

Finance and Resources Committee

10.00am, Thursday, 15 January 2015

Cost of Architects and Solicitors 2013/14

| | |
|--------------------------|------|
| Item number | 7.11 |
| Report number | |
| Executive/routine | |
| Wards | All |

Executive summary

When considering the report Consultants Costs 2013/14 at its meeting on 30 September 2014, the Finance and Resources Committee requested a further report on the cost of architects and solicitors during 2013/14. This report provides details of this expenditure.

The Council contracts services from external professional service providers, reducing the requirement to employ permanent staff for short-term specialised activities.

In 2013/14, the cost of engaging external architects was £0.845million. The cost of engaging external solicitors was £1.267million.

Links

| | |
|---------------------------------|--------------------|
| Coalition pledges | P30 |
| Council outcomes | CO25 |
| Single Outcome Agreement | SO1; SO2; SO3; SO4 |

Cost of Architects and Solicitors 2013/14

Recommendations

- 1.1 Finance and Resources Committee is asked to note expenditure on architects and solicitors in financial year 2013/14.

Background

- 2.1 When considering the report Consultants Costs 2013/14 at its meeting on 30 September 2014, the Finance and Resources Committee requested the cost of engaging external architects and solicitors during 2013/14. This report provides details of this expenditure.
- 2.2 The purchase of professional services is governed by relevant procurement legislation and the Council Contract Standing Orders, as approved by Council on 25 October 2012.

Main report

- 3.1 In reporting annual expenditure on consultants to Finance and Resources Committee, the definition of consultancy services applied followed the definition of a consultant approved by Council at its meeting on 25 October 2012 – report by the Director of Corporate Governance “Operational Governance: Contract Standing Orders, Financial Regulations and Guidance for the Appointment of Consultants” refers. The definition approved was “a consultant is a specialist who charges a fee for providing advice or services in a particular area of expertise such as business management, human resources, environment, communication, information technology, property and estates and financial services, but excluding professional services provided by, for example, solicitors, actuaries and architects”.
- 3.2 When considering the report Consultants Costs 2013/14 at its meeting on 30 September 2014, the Finance and Resources Committee requested the cost of architects and solicitors during 2013/14.
- 3.3 The Council contracts professional services for a range of specialised activities, reducing the requirement to employ permanent staff for short-term purposes and to meet short-term increases in demand, including major projects. The Council also engages external solicitors where representation is required for clients for family care cases e.g. adoption petitions.

- 3.4 To allow detailed analysis of the most material items, expenditure was reviewed where total payments to any single service provider in the financial year exceeded £2,500 across all service areas. External fees for development and management of the Tram Project and the EICC project are not included in this report, as separate governance arrangements exist to report the cost of these projects. This report does not include costs already reported to Finance and Resources Committee on 30th September 2014 in the report Consultants Costs.
- 3.5 Expenditure of £844,694 was incurred on architectural services and expenditure of £1.267million was incurred on the provision of external solicitor's services for the year ended 31 March 2014. An analysis of this expenditure is shown in Appendix 1 (Architectural Services) and Appendix 2 (Solicitor's Fees). Included within the cost of external solicitors is expenditure of £0.154million incurred on the engagement of external solicitors for representation of clients in family care cases.

Architectural Services and Solicitor's Fees 2013/14

| Service | Revenue | Capital | Total |
|------------------------|----------------|----------------|--------------|
| | £ | £ | £ |
| Architectural Services | 57,140 | 787,554 | 844,694 |
| Solicitor's Fees | 1,043,284 | 223,736 | 1,267,020 |

- 3.6 Expenditure for 2012/13 is shown in the following table. This information is provided for indicative purposes only. The level of professional fees incurred in any one year is dependent on a range of factors and is not directly comparable between years.
- 3.7 Between 2012/13 and 2013/14, there was an increase in expenditure on architectural services, largely as a result of a number of schools capital expenditure projects. Expenditure on external solicitor's services increased by £158,929 (14%), reflecting the variable nature of project work.

Architectural Services and Solicitor's Fees 2012/13

| Service | Revenue | Capital | Total |
|------------------------|----------------|----------------|--------------|
| | £ | £ | £ |
| Architectural Services | 47,181 | 399,686 | 446,867 |
| Solicitor's Fees | 726,472 | 381,619 | 1,108,091 |

- 3.8 Expenditure on professional services will continue to be closely monitored as part of the revenue and capital expenditure monitoring arrangements for each service area during 2014/15.

Measures of success

- 4.1 Revenue and capital expenditure on the provision of professional services is contained within approved budget resources.
- 4.2 Council and service outcomes can demonstrate added value and positive outcomes.

Financial impact

- 5.1 There are no financial implications as a result of this report. Expenditure on architectural and solicitor's fees will continue to be closely monitored as part of the expenditure monitoring arrangements for each service area during 2014/15.

Risk, policy, compliance and governance impact

- 6.1 The delivery of a balanced budget outturn for each service is a key financial target. The risk of budget pressures arising from the appointment of external professional service providers are regularly monitored and reviewed and management action is taken as appropriate.

Equalities impact

- 7.1 There is no direct impact of the report's contents and recommendations to the three Public Sector Equality Duty general duties, nor to the ten key areas of rights set out within the Council's Equality and Rights Framework.

Sustainability impact

- 8.1 There is no environmental impact as a result of this report.

Consultation and engagement

- 9.1 There is no consultation or engagement required, as a result of this report.

Background reading/external references

Consultants Costs 2013/14 - [Finance and Resources Committee - Tuesday, 30 September 2014 - City of Edinburgh Council](#)

Operational Governance: Contract Standing Orders, Financial Regulations and Guidance for the Appointment of Consultants - [City of Edinburgh Council - Thursday, 25 October 2012 - City of Edinburgh Council](#)

Alastair D Maclean

Director of Corporate Governance

Contact: Iain Shaw, Principal Accountant

E-mail: iain.shaw@edinburgh.gov.uk | Tel: 0131 469 3117

Links

| | |
|---------------------------------|---|
| Coalition pledges | P30 - Continue to maintain a sound financial position including long-term financial planning |
| Council outcomes | CO25 - The Council has efficient and effective services that deliver on objectives |
| Single Outcome Agreement | SO1 - Edinburgh's Economy Delivers increased investment, jobs and opportunities for all SO2 - Edinburgh's citizens experience improved health and wellbeing, with reduced inequalities in health SO3 - Edinburgh's children and young people enjoy their childhood and fulfil their potential SO4 - Edinburgh's communities are safer and have improved physical and social fabric |
| Appendices | Appendix 1: Architectural Services Expenditure 1 April 2013 – 31 March 2014 Appendix 2 : Solicitor's Fees 1 April 2013 – 31 March 2014 |

ARCHITECTS FEES - REVENUE EXPENDITURE 2013/14

| Vendor Name | Net Amount | Service | Task Delivered |
|--------------------------------|---------------|--------------------------|--|
| 7N Architects LLP | 488 | Services for Communities | Participation at the Partnership Workshop. |
| Bennetts Associates Architects | 50,550 | Services for Communities | Architects Fees - Central Library project |
| Hypostyle Architects | 6,102 | Services for Communities | Property Conservation services |
| Total | 57,140 | | |

ARCHITECTS FEES - CAPITAL EXPENDITURE 2013/14

| Vendor | Net Amount | Department | Description |
|---------------------------------|----------------|--------------------------|---|
| Allan Murray Architects Ltd | 585,471 | Children and Families | Boroughmuir High School project |
| Jmarchitects Limited | 25,060 | Children and Families | James Gillespie's High School and portobello High School projects |
| LDN Architects LLP | 9,718 | Corporate Governance | Assembly Rooms refurbishment project |
| Scott Brownrigg Limited | 23,494 | Children and Families | New/Replacement Nursery School projects |
| Smith Scott Mullan & Associates | 128,552 | Children and Families | Kirkliston Primary School Extension |
| Urban Design Futures Ltd | 15,260 | Services for Communities | Public Realm Improvements, Calder. |
| Total | 787,554 | | |

SOLICITOR'S FEES - REVENUE EXPENDITURE 2013/14

| Vendor | Net Amount | Service | Description |
|-----------------------------------|------------------|---|--|
| Aitkens The Family Law Solicitors | 10,228 | Corporate Governance | Children's Hearings Legal Representation |
| Anderson Strathern LLP | 6,157 | Services for Communities | Legal services procured through Legal Framework contract |
| Brodies Solicitors LLP | 106,777 | All Council services | Legal services procured through Legal Framework contract |
| Digby Brown Solicitors | 7,060 | Children and Families | Legal fees - adoption cases |
| Drummond Miller LLP | 4,992 | Children and Families | Legal fees - children's care cases |
| Dundas & Wilson CS LLP | 36,347 | All Council services | Legal services procured through Legal Framework contract |
| Hughes Walker Solicitors | 39,447 | Children and Families/Corporate Governance/Health and Social Care | Legal fees - social care cases |
| Legal Services Agency Ltd | 62,940 | Children and Families/Health and Social Care/Services for Communities | Legal fees - children's care cases |
| Lindsays W S Solicitors | 12,068 | Children and Families/Corporate Governance | Legal fees - children's care cases |
| MacRoberts LLP | 17,816 | Children and Families/Corporate Governance | Legal services procured through Legal Framework contract |
| Morton Fraser Solicitors | 98,595 | Children and Families/Economic Development/Services for Communities | Legal services procured through Legal Framework contract |
| Pinsent Masons LLP | 614,706 | Corporate Governance/Services for Communities | Legal services - litigation and major projects |
| Shepherd & Wedderburn LLP | 8,752 | Economic Development | Legal services procured through Legal Framework contract |
| Thorley Stephenson SSC | 6,621 | Children and Families | Legal fees - children's care cases |
| Turcan Connell Solicitors | 7,359 | Children and Families | Legal fees - children's care cases |
| Wilson Terris & Co SSC Total | 3,420 | Children and Families | Legal fees - children's care cases |
| Grand Total | 1,043,284 | | |

SOLICITOR'S FEES - CAPITAL EXPENDITURE 2013/14

| Vendor | Net Amount | Service | Description |
|--|----------------|--|---|
| Anderson Strathern LLP | 4,650 | Sale of Land and Buildings | Drafting of legal documents for the development of the former Royal High School, Edinburgh. |
| Brodies Solicitors LLP | 55,222 | Children & Families | Legal Services - Portobello Private Bill. |
| Burness Paull LLP | 1,562 | Sale of Land and Buildings | Provision of legal documentation - sale of New Market Road, Edinburgh. |
| Dundas & Wilson CS LLP | 612 | Sale of Land and Buildings | Legal advice - Edinburgh schools project. |
| McEwan Fraser Legal | 82,860 | Services for Communities | Legal documentation preparation - land assembly for Regeneration Project - Muirhouse. |
| Morton Fraser Solicitors | 74,365 | Children & Families/Health and Social Care | Provision of legal services - James Gillespie's High School and Boroughmuir High School projects/Wester Hailes underpass. |
| Shepherd & Wedderburn LLP Total | 4,465 | Children and Families/Corporate Governance | Provision of legal services - Boroughmuir High School project/Royal Commonwealth Pool project. |
| Total | 223,736 | | |