

Report to the Leader of the Council

Subject: Approval of Hourly Rates for providing Legal Services to other Public Authorities

Date: 26th February 2019

Author: Service Manager – Legal Services

Wards Affected

All wards

Purpose

To obtain Member approval for the hourly rates for legal services provision to public authorities set out in appendix 1 to this report.

Key Decision

This is not a key decision.

Recommendation(s)

THAT the Leader of the Council:

Approves the proposed hourly rates set out in appendix 1 to this report for the provision of legal services to other public authorities.

1 Background

- 1.1 The Gedling Plan for 18/19 promises a range of actions and targets in relation to the performance of the Council. Two of those actions are to ensure that the Council achieves planned efficiency targets and that the Council implements a programme of activity to deliver a commercial

strategy. These actions are key to ensuring the Council's budgets remain sustainable against a reduction on central government grant of £4 million up to 21/22.

- 1.2 These actions have been incorporated into the Legal Team's Service Plan for 18/19 with an action that the Legal Team ("the Team") implement the selling of legal services to other public authorities ("the Service"). The Local Authority (Goods and Services Act) 1970 ("the Act") provides authorities with the power to provide specialist services, including legal services to other public bodies and charge for that service. The charge is as agreed between the parties, and so it provides an opportunity for the Team to provide the Service to other public bodies whilst generating some surplus to be put back into legal services, to help the Team meet efficiency targets and ultimately become more self- sustaining.
- 1.3 A business case for the Service was submitted to Senior Leadership Team in June 2018. The business case was supported by SLT and approval was obtained for funding from the Transformation Fund to be used to increase capacity within the Team in order to get the Service started. Approval was also obtained from the Director of Organisational Development and Democratic Services for the Team to carry out work for third parties up to the value of £20,000 per work item, with authorisation given to the Service Manager – Legal Services to agree appropriate fees with third parties on a case by case basis but based on approved hourly rates.
- 1.4 Significant work has been undertaken by the Team to commence the Service within this financial year. Work has been done to ensure compliance with the Solicitor's Regulatory Authority's ("SRA") Codes of Conduct, this has involved the preparation of appropriate client care letters and appropriate insurances. The Team have also been working on branding the Service with the Council's Sales and Marketing Manager and are currently working with Communications on a dedicated web page and marketing material. The Team have already started marketing the Service to parish councils and other local authorities who are currently struggling for capacity.
- 1.5 Although authority has been obtained to take the Service forward, in order to be transparent and clear with the pricing structure we offer to other public authorities, the Team have researched what would be a reasonable hourly rate for the Service. The hourly rate, as with the government's Solicitor's Guideline Hourly Rates for Nottinghamshire, will vary depending on position and experience of the individual officer. The proposed hourly rates, set out at appendix 1 are considered reasonable when taking into account the actual cost to the Council of the provision of the Service, the cost of similar services in the private sector, the national rates, and the

rates of other authorities where a similar service is offered.

- 1.6 The power to charge for the Service comes from the Act, but the charges must still be reasonable. Whilst the provision of the Service is commercial, the customers of the Service are other public authorities. The aim of the service is not to generate profit or compete with private sector firms, the aim is to generate income to meet efficiency targets and support the Council's services by providing a local authority legal service to other local authorities and public sector bodies when they need support, for example, when they have a capacity shortage.
- 1.7 It is not the Team's intention at this stage to set up an Alternative Business Structure and provide legal services to the public with the aim of generating profit. Market research has been undertaken and discussions have taken place with other neighbouring authorities as to what help the Team could provide.

2 Proposal

- 2.1 It is proposed that the Leader of the Council approves the hourly rates for the provision of the Service as set out in appendix 1 to this report.

3 Alternative Options

- 3.1 Alternative hourly rates could be approved, or no approval for hourly rates could be given. In order for the Service to operate, customers will need to have an understanding of the costs associated with the Service, the proposed rates at appendix 1 have been proposed following consultation with finance colleagues and having considered cost recovery, national rates and the rates of other authorities providing a similar service. They are considered reasonable.

4 Financial Implications

- 4.1 The Service needs to operate to ensure income is generated to meet efficiency targets and help sustain the legal service going forward. The proposed hourly rates reflect cost recovery, and are reasonable. These rates will form the basis of fees agreed between the Team and their customers.

5 Appendices

5.1 Appendix 1 – Proposed Hourly Rates

6 Background Papers

6.1 Business Case – Income Generation for Legal Services

7 Reasons for Recommendations

7.1 To ensure transparency for customers using the service and to enable costs of the Service to be recovered, as well as contributing to the Team's budget efficiency targets.

APPENDIX 1

PROPOSED HOURLY RATES

Role	Hourly rate (plus VAT)
Legal Services Manager	£120
Solicitor –Planning, Property and Contracts	£96
Solicitor – Litigation and Licensing	£96
Legal Adviser	£72
Legal Adviser	£60
Trainee Solicitor	£50
Information and Practice Manager	£50