

Appendix B

Shared Legal Services Alternative Business Structure (ABS)

Target Operating Model

20th October 2017

Introduction

- The purpose of this slide deck is to describe the future design for the London Arm of LGSS Law Ltd and includes the information listed below. It summarises how the London Arm of LGSS Law will operate at a high-level and provides overall principles to inform detailed design activity, including future case management system and finance processes, which will be developed as part of implementation.

Contents:

- Vision (slide 3)
- Objectives (slide 4)
- Scope & Purpose of LGSS Law London Arm (slide 5)
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Vision

A social enterprise law firm providing **excellent, responsive** and **value for money** legal services to shareholder Councils and other clients, including not-for-profit and public sector organisations.

Objectives

Improve Client Experience

- Continue to improve on the good quality legal advice and support provided to clients
- Improve responsiveness for clients across all teams
- Increase the scale and resilience of the service
- Increase expertise and specialisation by creating centres of excellence (e.g. Compulsory Purchase Order, Assets and Community Value)
- Attract, develop and retain the best staff

Increase Efficiency & Reduce Costs

- Develop the required ABS business-like approach and discipline (an imperative for change) while retaining the best of the public sector ethos
- Retain the core legal work which has been lost or will be as part of Councils' joint venture organisations
- Reduce the cost of Legal services to the owner Councils through economies of scale
- Significantly reduce Councils' spend on external legal advisers.

Generate Income / Surplus

- Generate income from new clients.
- Develop new markets, e.g. charities and not-for-profit organisations

Scope & Purpose

LGSS Law London provides **excellent**, **responsive** and **value for money** legal advice and representation to its shareholder Councils and other clients, including not-for-profit and public sector organisations.

The purpose of LGSS Law London is:

- To act as the principal legal service for shareholder Councils, ensuring that they deliver services and meet statutory obligations in a manner that is lawful, cost-effective and responsive.
- To fulfill the role of intelligent client with responsibility for managing all external legal support on behalf of the shareholder Councils, enabling a single view of total legal spend.
- To ensure that shareholder Councils receive professional legal advice, advocacy and litigation services that cover for example: Contracts, employment, planning, highways, licensing, commercial property, housing, regeneration, housing litigation, general litigation, prosecution, adult and children social care, education, public-private partnerships and joint ventures, in addition to all over arching local government corporate law.
- To provide high quality legal advice to all three councils, individual councillors, chief officers and senior managers, including personal attendance and advice at business boards, cabinets, committees and council meetings.
- To provide and ensure there is a statutory Monitoring Officer for all shareholder councils and ensure compliance with the requirements of relevant legislation in respect of the councils' constitutions and decision-making processes.
- To act as key adviser to the shareholder councils and their Members on issues of ethics and probity.
- To ensure that the shareholder councils' corporate governance frameworks are reviewed and modified as necessary, to meet legislative requirements as set-out from time to time.
- To support corporate projects and events such as elections.
- To appoint and oversee the input of counsel as required, acting in the interest of the clients.
- To generate income from new clients and develop new markets, including charities and not-for-profit sectors.
- To ensure that effective casework management and quality assurance systems are in place to enable transparency and accountability.

Design Principles

Customer

Structured and consistent strategic relationship mgt to help clients achieve their aims & objectives

Access to greater breadth & depth of legal expertise across a larger team at a reduced cost

Client self-service is maximised for routine legal work through training, toolkits & information

Intelligent client* for external legal support is managed by LGSS Law on behalf of all shareholder Councils providing a single view of total legal spend.

Organisation

Shared Legal Services forms a London arm of LGSS Law Ltd

If expertise is unavailable or clients require, private firms on or off panels/frameworks are used.

Multi-specialist teams support complex corporate and service specific projects.

Performance is monitored through a defined set of management information

Ability to generate 20% of turnover as external profit-making income

People

Staff demonstrate the business-like approach (with public sector ethos) required of the social enterprise law firm.

Staff are experienced in their area of work, self managing and are consistently responsive to clients.

Staff are willing and able to work in multi-specialist teams and embrace a matrix mgt. approach.

Line managers support and develop staff to achieve maximum efficiency and performance.

LGSS Law is committed to the development of staff and future public sector lawyers.

Design Principles

Process

A single trading account, significantly reducing the administrative burden and staff costs.

Transactional processes are streamlined to make it simple and easy for clients.

Support overheads are shared across the wider merged team, reducing costs through economies of scale

Differential charging rates are used (owners vs. non-owners) to maximise savings for shareholders

Infrastructure

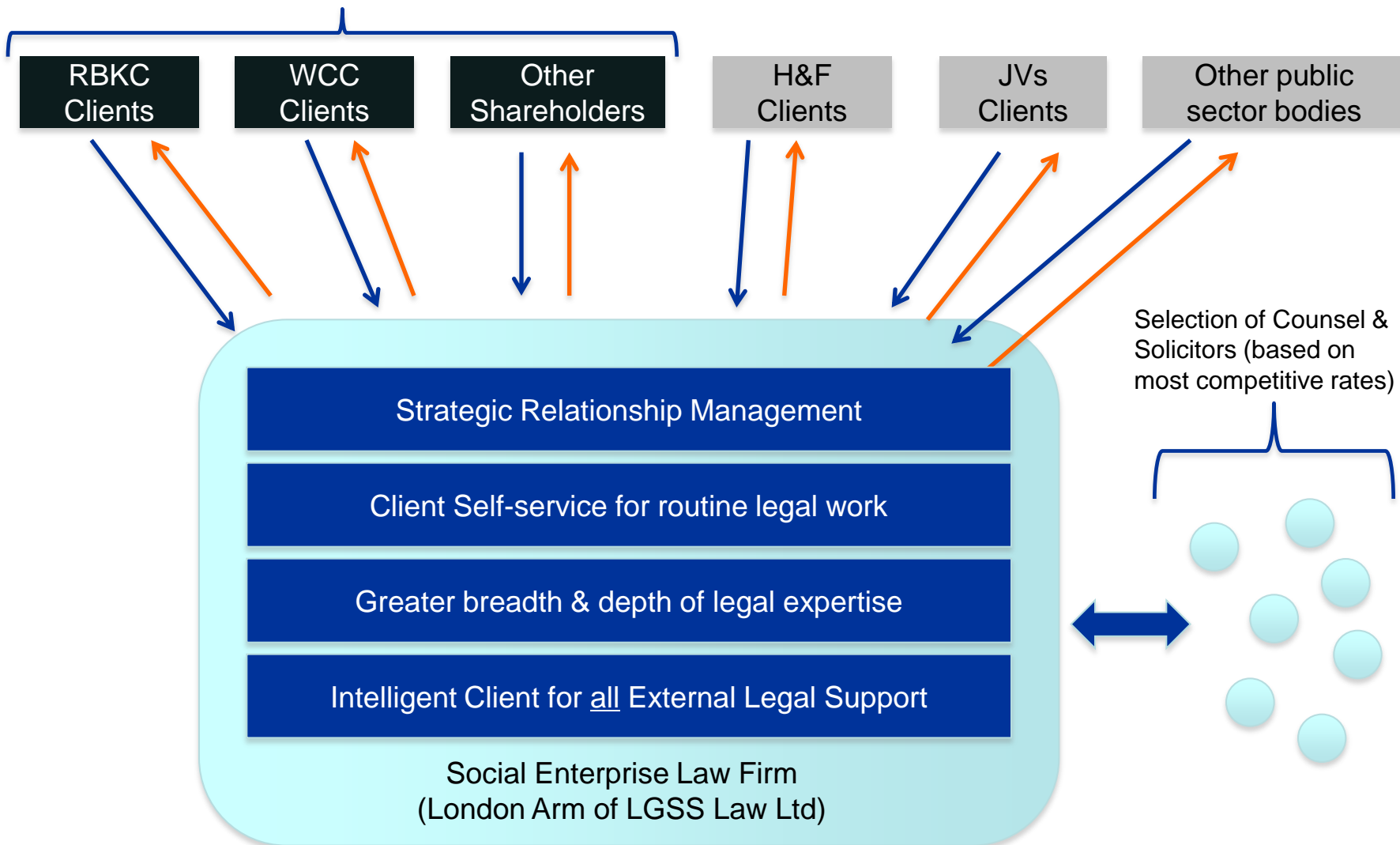
Team members are fully equipped with the right facilities, systems and resources to deliver responsive and effective legal services from any location.

Systems comply with the high levels of security and performance demanded by the SRA.

* See slide 10 for an explanation of the proposed role of LGSS Law as an Intelligent Client (or gatekeeper) for shareholder Councils for all external legal procurement.

Target Operating Model Pictogram

LGSS Law Shareholders



Target Operating Model Description

Corporate Structure

- The newly expanded company will require a newly configured board and management teams.
- The existing Director of Shared Legal Services will be invited to join the LGSS Law Board as a second Executive Director with primary responsibility for the London Arm.
- RBKC and WCC will be invited to nominate an officer to join the Board as a Non-Executive Director to represent their interests. The Board currently meets on a quarterly basis.
- Managing Director role – This is not a new post so will not incur any additional cost as the two Executive Directors will each have an additional responsibility to fulfill this role on a two year rotating basis. For the first two years the Managing Director role will be fulfilled by the Executive Director of the London Branch.
- Chief Operating Officer – This new post will be created to manage finance and operations across LGSS Law London and Outside London. This role will be equal in seniority to the two Executive Director roles and have an equal vote on the Operational Board.
- In terms of the Shareholders, each of the councils will hold shares and be entitled to nominate a Shareholder representative to attend General Meetings and to exercise their shareholder rights. This representative would be an elected Member nominated by each Council.
- The General Meeting currently meets on a 6th monthly basis and as necessary. Meetings may be virtual and written resolutions are permissible.

Executive Director Appointments

- The LGSS Law Board has responsibility for appointing Executive Directors but the WCC and RBKC Non-Executive Directors will have final say over appointments of the Executive Director of the London Arm.

Corporate Responsibilities

- Legal services support for corporate activities will continue as at present (e.g. corporate projects, support for elections).

Target Operating Model Description

Working with Members

- The Executive Director will attend all Council, Cabinet and Informal Cabinet meetings for WCC. The Chief Solicitor for Planning & Property will attend all Council & Cabinet meetings for RBKC if the Executive Director is unavailable.
- These three senior officers attend other Committees as required.
- The Executive Director will attend regular meetings with the Cabinet portfolio holder in RBKC and WCC (Policy Board in RBKC and the Cabinet Member for Finance, Resources and Customer Services in WCC).
- All senior staff will be involved in responding to Member queries and to provide briefings.
- Appropriately trained and specialist legal staff will attend various committee meetings (e.g. planning and licensing) advising members, as appropriate, on governance and legal processes.

Strategic Relationship Management

- A named Chief or Principal Solicitor will provide a single point of contact / liaison for each department, for example on a quarterly basis attending departmental management team meetings to support departments with horizon scanning and anticipating upcoming legal support needs.

Client Self-service

- Information will be made available on a self-service website for clients to access information and templates on dealing with routine matters and on how to provide effective and cost efficient instructions to LGSS Law.

Target Operating Model Description

Intelligent Client (Gatekeeper Role) for all External Legal Procurement

- LGSS Law will operate as the intelligent client for all external legal procurement on behalf of the shareholder councils to enable a single view of all legal spend. This will require Executive-level buy-in and be facilitated by effective strategic relationship management.
- In order to enable this, all requests for legal support will be managed by LGSS Law as a gatekeeper and a decision made in conjunction with the Council client (based on the requirement and business case) on whether legal support will be provided internally or by an external firm.

Process

- Commissioning of all legal support will be managed via a single streamlined finance process which will ensure that all work undertaken has a purchase order and is invoiced appropriately to ensure SRA (Solicitors Regulatory Authority) compliance and to provide clients with full transparency of their legal spend.
- A single case management system (DPS) and process will be used across LGSS Law to enable a standard way of working (ie. workflow) and to maximise efficiency, including shared working across LGSS Law.
- The single streamlined case management, finance process and system will enable effective monitoring of service performance through complete and transparent management reporting.

Financial Model

- LGSS Law will operate a single trading account with differential charging rates between shareholder clients and external clients. In addition to passing value back to the Councils through discounted rates, the single trading account will also increase efficiency by avoiding the current need to manage recharges between Councils for legal services provided (currently required to avoid any cross subsidisation between Councils).
- LGSS Law will be able to generate income through trading with external clients up to a maximum of 20% of turnover.

Target Operating Model Description

Business Development

- Business development will be facilitated through the strategic relationship management role, which will anticipate clients' upcoming legal support needs and LGSS Law's role as a gatekeeper for spend on legal support. All new instructions will come to LGSS Law as gatekeeper and a decision will be made on whether the work is done internally or externally based on a business case.

Accommodation

- LGSS London will have an office location at each borough but with a main site at Kensington Town Hall. Staff will work flexibly to meet the demands of the service but accommodation will be planned on the basis of approximately 80 staff being based at Kensington and 20 at Westminster.

Client / Contract Management

- The Bi-borough Executive Director of Corporate Services will have responsibility for monitoring the delivery of the contract at WCC and RBKC.

LGSS London Service Offers

Function	Service Offers	Key Activities
<p>Contracts & Employment Team</p>	<ul style="list-style-type: none"> • Drafting and preparation of bespoke contract terms for a range of commercial agreements and tender documents • Specialist advice on contract law, procurement law, State aid public law vires, corporate law etc • Preparation and negotiation of employment settlement agreements • Representation at Employment Tribunal • Advice on employment law, TUPE, pensions • Training for clients • Over the telephone advice • Team working - we work as part of clients' team 	<ul style="list-style-type: none"> • Advice on contract law & interpretation of terms • Advice on commercial law • Advice on procurement law strategy and transaction structure • Advice on State aid • Training for client departments • Advice on public law vires etc. • Drafting contract documents tender documents and amending /updating standard form contacts • Drafting and Preparation and negotiation of employment settlement agreements • Representation at Employment Tribunals • Advice on employment law, TUPE, pensions
<p>Planning, Highways and Licensing</p>	<ul style="list-style-type: none"> • Acting as the Legal Adviser at the Planning and Licensing Committees • Advising on and clearing reports and key decisions in relation to Highways, Licensing and Planning matters • Providing advice on all planning, highways and licensing law matters to Officers and Members of the Councils • Drafting, negotiating and completing S106 planning obligations and highway agreements • Dealing with and advising in connection with planning inquiries and planning appeals, planning judicial reviews • Undertaking licensing appeals including providing advocacy at Case Management Hearings and negotiating and drafting settlement orders • Training Members and Officers in relation to licensing matters 	<ul style="list-style-type: none"> • Providing specialist advice on planning, highways and licensing legislation • Providing training for client depts and Members • Drafting and negotiating S106 planning obligations and highways agreements • Advising on committee reports and key decisions and government consultation responses • Arranging representation and co-ordinating public planning enquires, appeals and judicial reviews • Providing advocacy at Case Management Hearings on licensing matters and negotiating and drafting settlement orders in licensing appeals • Drafting licensing Committee decisions • Drafting model licensing conditions and bespoke licensing conditions • Providing advice on tables and chairs applications • Advice on assets of community value

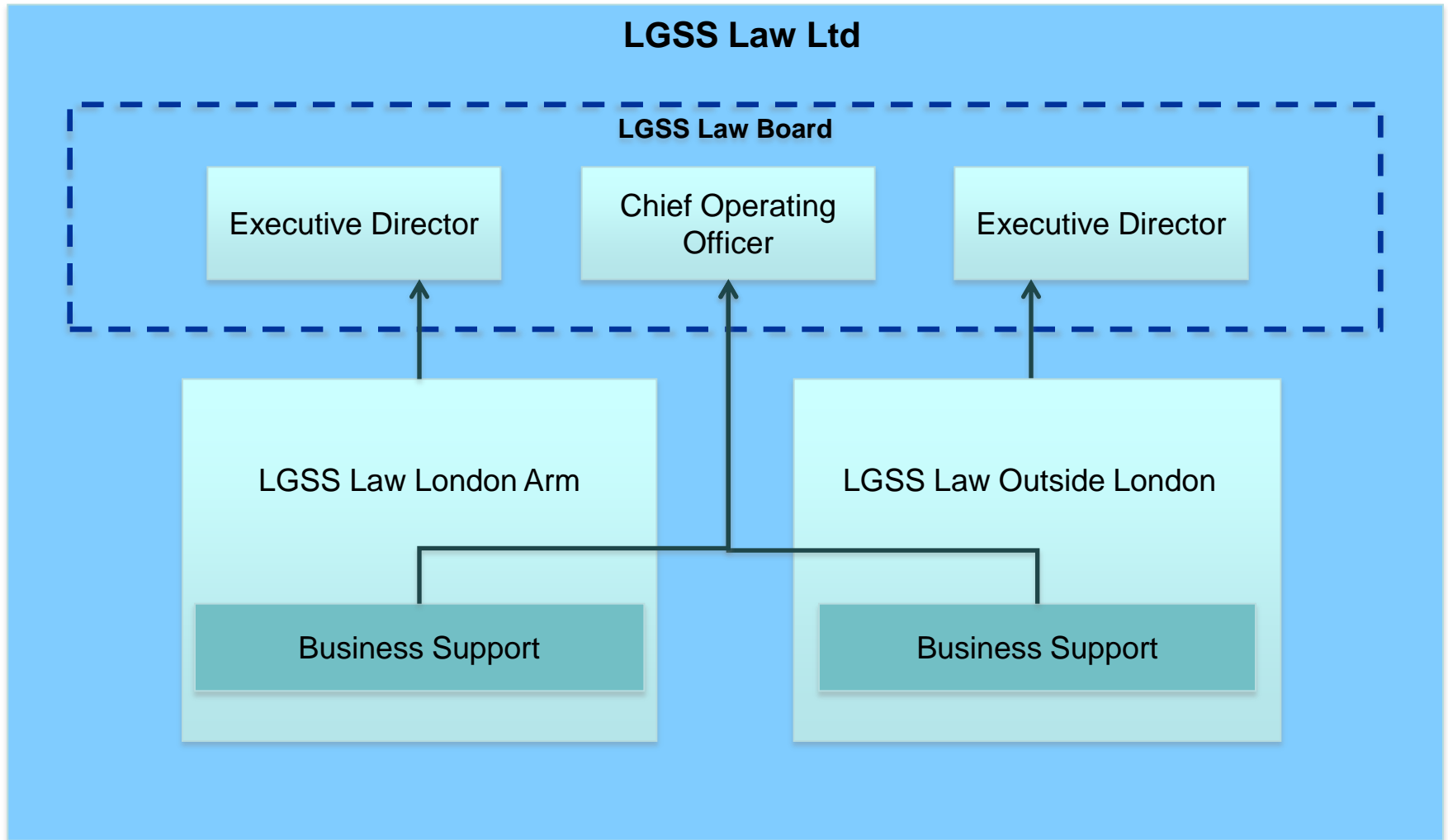
LGSS London Service Offers

Function	Service Offers	Key Activities
Property Commercial Corporate Housing & Regen.	<ul style="list-style-type: none"> • The carrying out of all legal property work on behalf of the Councils • Maintaining an archive of Council deed and property records • Housing or Corporate Property Development work retained in house including CPO, Appropriations, Rights of Light, Leaseholder, Tenant Policies, Temporary Accommodation advice or any governance issues related to this work • Housing or Corporate Property Cabinet or Cabinet Member Reports, Delegated Reports or briefing notes to Members and to approve all reports going to Westminster's HRP (Housing Regeneration Property) Board. • To always attend HRP Board at Westminster City Council which is not quorate without Legal attendance • To advise on Property Procedural Rules • To advise on PDHU (Pimlico District Heating Scheme) 	<ul style="list-style-type: none"> • The drafting of documents and negotiating with other parties • Giving an active understanding of client needs • Maintaining an up-to-date collection of precedents • Where necessary instructing external lawyers to assist in transactions
Housing and Litigation Teams (x2) Housing Litigation Litigation	<ul style="list-style-type: none"> • Prosecuting on behalf of the Councils • Issuing possession claims on behalf of the Councils • Dealing with ASB – injunctions and ASBOs • Dealing with claims against the Councils (including Judicial reviews and appeals) • Providing advice on all aspects of litigation and council policies and procedures 	<ul style="list-style-type: none"> • Drafting court pleadings • Advising on evidence in both civil and criminal proceedings • Updating clients on changes in the law • Understanding client needs

LGSS London Service Offers

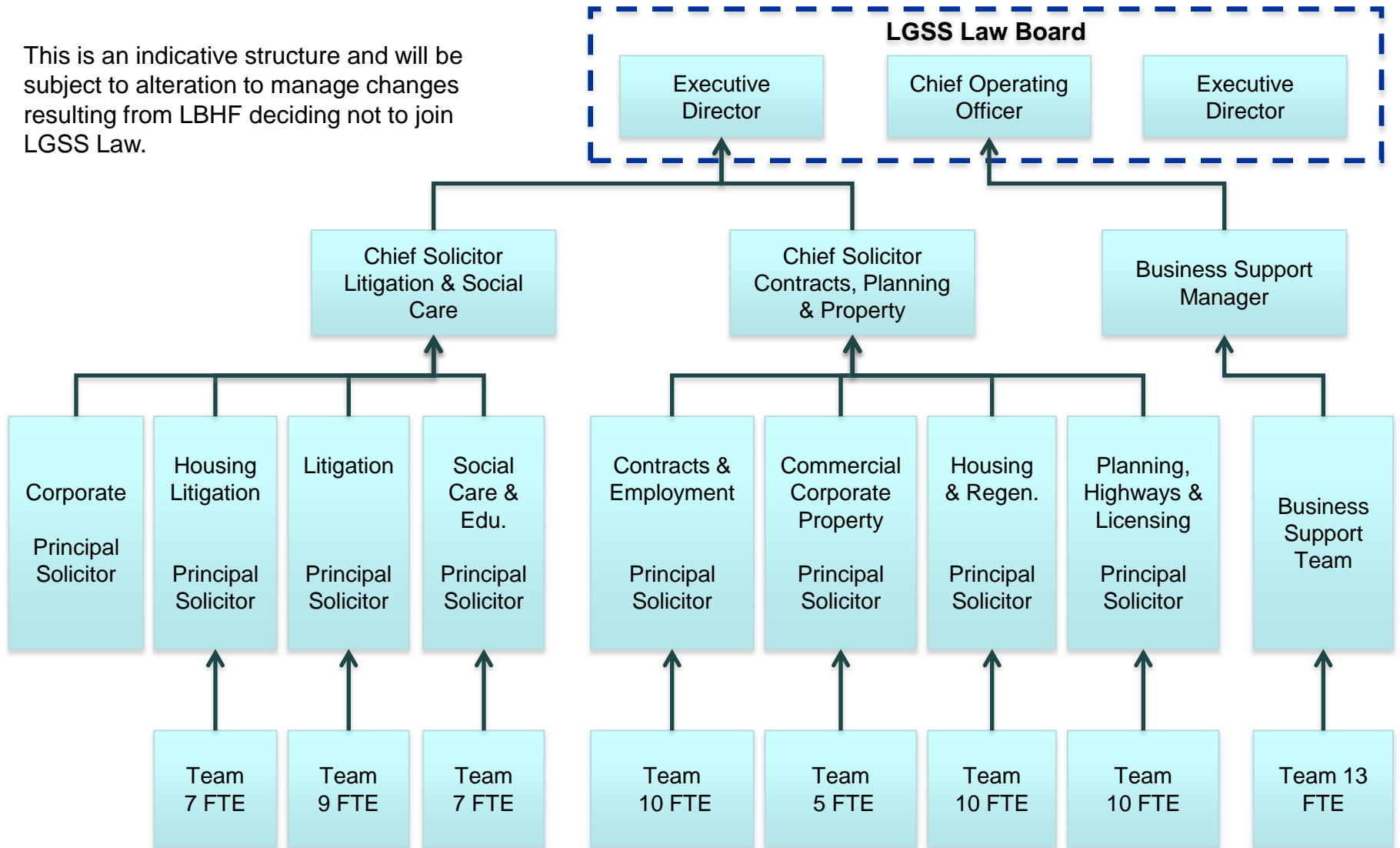
Function	Service Offers	Key Activities
Social Care & Education	<ul style="list-style-type: none"> • Providing advice and advocacy on the Children Act and other relevant childcare legislation • Providing advice and advocacy on Special Educational Needs (SEN) • Providing advice on Adult Social Care and Public Health matters • Providing advice to local authority and schools on Education related matters 	<ul style="list-style-type: none"> • Attending Legal Planning Meetings and other client led childcare meetings • Attending client led meetings on Adult Social Care matters • Attending client led meetings on Special Educational Needs (SEN) matters • Drafting of legal documents for care proceedings, s7 and s37, Judicial Review challenges, Court of Protection, SEN cases • Acting as Legal Adviser on Adoption Panel • Undertaking some advocacy in the Family Court
Monitoring Officer	<ul style="list-style-type: none"> • Duties of the statutory post • Advising on and interpreting the Constitution • Ensuring the Constitution is up to date and given full effect • Providing advice on Freedom of Information, Data Protection and Corporate governance matter 	<ul style="list-style-type: none"> • Register of interests • Code of conduct advice and complaints • FoI qualified person • Advice to support lawful decision making
Business Support	<ul style="list-style-type: none"> • Provision of support services to fee-earning team • Support for service improvement initiatives (e.g. business analysis, case management) 	<ul style="list-style-type: none"> • Financial, IT, Administrative, Secretarial and other strategic and operational business support services • Performance management including definition and monitoring of KPIs.

Organisation



Organisation – London Arm (WCC & RBKC)

This is an indicative structure and will be subject to alteration to manage changes resulting from LBHF deciding not to join LGSS Law.



Establishment (WCC & RBKC)

Team	Role	FTE
Senior Management Team	Executive Director	1
	Chief Solicitors	2
	Business Support Manager	1
Contract & Employment	Principal Solicitor & Fee Earners	11
Commercial Corporate Property	Principal Solicitor & Fee Earners	6
Housing & Regeneration	Principal Solicitor & Fee Earners	11
Planning, Highways & Licensing	Principal Solicitors (x2) & Fee Earners	12
Housing Litigation	Principal Solicitor & Fee Earners	8
Litigation	Principal Solicitor & Fee Earners	10
Social Care & Education	Principal Solicitor & Fee Earners	8
Corporate	Principal Solicitor	1
Business Support Team	All	13
Total FTE		84