

Review of Legal Services - Update

City of Edinburgh Council

16 October 2008

Purpose of report

- 1 This report is designed to inform members of progress in implementing the findings of the review of the Legal Services Division as instructed by the Council on 29 May 2008.

Main report

Introduction

- 2 The review report considered by the Council in May covered a number of matters requiring further work. This work is still ongoing but significant progress has been made and it is proposed to report further on these matters and on changes required to reflect proposed reorganisation of the Council Secretary's Division (excerpt from Council minute attached as Appendix One) for specific feedback.

Licensing

- 3 The May report identified significant pressures facing the Division caused by previously low levels of licence fees set by Central Government and statute and the recruitment freeze applied within the Corporate Services Department in order to achieve an overall balanced budget. The statutory changes in terms of liquor licensing have resulted in amended fee setting arrangements enabling a full assessment of legal and other departmental costs for liquor licensing.
- 4 In this context, the opportunity has been taken to secure full cost recovery for all liquor licensing work and consequently the over spends in miscellaneous licensing have been significantly reduced and will be more than met by the current under spend within the Central Division.

Recruitment and Retention of Staff

- 5 A number of significant steps have been taken to stabilise the staffing resource in the Division and considerable progress has been achieved. Actions taken include the following:
- A number of new temporary legal staff have been recruited to provide immediate support. In addition, a recruitment exercise is currently in process to recruit staff for those key vacancies identified as most critical within the Division. Current timescales are that appointments to these posts will be made to secure additional resources from early 2009.
 - Temporary Contracts and Higher Duties Arrangements – a number of key professional staff were employed on temporary contracts or were carrying out higher duties over a prolonged period of time. These arrangements have now been confirmed on a permanent basis.
 - Paralegals – the Division has been able to secure an additional paralegal resource for debt recovery work from June 2008, and consideration is being given to the use of paralegals in other sections of the Division.
 - Training and IIP – there is a current focus in the division on IIP and ensuring that critical training requirements are being met.
 - Particular pressures had arisen where client demands for revenue work had increased with no corresponding financial provision for legal services. The Council Solicitor and I have met with the Director of City Development and a process is in place to support the direct funding of two senior posts in the Division, dedicated to the work of this department with particular emphasis on client engagement and co-ordination of work. In addition, the Council Solicitor and I have met with representatives of the Director of Children and Families and, as an interim solution, the Director is funding an additional post to support the very significant increase in workload in respect of looked after children. In these cases, efficiencies will be secured for the Council due to the considerably higher legal costs that would have been incurred had this work been placed in the private sector.

Client Engagement, Commissioning and Prioritising Work

- 6 The creation of a new client care framework is to be introduced shortly encompassing client contact officers for each department. In addition, an intranet template has been developed and published on the Orb.

- 7 Networking contacts have been updated within the wider public sector legal groups and this will be developed further.
- 8 Signet Accreditation – in parallel with the Council's 'Achieving Excellence' programme, the Division will be amongst the first public sector bodies to be involved in the legal achieving excellence programme as part of the review panel for Scotland.

Workload Planning

- 9 Case Management – Tenders are being evaluated at present for a case management system to support developments in the division. Implementation is planned for the start of the next financial year.
- 10 In addition to the above, it is noteworthy that there is an ongoing review of the Council Secretary's division and the results of this review may impact on the workload of the Legal Services division.

Procurement

- 11 External Legal Advice – At present virtually all services are provided directly with general and specialist legal staff from the Division. A process is in place over the budget planning period to identify with service departments the work which they anticipate will be required in the coming budget year and thus to identify within that, any work which could be considered for external procurement. This need is documented together with the identification of financial provision to support this procurement.

Efficiency

- 12 Significant management action has been in place over the period since May. The changing regulatory backdrop, especially vis-à-vis licensing has been challenging yet, as noted earlier in the paper, the opportunity has been taken to secure full cost recovery for all liquor licensing work thus reducing overspends within this function.
- 13 In addition, management have achieved the facilitation of the smooth transition of District Court services through proactively managing the TUPE process for staff transferring across.
- 14 Finally, the preliminary work required in order to progress the other matters raised by members in relation to the May report is well advanced.

Financial Implications

15 The table below shows the budget for 2008/09:

2008/09 Budget	District Court	HMO Licensing	Cab Licensing	Misc. Licensing	Core Services	Total Legal Services
	£m	£m	£m	£m	£m	£m
Gross Expend.	0.616	2.017	0.757	0.388	2.144	5.922
Income	0.000	2.097	0.895	0.948	1.328	5.268
Net Expend.*	0.616	(0.080)	(0.138)	(0.560)	0.816	0.654

- 16 A range of budget pressures have been identified with corresponding management action. This planning process identifies the anticipated increases and decreases in workload in the next budget year. This work also supports the identification by the Division of opportunities for efficiency, service rationalisation and the identification of service developments which can be contained within budgetary pressures.
- 17 Current service developments for the Division include creation of a central support Hub for the majority of internal support services, the introduction of a case management and time recording system identified above and the continued flexible use of staff.
- 18 In order to consider matters in further detail, a core work analysis is in place in respect of all teams within the division which will involve the staff and service users. This work includes benchmarking in relation to the quality and costs of service provision within the public and private sector.

Environmental Impact

19 No impact envisaged.

Recommendations

- 20 The Council is recommended to:
- note the content of this report and the ongoing initiatives to address the matters raised by members on 29 May; and
 - note that a future report will be forthcoming detailing proposed changes to the structure of Legal Services following changes within the Council Secretary's Division.


JIM INCH
Director of Corporate Services

09/10/08

Appendices 1. Decision of the Council 29 May 2008 – Review of Legal Services

Contact/tel/Email

Wards affected

Single Outcome
Agreement

Background
Papers

EXCERPT FROM COUNCIL MINUTE: REVIEW OF LEGAL SERVICES

Decision

To note the reports by the Chief Executive and the Director of Corporate Services but to agree that this was not a full review as usually undertaken by the Council in terms either of best value or organisational review methodologies and that further work, undertaken within a more robust review framework, was necessary.

To note the outcomes from the review and the associated actions detailed in section 8 of report by the Director of Corporate Services and:

- (a) To express concern with the report's findings and to instruct the Director of Corporate Services to take immediate action to address the identified service issues and to develop contingency proposals to ensure that continuity of service was maintained in key service areas.
- (b) To accept the recommendations as interim findings and to instruct the Director to report to the Council in October 2008 detailing how the review findings and action plan had been addressed and progress on their implementation. In particular:
 - i. to accept recommendation 8.1 (e) relating to procuring external legal advice and to instruct that any exploration of opportunities to achieve more favourable terms for external legal advisers through Framework Agreements included an evaluation of this approach for core services as well as those currently procured from external sources.
 - ii. to accept recommendations 8.2(a) and (b) relating to the cross subsidisation of miscellaneous licensing and to call thereafter for a review of staffing mix and levels with a view to making this aspect of Legal Services' operation self financing.
 - iii. to accept recommendation 8.2 (f) on assessing impact on income levels of changes to demand for Court of Session work and to call thereafter for a review of the associated staffing requirement.