

**Manchester City Council  
Report for Resolution**

**Report To:** Executive – 1 June 2011

**Subject:** Report on the proposed integration of Legal Services between Manchester and Salford Councils

**Report of:** The City Solicitor

**Summary**

To inform members of progress on the establishment of a joint legal service for Manchester and Salford City Councils.

**Recommendations**

1. To note the progress made towards the establishment of a joint legal service for Manchester City Council and Salford City Council.
2. To delegate authority to the Chief Executive, City Solicitor and City Treasurer in consultation with the Leader of the Council, to finalise arrangements for the establishment of a joint service managed by Manchester City Council.

**Wards Affected: All**

<b>Community Strategy Spine</b>	<b>Summary of the contribution to the strategy</b>
Performance of the economy of the region and sub region	The implementation of this proposal will provide a more resilient in-house legal services to support the delivery of the community strategy.
Reaching full potential in education and employment	
Individual and collective self esteem – mutual respect	
Neighbourhoods of Choice	

**Full details are in the body of the report, along with any implications for:**

- Equal Opportunities Policy
- Risk Management
- Legal Considerations

### **Financial Consequences – Revenue**

A joint service, through streamlined management and operation, will maximise the available capacity and expertise which currently resides in the respective teams in Manchester and Salford. It is anticipated that this will principally generate savings through a reduction in the use of external providers (current combined annual expenditure is in the region of £5 million) supplemented by the identification of additional opportunities for increasing and generating income. Savings will be shared between the authorities and work is ongoing to quantify the level of savings achievable and develop a straightforward and transparent model for their apportionment.

### **Financial Consequences – Capital**

None

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## **1.0 Introduction**

### Background to the proposal

1.1 Legal Services was identified as an area for consideration as part of the Manchester/Salford Collaborative Work project in mid 2010. At that time Salford Legal Services was without a City Solicitor or Head of Legal Services.

1.2 An outline business case for a review of the services was agreed in October 2010 and identified the following areas for consideration;

- current budget spend, including external spend in both services
- current issues and challenges facing the services
- the role of the service within the Corporate core of both authorities
- A quality review and assessment of Lexcel readiness in Salford (Lexcel is the Law Society Quality Mark for Legal Services; Manchester has had Lexcel accreditation for 3 years)
- Staff skills profile
- Perception of the services from clients and external customers
- Quick wins and efficiencies associated with further collaboration including full integration

1.3 The review was led by Manchester Legal Services with input from staff across both services. In addition Manchester Legal Services provided professional support and assistance to Salford lawyers during this period.

1.4 The Review process included discussions with Strategic Directors in Salford, external clients, joint staff briefings, joint best practice workshops with staff engaged in the same areas of legal practice, and consideration of budgets and legal spend of both authorities.

1.5 The review identified many similarities in work requirements but some significant differences. In particular Salford Legal Services externalises a large amount of commercial legal work whereas in Manchester that work is carried out in house. The review also identified some areas of quick wins in Salford, for example implementing time recording targets and developing a case management system, bringing all legal staff under one management structure, discontinuing work flows that would be better dealt with by departments, and procurement of all legal work by Legal Services. The review concluded with a number of options for further collaboration including full service integration.

## **2. Options**

The options are identified below;

### **2.1 Joint procurement of external services**

2.1.2 This is the least collaborative option. It is likely to save some costs on external legal expenditure as the combined buying power of the two authorities should drive

down prices. Under this option Salford Council would have to appoint to their leadership posts to provide strategic leadership and management of the service.

## **2.2 Joint teams/Centres of Excellence**

2.2.3 Some of the legal teams' work is very similar and moving to joint teams would be relatively straightforward e.g. child care, prosecutions, adults. This would provide more resources to both authorities, career opportunities, and some savings on advocacy. Strategic support would be provided through the Heads of Groups of the joint teams.

2.2.4 However, this option is likely to lead to a fragmented legal service in both authorities and potential confusion around accountability. Manchester would be responsible for some parts of the Service, Salford for others. Salford would still need to appoint a Head of Legal to manage the rest of the service and this would limit the achievement of savings.

## **3. A single integrated team which delivers legal services to both Salford and Manchester**

3.1 This option is an extension of option 2 in that the service would be specified and commissioned and all of the teams would be managed through one management structure. This is the option that provides greatest clarity, least fragmentation of the services but also the more significant challenges.

3.2 Transactional legal work would be carried out by officers based on expertise, irrespective of whether the work came from Salford or Manchester. How Salford legal staff integrate and transfer (TUPE) into a new joint team structure with Manchester will be managed by the HR implementation project work stream. Staff would continue to be based at offices in Salford to ensure responsiveness and accessibility for clients though a flexible working approach would allow staff to work from the most appropriate location. The Head of Legal and Group Heads would provide support to the Salford corporate core.

3.3 This would provide increased legal capacity to both organisations, more resilience, potential for savings through retention of work and increased in-house advocacy, a stronger performance management culture and provide a blue print for further collaborative working between the authorities. It would be seen as a significant and radical step within legal circles given the size and capacity of the resulting legal service.

3.4 It would also bring the most significant challenges. Senior officers within legal would have to take on additional management responsibilities and capacity would need to be provided to support this.

3.5 There would need to be absolute clarity on accountability for the service and for the apportionment of savings. It is proposed that this is addressed by a clear written arrangement for the provision of the legal service which identifies the scope of the service, expectations and responsibilities of both parties and how any savings

made would be apportioned. The Service would be accountable to the Salford Chief Executive through the Salford Monitoring Officer for the Salford specified work.

#### **4. Timeline for implementation**

4.1 A project team has now been established to pursue this option with a final date for full implementation of April 2012. The Service is working towards earlier implementation in some areas where possible. Professional support and management will continue to be provided through the Manchester Legal Management Team, and team leaders from Salford are being integrated into the Manchester Legal managers reporting and working arrangements through attendance at managers' meetings and 1:1 supervision. Work is progressing on a joint child care advocacy team and discussions are taking place between managers where there is legal work to be externalised to ensure best value is obtained. A joint training and workforce development plan is being developed and arrangements are being put in place to enable staff to work from both Manchester and Salford offices.

#### **5. Main issues and risks**

5.1 In order for the project to be successfully implemented there are a number of risks and issues that will need to be dealt with quickly. These include –

- the capacity of existing staff to deliver the level of change required alongside their existing workloads and the increase in some areas of legal work arising out of the budget proposals;
- identification and agreement on a mechanism for dealing with conflicts of interest and areas of confidentiality between the authorities; and
- agreement on the identification and apportionment of savings.

5.2 These issues will be prioritised by the respective work stream leads as areas for early resolution.

#### **6. Conclusion**

6.1 This proposal will bring about significant change in the management of Legal Services to both authorities. It will be important to ensure that there is no diminution in the quality of services provided to both authorities that savings are agreed and fairly shared and that staff are fully engaged in the necessary change process.

6.2 A report on this proposal is also being considered by Salford City Council Cabinet Briefing on 7<sup>th</sup> June.