

Financial Advice

The decision seeks to spend an additional £0.100m over the next 12 months regarding the continued engagement of a locum solicitor within Legal & Governance directorate. The work undertaken is specialist and cannot be delivered in-house. Previous decisions relating to this have been covered under DDs 4081 & 4270.

Funding

The additional expenditure is funded through an established mechanism of percentage recharges based on the disposal of properties on an annual basis. This percentage is then allocated to the Legal & Governance directorate based on disposal value in each FY.

The current forecast for predicted Legal Services recharges based on proposed disposal is as below:

	22/23	23/24
Forecast fee income from capital receipts*	(0.484)	(0.121)
Pro-rata legal cost	0.075	0.025
Balance to meet budget targets	(0.409)	(0.096)

* Risk-adjusted

Risk

If the capital receipt mechanism does not generate the expected expenditure value, this would create a pressure in the Legal & Governance Directorate. This would need to be met within the Legal & Governance directorate.

The current 22/23 and 23/24 forecast for disposals would be sufficient to cover the proposal assuming pro rata expenditure over both FYs, however in FY 23/24, this margin is markedly reduced.

Tania Clayton Pérez
Senior Commercial Business Partner
Jun 22