

To:	Legal Services Board	
Date of Meeting:	27 January 2015	Item: Paper (15) 06

Title:	Q3 Performance Report: 1 October – 31 December 2014	
Workstream(s):	Business Plan 2014/15	
Author/presented by:	Julie Myers, Corporate Director julie.myers@legalservicesboard.org.uk / 020 7271 0059	
Status:	OFFICIAL	

Summary:

This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q3 2014/15 (October - December).

A narrative cover for the Ministry of Justice (MoJ) Q3 report is at **Annex A**. This includes a summary of all Section 55 information gathering notices that have been issued in this quarter (if any). The paper also contains the draft Q3 submission for the MoJ's performance reporting requirements (**Appendix 1**), the Consumer Panel's quarterly report of activity (**Appendix 2**) and a report on regulatory decisions made during the quarter (**Appendix 3**).

Recommendations:

The Board is invited to:

- 1) review and comment on the draft Q3 performance report; and
- 2) agree to its use as a basis for discussion with MoJ.

Risks and mitigations

Financial: N/A

Legal: N/A

Reputational: N/A

Resource: N/A

Consultation	Yes	No	Who / why?
Board Members:		✓	Regular performance report.
Consumer Panel:		✓	Regular performance report – report also includes Consumer Panel Q3 report.
Others:			

Freedom of Information Act 2000 (Fol)

Para ref	Fol exemption and summary	Expires
Appendix 1: All risks and overall status'	Section 36(2)(b)(ii) – information intended to promote a free and frank exchange of views for the purposes of deliberation by the Board	

LEGAL SERVICES BOARD

To:	Legal Services Board	
Date of Meeting:	27 January 2015	Item: Paper (15) 06

Q3 Performance Report: October – December 2014

Recommendations

The Board is invited to:

- 1) review and comment on the draft Q3 performance report; and
- 2) agree to its use as a basis for discussion with MoJ.

Introduction

1. This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q3 2014/15 (October - December 2014).
2. It also contains the draft Q3 submission for the MoJ's performance reporting requirements (**Appendix 1**), the Consumer Panel's quarterly report of activity (**Appendix 2**) and a report on statutory decisions made during the quarter (**Appendix 3**). A narrative cover for the MoJ Q3 report is at **Annex A**.

Overview

3. The LSB Business Plan for 2014/15 describes the LSB's proposed activities on a quarter-by-quarter basis. Progress against those commitments for Q3 is reported below:

Q3 2014/15 commitment	Progress
Analyse regulators' responses (regulator performance)	Complete. Paper at January 2015 Board.
Develop and engage with partners on approach to 2015/16 regulatory standards review	Complete. Paper at November 2014 Board.
Finalise approach to 2015/16 regulatory standards review	Complete. Paper at November 2014 Board.
S.13: Submit recommendation to Lord Chancellor (if necessary)	Not required. Review indicated that issues around Schedule 13 are largely to do with SRA processes and procedures rather than the legislation. SRA have acknowledged the need to review their processes. Decision taken not to consult.
Cost of regulation – consult with regulators	Complete: Stakeholder group established and first meeting held

Conduct reviews into specific areas where existing regulation is perceived to impose unnecessary burdens	On track: a) Business ownership restrictions - published review in October 14. b) Section 15 review - now scoped and due to complete in May 2015.
Publish discussion paper about indicators for regulatory reform	Re-scheduled: Proposed research has been delayed until March 2016 due to changing priorities.
Depending on outcomes of 2013/14 research into methods to support consumers in identifying and responding to legal problems, consider action	Re-scheduled: Proposed research has been delayed until March 2016 due to changing priorities
Monitor regulators use of complaints data	Re-scheduled to March 2015: Board previously agreed to postpone this work pending the LSCP's tracker survey and Impact Report and Government decision on implementing the EU ADR Directive
Publish access to justice evaluation report	Delayed. 2014/15 research programme re-scoped due to resource pressures. This report now due April 2015.
Consider applications from regulators for changes to their regulatory arrangements	On-going: Work to consider applications from regulators to change their regulatory arrangements continues
Assess applications for approval of annual PCF	Complete – four applications approved in Q3
Assess SDT budget	Complete (paper to October Board)
Q2 2014/15 commitment	Progress
Prioritisation of areas for analysis in cost of regulation review	Changed: To be completed following completion of the provider survey
Consider action following outcomes of 2013/14 research into consumer information and on-line divorce	Delayed to January 2015: Due to difficulty obtaining the required sample this research has been delayed.

4. There are no commitments outstanding from Q1.
5. The table above only reports on publicly committed deliverables and, as such, does not present a full picture of the Board's achievements to date, all of which have been reported to the Board on a monthly basis through the Chief Executive's progress reports.

MoJ performance management framework

6. The draft Q3 performance report for MoJ (**Appendix 1**) contains all of the fields requested by MoJ, including headline risks for each project. Also attached is the quarterly report on applications for statutory decisions (**Appendix 2**), a quarterly report from the Consumer Panel (**Appendix 3**). A narrative cover for the MoJ Q3 report is at **Annex A**.

To: Ministry of Justice

Legal Services Board 2014/15 Q3 Performance Report

Overview of the Quarter

1. The programme highlight report at **Appendix 1** provides a comprehensive overview of the Board's work to deliver its Business Plan during Q3 2014/15. The report is based upon the LSB's overarching programme and individual project plans.
2. Attached at **Appendix 2** is a quarterly report on Consumer Panel activity, and at **Appendix 3** is an overview of our work in relation to requests for statutory decisions.
3. We have not issued any Section 55 requests this quarter.
4. Based on an assessment of the status of individual projects, the LSB judges the status of its overarching programme to deliver its Business Plan for 2014/15 and thus its regulatory responsibilities is **Green**, although resource pressures due to resignations and time required to recruit new colleagues has meant some re-scheduling and/or re-scoping of work has been required.
5. Matters of note not specifically addressed by the programme report include the following:

Organisation development and governance

6. The LSB experienced significant staffing change during the quarter:
 - i. Four colleagues departed - Chris Kenny (Chief Executive), Fran Gillon (Director of Regulatory Practice), Michelle Jacobs (Business Planning Associate) and Luke Mcinerney (Regulatory Associate)
 - ii. Two colleagues started with us in October - Meera Amin as Research Associate and Vibeke Bjornfors as a Regulatory Project Manager
 - iii. Richard Moriarty was announced as new LSB Chief Executive to start 2 February 2015
 - iv. Three further colleagues gave notice of their intention to depart (two to SRA) and will leave in February: Chris Handford (Head of Research and Development), James Meyrick (Project Manager) and Olivia Marley (Regulatory Associate).
7. The quarter therefore saw considerable recruitment activity and the following appointments have been made:
 - i. Kate Webb (from 1 January 2015 - Head of Regulatory Reviews and Investigations) – an internal promotion following an external competition

- ii. Two Regulatory Associates (one external and one internal appointment to start February and March respectively).
8. Recruitment for the Head of Research and Development and two Regulatory Project Managers is now also underway.
9. Work continues on Board appointments and we understand that recommendations for two lay members have been put to Ministers. Approval was belatedly received for non-lay Board recruitment to start. Obviously, the need to ensure these processes are complete before purdah commences is acute.
10. Recruitment for OLC Board members is also well underway with the campaign closing just before Christmas and long-listing due to take place shortly.
11. We are grateful to MoJ colleagues for ensuring interim Accounting Officer authority was granted in good time, and that necessary Freedom of Information Act delegations were also made to cover the period between CEOs.
12. The LSB Audit and Risk Assurance Committee met in November. The agenda included a review of the LSB's risk management strategy, corporate governance manual alongside a review of its own effectiveness.

Relations with Government

13. The Chairman, Corporate and Strategy Directors met the Attorney General and Solicitor General on 17 December. This provided an excellent opportunity to discuss the LSB's approach to regulation of the sector and to de-brief on the constructive work with regulators on future reform.
14. The LSB met with chairs of regulators in October and agreed a programme of work to take forward the challenge laid out at the Ministerial Summit.

QASA judicial review

16. The appeal judgement was handed down in early October and was found in favour of the LSB. We await decisions on costs and appeals.

Relations with OLC

15. The Board have been updated regularly on developments at the OLC and in November, received a presentation from Steve Green, OLC Chair on the draft budget for 2015/16 and business plan. The final budget proposal will return to the Board in March 2015 for approval. In discussion the Board pressed Steve Green on lack of emphasis on quality, cost effectiveness and performance in the draft

plan. Additionally, Terry Babbs, LSB ARC Chair met his counterpart at the OLC, Karen Silcock, for a constructive and frank discussion of risk.

16. The Board consented to OLC Scheme Rule changes in respect of technical amendments to accommodate the claims management jurisdiction
17. Terry Babbs and Julie Myers also met OLC and Legal Ombudsman colleagues in November to review KPI performance. Stella Manzie has taken over as lead OLC non-executive for this area from Tony Foster. Discussion included OLC plans to revise its performance reporting framework to ensure it is holistic and addresses quality as well as timeliness and the variety of remedial measures being taken to address performance issues including levels of unallocated cases at the Resolution Centre and Ombudsman work in progress.

Communications and stakeholder relations

18. The Chairman and CEO spoke at important but quite different industry events including the 360 Legal Group annual conference, at the Law Society national pro bono week launch on 3 November, a debate on the future of professional regulation at Bevan Brittain on 13 November, the Legal Futures conference on 18 November and a seminar on ABS for Barclays Bank clients on 19 November. Mike Pitt chaired a session at the Legal Wales conference 2014 in Bangor with Elisabeth Davies. This latter provided excellent networking opportunities not just with the legal community in Wales but also senior members of the judiciary who were in attendance
19. On the media front, we published our 'Regulatory restrictions on business ownership' report which attracted legal media attention and, as mentioned above, have also launched the 'cost of regulation' survey. Chris Handford was interviewed in relation to the latter survey by the Law Society Gazette and, has authored a blog post about it for Legal Futures.
20. Additionally, our proactive activity included an article authored by the Chair for the Law Society's Legal Compliance Bulletin that developed somewhat the ideas outlined in his speech from 4 September. Mike also gave a successful interview to "Counsel" magazine which concluded that "Sir Michael Pitt is a man that the Bar can do business with". The CEO also gave an exit interview to the Modern Law Magazine, which was published in their mid-November edition.
21. A number of press releases / tweets were picked up by the legal media including the letter sent to the chairs of the legal regulators following the 2 October meeting, and the reaction to the QASA ruling.
22. We also had very successful engagement with communications personnel in the approved regulators during this period in support of the cost of regulation survey. This was with a view to getting as much promotion of the survey, and as much

endorsement for engagement, as possible. We generated circa 1000 responses as a result which was an excellent result.

23. Edition #5 of the LSB Newsletter was sent out on 30 October. It featured the CEO's last statement as Chief Executive, and information about his successor; the Chair's 4 September speech; the cost of regulation survey; the follow up to the ministerial summit meeting; speeches from the LSB; and, of course, QASA (again).
24. Terry Babbs and Caroline Wallace attended an event at Middle Temple to inform the work of the review group established under Lord Hunt of Wirral to review the strategy of the Inn. This has identified a need to strengthen our engagement with the Inns generally, which we will pursue in coming months.
25. The number of twitter followers stands at over 700 and we also created an official LSB Linked-In page during the month.