/01/2017

Equalities Implications:

There are no adverse equalities implications arising from the report

Sustainability Implications:

There are no adverse sustainability implications arising from this report.

Any Other Significant Implications:

- 7.2 None

SUPPORTING DOCUMENTATION

Appendices:

None

Documents in Members' Rooms:

None

Background Documents:

Previous reports to the Policy & Resources Committee in January 2017 and the report to the Orbis Joint Committee on 20th January 2017.