



**Open Report on behalf of Andrew Crookham,
Deputy Chief Executive and Executive Director - Resources**

Report to:	Overview and Scrutiny Management Board
Date:	15 December 2022
Subject:	Establishment of the Legal Services Company – Update Report

Summary:

This Report updates the Overview and Scrutiny Management Board on progress with the establishment of a legal services company and its application to be licensed as an Alternative Business Structure (ABS) by the Solicitor's Regulation Authority (SRA).

Actions Required:

The Overview and Scrutiny Management Board is asked to review and comment on the progress made and future actions.

1. Background

On 7 January 2020 the Executive approved the final documentation underpinning the establishment of a company wholly owned by the County Council with the object of the company being licensed by the Solicitors Regulation Authority for the purpose of providing legal advice and services.

Broadly speaking the rationale for the company was to enable Legal Services Lincolnshire (LSL) to continue to provide services to its partner Councils when they deliver services through new structures such as companies without risk of it acting contrary to the requirements of the Solicitors Regulation Authority as our professional regulator.

The proposal would also allow Legal Services Lincolnshire to provide services more widely in the future as opportunity arises and capacity allows.

The Executive approved:-

- the appointment of David Coleman, Chief Legal Officer; Andrew Crookham, Executive Director - Resources and James Drury, Executive Director - Commercial as Directors of the company;

- Councillor B Young, Executive Councillor for Community Safety and People Management as the member representative of the company and the delegation to Councillor Young of authority to take decisions in exercise of the Council's powers in relation to the company; and
- the making available of a cash flow facility of £30,000 to the company.

The company was incorporated on 17 March 2020 under the name Legal Services Lincolnshire (Trading) Limited.

Since that point progress has been slow with the response to the Covid-19 pandemic restricting the capacity of the Directors of the company to progress the company's agenda. The application to the SRA was further delayed by the change of Councillor representative from Councillor Young to Councillor R D Butroid following Councillor Young's decision not to stand at the last election.

This necessitated a renewed application process relating to Councillor Butroid.

Following the departure of James Drury as Executive Director – Commercial, the company currently has two Directors – David Coleman and Andrew Crookham.

Current Position

Approval from the SRA and the granting of a licence to the company to operate as a legal practice was finally granted on 5 August 2022.

In order to commence trading a number of internal company arrangements need to be made to meet the general regulatory requirements that come with operating as a legal practice. These include:-

- The identification of a dedicated physical space within LSL's building for the delivery of the ABS's business separately from the work of the in-house team to meet SRA requirements.
- Creation of separation within the time recording and case management system to ensure ABS information is available only to those who have a need to know it.
- Creation of internal confidentiality and conflicts of interest guidance and protocols to ensure that the new practice is able to maintain confidentiality of its information and recognise and appropriately manage conflicts of interest. These are based on protocols already operated successfully by the in-house team.
- Registration with the Information Commissioner and the creation of appropriate privacy policies and notices.
- Creation of compliant money laundering policies and procedures.
- Creation of terms and conditions and terms of business letter between the company and its clients to meet SRA customer care requirements including transparency of charging information.
- Creation of contract terms and conditions between the company and the Council's in-house team Legal Services Lincolnshire for the performance of services.

- Creation of a website for the company. As well as being a way of the company making its presence known, it also enables the company to make its outward facing policy documents available together with required transparency information.
- The making of insurance arrangements to cover any potential liability of the company.
- The establishment of the company's business plan.

The company has given thought to operating a trading name and is proposing to trade under the name Lincolnshire Public Law which reflects the specifically public law focus of the practice and distinguishes the ABS from the existing in-house provision delivered under the name of Legal Services Lincolnshire.

The focus of the company in terms of its business plan remains the provision of services to our existing partners who are delivering services through alternative structures, especially companies. Discussion with existing partners has identified the potential for instructions to be received by the company in January 2023. Those instructions would be in the area of property work where the in-house team is fully resourced and would be able to accommodate those instructions.

This gives the company an ideal opportunity to bed in its practices and procedures and to establish important client relationships and a track record of delivery at an early stage.

The intention therefore is to have all of the above matters concluded for commencement of service delivery in January 2023.

2. Conclusion

The legal services company has obtained its licence to practice and is in the final stages of putting in place all regulatory and other requirements to begin delivering services in January 2023.

3. Consultation

a) Risks and Impact Analysis

See the body of the Report.

4. Background Papers

The following background papers as defined in the Local Government Act 1972 were relied upon in the writing of this report.

Document title	Where the document can be viewed
Executive Report 7 January 2020 – "Formation of a Company for Legal Services"	Agenda for Executive on Tuesday, 7th January, 2020, 10.30 am (moderngov.co.uk)

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