

What does an adviser really cost?

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The appendix to this paper sets out the budget for an imagined but average small specialist advice agency. It has three advice teams and, to be safe, two people in each team (as a team of one runs a risk if that one person is unavailable for any length of time). Although a fictional budget, it is based on and consistent with budgets from most of the small to medium sized advice agencies I am working with.

It includes some management and support resource (appropriate to an organisation of its size) and occupies a relatively affordable office, spending carefully on things like IT and utilities etc. It is budgeting for miscellaneous expenditure and building some reserves.

The organisation employs 5.5 full time equivalent frontline advice staff. The average salary for those caseworkers / solicitors is £33,818, though individual salaries vary. Some casework capacity could come from the paralegal but I have not included her for the purposes of these calculations.

The total running costs of the organisation are £397,340.

Assuming that the organisation gets no core funding / unrestricted funding, the position is that all of its income must be generated through the work of those frontline casework staff – as that is what is “fundable” through grants or legal aid (or charging for services).

Given this, and not adjusting cost for individual salaries but using the average salary, each caseworker costs **£72,243,64**. That’s £397,340 divided by 5.5.

In 2020 I asked the managers of 7 specialist advice organisations (of varying sizes) for the full average costs for a full-time lawyer / caseworker and the figures they gave me varied from £65,000 to £78,000. I have seen as low as £55,000 but never lower and almost every agency I’ve looked at in 13 years of consultancy had a caseworker cost of between £60,000 and £80,000.

In my experience, the full cost recovery figure for a caseworker is, in most cases, at least twice (2x) their salary... At least!

Each full-time equivalent caseworker is contracted for 35 hours a week and works for 44 weeks each year (allowing for annual leave, public holidays, and some sick time). Most will be doing productive casework for around 5 hours each working day (with the rest being used for admin and meetings and supervision etc.). That means that each full-time equivalent caseworker will generate 1,100 hours of productive casework (billable) hours each year.

Therefore, if a caseworker costs £72,243.64 and generates 1,100 hours of fundable work, each hour of work costs £65.68. If an average case or client intervention takes 10 hours, then every case / intervention would cost £656.80.

Sadly, the Legal Aid scheme in England & Wales pays headline rates of between £43 and £69 per hour – and depending on case lengths, rates of as low as £17 per hour. In almost every case the payment rate is less than the work costs.

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Appendix: Advice Agency Budget

Items	£
Manager (1 FTE)	£45,000.00
Receptionist (1 FTE)	£20,000.00
Volunteer Coordinator (0.5 FTE)	£13,000.00
Finance Officer (0.4 FTE)	£10,400.00
Housing Solicitor Supervisor (1 FTE)	£35,000.00
Housing Caseworker (1 FTE)	£28,000.00
Immigration Solicitor Supervisor (1 FTE)	£35,000.00
Immigration Solicitor (1 FTE)	£30,000.00
Welfare Rights Caseworker (1 FTE)	£30,000.00
Welfare Rights Caseworker (0.5 FTE)	£28,000.00
Paralegal (1 FTE)	£20,000.00
NI & Pension Contributions etc.	£29,440.00
TOTAL SALARY COSTS	£323,840.00
Rent	£25,000.00
Utilities	£2,000.00
Insurance (Professional Indemnity, Employers Liability, Public Liability, Trustee Liability)	£4,000.00
Telephones & Broadband	£2,000.00
IT, Tech & Licences (case management system, licenses, support and replacements)	£8,000.00
Photocopier	£3,500.00
Stationery & Postage	£3,000.00
Training & Library	£2,500.00
Subscriptions & Fees	£5,000.00
Archiving	£1,500.00
Annual Recruitment Fees	£1,000.00
Accountancy & Audit	£6,000.00
Miscellaneous & building up Reserves	£10,000.00
TOTAL NON-SALARY COSTS	£73,500.00
TOTAL COSTS	£397,340.00