

# Orbis Public Law Business Plan

September 2017

By OPL Joint Management Board



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## 1.0 Introduction

- 1.1** The business case for Orbis Public Law (OPL), the legal services partnership between Brighton & Hove City Council and the County Councils of East Sussex, Surrey and West Sussex, was approved early 2016. The business case recommended that:
- A Joint Committee is set up for Orbis Public Law; and
  - A business case is developed for Orbis Public Law Ltd as an Alternative Business Structure to work alongside the Joint Committee model.
- 1.2** This business plan builds from the original business case and sets out the early achievements of the partnership alongside the aims, ambitions and future plans for OPL. The plan provides the Executive Board and Members of the Joint Committee with a platform for monitoring.
- 1.3** With a combined net operational budget of £10m and workforce of 250 (160 Solicitors and Legal Executives); OPL aims to become a significant public sector shared service.
- 1.4** OPL has a vision to be a single, resilient, sustainable cost effective legal service with a public service ethos with an ability and ambition to grow.
- 1.5** A number of pathfinder projects have been established over the last year and OPL is now in a position to build from these.
- 1.6** By April 2019/20 OPL plans to have achieved a level of integration and collaborative working that is delivering the aims of the partnership.

## 2.0 Objectives

- 2.1** Each of the four Council's legal teams face similar issues: increasing financial challenges and fewer resources means that it is harder to manage growing demand and provide the increasingly specialised legal service that Councils rely upon. Individually, each Council currently struggles to recruit and retain legal staff in certain critical areas. The size and approach of OPL will provide an effective vehicle to attract and retain excellent staff who share OPL's aspirations and ethos.
- 2.2** The needs from the OPL partners are captured in four objectives; which when achieved will result in the creation of a sustainable model with the ability to grow.
- 2.3 OPL Objectives:**
- Enhance the value of service to our authorities,
  - Improve resilience,
  - Reduce the net cost of legal services and

- Increase opportunities for staff and their development.

#### 2.4 The vision and ambition for OPL is underpinned by the following design principles:

- Optimum integration to achieve best value whilst working to the parameters of a Joint Committee structure
- Deliver against savings targets for constituent authorities
- Focus on enabling and adding value to the customer
- Share knowledge and reduce duplication
- Future proof the Partnership
- Maximise organisational self-sufficiency and resilience
- Delivering legal services in the most effective way; taking a risk based approach to managing demand
- Develop and operate with a commercial mind-set
- Exploit technology to improve performance and manage caseloads.

### 3.0 The story so far

**3.1** The implementation is a staged approach, beginning with greater collaboration and working to an integrated service by 2019/20.

**3.2** OPL is being co-designed by colleagues within Legal Services with Project and Practice Management support. This is being managed within existing service budgets. Project Governance arrangements are in place and a copy of the structure is provided in Appendix 1.

**3.3** This staged approach to achieving the objectives started with the following projects and workstreams over the last year:

- **Childcare advocacy** – to secure greater internal resources to meet demand
- **Commercial law** – to provide a model for integrated working
- **Work sharing** - to embed a practice of working across boundaries
- **People and culture** - to focus on the needs of and contribution from our staff

- **Practice and case management** – to achieve shared resources and ways of working
- **Governance** – to ensure we have the means to deliver our ambitions
- **Alternative Business Structure** – to analyse whether OPL will benefit from developing a business case for Orbis Public Law Ltd as an ABS

**3.4 Childcare advocacy** - The aim of the project is to reduce the sums paid to external advocates for childcare proceedings by increasing the amount of advocacy work which is delivered out in-house. Legal Services cannot easily influence the growth in demand for child protection cases but using our own advocates offers a better value solution. For 2016/17 OPL collectively spent £1.848m on external advocates. Data captured through this project shows that an in-house advocate, after costs saves approximately £30,000 per annum compared to instructing counsel to do the same work. The analysis concludes that by employing 4 additional advocates to reduce our reliance on counsel, and allowing for the cost of an advocate clerk, OPL could make savings of over £100,000 a year.

**3.5 Commercial law** – Commercial law includes property, procurement, contracts and major project legal work. The aim of this project is to model how the four services can work together, and capture lessons for other areas. This work is being referred to as the Commercial Pathfinder project. Across our authorities we possess a significant pool of talent in a field where it has historically proven difficult for individual teams to recruit and retain talent. In recent years our teams have also seen a significant increase in the volume of technical and complex projects requiring specialist knowledge. Sourcing this work externally is very expensive. Commercial work lends itself to inter-authority collaboration and opportunities to generate external income.

**3.6 Work sharing** – Recently, work has started to be shared across the partnership. A progressive plan to increase the exchange and capture lessons is well underway.

**3.7 People and culture** - People are at the heart of what we do and interactions and relationships between teams is vital. The staff workstream has helped to keep staff informed and involved and supporting people through change. Joint recruitment and joint professional training brings colleagues together. Teams are sharing good practice, precedents and work issues and a 'phone a friend' culture has been established. Staff forums are a key link between teams and the Joint Management Board. Staff have been consulted on the process that enables staff from the four authorities to work for each other. A one team, one culture approach has started with the co-designing of the following OPL customer focused values and behaviours.



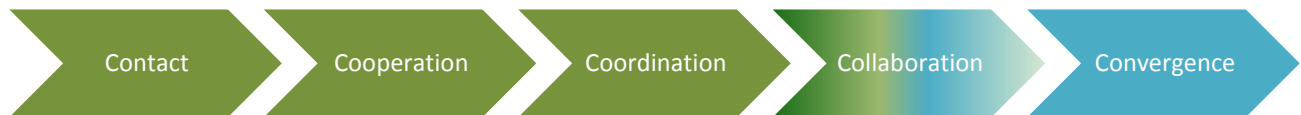
**3.8 Practice and case management** - Practice management underpins the partnership and the team are very busy aligning practice procedures, business processes, case management standards and systems as well as developing the joint OPL Office Manual. Since launching OPL, a new case management system has been implemented in all OPL authorities and as of September 7th 2017 all partners are now operating this same system, Prescient Plus. This move has been vital as a platform to promote shared working.

**3.9 Governance** – To ensure the four authorities work together with authority and commitment at all levels and that all processes are in place for OPL to operate lawfully; ensuring compliance with the Law Society and Solicitors’ Regulation Authority (SRA). Such processes are set-out in the business case and in the shared legal services agreement.

**3.10 Alternative Business Structure** - At the beginning of the journey OPL proposed developing and processing an application to the Solicitors Regulation Authority (SRA) for Orbis Public law Limited as an Alternative Business Structure (ABS). A workstream was created to review the requirements to establish the ABS and whether such a vehicle is necessary. The ABS required significant set-up costs and ongoing regulation and OPL will only pursue this model if it is required and makes financial sense. At this stage of the project OPL doesn’t plan to proceed with developing the business case as it is believed that the shared service can meet its objectives without creating a separate legal practice. As a result, it is not included in the business plan save to the extent required to retain it as an option.

## 4.0 Progress towards the vision

**4.1** OPL recognises that this is a journey which involves good liaison and communication both with staff and customers. By April 2019/20 OPL plans to have achieved a level of collaborative working and integration that is delivering the aims of the partnership. This model is well illustrated in a 5Cs model.



**4.2** Achieving collaboration will see partners working together to achieve the shared vision, process alignment and standardisation, joint projects and shared partner resources.

**4.3** Achieving convergence will see a single OPL team and culture; using a single resource pool, common processes, standards and infrastructure.

**4.4** Different aspects of the shared service are developing through incremental steps and at a different pace. As at September 2017; OPL are comfortably at the coordination stage and moving into collaboration through the alignment of processes and specific work streams and projects detailed in section 3.0.

**4.5** In designing OPL; we have broken down the key components and set-out what OPL will look like throughout the journey. This acts as the blue print for OPL.

| OPL BLUEPRINT              |  |
|----------------------------|--|
| COMPONENT                  | OUTPUT   |
| Governance and leadership  | <ul style="list-style-type: none"> <li>– Governed by a Joint Committee.</li> <li>– Sponsored and owned by the Monitoring Officers from each partner.</li> <li>– Underpinned by a shared legal service agreement.</li> </ul>  |
| Services                   | <ul style="list-style-type: none"> <li>– Work shared across the teams.</li> <li>– Centres of expertise emerging and teams organised and integrated in disciplines.</li> <li>– Sovereign authority local needs identified and continued to be supported.</li> <li>– Work delivered at the correct and lowest level (within risk profiles).</li> </ul> |
| People and culture         | <ul style="list-style-type: none"> <li>– OPL values and behaviours embedded; one culture.</li> <li>– Single recruitment process.</li> <li>– Continuing engagement with all staff.</li> </ul>   |
| Practice Management and IT | <ul style="list-style-type: none"> <li>– Discipline based legal services; processes and documents aligned to aid efficiency, reduce duplication and deliver best practice.</li> <li>– All staff working from a single case management system and processes.</li> <li>– Single office manual and Lexcel assessment.</li> </ul>                        |



|               |  |
|---------------|--|
|               | <ul style="list-style-type: none"> <li>- A OPL Practice Management team.</li> <li>- Single set of OPL Key Performance Indicators.</li> </ul>   |
| Finance       | <ul style="list-style-type: none"> <li>- A period of shadow budgets to monitor the operational budget and determine the model for pooled budgets.</li> <li>- A pragmatic inter-billing process established to support the sharing of work.</li> <li>- Savings; the responsibility of each individual partner and OPL will identify what can be achieved collectively and agreed in a financial efficiencies plan.</li> <li>- Longer term a pooled operational budget and savings targets.</li> </ul> |
| External work | <ul style="list-style-type: none"> <li>- A sustainable income and marketing strategy that maintains the public sector ethos of OPL and provides the ability to grow.</li> </ul>  |
| Location      | <ul style="list-style-type: none"> <li>- Four existing locations however staff are able to work flexibly at any OPL office.</li> <li>- Centres of expertise developed working across all sites.</li> </ul>   |

## 5.0 Financial Environment

- 5.1** A number of financial principles have been developed to guide the development of the OPL detailed financial operations.
- 5.2** OPL will work to achieve a joint operational budget which will be used to make strategic decisions on staffing requirements, costs, savings and income generating opportunities. The net cost to each partner will be based on a system of Agreed Contribution Rates (ACR) which will reflect the planned resource commitment of each partner for the year ahead. OPL's operational arrangements will seek not to impose any additional resource or costs on other central or support services deployed by any of the Partners e.g. OPL will seek to achieve best value and establish the most effective and efficient solutions by working with support services of the partners.
- 5.3** OPL will be classified as a separate 'taxable person' and therefore VAT incurred on related costs and external income will need to be identified and accounted for separately using the prescribed registration process.
- 5.4** Budgets will be regularly monitored and the ACR's will be periodically reviewed (at least annually) to reflect the actual resource position. At the end of each financial year, a reconciliation will be completed that will determine the financial transactions required between the Partners to align the net costs of the Partnership with the actual ACR for that year. This will minimise the cost of making inter authority transactions during the year.
- 5.5** Individual Partners will maintain their own insurance policies, which will each cover all the Partner's resources and activities. All claims relating to the work of the Partners will be settled by the Partner who either:
- employs the staff who caused the claim to arise in respect of Employer liability claims,
  - was the lead partner in any contractual relationship undertaken on behalf of the Partnership in respect of liability claims; or
  - is the Partner suffering the loss in respect of Fidelity guarantee claims.
- 5.6** For 2017/18 and 2018/19 OPL has agreed to implement these principles to the extent needed to enable a shadow operational budget arrangement rather than a fully joint budget to be used, supported by a shared service legal agreement. Processes have been established to monitor the shadow budgets and lessons captured.

5.7 OPL will establish and maintain a financial efficiencies plan created around opportunities and efficiencies and compare this against the existing expectations of each partner. The starting point for the development of the plan is the 2017/18 budgets and ACRs set for the shadow year as follows.

| Orbis Public Law Operation Budget - 2017/18 |              |              |              |              |               |
|---|--------------|--------------|--------------|--------------|---------------|
|   | BHCC         | ESCC         | SCC          | WSCC         | Total OPL OB  |
|   | £'000        | £'000        | £'000        | £'000        | £'000         |
| Staffing                                    | 2,290        | 1,744        | 3,443        | 3,572        | 11,049        |
| Non Staffing                                | 79           | 82           | 138          | 105          | 404           |
| <b>Gross Expenditure</b>                    | <b>2,369</b> | <b>1,826</b> | <b>3,581</b> | <b>3,678</b> | <b>11,453</b> |
| <b>Total Income</b>                         | <b>-362</b>  | <b>-281</b>  | <b>-400</b>  | <b>-338</b>  | <b>-1,381</b> |
| <b>Net Expenditure</b>                      | <b>2,007</b> | <b>1,545</b> | <b>3,181</b> | <b>3,340</b> | <b>10,072</b> |
| <b>ACR</b>                                  | 20%          | 15%          | 32%          | 33%          | 100%          |

\*ACR – Agreed Contribution Ratio for the shadow year

5.8 The largest expenditure on other legal activity outside the operational budget is on external Counsel for child care proceedings. There are different approaches to funding external Counsel across the partners. As a result, this is not included in the OPL operational budget. Instead, the benefits, which would still be shared, can be achieved by co-managing and monitoring the spend. Pooling the budgets would not deliver additional efficiencies but help share the risk, which may need to be looked at again in the context of plans for joint budgets. Benefits will still be achievable for each Council as demonstrated with the advocacy project. Employing more internal resource will mean that the cost of OPL will increase however this will be more than offset by the reduced cost of using external advice in the budgets of each partner.

| OPL Child protection Counsel spend (£'000s) | 2014/15      | 2015/16      | 2016/17      |
|---|--------------|--------------|--------------|
| <b>OPL</b>                                  | <b>1,262</b> | <b>1,708</b> | <b>1,848</b> |

5.9 The savings targets for each authority are the responsibility of each individual partner prior to the establishment of a joint operating budget in 2019/20. It is expected however that OPL through delivering its action plan will support them which focuses on:

- Income and Marketing Strategy
- Delivering cost efficiencies through collaborative and integrated working – for both the operational and non-operational legal spend.
- Absorbing the increased demand for legal services within the current budget.

## 6.0 Action plan

OPL is working to achieve the following action plan.

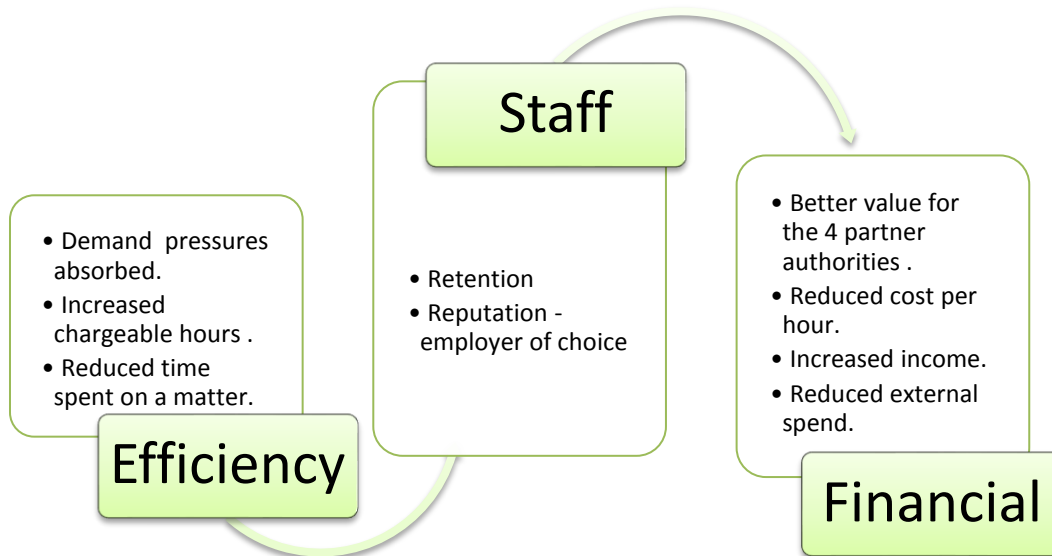
| OPL ACTION PLAN |                                    |  |  |  |  |
|-----------------|------------------------------------|--|--|--|--|
| REF             | ACTION / PROJECT                   | DESCRIPTION  | BENEFIT  | ACTION OWNER                                   | DUE DATE                                     |
| 1               | <b>Financial efficiencies plan</b> | To prepare the financial efficiencies plan which will deliver OPL's ambitions.   | Value for money – efficiency and savings targets set.  | Joint Management Board                         | Mar'18                                       |
| 2               | <b>Finance project</b>             | To create the mechanisms and timeline for a joint operational budget.  | Robust financial controls for the partnership.   | Susan Smyth – OPL Finance Lead.                | Shadow year monitoring started               |
| 3               | <b>Income strategy</b>             | A phased approach to developing an income and marketing strategy; with the objective to reduce the cost of legal services for the public sector. | Reduced reliance on budgets from the constituent Councils, ultimately reducing the cost of legal services. | Philip Baker – Assistant Chief Executive, ESCC | Mar '18                                      |
| 4               | <b>Advocacy project</b>            | To establish a shared resource to increase internal advocacy capacity.   | £100,000 per annum reduction in external spend based on annual saving of 4 advocates less new costs.       | Sarah Baker, Legal Services Manager, SCC       | Mar '18– and then scope / strategy reviewed. |
| 5               | <b>Digital court project</b>       | To work with courts on the digital reform programme.   | Analysis underway, with current estimates i.r.o. £100,000.   | Adrian Conley, Practice Manager BHCC           | Mar '18 (dependent on Courts)                |

|   |  |  |  |   |                   |
|---|--|--|--|---|-------------------|
| 6 | <b>Commercial law</b>                      | To achieve a level of integrated working to increase resilience and more effective use of resources.   | To provide a model for integration or collaborative working.<br><br>Saving in external legal spend as specialist services are developed in house.  | Elizabeth Culbert, Head of Legal Services, BHCC       | Mar '18           |
| 7 | <b>Systems and Practice</b>                | Single office manual - to achieve common and shared resources and ways of working.<br><br>To develop the case management system including introducing flow files to reduce resource spent on a matter. | Some cashable but mainly non – to provide the process and procedures to support integration.<br><br>Reduced cost of non-staffing resources e.g. law libraries, case management, training.<br><br>Reduced staff time.   | Andrea Kilby, OPL Business Development Manager        | Dec '18           |
| 8 | <b>Work sharing across the partnership</b> | To embed processes for ensuring that work is carried out at the appropriate location so as to improve the integration of the service and develop centres of excellence.                                | Absorbing increased demand without increasing service cost.<br><br>Single lawyer / paralegal officer acting on the same matter for the 4 authorities.<br><br>Saving in external legal spend as specialist services are developed in house.<br><br>Identifying areas of expertise / specialism. | Operational Heads of Legal Services from all partners | Starting Sept '17 |

|    |                                 |   |  |   |  |
|----|---------------------------------|---|--|---|--|
| 9  | <b>Culture and behaviour</b>    | To embed the values and behaviours of staff and managers for the most effective achievement of the shared aims.               | Clarity around expectations of staff and managers.<br>Staff engagement.<br>Attract staff to OPL. | Operational Heads of Legal Services from all partners                 | Mar '18 and ongoing  |
| 10 | <b>Recruitment strategy</b>     | To develop a recruitment strategy and approach to retaining and attracting staff; particularly in difficult to recruit areas. | Specialist in-house services developed.<br>Retain key staff.<br>Provides the ability to grow.    | Operational Heads of Legal Services from all partners                 | Mar '18  |
| 11 | <b>Legal services framework</b> | To set-up a framework contract for instructing external lawyers whilst having the ability to control costs.                   | Delivers integration.<br>Service improvements.<br>Savings.                                       | Andrea Kilby, OPL Business Development Manager.<br>Orbis Procurement. | Dec '17 for the strategy and then implementation following acceptance of this. |

## 7.0 Success factors

**7.1** To achieve its objectives, the success of OPL will be managed through 3 key areas and targets captured through the financial efficiencies plan and in establishing a single set of OPL Key Performance Indicators:



## 8.0 Conclusion

**8.1** The business plan focuses on a phased set of actions to develop progress towards the longer term goals of the partnership. As specific achievements are delivered an assessment will be made of the whole plan to see whether the longer term aims and the actions for attaining them require adjustment. That oversight of progress will be undertaken with a regular assessment of the financial principles and challenges as well as any partnership risks.

## Appendix 1 - Project Governance and delivery as at July '17

### Joint Committee

- Oversee the delivery of the services delivered jointly through the Orbis Public Law partnership of the Councils.
- Recommend proposals to meet the annual budget for OPL, set by each of the Councils.
- Approve the OPL Business Plan and performance measures.
- Monitor the OPL Business Plan and performance of OPL.
- Make recommendations to the constituent authorities regarding revisions to the Terms of Reference of the Orbis Public Law Joint Committee.

### Executive Board

- Accountable for the project.
- Provides clear leadership and ensures alignment to strategic direction.
- Delegates decision making to ensure decisions are dealt with at the lowest appropriate level.
- Authorises funding.
- Resolves strategic issues.
- Takes ownership of action points.
- Ensures strategic alignment with the wider Orbis where relevant.

### Joint Management Board (JMB)

- Executive Board plus Operational Heads of Legal Services
- Function as the Joint Management Team for OPL
- Bring senior Managers into some Executive Board conversations and decisions.
- Consider the impact of OPL strategic direction on the current day-to-day and the best way to implement.
- Ensure continued pace and focus on the priority projects.
- Ensure consistent and coordinated implementation of deliverables.



- Ensure consistent and open communication with staff.

### **Project Board**

- Monitors the workstreams and projects and reports to the JMB.
- Manages dependencies between workstreams and resolves risks and issues escalating where required
- Ensures new working practices are embedded into the organisation to realise benefits.
- Provides assurance for operational stability throughout delivery.