

## **Cabinet – 14 January 2008**

### **West Midlands Legal Panel**

**Portfolio:** Councillor Griffiths , Finance and personnel

**Service:** Legal Services

**Wards:** None

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary of report**

This report explains the current position regarding the use of external legal advisers and the proposed arrangement to place these under a more formal process in order to achieve better value for money.

The level of demand for legal services is unpredictable as is the occasional need for specialist legal advice and thus there are occasions when external legal advice is required to support the in house team. At present, this is undertaken on an ad hoc tendering basis on each occasion that the services are required (other than for commercial legal work where the Council has a panel of law firms).

By undertaking a coordinated approach to procuring these specialist services the Council could take advantage of the economies of scale and secure a more cost effect and efficient method of accessing external legal advice.

#### **2. Recommendations**

2.1 Cabinet approve the Council entering into the West Midlands Legal Services Panel.

2.2 Cabinet delegate authority to the Assistant Director for Legal and Constitutional Services, in consultation with the Portfolio holder for Corporate Services, to accept on behalf of the Council the tenderers, recommended by Birmingham City Council, offering the best value for money services and their appointment to this councils legal panel

### **3. Background information**

#### **Legal Services Panel**

##### **3.1 Current situation**

The level of demand for legal services is unpredictable due to the responsive nature of the service due to demands placed upon it both by internal and external factors to the council. Therefore, from time to time there is the need for additional capacity both in terms of extra volume and or for highly specialist advice. In addition the service encounters difficulty in recruiting to vacant posts due to the highly competitive market for solicitors.

The service currently secures such external advice on an ad hoc basis although due to difficulties in recruiting to the commercial team last year a panel of firms for this type of advice was established. The adhoc tendering does not represent an effective solution to the medium term needs of the council, as often the services are needed urgently and the engagement of solicitors on this ad hoc basis provides no opportunity to gain added value.

##### **3.2 Proposed West Midlands Legal Services Panel**

Birmingham City Council is acting as a lead procuring authority for a total of at least 15 other local councils, seeking tenders from external legal providers to bid for local authority legal work.

Successful tenderers will be designated as the councils non exclusive preferred suppliers of external legal services for a type of work and they will engaged under a framework contract. This framework contract will give the council the benefit of having a call off arrangement under which no legal work is guaranteed to the successful tenderers, but where they are engaged as and when they are needed under the terms and conditions agreed as part of the tender process.

This is not an unusual approach as a number of councils are now undertaking such exercises, although the scale of this particular process in terms of number of public bodies involved is uncommon. At times separate tendering for specific services may be necessary, such as in the case large projects

The areas of law that are proposed to be covered are wide and include:

- Planning
- Highways
- Commercial Contracts (including commercial dispute resolution and litigation)
- Construction Contracts
- Charities
- Public/Public Partnerships
- Employment law
- Conveyancing
- Social care

- Education
- Regeneration
- General Public law

It is expected that Birmingham Council, as the lead authority, will carry out the evaluation of all tenders received on behalf of all of the participating authorities and that will be based upon price, quality and added value split on a 50/25/25 basis. At present the final preparations of the tender pack are being undertaken in consultation with all the authorities engaged in the process. The framework agreement is being proposed to be for 4 years.

### 3.3 The benefits of the Panel

By entering into such a partnership approach to procurement it will provide an opportunity for the council to have speedier access to external legal advice without the need to seek multiple tenders every time external legal advice is need.

In addition, the large number of participant local authorities and whole market invitation to tender means a greater opportunity to achieve economies of scale. This is even more so in the current economic climate, whereby law firms are increasingly finding themselves having to be more competitive in order to obtain the valued public sector work as well as a prized place on this Panel.

At this stage it is not possible to pre determine the potential for savings, however, once tenders have been sought and evaluated potential savings based on historical levels of use can be calculate.

### 3.4 Other Local Authority Participants

Birmingham CC	Shrewsbury DC
Bromsgrove DC	Solihull MBC
Herefordshire CC	Stoke on Trent CC
Malvern Hills DC	Telford & Wrekin Council
North Warwickshire DC	Warwickshire CC
Redditch BC	Walsall MBC
Sandwell MBC	West Midlands Probation Service
Shrewsbury & Atcham BC	Wolverhampton CC

## 4. Resource considerations

- 4.1 **Financial:** The use of external lawyers will only be undertaken when approved by the Assistant Director of Legal and Constitutional Services
- 4.2 **Legal:** The proposal will provide support to the council where in house resources are not sufficient or specialist advice is required.

4.3 **Staffing:** None

**5. Citizen impact**

Legal Services provides support to all service areas of the council with a view to achieve the best possible outcome in the quality of services provided to the citizen.

**6. Community safety**

Legal Services actively engage in community safety by way of prosecutions and enforcement.

**7. Environmental impact**

Legal Services provide legal advice and support on environmental and regeneration issues.

**8. Performance and risk management issues**

8.1 **Risk:** From time to time the council requires specialist legal advice in order to protect its legal interests. The use of the select panel will facilitate the obtaining of appropriate specialist advice in order to achieve this.

8.2 **Performance management:** The effect of the proposed Legal Services Panel is not only to achieve Best Value for money but also ensuring there is specialist advice and assistance available to officers and members when in house resources are not available. Whilst ensuring that this advice and support is available in a timely manner.

**9. Equality implications**

The successful tender will be required to comply with the Council's equality policies.

**10. Consultation**

The Chief Legal Officers for the West Midlands Authorities.

**Background papers** None

## Contact Officer

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A handwritten signature in dark ink, appearing to read 'B. Gill' with a stylized flourish at the end.

Bhupinder Gill  
Assistant Director

21 December 2008

A handwritten signature in dark ink, appearing to read 'Al Griffiths' with a horizontal line underneath.

Councillor Albert Griffiths  
Portfolio holder

21 December 2008