

## LEGAL SERVICES REVIEW

### 1. Reason for Report

This report advises Members of the outcome of a review of Legal Services and provides information regarding an Action Plan of work to be undertaken to address the issues arising from the review.

### 2. Report Summary

2.1 At its meeting on 27 May 2005 the Asset Management Committee approved proposals for undertaking a review of the arrangements for providing Legal Services to the Council.

2.2 An initial review was undertaken by external consultants, KPMG. This was completed in May 2006 and in light of the findings of this review and the implementation of the Council's Financial Efficiency Strategy arrangements were made for the review to be finalised in house by the Audit Submission Team of the Policy and Performance Unit.

2.3 The objectives of the review were to undertake an evaluation of Legal Services provided by the Legal Services Department and to identify options for improving service delivery, economy, efficiency and effectiveness.

2.4 The review has now been fully completed and an Action Plan has been drawn up.

2.5 It is now intended to establish a short term working group based on the Prince 2 Model to implement the Action Plan.

### 3. Recommendations

Members are asked to:-

3.1 note the completion, of the review of Legal Services;and

3.2 to endorse the implementation of the Action Plan for developing the recommendations made following upon the review.

### 4. Corporate Plan Links and Contribution

This review is in accordance with the Corporate Plan requirements for strong financial management and the commitment, as set out in the Councils Financial Efficiency Strategy, to use the Service Review process to deliver improved modern and customer focused services.

### 5. Resources/Value for Money Assessment

5.1 The Committee originally allocated the sum of £20,000 for the review, the final cost was £15,000.

5.2 The outcome of the review provides a way forward for the effective delivery of Legal Services by way of service delivery improvements and the provision of alternative methods of resourcing and delivering Legal Services.

## **6. Risk Assessment**

6.1 A risk assessment will be undertaken as part of the implementation of the Action Plan.

6.2 The Service Review process put in place has followed best practice and ensured that Business continuity has been maintained.

## **7. Authorities and Legal Implications**

7.1 The Asset Management Committee approved the review and delegated its implementation to officers;

7.2 All employment rights have been respected during the review process and will continue to do so during the implementation of the Action Plan.

## **8. Consultation**

8.1 All service users and staff have been involved in the review process. The Trade Unions will be involved in each stage of the implementation of the Action Plan.

8.2 The Corporate Directors of Education and Community Services, Planning and Environment Services, Combined Services and the Director of Finance were consulted during the review process as were a number of Members.

## **9. Background**

9.1 In November 2005 KPMG were engaged to undertake a review of the arrangements for the delivery of Legal Services within Dumfries and Galloway Council and to identify best value arrangements for the delivery of these services for the present and future.

9.2 Following upon an initial review by the consultants it was noted that they had identified a considerable amount of further work in order to provide a finalised report.

9.3 Given the changing environment set by the Council in the early months of 2006 in relation to business transformation and modernising service delivery coupled with the Scottish Executive National Strategy for Shared Central Support Services it was agreed that the consultants should not be asked to undertake the second stage of the review and that this should be undertaken, in accordance with the Council's Appraisal and Evaluation Scheme, by the Audit Submission Team of the Policy and Performance Unit, bearing in mind that the Audit of Best Value initially scheduled for the autumn of 2006 had been postponed.

9.4 The Asset Management Committee at its meeting on 3 July 2006 noted the Corporate Services outstanding savings target of £455,120 for 2006/07, and agreed to undertake Options Reviews of Human Resources, Legal Services, Property Services, Assessor and Electoral Registration Officer, and Directorate and Support.

9.5 The Asset Management Committee at its meeting on 15 November 2006 agreed savings from Corporate Services to support the Council's 2007/08 Financial Efficiency Strategy, including savings of £35,000 in 2007/08 from Legal Services.

## 10. Key Issues

### 10.1 Overview of Current Service

10.1.1 Legal Services to the Council are currently provided by a small team of in house Solicitors and paralegals within the Legal Services Section of Corporate Support and Governance. The team comprises an Operations Manager, 3 Principal Solicitors, 6 Solicitors, 1 Trainee Solicitor, 1 Senior Legal Assistant (paralegal) and 8 support staff. In addition external legal services are sought from legal firms and Counsel as required.

10.1.2 The Legal Services provided to the Council are essential to its effective and efficient running and include Conveyancing (buying, selling, leasing etc), Representation work in Court and Tribunals (e.g. for Child Care, Mental Health, employment, firearms, ASBOs, Education Exclusion and Placement Appeals, Planning etc), Contracts across a whole range of subject matters (information sharing protocols, commercial contracts etc) and Advice work across the whole range of Council functions.

10.1.3 In addition to providing ongoing legal services to the Council, Solicitors are required to provide legal expertise in relation to a number of the Council's larger Corporate projects notably the Schools PPP, Broadband, The Crichton Development, the Dumfries and Galloway Leisure Complex and for the Local Plan Inquiries in 2006 all of which require considerable legal input. One of the Principal Solicitors is on full-time attachment to the Schools PPP. There is also a requirement for dedicated Legal Support to the ongoing Broadband Project which is being provided by the in house team. In addition a solicitor previously within the establishment of the in house team is now working permanently with the Councils Procurement Team.

10.1.4 The annual budget for Legal Services for 2006/07 and subsequent years is attached at **Appendix 1** from which it will be noted that the net budget is £717,447 after taking account of income of £47,625.

10.1.5 In terms of the Financial Efficiency Strategy Legal Services has already identified 5% savings in its overall budget in respect of 2007/2008 and 2008/2009.

### 10.2 Shared Services

The Scottish Executive's Consultation Paper on Shared Services (May 2006) suggested that Legal Services was one of the service areas which should be considered in terms of the potential for shared services across public sector organisations. Realistically there are unlikely to be opportunities for shared services with the Council's key Community Planning partners in Dumfries and Galloway. There may, however, be opportunities for shared services with other Local Authorities (as happened in relation to the Broadband Project) and these will continue to be explored.

### 10.3 Review Recommendations

10.3.1 The review has now been completed and an Action Plan for improvements to performance management, the redirection of resources, the establishment of effective communication links and child protection arrangements has been drawn up. The detailed recommendations are contained in **Appendix 2** and these will form the basis of the Action Plan which will be implemented to take account of the review recommendations.

## 10.3.2 The main recommendations arising from the review are:-

- A re-organisation of the Service to ensure that resources are targeted to the appropriate area of work by developing a workforce strategy and performance management framework in relation to current and future service needs taking into account fluctuations in service demand and priority;
- A redirection of resources to higher priority activities accepting that it may be necessary to redirect lower priority work by outsourcing on a rechargeable basis;
- To investigate call out fees in line with other professional bodies within the Council in relation to out of hours Legal Services for Child Protection;
- The achievement of financial and time release savings from control of spend, business transformation and doing more with less;
- The implementation of effective of external and internal communications systems with staff, customers and elected Members;
- Maximise income from work undertaken on behalf of external agencies;
- Improve consultation and liaison with customers, including other Council services, and where appropriate introduce service level agreements;
- The development of an overall plan for training and development of staff, including the development of current administrative staff to paralegal status;
- The development of a strategy for retention of staff;
- Review current use of computerised business systems by Legal Services;
- Ensure that legal work beyond the day to day provision of Legal Services (for example on capital projects) forms part of the business case and project plan and costs involved are taken into account;
- Arrange surgeries with Directorates to discuss changes in workload, new legislation, case law, etc.

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| Alex Haswell<br>Group Manager Corporate Support and Governance<br>Tel: 01387 260020<br><br>File Ref: Report for Asset Management Committee of 20 February 2007 | Leslie Jardine<br>Corporate Director of Corporate Services<br>Council Offices<br>English Street<br>Dumfries<br>DG1 2DD |
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**Appendices - 2**

| <b>CORPORATE SERVICES</b><br><b>Legal Services</b> | <b>Budget</b><br><b>Estimates</b><br><b>2006/07</b><br><b>£</b> | <b>Budget</b><br><b>Estimates</b><br><b>2007/08</b><br><b>£</b> | <b>Budget</b><br><b>Estimates</b><br><b>2008/09</b><br><b>£</b> | <b>Budget</b><br><b>Estimates</b><br><b>2009/10</b><br><b>£</b> |
|--|---|---|---|---|
| <b>EXPENDITURE</b>                                 |   |   |   |   |
| <b>Staff Costs</b>                                 |   |   |   |   |
| Salaries   | 488,699   | 473,175   | 485,004   | 497,129   |
| National Insurance                                 | 36,672  | 35,489  | 36,376  | 37,285  |
| Superannuation                                     | 81,463  | 84,100  | 90,373  | 92,632  |
| Vacancy Assumption                                 | -11,396   | -11,815   | -12,194   | -12,500   |
| Other Employee Costs                               | 10,100  | 10,100  | 10,100  | 10,100  |
|  | <b>605,538</b>  | <b>591,049</b>  | <b>609,658</b>  | <b>624,645</b>  |
| <b>Property Costs</b>                              |   |   |   |   |
| Shared Admin Premises                              | 50,887  | 50,887  | 50,887  | 50,887  |
|  | <b>50,887</b>   | <b>50,887</b>   | <b>50,887</b>   | <b>50,887</b>   |
| <b>Supplies &amp; Services</b>                     |   |   |   |   |
| Office Furniture & Equipment                       | 5,040   | 5,116   | 5,193   | 5,271   |
| PC Refresh   | 3,048   | 3,094   | 3,140   | 3,187   |
|  | <b>8,088</b>  | <b>8,210</b>  | <b>8,333</b>  | <b>8,458</b>  |
| <b>Transport Costs</b>                             |   |   |   |   |
| Car Allowances etc                                 | 1,789   | 1,816   | 1,843   | 1,871   |
| Vehicle Hire                                       | 616   | 625   | 634   | 644   |
|  | <b>2,405</b>  | <b>2,441</b>  | <b>2,477</b>  | <b>2,515</b>  |
| <b>Administration Costs</b>                        |   |   |   |   |
| Printing   | 859   | 872   | 885   | 898   |
| Stationery   | 2,703   | 2,744   | 2,785   | 2,827   |
| Advertising  | 3,723   | 3,779   | 3,836   | 3,894   |
| Postages   | 4,350   | 4,415   | 4,481   | 4,548   |
| Training   | 6,836   | 6,939   | 7,043   | 7,149   |
| Subsistence  | 3,603   | 3,657   | 3,712   | 3,768   |
| Insurance  | 2,800   | 2,800   | 2,800   | 2,800   |
| Legal Costs  | 2,132   | 2,164   | 2,196   | 2,229   |
| Other Admin Costs                                  | 7,318   | 7,428   | 7,539   | 7,652   |
| Central Support Charges                            | 63,830  | 63,830  | 63,830  | 63,830  |
|  | <b>98,154</b>   | <b>98,628</b>   | <b>99,107</b>   | <b>99,595</b>   |
| <b>Total Expenditure</b>                           | <b>765,072</b>  | <b>751,215</b>  | <b>770,462</b>  | <b>786,100</b>  |
| <b>INCOME</b>                                      |   |   |   |   |
| Fees & Other Income                                | -47,625   | -50,006   | -52,506   | -55,131   |
| <b>Total Income</b>                                | <b>-47,625</b>  | <b>-50,006</b>  | <b>-52,506</b>  | <b>-55,131</b>  |
| <b>Net Expenditure Recharged</b>                   | <b>717,447</b>  | <b>701,209</b>  | <b>717,956</b>  | <b>730,969</b>  |

## LEGAL SERVICES ACTION PLAN

Theme 1 - Performance Management/Workflow Management  
 Theme 3 - Establish effective communication links – 2 way flow

Theme 2 - Redirection of Resources  
 Theme 4 - 24/7 child protection cover arrangements

| Theme   | Proposals for Legal Services   | Resources Required | Success Measures & Targets | Priority<br>1=Immediate<br>2=3 Months<br>3=6 Months<br>4=12 months<br>5=24 Months | Action |      | Monitoring |      |
|---|--|--------------------|----------------------------|---|--------|------|------------|------|
|   |  |                    |                            |   | By     | Date | By         | Date |
| <b>1. Performance Management/ Workflow Management</b> | Reorganise the Service to ensure resources are targeted to the appropriate area of work by developing a workforce strategy and performance management framework in relation to current and future service needs taking into account fluctuation of service demand and priority.  |                    |                            |   |        |      |            |      |
| <b>1.1</b>  | Legal Services should use their operational plan as the basis of ensuring they are achieving their objectives.   |                    |                            |   |        |      |            |      |
| <b>1.2</b>  | The Service would benefit by using this plan as a basis to develop other appropriate working documents to ensure staff are clear about their objectives and are able to measure whether they are achieving their objectives within the timescales required. Targets should be set for individual members of staff and progress monitored through regular meetings. |                    |                            |   |        |      |            |      |
| <b>1.3</b>  | Information on routine performance management should be shared with all members of the team at monthly team meetings and with service stakeholders.  |                    |                            |   |        |      |            |      |
| <b>1.4</b>  | When developing future work plans, ensure, by establishing a two-way dialogue, the needs of all council Directorates are taken into account and the guidance of the Strategic Management Framework followed.   |                    |                            |   |        |      |            |      |

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|-------|---|--------------------|----------------------------|---|--------|------|------------|------|
|       |   |                    |                            |   | By     | Date | By         | Date |
| 1.5   | Where services require legal work beyond the day to day Legal Services (for example for the capital projects) then the provision of such services including costs forms part of the business case and project plan. |                    |                            |   |        |      |            |      |
| 1.6   | Develop and implement procedures to ensure customers are aware of the actions the service is going to take and to inform them regularly of progress, including slippage.  |                    |                            |   |        |      |            |      |
| 1.7   | Re-prioritise deadlines in view of changing workloads and priorities in full agreement with customers.  |                    |                            |   |        |      |            |      |
| 1.8   | Monitor work progress against deadlines.  |                    |                            |   |        |      |            |      |
| 1.9   | Develop a formalised method for contacting Legal Services and a system within the Service to deal effectively with allocation and scheduling of incoming work, for example through workflow.                        |                    |                            |   |        |      |            |      |
| 1.10  | Consult with customers and stakeholders, act and give feedback on results.  |                    |                            |   |        |      |            |      |
| 1.11  | Develop and implement an overall plan for training and development of staff based on the needs of the Service.  |                    |                            |   |        |      |            |      |

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|-------|--|--------------------|----------------------------|---|--------|------|------------|------|
|       |  |                    |                            |   | By     | Date | By         | Date |
| 1.12  | Continue to ensure that staff receive the necessary and appropriate training, development and Continuing Professional Development, making use of the local faculty where possible, to allow them to carry out their duties cost effectively. |                    |                            |   |        |      |            |      |
| 1.13  | Undertake procurement procedures in relation to contracts with external firms.   |                    |                            |   |        |      |            |      |
| 1.14  | Where appropriate devise service level agreements and monitor the services provided under them.  |                    |                            |   |        |      |            |      |
| 1.15  | Follow council wide procedures in the day to day management of the service, for example absence management procedures, recruitment and procurement.  |                    |                            |   |        |      |            |      |
| 1.16  | Ensure the Services' budget is subject to effective financial monitoring and management.   |                    |                            |   |        |      |            |      |
| 1.17  | Follow the council's financial regulations in relation to the use of petty cash.   |                    |                            |   |        |      |            |      |
| 1.18  | Develop and implement an effective charging policy for work carried out for external bodies.   |                    |                            |   |        |      |            |      |

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|-------|--|--------------------|----------------------------|---|--------|------|------------|------|
|       |  |                    |                            |   | By     | Date | By         | Date |
| 1.19  | When it is necessary to employ external consultants the Service should follow the Council's protocols and procedures in relation to their recruitment. |                    |                            |   |        |      |            |      |
| 1.20  | The Service should carry out benchmarking exercises on a regular basis, for example annually with comparator authorities.                              |                    |                            |   |        |      |            |      |
| 1.21  | Develop and plan integration of the former Councils' titles and filing systems.  |                    |                            |   |        |      |            |      |
| 1.22  | Investigate the payment arrangements of Registered Social Landlords in relation to ASBO work.  |                    |                            |   |        |      |            |      |
| 1.23  | Develop a systematic public performance reporting system.  |                    |                            |   |        |      |            |      |
| 1.24  | Develop complaint procedures in line with the council's corporate procedures.  |                    |                            |   |        |      |            |      |
| 1.25  | Include Legal Services in the shared administration review which is currently being undertaken for Corporate Services in HQ and 118 English Street.    |                    |                            |   |        |      |            |      |



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|------------------------------------|---|--------------------|----------------------------|---|--------|------|------------|------|
|                                    |   |                    |                            |   | By     | Date | By         | Date |
| 1.26                               | The current use of computerised business systems by Legal Services is reviewed with the objective to moving to corporate systems, for example for a work flow system. The information in their business systems should be used in service management as well as operational activity. |                    |                            |   |        |      |            |      |
| 1.27                               | In preparation of future needs of the Council investigate the possibility, including cost-benefit of (a) sponsorship for law students; (b) a grow-your-own policy; (c) recruitment of trainees and (d) development of current administration staff to paralegal status.               |                    |                            |   |        |      |            |      |
| 1.28                               | Develop a strategy for retention of staff covering training, personal development, career progression, development of staff appraisals and exit interviews.   |                    |                            |   |        |      |            |      |
| <b>2. Redirection of Resources</b> | Reduce time on low priority work and redirect resources to the higher priority activities.  |                    |                            |   |        |      |            |      |
| 2.1                                | Refer to 1.13 above   |                    |                            |   |        |      |            |      |
| 2.2                                | The Service should develop appropriate staff to undertake paralegal duties resulting in time release savings in the long term.  |                    |                            |   |        |      |            |      |

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|---|--|--------------------|----------------------------|---|--------|------|------------|------|
|   |  |                    |                            |   | By     | Date | By         | Date |
| 2.3   | Undertake a capability analysis on staff within Dumfries and Galloway Council and local firms to ensure activities are assigned to the most appropriate source and achieve value for money.  |                    |                            |   |        |      |            |      |
| 2.4   | Investigate and develop business cases for the redirection of legal work from client directorates back into Legal Services, for example the Debt Collection Agency currently being provided by Financial Services and three external Sheriff Officers. |                    |                            |   |        |      |            |      |
| <b>3.<br/>Establish effective communication links</b> | Devise a template for information that the Service require from Directorates.  |                    |                            |   |        |      |            |      |
| 3.1   | Implement effective internal and external communications systems with staff, customers and Elected Members.  |                    |                            |   |        |      |            |      |
| 3.2   | Discuss with Directorates invitations to attend working groups in relation to specific projects to identify if there is a need for legal input.  |                    |                            |   |        |      |            |      |
| 3.3   | Arrange to hold surgeries with Directorates to discuss changes in workload, new legislation, case law, etc   |                    |                            |   |        |      |            |      |

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| Theme                                    | Proposals for Legal Services  | Resources Required | Success Measures & Targets | Priority<br>1=Immediate<br>2=3 Months<br>3=6 Months<br>4=12 months<br>5=24 Months | Action |      | Monitoring |      |
|--|---|--------------------|----------------------------|---|--------|------|------------|------|
|  |   |                    |                            |   | By     | Date | By         | Date |
| 3.4                                      | Develop effective working relationships with customers and stakeholders.  |                    |                            |   |        |      |            |      |
| 3.3                                      | Refer to 1.3; 1.4; 1.5; 1.6; 1.7; 1.9; 1.10; 1.11 above   |                    |                            |   |        |      |            |      |
| 4.<br>24/7 cover for<br>Child Protection | In relation to out of hours legal service for child protection, investigate call out fees in line with other professional bodies within the council.                          |                    |                            |   |        |      |            |      |
| 4.1                                      | Follow-up on the outcome of the approach made to the Police and NHS Dumfries and Galloway to contribute to the cost of this service.  |                    |                            |   |        |      |            |      |
| 4.2                                      | Investigate the possibility of reducing the number of processes within the provision of out of hours legal service for Child Protection in relation to contacting solicitors. |                    |                            |   |        |      |            |      |