

By: Ben Watts, General Counsel (Interim)
To: Governance and Audit Committee – 6th October 2016
Subject: **CORPORATE LAW AND ASSURANCE TEAM**
Classification: Unrestricted

Summary: This report provides an update regarding the recent creation of the client-side functions for Legal Services.

FOR NOTING FOR ASSURANCE

Introduction and background

1. On 21st March 2016, the Cabinet took a decision to proceed with the formation of an Alternative Business Structure (ABS) for the delivery of legal services. On 27th April 2016, Geoff Wild in his then role as Director of Governance and Law attended the Trading Activities Sub-Committee to explain to Members the proposed governance arrangements that flowed from the Cabinet decision.
2. Mr Wild provided a report and confirmed that the new business would conform to the "*Protocol for Companies in which KCC has an Interest*" once the draft revisions to the Protocol received approval from the Governance and Audit Committee at its next meeting.
3. At that meeting, Members also asked for assurance in respect of the impact of the creation of the ABS on the overall Legal Services operation including those members of staff who were to remain in-house. This should include steps taken to ensure staff retention. It was therefore agreed that a progress report would be presented to the Governance and Audit Committee at its meeting in October 2016.
4. This report provides an update for Members regarding the creation of the client-side functions for the Council which have been established over recent months. The progress of the company-side has been subject to scrutiny from the Policy and Resources Cabinet Committee and the Commissioning Advisory Board and they are currently in a period of significant activity including the key stage of their application for authorisation as an ABS to the Solicitors Regulation Authority. Accordingly, a further report is proposed for the next meeting of this Committee to provide the assurance and detail requested in relation to the company which will have significant updates at that time.

Corporate Law and Assurance Team

5. In taking the decision to proceed with the creation of the ABS, Cabinet also agreed a new management structure for the Governance and Law function. This provided for a separation between the management team of what will become the company and the team that would advise the Council on corporate and strategic legal issues whilst also commissioning and managing the contract with the company.
6. The Cabinet decision provided for a managed transition to the new arrangements to ensure that potential conflicts of interest were avoided and managed whilst ensuring that both the commissioner and provider elements of the project continued to progress. Structure charts for the respective arrangements for the in-house function is included for ease of Member's reference at Appendix 1.
7. The structure and staffing of the Corporate Law and Assurance (CLA) team has been confirmed by the Personnel Committee. As a result, Ben Watts was appointed as General Counsel (Interim) effective from 1 July 2016 to provide leadership in relation to corporate legal issues.
8. Additionally, over the past two months, Ben Watts has also taken over a number of the roles previously carried out by Geoff Wild to allow him to focus on his new role as Chief Executive of the new company. These include the statutory Monitoring Officer role, membership of Corporate Board/CMT, responsibility for Democratic Services and the Information Resilience and Transparency Team, the function of SIRO (Senior Information Risk Owner) and legal advisor to the full Council, committee meetings and Members. On 15 October 2016, after the results of the forthcoming by-election are announced, he will also become the County Returning Officer.
9. The transition of these roles has carefully considered organisational needs and the development of the respective council and company teams. Members have previously asked for assurances around the new management arrangements. Geoff Wild and Ben Watts have worked through a transition plan regarding the handover of the Monitoring Officer, County Returning Officer and Senior Information Risk Owner roles.
10. The CLA team has been incrementally built over the past three months and became fully operational on 5th September 2016. The team has been drawn entirely from existing Kent Legal Services staff identified as having the appropriate skills, expertise and attitude to deliver the new roles. The transferring team comprises four lawyers and two support staff who will be further assisted by two apprentices who are currently being recruited. To ensure retention and avoid uncertainty, these permanent staff were flexibly deployed into their new roles.
11. In creating the CLA Team, the project team who presented to Cabinet recognised that training and development for the team was as important as the development and training of the staff who would be transferring to the company. The General Counsel and CLA roles are unique within local

government and the Council is supporting these staff through professional development to define and deliver these exciting and challenging new roles successfully.

12. The CLA team's primary functions are to:
 - Provide advice on legal issues and legal risk to the Council's Members and senior officers
 - Manage the arrangements and contract between the company and the Council acting as commissioner of all legal services and advice
 - Retain and manage the Council's significant contracts and deeds
13. Whilst the ABS is being developed, the CLA team has a crucial role in working with both the Council and the ABS to ensure that the future provision by the ABS back to KCC is both better and cheaper. The development phase of the ABS provides an excellent opportunity for the CLA and KLS teams to work together to redesign and improve the service delivery. This has included joint workshops on process and workflow and survey activity to understand client and staff perspectives.
14. Ben Watts attended the Challenger Group to provide an outline of the expectations that senior officers and staff can have in relation to the new legal service. Sharing the same platform, James Pigott from the company side talked about the opportunities and transformation that were being planned for the new business. Importantly, both of them explained the change that would be required from the business and the Council in terms of ways of working. Further joint sessions are planned for Challenger Group and officers throughout the council to ensure service continuity for front-line services across KCC.
15. The appointment of the General Counsel (Interim) and the creation of the Corporate Law and Assurance Team carefully reflected the views expressed by Members of this Committee (and Cabinet, Policy & Resources Cabinet Committee and the Commissioning Advisory Board) in relation to staff retention, transition and knowledge transfer. The identified staff for this part of the project have been successfully deployed into their new roles and retained.

Recommendations

16. It is recommended that Members note the report for assurance.

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