

Report

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Report to:	Corporate Resources Committee
Date of Meeting:	15 February 2012
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Legal Services Structure
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ seek approval for an amendment to the Legal Services structure to accommodate the increase in retaining legal work internally
- ◆ advise of the potential savings resulting from a reduction in outsourcing

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendations:-

- (1) that one post of Legal Services Adviser be retained within the structure;
- (2) that one post of Solicitor on Grade 3, Level 1-8, SCP 50-80 (£23,377 - £36,553) be added to the structure; and
- (3) that the increased saving resulting from reduced outsourcing be noted.

3. Background

- 3.1. The centralisation of Legal Services was approved at the Executive Committee held on 28 January 2009 and fully implemented by 1 April 2009. In that report, a resulting decrease in outsourced legal work was expected to be seen over time, which would achieve savings in the region of £250,000.
- 3.2. During 2009, an exercise was also undertaken across the council, examining management structures against an agreed operating model and, as a result, three Legal Services Advisers posts were removed from the establishment. This was on the basis of the number of Solicitors reporting to each Adviser, increasing the overall span of control for Advisers and efficiencies to be gained through centralisation of the separate teams. This did not take account of any specialist function carried out by the Advisers, or increase in workload resulting from retaining work internally, and was based solely on management responsibility.
- 3.3. One Adviser post was removed from the establishment in 2009. The two remaining Adviser posts are due to be removed from the establishment during 2012.

4. Current Position

- 4.1. The centralisation of Legal Services has been very successful with a good level of service available across the council. Employees have been encouraged to take on specialisms and the larger teams have allowed for greater development opportunities. This has enabled Legal Services to retain more work internally that previously would have been outsourced to specialist external legal firms.

- 4.2. The level of saving achieved in the financial years 2009/2010 and 2010/2011 from the reduction in outsourced legal work is £480,000. In addition, Legal Services has developed staff to undertake Employment Tribunal and Planning litigation and also to fill the gap left by the transfer of two specialist licensing solicitors in 2009 to the Scottish Court Service when it assumed responsibility for the District Court Service. Currently, within the savings proposal for 2012/2013, £127,778 has been identified as a reduction in employee costs resulting from the management structures diagnostic project, with £200,000 set against savings in 2013/2014 for the reduction in outsourcing.
- 4.3. Following the centralisation of Legal Services, there has been an opportunity to better understand the balance between management responsibility and the provision of specialist advice offered by the Legal Services Advisers.
- 4.4. The removal of two posts will affect the ability of the Service to retain specialist legal work internally and will increase the resulting cost for outsourced work. In effect, the saving through employee salaries could result in the loss of saving through reduction in outsourced legal work.

5. Proposal

- 5.1. Given the potential impact on the outsourcing saving, and the reduction in available specialist advice, it is proposed that one of the Legal Services Adviser posts is retained and a Solicitor's post on Grade 3, Level 1-8, SCP 50-80 (£23,377 - £36,553) is added to the establishment to secure a good level of professional expertise and the continuing saving in this area. This will allow specialist professional advice to be available internally for Resources at a significantly reduced cost when compared with external legal firms.

6. Employee Implications

- 6.1. The reduction in Legal Services Advisers would have to be achieved through either early retirement/voluntary severance or redeployment.
- 6.2. Details of the retained post and additional post, both of which are permanent, are detailed in the table below:-

Post	No. of posts	Grade	SCP Range	Hourly Rate	Annual Salary	Gross Cost	Total Cost
Legal Services Adviser	1	Grade 5 Level 1	93-97	£24.31 - £25.80	£44,363 - £47,082	£12,289 - £13,042	£56,652 - £60,124
Solicitor	1	Grade 3 Level 1-8	50-80	£12.81 - £20.03	£23,377 - £36,553	£6,475 - £10,125	£29,852 - £46,687

- 6.3. The posts have been graded using the Council's job evaluation scheme.

7. Financial Implications

- 7.1. Retention of one Legal Services Adviser post together with the addition of a Solicitor's post will facilitate a continued financial saving to the council in relation to outsourced legal work. These savings will continue to be reflected within the annual savings presented to Elected Members.
- 7.2. There would be significant costs associated with the removal of the two Adviser posts regardless of which options are selected. Retention of the posts removes any cost.

8. Other Implications

- 8.1. If these proposals are not approved there is a risk that the level of savings currently being achieved through a reduction in outsourced legal work will be reduced and valuable professional expertise would be lost.
- 8.2. There are no sustainability implications arising from this report.

9. Equality Impact Assessment and Consultation Arrangements

- 9.1 This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 9.2 The employees directly affected by this proposal have been consulted regarding this change.

Paul Manning

Executive Director (Finance and Corporate Resources)

14 February 2012

Link(s) to Council Objectives/Values/Improvement Themes

- ◆ Efficient and effective use of resources

Previous References

Executive Committee – 9 September 2009

List of Background Papers

None

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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