

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Legal Shared Services Business Case

Meeting/Date: Overview & Scrutiny (Economic Well-being) Panel,
9 July 2015
Cabinet, 16 July 2015

Executive Portfolio: Cllr Harrison, Executive Councillor for Strategic Economic
Development & Legal

Report by: Joanne Lancaster, Managing Director

Ward(s) affected: All

Executive Summary:

- 1) Cambridge City Council (CCC), Huntingdonshire District Council (HDC) and South Cambridgeshire District Council (SCDC) have agreed to work in partnership to deliver a range of shared services and have agreed principles to underpin this approach.
- 2) This report provides the business case to establish a Legal shared service between the councils and details the activities to create the Legal shared service.

Recommendation(s):

To approve the business case and delegate the authority to the Managing Director, in conjunction with the Portfolio Holder for Strategic Economic Development & Legal, to make decisions and to take steps which are necessary, conducive or incidental to the establishment of the shared service in accordance with the detailed business case.

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1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 The report describes why there are strategic and financial benefits to all three partners in creating a Legal shared service for CCC, HDC, and SCDC. It contains the vision and strategy for the Legal shared service and describes the services which would be provided. It also includes the timetable for implementation, including the transfer of staff from HDC and SCDC to CCC.
- 1.2 The report also contains a detailed financial model showing how savings will be achieved against baseline (starting) budget, and the cost benefit apportionment between the three partners.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 When this matter was last reported, approval was given to establish a Business and Legal Practice Manager to assist with the development of the Practice. However, an approach using the services of an interim manager was adopted instead in order to maximise flexibility in the design of the management structure during the development of the business case. This was funded in full by the Transformation Challenge Award made by Government to the three councils concerned to support their work towards a range of shared service arrangements.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 For some time, all three partner organisations have been considering a range of options, including insourcing / outsourcing of their Legal services and the establishment of a shared service. More recently, CCC, HDC and SCDC have reached a broad agreement to establish a range of shared services, Legal being one of these. The close geographic proximity of these three organisations combined with the high affinity in type of service provided has led to the conclusion that a Legal shared service has merit. The financial model bears this out.

4. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?

- 4.1 Section 11 of the business case describes the key risks and associated mitigation actions. The financial modelling undertaken during the production of this business case provides significant mitigation to the risks around lack of clarity as to how savings will be identified, tracked and apportioned back to the partners.

The other key risk area is that of staff transfers from HDC and SCDC to CCC. The detailed timeline and implementation plan for TUPE consultation and staff transition has been developed in order to mitigate this risk and maximise the possibility of smooth transition to establishment of a Legal shared service

5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

- 5.1 This business case will be presented during July 2015 for approval by all three partner councils. In parallel, the work required to prepare for going live on 1 October 2015 shall also proceed, including the identification of "Quick Win" projects which can help realise early benefits from the Legal shared service.

6. LINK TO THE CORPORATE PLAN

- 6.1 This business case is fully aligned with the strategic goal of ensuring services are provided in the most pragmatic, cost-effective manner. The economies of scale presented by a Legal shared service will provide lower unit costs of service provision through economies of scale and increased buying power.

7. CONSULTATION

- 7.1 Formal TUPE consultations with Staff and Staff Council are scheduled to commence shortly, in the event of the business case being approved. It would be premature, and indeed inappropriate, to commence consultation until such a decision is reached. The consultation will relate to TUPE arrangements.

8. LEGAL IMPLICATIONS

- 8.1 Transition of staff from HDC and SCDC to CCC will be fully compliant with TUPE legislation.

9. RESOURCE IMPLICATIONS

- 9.1 Staff will transfer from HDC and SCDC to CCC when the Legal shared service is established, currently planned to be 1 October 2015. All financial assumptions are set out in the business case.

10. REASONS FOR THE RECOMMENDED DECISIONS

- 10.1 There are strategic, commercial and environmental reasons why the recommendation is to create a Legal shared service.

11. LIST OF APPENDICES INCLUDED

Appendix A – Business Case

BACKGROUND PAPERS

November 2014 Cabinet papers.

CONTACT OFFICER

Joanne Lancaster, Managing Director
Joanne.lancaster@huntingdonshire.gov.uk