

Appendix 3

3.1 OVERVIEW OF HB Public Law risks

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:

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	3	3	1	0
	2 Minor	0	0	1	0	0
	1 Negligible	0	0	0	0	0

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

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.

3.2. Risks

Risk	Current Assessment			Control Actions	Risk Status	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: - 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.</p> <p>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.</p>	Moderate 3	Likely 4	Med High 12	<p>Preventative 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 HB Public Law contract manager will also monitor usage and advise units when the budget is being exceeded or in danger of being exceeded.</p>	Treat	Minor 2	Possible 3	Med Low 6
<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>	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</p>	Treat	Minor 2	Possible 3	Medium Low

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Target Assessment Impact Probability Rating		
<p>Consequence The consequence will for the most 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>				as is the allocation of cost to Barnet				
<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	Moderate 3	Unlikely 2	Med Low
<p>Financial Business units do not wish to use HBPL for reasons of quality of service, quality of advice or cost.</p> <p>Cause The quality of service or the quality of advice provided by HPBL drops to an unacceptable standard</p> <p>Consequence</p>	Moderate 3	Unlikely 2	Med Low	<p>Preventative Business units will only be entitled to use legal services other than HBPL if the use is signed off by a senior executive. If issues with HBPL do arise they will addressed at an early stage to minimise the impact to relationships.</p>	Treat	Moderate 3	Unlikely 2	Med Low

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Target Assessment Impact Probability Rating		
<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>				<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>				
<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 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>Moderate 3</p>	<p>Unlikely 2</p>	<p>Med Low</p>	<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 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>Treat</p>	<p>Moderate 3</p>	<p>Unlikely 2</p>	<p>Med Low</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>Minor 2</p>	<p>Possible 3</p>	<p>Med Low</p>	<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</p>	<p>Treat</p>	<p>Minor 2</p>	<p>Possible 3</p>	<p>Med Low</p>

Risk	Current Assessment			Control Actions	Risk Status	Target Assessment		
	Impact	Probability	Rating			Impact	Probability	Rating
<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>				either through Cipfa or other on a periodic basis.				
<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> <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>	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 Contract manager to monitor the use of the contract and manage relationships.</p>	Treat	Minor 2	Unlikely 2	Med Low
<p>That the Council will not have the capacity and capability to manage the contract with HBPL</p> <p>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>	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	Moderate 3	Unlikely 2	Med Low

Risk	Current Assessment Impact Probability Rating			Control Actions	Risk Status	Target Assessment Impact Probability Rating		
<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>								
<p>That HB Public Law may not give the support required to the regeneration team/programme</p> <p>Cause Capita do not wish to continue to use HBPL.</p> <p>Consequence Whilst by no means fatal to HBPL the loss of volume that would arise from Capita ceasing to use the services of HBPL would be detrimental to its business model.</p> <p>Consequence</p>	Major 4	Unlikely 2	Med High	<p>Preventative This risk has changed with RE going live. Capita are not bound to use HB Public Law so the relationship is being established and HBPL need to prove themselves.</p>	Treat	Major 4	Rare 1	Med Low