

HB Legal Services – 2013/14

1.1 DELIVERY UNIT DASHBOARD

Revenue budget actual variance £000 ^[1]	Capital actual variance £000	Corporate Plan Performance	Management Agreement Performance
254	n/a	n/a	5.5

1.2 TOP ACHIEVEMENTS AND ACTIONS

Top 3 Achievements	Key Escalations	Actions required
Successful restructuring (with cost reductions) of HBPL	None	
2012/13 surplus of £55,850 paid to Barnet. No surplus was anticipated in year one when HBPL was established.		
Improvement in turnaround times in dealing with matters		

1.3 SUMMARY OF THE DELIVERY UNIT'S PERFORMANCE

Overall the performance has been good with on-going improvements in the service in relation to both cost and delivery. A few issues have been raised by the regeneration area but these are being dealt with through meetings to agree the way forwards, this risk has been added to the risk register.

2. BUSINESS PLANNING

2.1 Overview of performance against Management Agreement

Total No. of KPIs	RAG ratings				Positive/neutral DoT	Negative DoT	No. of indicators expected to report this quarter
	Green	Green Amber	Red Amber	Red			
7	5 (75%)	1 (25%)	0 (0%)	0 (0%)	4	0	6

One KPI has no agreed measure and therefore does not have a RAG rating

2.2 How is the Delivery Unit achieving against its Management Agreement

KPI NO and title	Indicator description	Period Covered	Previous outturn	Target	Numerator and Denominator	Outturn	Target Variance	DoT Variance	Benchmarking
HBL001	To ensure timely response to all instructions/matters 1. No. of hours to acknowledge emails (24 target) 2. No. of working days to reply to emails (target 5) 3. No. of days to reply to fax or letter (target 10) 4. No of working days to open a file (target 5)	Apr 13 - Jun 13	89.9%	95.0%	372/400	93.0%	2.1%	▲ 3.4%	

The timely response target was just missed because some emails were not replied to within the 24 hour target. In the area of DPRs, however, many are being sent in late for clearance and a same day turnaround is being requested and usually met, whereas the SLA is 5 days. Council staff need to recognise that imposing very tight deadlines makes it difficult for HBPL to effectively plan and manage their time and can lead to increased costs and a negative impact on the ability of HBPL to meet other KPIs.

More work needs to be done on ensuring all KPIs are fully defined with clear methodologies. For example:

- The timeliness KPI is measured by looking at sample of just 26 files, with the % calculated by achieving an average of the % across the four measures –at present the council has no visibility of sampling methodology and no way of measuring the accuracy of what is reported.
- The Management agreement and KPIs have not yet been finalised so precisely how quality and value for money will be measure this year have yet to be determined

2.3 Interventions & Escalations

KPI NO and title	Comments and Proposed Intervention
HBL001 To ensure timely response to all instructions/matters	Target missed only marginally and direction of travel is positive so no intervention is deemed to be required. The LBB contractmanager will pursue visibility of performance data methodology, and work with HBPL to improve data quality and specify missing KPIs.

3. RESOURCES AND VALUE FOR MONEY

3.1 Revenue

Description	Variations				Comments	% Variation of revised budget
	Original Budget	Budget V1	Q1 forecast	Variation		
	£000	£000	£000	£000		
Legal Services	1,908	1,932	2,186	254	Additional hours in quarter 1 and shortfall on income recovery such as s106.	13.1%
Total	1,908	1,932	2,186	254		13.1%

3.2 Capital

N/A

4.OVERVIEW OF DELIVERY UNIT

4.1 Risk Overview

The following is the 5 X 5 matrix 'heat map' highlighting the number of risks at a Directorate Level and where they are currently rated:
Insert table here:

SCORE		PROBABILITY				
		1	2	3	4	5
		Rare	Unlikely	Possible	Likely	Almost Certain
IMPACT	5 Catastrophic	0	0	0	0	0
	4 Major	0	1	0	0	0
	3 Moderate	0	4	3	1	0
	2 Minor	0	0	1	0	0
	1 Negligible	0	0	0	0	0

Risk Commentary for Delivery Unit:

Generally the risks surrounding HBPL are areas where we need to be vigilant but do not represent imminent threats. The one risk that scores 12 is an on-going risk that budgets will be exceeded as the legal budget is tight in terms of both the hours allotted and also the forecast disbursement spend. There is, therefore, a risk of cost overrun even if management of the use of legal services is improved. The risk is being monitored by the Contract Manager who will ensure that the delivery units are aware of any cost overruns on a monthly basis. In addition as the delivery units will be responsible for their own cost overruns from the 1st July there is little doubt that this will increase their focus on the issue and encourage better management on the use of legal resources.

The following risk register lists those risks rated as 12 and above:

Risk	Current Assessment			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
<p>Delivery units do not manage their allocation of hours effectively and overspend on budgets.</p> <p>Cause:</p> <ul style="list-style-type: none"> - Delivery Units are not used to managing their use of legal against a budget - Delivery Units do not have sufficient visibility of real-time data on usage - Delivery units have been allocated less hours than they need. 	Moderate 3	Likely 4	Med High 12	<p>Preventative</p> <p>This risk is being managed by giving delivery units financial responsibility for the use of legal resources as opposed to paying from a central budget. In addition the delivery units will put gatekeepers in place to help control usage.</p> <p>Detective</p> <p>HB Public Law contract manager will also monitor usage and advise units when the budget is being exceeded or</p>	Treat	Quarterly	Minor 2	Possible 3	Med Low 6

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment Impact Probability Rating		
Consequence: - Legal budget is exceeded. - Unnecessary use of legal resources. - HBPL suffer from last minute urgent requests putting pressure on their staff and performance is affected - Delivery Units incur extra legal costs not met from the central budget - Delivery units do not seek legal advice when necessary as reluctant to pay additional cost when the budget is exceeded.				in danger of being exceeded.					

Appendix

1. Key Performance Indicators

KPI NO	Indicator description	Period Covered	Previous outturn	Target	Numerator and Denominator	Outturn	Target Variance	DoT Variance	Benchmarking
HBL002	Improved customer satisfaction	Apr 13 - Jun 13	90.0%	90.0%	69/74	93%	3.6%	▲ 3.6%	Local Indicator
HBL003	Quality of work and reports provided	Data not reported this quarter							
HBL004 (a)	Appropriate accreditation of the service	Apr 13 - Jun 13	100.0%	100.0%	3/3	100.0%	0.0%	↔	Local Indicator
HBL004 (b)	Ensure all staff are appropriately qualified	Apr 13 - Jun 13	100.0%	100.0%	84/84	100.0%	0.0%	↔	Local Indicator
HBL005 (a)	On-going and improving value for money: • % reduction in core hourly rate	Apr 13 - March 14	N/A	Target to be confirmed	N/A	3.5%	N/A	N/A	Local Indicator
HBL005 (b)	On-going and improving value for money: • % reduction in use of external counsel	Apr 13 - March 14	N/A	Target to be confirmed	N/A	20%	N/A	N/A	Local Indicator

2. Risks

Risk	Current Assessment			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
<p>Quality of advice received from HBPL is not adequate/perceived to be adequate or HBPL fail to meet performance targets</p> <p>Cause Poor or incorrect advice from HBPL leads the Council to act in a manner different to that it would have done with different advice.</p> <p>Consequence Financial and/or reputational loss. A reluctance by services to use HBPL if the service is, or is perceived to be, below standard.</p>	Moderate 3	Possible 3	Med High	<p>Preventative Continuing dialogue with HBPL and business units to understand performance levels. There is an SLA in place regarding performance. HBPL has involved Barnet in the recruitment process for roles that are critical to Barnet</p> <p>Detective Delivery unit gatekeepers and the contract manager will monitor performance on an on-going basis and performance statistics will be reviewed on a quarterly basis by the Strategic Monitoring Board.</p>	Treat	Quarterly	Moderate 3	Unlikely 2	Med Low
<p>The financial benefits of setting up HBPL do not materialise.</p> <p>Cause Possible causes include - 1. The legal budget is insufficient to meet the need for legal advice 2. Poor planning/management leads to overspend of legal budgets 3. The need for legal advice genuinely increases 4. The business case failed to capture the real legal spend of the Council prior to the setting up of HBPL 5. HBPL is more expensive to operate than planned.</p> <p>Consequence The consequence will for the most</p>	Moderate 3	Possible 3	Med High	<p>Preventative Legal spend is now being closely monitored by area. Discussions are being held with HBPL to establish in which areas they are being asked to perform tasks to which they add little or no value. Legal spend that does not go through HBPL will be more closely monitored and recorded.</p> <p>Detective The total cost of HBPL is monitored as is the allocation of cost to Barnet</p>	Treat	Quarterly	Minor 2	Possible 3	Medium Low

Risk	Current Assessment			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
part be an overspend against budget. This will be closely monitored and every effort made to understand why it occurs as if it is due to a genuine increase in legal demand this does not necessarily undermine the business case and indeed could reinforce it if the rates being charged overall are smaller than prior to the establishment of HBPL									
<p>Financial</p> <p>Business units do not wish to use HBPL for reasons of quality of service, quality of advice or cost.</p> <p>Cause</p> <p>The quality of service or the quality of advice provided by HPBL drops to an unacceptable standard</p> <p>Consequence</p> <p>Poor relationship with HBPL leading to less or later instructions being given. This in turn will increase the risk of legal; exposure to the Council</p>	Moderate 3	Unlikely 2	Med Low	<p>Preventative</p> <p>Business units will only be entitled to use legal services other than HBPL if the use is signed off by a senior executive.</p> <p>If issues with HBPL do arise they will be addressed at an early stage to minimise the impact to relationships.</p> <p>Detective</p> <p>The performance of HBPL will be monitored on an on-going basis by the contract manager, the gatekeepers and the Strategic Monitoring Board.</p>	Treat	Quarterly	Moderate 3	Unlikely 2	Med Low
<p>The costs of using HBPL rises as a result of the arrangement with Barnet Homes to provide legal services continuing or as a result of Harrow fully utilising the core hours available. NB If Harrow under utilise their hours then Barnet effectively gets a credit of that amount towards any over usage by Barnet.</p> <p>Cause</p> <p>1. The Council continues to subsidise</p>	Moderate 3	Possible 3	Med High	<p>Preventative</p> <p>Discussions are being held with both Barnet Homes and HBPL with a view to terminating the current service level agreement between Barnet Council and Barnet Homes. This will stop the subsidy occurring.</p> <p>Barnet are devolving control of legal budgets to the users which will help gain greater control over legal spend.</p>	Treat	Quarterly	Minor 2	Possible 3	Medium Low

Risk	Current Assessment			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
<p>the work for Barnet Homes; or</p> <p>2. Harrow increase their usage of HBPL and so unused Harrow core hours which currently reduce the cost of over usage of core hours by Barnet stops occurring.</p> <p>Consequence Both have potential financial impact on the Council.</p> <p>It is likely that the arrangement with Barnet Homes will be terminated or at least changed to ensure full recovery of cost. Failure to do this will have a financial impact estimated to be in the range of £25 -35,000 in the current year.</p> <p>The need to use of Harrow hours is very much dependant on usage by Barnet. If Barnet operates within it's allocated core hours under usage by Harrow is of no consequence. In May 2013 the value to Barnet was of Harrow's under used hours was £28,690. In April Harrow fully utilised their hours so the value was nil.</p>				<p>This should help drive down legal usage and lessen the need to exceed core hours.</p> <p>Detective Contract Manager to closely monitor use of legal hours by delivery unit</p>					
<p>HBPL tries to expand too quickly or enters into unsuitable arrangements with 3rd parties</p> <p>Cause Management effort is channelled into investigating expansion or dealing with the management consequences</p>	Moderate 3	Unlikely 2	Med Low	<p>Preventative The Inter Authority Agreement states that the provision of services to any third party by HBPL must not be to the detriment of Barnet. In addition any expansion must be taken to the Strategic Monitoring Board and if agreement cannot be reached there it is to be agreed by the two chief</p>	Treat	Quarterly	Moderate 3	Unlikely 2	Med Low

Risk	Current Assessment			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
<p>thereof rather than into ensuring service standards are maintained/improved.</p> <p>Consequence A drop in service levels from HBPL or less attention being given to the needs of Barnet as a result of the expansion.</p>				<p>Executives.</p> <p>Detective Contract manager to gain an early understanding of the expansion plans of HBPL and to review the business case etc.</p>					
<p>Although HBPL rates are attractive the hours charged for transactions are too great.</p> <p>Cause Either HBPL is not efficient or the time keeping is not as accurate as it should be (i.e. hours are being incorrectly charged to files).</p> <p>Consequence Best value not being obtained and the HBPL become expensive even if the underlying hourly rate looks attractive. Barnet lose faith in HBPL and therefore use other legal services or become reluctant to obtain legal advice even when needed.</p>	Minor 2	Possible 3	Med Low	<p>Preventative The possibility of moving to standard hours for some transactions will be investigated. Gatekeepers and users to review hours spent on transactions.</p> <p>Detective Benchmarking to be carried out either through Cipfa or other on a periodic basis.</p>	Treat	Quarterly	Minor 2	Possible 3	Med Low
<p>That the future of HBPL may not be sustainable if the volume of legal work from Barnet and Harrow drops as a result of outsourcing etc.</p> <p>Cause Demand for HBPL's services decrease as a result of services being outsourced by Barnet and or Harrow.</p>	Moderate 3	Unlikely 2	Med Low	<p>Preventative HBPL are actively looking for other sources of fee paying work and potential new partners. Barnet are encouraging Capita and other providers to use the services of HBPL.</p> <p>Detective</p>	Treat	Quarterly	Minor 2	Unlikely 2	Med Low

Risk	Current Assessment			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
<p>Consequence HBPL cannot grow or reduces in size as a result of which it is less likely to attract the right calibre of staff and maintain a high quality of service. This may then in turn affect the quality of legal advice and the speed at which legal advice can be obtained. Any staff made redundant as a result of a reduction in work from Barnet will be a cost to the Council.</p>				Contract manager to monitor the use of the contract and manage relationships.					
<p>That the Council will not have the capacity and capability to manage the contract with HBPL That the benefits identified in the business case do not materialise because they are not being adequately pursued/monitored</p> <p>Cause Failure to manage the contract and relationship so as to maximise the benefit. Failure to monitor the agreement to ensure benefits in the business case materialise.</p> <p>Consequence An erosion of the benefits arising from the shared legal service. The benefits from the service do not reach the level set out in the business case.</p>	Moderate 3	Unlikely 2	Med Low	<p>Preventative A contract manager has now been appointed Management agreement will be finalised by 31/07/13</p> <p>Detective Monitor benefits obtained against the business case</p>	Treat	Quarterly	Moderate 3	Unlikely 2	Med Low

Risk	Current Assessment			Control Actions	Risk Status	Board Assurance (timing)	Target Assessment		
	Impact	Probability	Rating				Impact	Probability	Rating
<p>That HB Public Law do not give the support required to the regeneration team/programme</p> <p>Cause Advice given by HBPL is either late or not of the best quality Advice given by HBPL whilst legally sound is not as commercial as it should be</p> <p>Consequence Financial or reputational loss</p>	Major 4	Unlikely 2	Med High	<p>Preventative Meetings are in place to ensure that HBPL understand the concerns and needs of the regeneration programme. HBPL have restructured so as to give greater support to the regeneration team</p> <p>Detective Regeneration management have raised and are monitoring this concern. HBPL Contract manager is also monitoring the situation</p>	Treat	Quarterly	Major 4	Rare 1	Med Low