



STRONGER
FAIRER
GREENER



PRAP Scrutiny of Legal Services Operating Model

Davina Fiore, Director of Legal and
Governance and Monitoring Officer

davina.fiore@Cardiff.gov.uk

20th June 2023



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Scope of Scrutiny



STRONGER
FAIRER
GREENER



- Is the current model of providing Legal Services the right one for the Council's needs?
- What alternative models exist, and has the Council ever explored an alternative model?
- What efficiencies would contracting out Council Legal Services deliver?
- How resilient is the service, will it cope with future challenges?
- Should we retain the status quo or increase in-house capacity to deliver best value for money?

Information requested to support the scrutiny

- What is the budget for Legal Services (not including Governance/Dem Services)?
- How much is currently spent on contracting out legal work?
- Is the Council getting value for money?



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Budget for Legal Services

- **Total budget 2022/3 £6.950m Actual spend £7.619m**
- **Staffing budget 2022/3 £4.778m Actual spend £5.298m**
- **External legal fees budget 2022/3 £1.148m actual spend
£1.000m**



Legal Services External Income



**STRONGER
FAIRER
GREENER**



- Total budgeted income 2022/23 £858,000
- Actual Achieved £619,000 (underachieved by £239,000)
- Professional & Legal Expenses Recovered target has not been achieved for a number of years and continues to show a shortfall against the target.

2021/22 Outturn	Income	2022/23		
		Net Budget £000	Outturn £000	Variance £000
122	City Deal Income	121	121	0
246	Search Fees	225	179	46
140	Legal Fees – Land & Property	113	128	(15)
87	Magistrates Costs Recovered	125	34	91
14	Professional & Legal Exp Recover.	140	20	120
7	Court Interest Received	34	4	30
133	Other Fees & Charges	100	133	(33)
749	Total	858	619	239



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Legal Services Outturn 2020/21 to 2022/23



**STRONGER
FAIRER
GREENER**



Year	Legal Services Outturn Position 2020/21 to 2022/23			
	Net Budget £000	Outturn £000	Variance £000	Key Variances
2020/21	2,349	2,964	615	<ul style="list-style-type: none"> External Legal Fees +£385k Core Costs inc Law Library, Case Management, Subscriptions & Printing +£185k Underachieved Income +£201k (offset by £160k Hardship Fund)
2021/22	2,690	3,317	447	<ul style="list-style-type: none"> Employees +£154k External Legal Fees +£106k Core Costs inc Law Library, Case Management, Subscriptions & Printing +£168k
2022/23	3,128	3,753	625	<ul style="list-style-type: none"> Employees +£302k Underachieved Income +£239k

To Note:

- 2021/22: +£300k budget realignment provided to address External Legal Fee overspends
- 2022/23: +£305k budget realignment provided to address Case Management and External Legal Fee overspends
- 2023/24: +£150k budget realignment provided to address unachievable Income Targets



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Monitoring Officer



STRONGER
FAIRER
GREENER



- Duty on Council to appoint an officer who is required to report to the council where it appears to them any proposal, decision or omission of the authority has done, or is about to do, anything which would contravene the law
- Council has duty to provide monitoring officer with such staff, accommodation and other resources as are, in her opinion, sufficient to allow those duties to be performed
- Appointed under section 5 of the Local Government and Housing Act 1989
- Responsible for the council's constitution
- Responsible for dealing with complaints in relation to breaches of the member code of conduct



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou



STRONGER
FAIRER
GREENER



Current model is a mixed provision, with an inhouse legal team carrying out most legal work, utilising private sector for work peaks, conflicts of interest and specialised advice not available within dept e.g. specialist charity advice



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Specialists within teams

cover:



STRONGER
FAIRER
GREENER



- Local authority law and governance
- Information governance
- Property, planning and procurement
- Highways
- Housing
- Debt recovery
- Litigation including prosecutions and employment
- Children and adults safeguarding



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Alternative Service Models Pros and Cons



STRONGER
FAIRER
GREENER



- Shared service e.g. HB Public Law (Harrow and Barnet Public Law), One Legal (Gloucester City, Tewkesbury, Stroud and Cheltenham), no benefits for large council
- Service Level Agreement (SLA) with another authority e.g. Cardiff Legal Services provide MO function and legal work for Cardiff Capital Region City Deal , National Fostering and Adoption Service, OK for specific work areas
- Separate Monitoring Officer and Head of Legal Services, used to be model at Welsh authorities including Cardiff, expensive as 2 Chief Officers needed, results in inconsistent provision of advice and management, and lack of accountability, so restructure created current Director of Legal and Governance post



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou



STRONGER
FAIRER
GREENER



Contracting out all legal work would be much more expensive than inhouse provision. Cardiff Legal Services is covered by the Council's insurance and does not need to pay for separate professional indemnity insurance or make a profit. An inhouse service concentrates on the councils priorities.



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

For Example:



STRONGER
FAIRER
GREENER



- Grade 10 Lawyer paid £46,549 by Council, with oncosts costs council £60,747 pa (pending 2023 NJC Pay Award)
- Target 1302 chargeable hours a year, hourly rate to Council £80
- Private practice hourly rates under framework agreement with local government are confidential so included in committee agenda as exempt appendix to these slides
- Please note inhouse lawyers still involved when externals instructed to provide info, advise on decision making processes, attend meetings, comment on draft reports



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou



STRONGER
FAIRER
GREENER



Debt Recovery Team

- Cost of staff to Council pa £110,942 (pending 2023 NJC Pay Award)
- £1,407,336.28 Debt recovered in 2022/3



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Evidence of Best Value



STRONGER
FAIRER
GREENER



- Cardiff Legal Services is Lexcel (Law Society Quality Mark) accredited. In last inspection report there were no areas of non-compliance and the inspector said ***“Legal Services is to be commended in that twenty-six areas of good practice were identified during the assessment. These evidence either a diligent approach to complying with the requirements or identify areas in which the minimum Lexcel requirement has been exceeded”***.
- Leads on Regulation of Investigatory Powers Act – last inspection by Office of Surveillance Commissioner said: ***“Mr Gration found the SRO and her team enthusiastic and knowledgeable regarding RIPA management, and very keen to demonstrate a high level of compliance, which is a credit to your organisation.”***
- framework agreements for external work



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Current Issues



STRONGER
FAIRER
GREENER



- Recruitment and retention of lawyers
- Council pay and grading structure
- Overspend on staffing budget due to need for locums
- High workloads
- Difficulty obtaining full instructions on occasions
- Unrealistic timescales for instructions
- Budget pressures



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Since 2016 Legal Services have:



STRONGER
FAIRER
GREENER



- Restructured to include 4 trainee solicitor posts, Grade 9 assistant solicitor posts and OM2s to create career progression opportunities.
- Agreed with Trade Unions an increase in notice periods for newly appointed lawyers from one month, to three months, to reduce spend on locums pending recruitment
- Taken on being MO for and providing legal advice for City Deal and National Fostering and Adoption Service to generate income for the department and ensure high standards of governance and legal work are met
- Held a mini tender for outsourcing children work to ensure best value obtained when work outsourced



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Since 2016 Legal Services have:



STRONGER
FAIRER
GREENER



- Replaced our outdated case management system
- Introduced an electronic signing and sealing system
- Introduced an improved electronic bundling system which is used more widely within legal teams
- Moved to electronic legal library with reduction in subscription costs
- These have reduced printing costs/staff travel time and have enabled Legal Services to move to a much smaller footprint within County Hall



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou



STRONGER
FAIRER
GREENER



Future resilience depends on available resources, the ability to recruit and retain good staff, source good locums and to instruct external lawyers to cover work peaks and gaps in expertise. Additional inhouse lawyer posts would increase resilience, but may not reduce legal spend if demand continues to increase.



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou

Client departments can help to achieve best value by:

- Advance notice of projects to allow better forward planning of work
- Involving legal services at an early stage
- Providing full instructions as soon as possible
- Allowing 5 working days to provide legal implications on draft reports



Cllrs can help to achieve best value by:

- Asking for advice on governance matters, decision making, interests etc in advance of meetings, rather than at meetings
- Understanding work pressures/priorities and the need for work/life balance
 - Raising any concerns or complaints appropriately (not in public where employees cannot respond)





**STRONGER
FAIRER
GREENER**



Thank you for listening. Any questions?



#GweithioDrosGaerdydd
#GweithioDrosochChi

#WorkingForCardiff
#WorkingForYou