

**DMPC Decision – PCD 576**

**Title: National Legal Services Framework – Uplift to contract value**

**Executive Summary:**

In 2016 the MPS awarded the National Legal Services Framework (NLSF) for the provision of legal services for a term of 4 years expiring in May 2020. The purpose and scope of the contract is to ensure the MPS has an overflow facility to deal with “business as usual” legal work that cannot be dealt with internally.

The NLSF is also used for specialist projects where it would not be cost effective to dedicate DLS lawyers solely to a single project and property law work which DLS does not have a specialism in.

Specialist projects are therefore covered by the scope of the NLSF but not considered as “business as usual” and are not budgeted for as part of the Legal Services revenue budget of £2.6m per annum. The spend on specialist projects since June 2016 has been allocated against the contract value, which has resulted in there being insufficient contract value remaining to cover business as usual activity for the remaining term of the contract.

**Recommendation:**

The Deputy Mayor for Policing and Crime is recommended to:

1. Approve the increase in the contract value of the NLSF agreement by £4.16m to give a new total contract value of £15.6m by the MPS under the framework agreement.
2. To note that the additional £4.16m will be spread across the 7 panel firms contracted under the NLSF
3. To note that business as usual legal work met from the requested uplift will be funded from the existing DLS revenue budget of £2.6m p.a. Any additional spend in support of Transformation Projects will be funded from approved business cases/project budgets.

**Deputy Mayor for Policing and Crime**

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

**Signature**

*Spue Under*

**Date**

14/05/19

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC**

### **1. Introduction and background**

- 1.1. In 2016 the MPS awarded the National Legal Services Framework (NLSF) for the provision of legal services for a term of 4 years expiring in May 2020. The purpose and scope of the contract is to ensure the MPS has an overflow facility to deal with “business as usual” legal work that cannot be dealt with internally. Work typically sent out to supporting panel firms is low level work where in-house capability exists but where workflow peaks require additional external support; specialist projects where it would not be cost effective to dedicate DLS lawyers solely to a single project and property law work which DLS does not have a specialism in.
- 1.2. The MPS expenditure, and value of the call off contracts awarded under the framework, was forecast at a maximum of £10.4m to cover business as usual work over the 4 years.

### **2. Issues for consideration**

- 2.1. Whilst specialist projects are covered by the scope of the NLSF they are not considered as business as usual and were not budgeted for in the £10.4m. The spend on specialist projects since June 2016, has been allocated against the £10.4m, rather than requesting an uplift against the contract once the business case has been approved. As this has not happened there has been significant spend in relation to specialist projects which has led to insufficient value remaining to cover business as usual activity for the remaining term of the contract.

### **3. Financial Comments**

- 3.1. The original value of the four-year NLSF contract was £10.4m, which was subsequently increased by Commercial Services by 10% (£1.04m) in line with the Scheme of Devolved Financial Management, increasing the value of the contract to £11.44m.
- 3.2. Spend against the contract is currently forecast at £15.6m. Spend is higher than anticipated as the Framework has also been used for Transformation Projects, in addition to business as usual legal work. The additional spend in support of Transformation Projects is funded from approved business cases/project budgets. Legal Services is therefore not requesting additional budget to cover the requested Contract Uplift. Business as usual legal work will be funded from the existing DLS revenue budget of £2.6m per annum.

### **4. Legal Comments**

- 4.1. In accordance with paragraph 4.14, DMPC has delegated authority ‘to approve all unforeseen variations and extensions to contracts with an original value of £500,000 or above, when the variation or extension is greater than 10% of the original value and/or is for a period of more than 12 months’

4.2. Clause 72.b.ii of the 2015 Public Contract Regulations 2015 provides for value extensions of up to 50% where changing contractor would “cause significant inconvenience for the contracting authority”. The current burn rate on the contract is approximately £300k per month, therefore approval is requested to increase the contract value by the maximum permissible of £4.16m (50% of the original MPS contract value) as the only option to meet the requirement.

## **5. GDPR and Data Privacy**

5.1. The Project does not currently use personally-identifiable data so there are no direct GDPR issues to be considered.

## **6. Equality Comments**

6.1. There are no equality or diversity implications arising from this report.

## **7. Background/supporting papers**

7.1. MPS report

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOIA) and will be made available on the MOPAC website following approval.

If immediate publication risks compromising the implementation of the decision it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Part 1 Deferral:**

Is the publication of Part 1 of this approval to be deferred? NO

If yes, for what reason:

Until what date: [Insert date]

**Part 2 Confidentiality:** Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a **Part 2** form – No

**ORIGINATING OFFICER DECLARATION**

*Tick to confirm statement (✓)*

**Financial Advice**

The Strategic Finance and Resource Management Team has been consulted on this proposal.

✓

**Legal Advice**

The MPS legal team has been consulted on the proposal.

✓

**Equalities Advice:**

Equality and diversity issues are covered in the body of the report.

✓

**Public Health Approach**

Due diligence has been given to determine whether the programme sits within the Violence Reduction Unit's public approach to reducing violence.

✓

**Commercial Issues**

Commercial issues are not applicable

✓

**GDPR/Data Privacy**

A DPIA is not required.

✓

**Director/Head of Service**

The Chief Finance Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities.

✓

**Chief Executive Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

**Signature**

*R. Lawrence*

**Date**

*8/5/2019*

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# MOPAC

MAYOR OF LONDON  
OFFICE FOR POLICING AND CRIME

**National Legal Services Framework – Uplift to contract value**  
**MOPAC Investment Advisory & Monitoring meeting 9th April 2019**  
**Report by Helen Johnson on behalf of the Deputy Commissioner**

**Part 1 – This section of the report will be published by MOPAC. It is classified as OFFICIAL – PUBLIC**

***EXECUTIVE SUMMARY***

In 2016 the MPS awarded the National Legal Services Framework (NLSF) for the provision of legal services for a term of 4 years expiring in May 2020. The purpose and scope of the contract is to ensure the MPS has an overflow facility to deal with "business as usual" legal work that cannot be dealt with internally. The NLSF is also used for specialist projects where it would not be cost effective to dedicate DLS lawyers solely to a single project and property law work which DLS does not have a specialism in.

Specialist projects are therefore covered by the scope of the NLSF but not considered as "business as usual" and are not budgeted for as part of the Legal Services revenue budget of £2.6m per annum. The spend on specialist projects since June 2016 has been allocated against the contract value, which has resulted in there being insufficient contract value remaining to cover business as usual activity for the remaining term of the contract.

This paper is submitted for MOPAC to approve an uplift in the contract value to offset the spend on specialist projects.

**Recommendations**

The Deputy Mayor for Policing and Crime, via the Investment Advisory and Monitoring meeting (IAM), is asked to:

1. **Approve the increase in the contract value of the NLSF agreement by £4.16m to give a new total contract value of £15.6m by the MPS under the framework agreement.**
2. **To note that the additional £4.16m will be spread across the 7 panel firms contracted under the NLSF**
3. **To note that business as usual legal work met from the requested uplift will be funded from the DLS revenue budget of £2.6m p.a. Any additional spend in support of Transformation Projects will be funded from approved business cases/project budgets.**

**Time sensitivity**

A decision is required from the Deputy Mayor by 15/05/2019. This is because the value is required to ensure that business as usual work can continue ensuring no interruption to service provision.

## **Non-confidential facts and advice to the Deputy Mayor for Policing and Crime**

### **Introduction and background**

1. In 2016 the MPS awarded the National Legal Services Framework (NLSF) for the provision of legal services for a term of 4 years expiring in May 2020. The purpose and scope of the contract is to ensure the MPS has an overflow facility to deal with "business as usual" legal work that cannot be dealt with internally. Work typically sent out to supporting panel firms is low level work where in-house capability exists but where workflow peaks require additional external support; specialist projects where it would not be cost effective to dedicate DLS lawyers solely to a single project and property law work which DLS does not have a specialism in.
2. The MPS expenditure, and value of the call off contracts awarded under the framework, was forecast at a maximum of £10.4m to cover business as usual work over the 4 years.
3. As stated above, whilst specialist projects are covered by the scope of the NLSF they are not considered as business as usual and were not budgeted for in the £10.4m. The spend on specialist projects since June 2016, has been allocated against the £10.4m, rather than requesting an uplift against the contract once the business case has been approved. As this has not happened there has been significant spend in relation to specialist projects which has led to insufficient value remaining to cover business as usual activity for the remaining term of the contract.
4. Commercial Services has recently increased the contract value by 10% (£1.04m) in line with the Scheme of Devolved Financial Management, increasing the value of the contract to £11.44m.
5. DLS have carried out a review of the forecast spend for legal work, including against ongoing specialist projects, to the end of the present contract term. The review has highlighted that a further increase of £4.16m to the contract is required to cover legal work to the end of the contact term (May 2020).

### **Issues for consideration**

6. DLS does not have sufficient in-house resources and in some cases does not have the expertise to handle all the MPS' legal work, therefore failure to approve the uplift may mean that legal advice to ongoing projects will cease potentially affecting decision making and with more work being retained in-house cases will take longer to complete potentially missing court deadlines. Both scenarios could potentially result in reputational damage and financial penalties.



**Contributes to the MOPAC Police & Crime Plan 2017-2021<sup>1</sup>**

7. By having the facility to use the NLSF during periods of high demand DLS is better able to provide legal advice and support to the MPS to achieve the aims of the Police & Crime Plan and keep London safe.

**Commercial and Procurement Comments**

8. In accordance with the MOPAC Contract Regulations contract extensions above 10% in value require MOPAC approval. Clause 72.b.ii of the 2015 Public Contract Regulations 2015 provides for value extensions of up to 50% where changing contractor would "cause significant inconvenience for the contracting authority". National consultation is currently being undertaken by the Collaborative Law Enforcement Programme (CLEP) to ascertain what improvements can be made nationally, from a quality, efficiency and value for money perspective, to ensure Police Forces are deriving the optimum value from their engagement with external legal providers, as these consultations are ongoing and procuring legal services is complex a new procurement process is not appropriate at this stage. The option to request approval from MOPAC to increase the overall framework value. The current burn rate on the contract is approximately £300k per month, therefore approval is requested to increase the contract value by the maximum permissible of £4.16m (50% of the original MPS contract value) as the only option to meet the requirement.
9. As an uplift to an existing service this request does not change any aspects relating to responsible procurement.

**Financial Implications**

10. The original value of the four-year NLSF contract was £10.4m, which was subsequently increased by Commercial Services by 10% (£1.04m) in line with the Scheme of Devolved Financial Management, increasing the value of the contract to £11.44m.

Spend against the contract is currently forecast at £15.6m. Spend is higher than anticipated as the Framework has also been used for Transformation Projects, in addition to business as usual legal work. The additional spend in support of Transformation Projects is funded from approved business cases/project budgets. Legal Services is therefore not requesting additional budget to cover the requested Contract Uplift. Business as usual legal work will be funded from the existing DLS revenue budget of £2.6m per annum.

11. The table below shows details of forecast expenditure over the contract period June 2016 – May 2020:

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<sup>1</sup> [Police and crime plan: a safer city for all Londoners | London City Hall](#)

	<b>Total</b>
	<b>£m</b>
Original NSLF Contract	10.40
10% additional value approved by Commercial Services	1.04
<b>Total Contact Value March 2019</b>	<b>11.44</b>
BaU forecast Spend	9.80
Project Spend	5.80
<b>Total Contract spend 2016 - 2020</b>	<b>15.60</b>
<b>Shortfall in contract</b>	<b>4.16</b>

**Legal Comments**

12. There is no need for any legal implications as there is no contract variation.

**Equality Comments**

13. As this is an extension of an existing service this request does not change any aspects relating to equality or diversity'.

**Privacy Comments**

14. The MPS is subject to the requirements and conditions placed on it as a 'State' body to comply with the European Convention of Human Rights and the Data Protection Act (DPA) 2018. Both legislative requirements place an obligation on the MPS to process personal data fairly and lawfully in order to safeguard the rights and freedoms of individuals.

Under Article 35 of the General Data Protection Regulation (GDPR) and Section 57 of the DPA 2018, Data Protection Impact Assessments (DPIA) become mandatory for organisations with technologies and processes that are likely to result in a high risk to the rights of the data subjects.

As this request relates to an existing service the Information Assurance and Information Rights units within MPS were consulted at all stages to ensure the compliance requirements were met.

The service does not use personally identifiable data of members of the public, so there are no GDPR issues to be considered.

**Real Estate Implications**

15. Failure to approve the request may impact on the Real Estate Strategy if legal advice is not provided.

**Environmental Implications**

16. There is no impact to the Mayor's London Environment Strategy.

**Background/supporting papers**

17. There are no supporting papers.

Report author: Helen Johnson, Head of Administrative Services, DLS, 020 7230 7902

**Part 2 – This section refers to the details of the Part 2 business case which is NOT SUITABLE for MOPAC Publication.**

All information in Part 1 can be published.

