



## Shared Legal Services

Executive Portfolio Holder:	Peter Seib, Portfolio Holder for Finance & Legal Services
Ward Member(s)	All
Strategic Director:	Nicola Hix – Director, Support Services
Lead Officer:	Nicola Hix
Contact Details:	nicola.hix@southsomerset.gov.uk or 01935462612

## Purpose of the Report

1. The purpose of this report is to seek Cabinet/Executive approval to explore the establishment of sharing legal services between Mendip District Council (MDC), Somerset West and Taunton Council (SWT), South Somerset District Council (SSDC) and Sedgemoor District Council (SDC).
2. Approval of the recommendations will enable the Council to investigate further the different options available for the future delivery of its legal services function. This is a vital business support function that enables the Council to deliver its frontline services and corporate priorities and progress the collaborative working agenda, irrespective of the Government's decision in regard to Unitary Council(s) for Somerset.
3. This proposal is complementary to the District Councils' bid to create two Unitary Authorities in Somerset.

## Forward Plan

4. This report does not contain a key decision and therefore there is no requirement to publish this on the forward plan. However, the actual bringing forward of the Business Case and recommendations will be a key decision and needs to be published on the executive forward plan accordingly.

## Public Interest

5. Approval of the recommendations will enable the Council to investigate further the different options available for the future delivery of its legal services function. This is a vital business support function that enables the Council to deliver its frontline services and corporate priorities and progress the collaborative working agenda, irrespective of the Government's decision in regard to Unitary Council(s) for Somerset.

## Recommendations

6. That District Executive:
  - a) Note the contents of this report.



- b) Authorise the establishment of a project team to work on the development of a business case and options appraisal for the sharing of legal services between Mendip District Council, Somerset West and Taunton Council, South Somerset District Council and Sedgemoor District Council.
- c) Authorise the Director of Support Services, following consultation with the Districts' Unitary Programme Board and Unitary Steering Group, to take any and all decisions as deemed necessary to enable the business case and options appraisal to be developed to include, without limitation, finalising, approving and signing Heads of Terms and engaging any external advisers.
- d) Agree a contribution of up to £5,000 to fund the Councils one quarter share in relation to the engagement of any external advisors to be funded from existing service revenue budget for 2020/21.
- e) Authorise Director of Support Services to review the progressing of the shared legal services project in the event that Central Government decide to proceed with one Unitary Authority for Somerset

## Background

- 7. Since 1 April 2015, Mendip District Council has hosted a shared legal service with Somerset West and Taunton Council (SWT) (previously Taunton Deane Borough Council and West Somerset Council) and provides adhoc support and resources to South Somerset District Council (SSDC) and in relation to two shared projects, Sedgemoor District Council (SDC). The original arrangement was due to expire on the 31 March 2020, but by agreement has been extended for a further year until 31 March 2021.
- 8. SDC also provides legal services to other local authorities in Somerset (District and Town/Parish).
- 9. As the agreement for the shared legal service between MDC and SWT is due to expire in March 2021, the opportunity has been taken to consider a countywide legal services partnership between the four District Councils in Somerset to serve the requirements of all District Councils as well as any future proposed local government model that would serve the County of Somerset.
- 10. The operation of the existing MDC/SWT shared legal service is governed by an Inter-Authority Agreement entered into by the parties. The initial term of these shared arrangements was due to conclude on 31 March 2020, but MDC and SWT have agreed to extend this by one year whilst future options for the delivery of shared legal services are considered, especially within the context of the changes that have occurred in the local government environment since 2015, for example where complex commercial transactions have become the norm rather than the exception.

## Report Detail



11. It is proposed that all four District Councils collectively consider the options to establish whether there is a case for a four Council shared quality legal service to promote co-operation between the authorities, create greater resilience, and achieve savings through economies of scale. In order to do this, a business case will need to be prepared, including an options appraisal for different delivery models and legal structures.
12. This approach is complimentary to and will align with any future model of local government that sees two unitary authorities serving the County of Somerset. The Director of Support Services will therefore consult with the Districts' Unitary Programme Board and Unitary Steering Group made up of the Leaders and Chief Executives of the four District Councils to ensure that any proposals arising from the business plan are in line with the Districts' bid for two unitary authorities.
13. The business case will propose a new service delivery model for the legal function across all four authorities. Each authority would retain strategic oversight (including retaining the statutory role of the Monitoring Officer) of their respective legal function, but other elements of the legal function would be pooled between the authorities.
14. This business case will need to take account of service needs, public procurement law and the external regulatory framework for the delivery of legal services. The main focus of a new shared service will be on delivery of a quality legal service back to the District Councils, but the business case will also seek to understand the scope for trading beyond the District Councils in providing a legal service to City, Town and Parish Councils, charities and other public sector bodies beyond the Somerset boundary as well as, if appropriate, current and future private sector businesses and organisations. The delivery of legal services is subject to external regulation by the SRA (The Solicitors Regulatory Authority).
15. Discussions are at an early stage but high level Heads of Terms are in preparation. These Heads of Terms are being prepared collaboratively by the four District Councils.
16. Approval of the recommendations listed would allow all options to be considered through a business case which will be presented to the Cabinet/Executive of each District Council in a future report.
17. The Council could choose not to collaborate with the other District Councils or MDC and SWT could seek to refresh the scope and remit of the existing Inter-Authority Agreement, but this would mean that not all options could be fully considered before making a decision on the future of legal services delivery.

## **Financial Implications**

18. Any change to the current shared service will have financial implications (including set up costs) for the Council and these will be explored in the business case.



# South Somerset District Council

19. If the recommendations in this report are approved, the development of the business case (including the joint engagement of external advisers) will be managed within a budget. The Executive are therefore being invited to agree a contribution of up to £5K representing a one quarter share of the costs of appointing any external advisors. Each Council to contribute an equal share. This will be funded from within existing revenue budgets.

## Legal Implications

20. The councils have the power to establish, participate in and purchase from a shared legal service. The exact legal structure/delivery model will be considered as part of the business case. The Council's relevant powers include the General Power of Competence under Section 1 of the Localism Act 2011. The application of the Council's powers will be considered further in the business case.

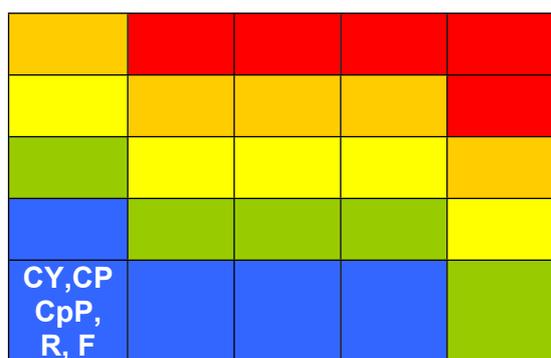
21. Any purchases by the Council must comply with the Public Contracts Regulations 2015 and the Council's contracts standing orders.

22. The delivery of legal services is subject to external regulation. This will be considered further as part of the business case development.

## Risk Matrix

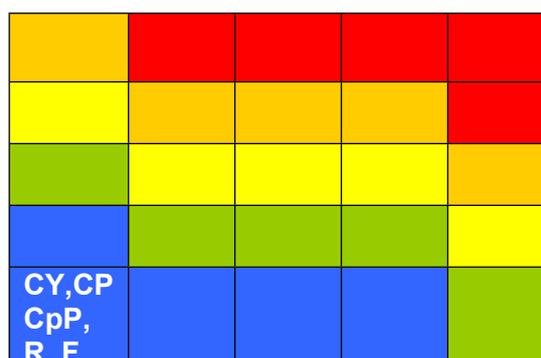
23. A full risk and opportunities register will be developed and presented as part of the business case. At this point in time, Officers are only requesting permission to develop a business case.

**Risk Profile before officer recommendations**



Likelihood  
→

**Risk Profile after officer recommendations**



Likelihood  
→

### Key

Categories	Colours (for further detail please refer to Risk management strategy)
R - Reputation	High impact and high probability
CpP - Corporate Plan Priorities	Major impact and major probability
CP - Community Priorities	Moderate impact and moderate probability
CY - Capacity	Minor impact and minor probability
F - Financial	Insignificant impact and insignificant probability



## **Council Plan Implications**

24. Robust legal advice is fundamental to the successful delivery of frontline services to our customers, communities and the operation of the Council. Approving the recommendations set out in this report will enable the Council to explore the most efficient and effective options for the delivery of a quality and sustainable legal service in line with the four District Councils working collaboratively or through the formation of unitary authorities.
25. The Council's legal function is an essential facilitator of the delivery of the Council's Corporate Priorities and this report will help deliver the Council's core values of working collaboratively - Working with partners to enhance outcomes for our communities.

## **Carbon Emissions and Climate Change Implications**

26. There are no direct climate change implications, however any new service will, where possible, ensure that services are delivered with minimal environmental impact. For example, meetings will be carried out virtually where possible and a paperless approach will be taken. The shared service will adopt any other necessary carbon reduction initiatives to serve the existing corporate priorities in relation to the climate emergency agenda for each Council.

## **Equality and Diversity Implications**

27. A full Equalities Impact Assessment will be undertaken when the business case is developed and prior to any decision to approve the Business Case.

## **Privacy Impact Assessment**

28. There are no privacy implications at this juncture

## **Background Papers**

None