

5. REPORT OF THE EXTERNAL LEGAL SERVICES SUBCOMMITTEE

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Corporate Plan Output: Legal Services	

The purpose of this report is to present the outcome of the investigations of the External Legal Services Subcommittee into the current practices for providing the Council's external legal services.

BACKGROUND

Earlier this year, when considering the draft budget for the Legal Services Unit, the Strategy and Resources Committee appointed a subcommittee comprising Councillor Harrow (Chairman), Councillors James, O'Rourke and Sheriff to consider the Council's use of external legal services.

The Subcommittee met on 15 November and had before it a report from the Legal Services Manager providing information on current practices and a memorandum from Councillor James indicating his support for the present arrangements. (Councillor James and Councillor O'Rourke were unable to attend the meeting because of other commitments.)

CURRENT SITUATION

In his report to the Subcommittee, the Legal Services Manager advised:

- A report on legal services was produced for the Transitional Committee leading up to the establishment of the new Council which recommended that one firm not be appointed as the Council's solicitors, but the Council instead adopt a "horses for courses" approach in its retention of external services. That practice has continued to the present time. In Christchurch very few firms, if any, could provide all of the external legal services which the Council requires during the course of a typical year. Another reason is that in a city the size of Christchurch, conflicts may arise with that firm whereby the firm is unable to act for the Council because the other party is also a client. It is important therefore that a number of legal firms have experience in local government law to ensure the Council has confidence in a number of lawyers in the city.
- When the Legal Services Unit considers the retention of external lawyers on behalf of the Council, then such decisions are made on the basis of appropriate individuals and not firms, with account being taken of factors such as the subject matter concerned, the significance of the matter for the Council and, if monetary claims are involved, the size of those claims. In any year, a mixture of private firms and sole practitioners such as barristers, and on occasions, Queen's Counsel are used.
- When work is briefed out to external lawyers, it is mainly for two reasons. Firstly, because expertise in the particular subject is not available in-house (for example, taxation issues) and it is not worthwhile having such expertise in-house because the particular matter may not arise sufficiently frequently. Secondly, the lawyer within the Legal Services Unit is not able to respond to the request for advice or work within the necessary time frame, given other workload issues and so to that extent, external lawyers are used in an overload situation.

The Subcommittee fully endorsed the current arrangements and agreed that it must remain the responsibility of the Legal Services Unit to determine when it is necessary to engage external lawyers and also to select the most appropriate practitioner for the particular situation.

The Subcommittee also agreed that it would be timely to remind unit managers that decisions to engage external lawyers must be made by the Legal Services Unit.

The Legal Services Manager will follow up the Subcommittee's request.

PROPOSED NEW APPOINTMENT

On the matter of costs, the Legal Services Manager advised that there had been a significant reduction in external legal expenditure by the Council with the engagement of a property solicitor some two years ago. Cost comparisons were provided to the Subcommittee which showed that savings of over \$100,000 had been achieved in the year to 30 June 2000 as a result of this appointment. The Legal Services Manager is now considering appointing a legal executive which should further reduce legal expenditure. Funding for this position will be sought by the Legal Services Manager as part of the 2000/01 Annual Plan process.

The Subcommittee supported the unit's proposal to appoint a legal executive.

CONCLUSION

The Subcommittee, after reviewing the present arrangements, concluded that, although improvements can always be made, the current system for providing external legal services best suits the interests of the Council for the foreseeable future.

Chairman's

Recommendation: That the information be received.