
Governance & Legal Services – *service & budget challenges*

IMPORTANT - Appendix 6 to Appendix A is not for publication as it contains exempt information of the description in paragraph 12 of Part 4 of Schedule 12A of the Local Government Act 1972.

Reason for the Report

1. To provide Members with briefing papers to support in depth scrutiny of the service and budget challenges faced by the Governance and Legal Services Directorate.

Structure of the Papers

2. To facilitate the scrutiny the Chair has requested an officer briefing paper, as such attached to this report are the following papers:

Appendix A: Legal and Democratic Services Budgets

Attached to Appendix A are 6 appendices as follows:

Appendix 1: External legal spend 2018/19 – 2021/22

Appendix 2: Analysis of case demand and chargeable hours by team

Appendix 3: External legal spend by team

Appendix 4: GLS budget analysis 2018/19 – 2021/22

Appendix 5: Role of Democratic Services Committee

Appendix 6: Case Studies - **Exempt from publication**

Scope of the Scrutiny

4. Members will have an opportunity to examine and gain a better understanding of the service demands and budget challenges faced by the Governance and Legal Services

Directorate over the previous 4 years. The Director of Governance and Legal Services will provide a presentation following which there will be an opportunity to ask questions, identify any risks to the Council and how the Cabinet are mitigating against budgetary and service delivery risks.

- 5. Members are reminded that Appendix 6 to Appendix A is not for publication as it contains exempt information of the description in paragraph 12 of Part 4 of Schedule 12A of the Local Government Act 1972.** Cases are presented to illustrate the complexity of the legal services provided and should Members wish to refer to the cases it will be necessary for the meeting to go into closed session.

Background & Context

6. The Committee has within its Terms of Reference scrutiny and oversight of the Governance and Legal Services function of the Council. This extends to monitoring the Directorate's budget and performance over time, and highlighting any concerns, observations or recommendations to the appropriate Cabinet Member in respect of opportunities for improvement in service delivery and budgetary control.
7. This report to the Committee follows two recent scrutinies following which Members have highlighted concerns relating to the Governance and Legal Service.
8. Firstly, at its 9 June 2021 meeting, during scrutiny of the Budget Outturn 2020/21 the Committee requested detailed assurance that Governance and Legal Services were looking closely at the substantial increase in demand for its services and the high unanticipated costs and pressures placed on its budget. Members expressed concern at the size of the overspend in Governance and Legal Services and were keen to establish what the implications would be for the current budget year. Officers advised there had already been an in-year re-alignment and an increase in the budget for 2021/22.
9. Secondly, following scrutiny of the Budget at Month 4 on 21 September 2021 when Members noted the overspend for the directorate stood at £201,000 and highlighted their concerns regarding pressures on other services within the directorate.

Recognising the pressures faced by the directorate, together with the pressure it can exert on smaller section budgets within the directorate, the Committee agreed to schedule further exploration of this issue into its work programme. In response the Cabinet Member Finance, Performance & Modernisation indicated ‘the legal services team had not been able to contain within budget the support provided for increasingly complex legal cases involving the most vulnerable children at the outturn. Additional funding was added to the Legal Services budget for 2021/22 but if demand exceeded the budgeted level, then there would potentially be a need to access the contingency budget once again in the current year.

Issues

10. Attached at **Appendix A** is a briefing note prepared at the request of the Chair of the Policy Review and Performance Scrutiny Committee. It addresses the challenges and pressures in relation to the Legal and Democratic Services budgets. Specifically, the total budget for the Governance & Legal Services directorate; an explanation of the reasons for current spending pressures; how this impacts on other services’ budgets within the Directorate; and gives an indication of the budgetary request for next year’s budget round (2022/23) to cover the directorate as a whole.

11. To address the request the briefing note is structured as follows:

Point	Information
2	Current Budget Position (M6 2020/21)
3	Legal Services Projected Overspend
4	Members Services and Democratic Services Budget
5	Analysis of GLS Budget 2018/19 to Present
6	Budget Challenges and Pressures 6.1 Legal Services 6.2 Democratic Services
7	Budget 2022/23

12. In summary, the Legal Services budget for 2021/22 is £4.657 million, and the Democratic Services budget is £841,000. The budgets for Committee & Members

Services and Scrutiny were merged in 2019 to form the Democratic Services budget. The overall Governance and Legal Services budget includes the Monitoring Officer, Electoral Services and Members Services.

13. Members are reminded that it is the role of the Democratic Services Committee to keep under review the adequacy of provision of staff, accommodation and other resources made available to discharge the democratic services functions of the Authority, specifically Members' Services, Committee Services and Scrutiny Services.

Appendix 5 to Appendix A provides more detail of this role.

14. At month 6 2021/22 Legal Services are projecting an overspend of £176,000 comprised of external legal fees, law library, the case management system, subscriptions and printing. As part of the 2021/22 budget process, this budget was increased by £300k to £898k to reflect the financial pressures in this area.

Way Forward

15. The scrutiny will be supported by the Leader, Councillor Huw Thomas. Members will receive a presentation summarising the service and budget challenges from the Director of Governance and Legal Services, Davina Fiore. Also in attendance to support this item will be Gary Jones, Head of Democratic Services, Sheila Davies, Operational Manager Community and Leanne Weston, Solicitor. Ian Allwood, Head of Finance will also support the scrutiny. The witness panel will take questions from Members.

Legal Implications

16. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within

the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

17. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters, there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATION

The Committee is recommended to:

- a. Note the service and budget challenges faced by the Governance and Legal Services Directorate as outlined in the briefing;
- b. Consider whether it wishes to convey any comments, observations or concerns to the Cabinet Member with responsibility for this service.

Davina Fiore

Director of Governance & Legal Services

11 November 2021