

<b>To:</b>	Legal Services Board	
<b>Date of Meeting:</b>	29 April 2015	<b>Item:</b> Paper (15) 21

<b>Title:</b>	Q4 Performance Report: 1 January – 31 March 2015	
<b>Workstream(s):</b>	Business Plan 2014/15	
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<b>Status:</b>	OFFICIAL	

**Summary:**

This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q4 2014/15 (January - March).

A narrative cover for the Ministry of Justice (MoJ) Q4 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 Q4 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 Q4 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?
<b>Board Members:</b>		✓	Regular performance report.
<b>Consumer Panel:</b>		✓	Regular performance report – report also includes Consumer Panel Q4 report.
<b>Others:</b>			

<b>Freedom of Information Act 2000 (Fol)</b>		
<b>Para ref</b>	<b>Fol exemption and summary</b>	<b>Expires</b>
Appendix 1 – all <i>Risks</i> and <i>Overall status</i> '	Section 36(2)(b)(ii) – information likely to inhibit the exchange of views for the purposes of deliberation	

## LEGAL SERVICES BOARD

<b>To:</b>	Legal Services Board	
<b>Date of Meeting:</b>	29 April 2015	<b>Item:</b> Paper (15) 21

### Q4 Performance Report: January – March 2015

#### Recommendations

The Board is invited to:

- 1) review and comment on the draft Q4 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 Q4 2014/15 (January - March 2015).
2. It also contains the draft Q4 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 Q4 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 Q4 is reported below:

<b>Q4 2014/15 commitment</b>	<b>Progress</b>
LSB reports to the Board on progress by regulators against their action plans	<b>Complete:</b> Reported to January Board.
Develop and engage with partners on approach to 2015/16 regulatory standards review	<b>Complete:</b> Report due to go to the April Board.
Finalise approach to 2015/16 regulatory standards review	<b>Complete:</b> Reported to January Board.
Publish research into costs of regulation	<b>Re-scheduled:</b> The complexity of the work and staff turnover means that the different streams of this project will be published separately: Survey results – Published Benchmarking – Q1-Q2 15/16 In depth research – July 2015

Conduct reviews into specific areas where existing regulation is perceived to impose unnecessary burdens	<b>One delayed:</b> Section 15 review – Delay due to drop in resources; plan to report findings to the Board in late summer 2015
Report on regulators progress against LSB guidance on diversity data and transparency	<b>Complete:</b> Report published March 2015.
Agree an approach for improving the provision and transparency of regulatory data	<b>Complete:</b> The approach was agreed at a roundtable of the regulators in March 2014.
Monitor regulators use of complaints data	<b>Complete:</b> Monitoring has taken place via regulatory standards and the first tier complaints handling work. Follow up actions will take place in 2015/16.
Consider applications from regulators for changes to their regulatory arrangements	<b>On-going:</b> Work to consider applications from regulators to change their regulatory arrangements continues.
Assess applications for approval of annual PCF	<b>Complete:</b> Work completed in January 2015.
Assess OLC budget	<b>Complete:</b> OLC budget reviewed and approved at March 2015 Board meeting.
<b>Q3 2014/15 commitment</b>	<b>Progress</b>
Publish discussion paper about indicators for regulatory reform	<b>Re-scheduled:</b> 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	<b>Re-scheduled:</b> Proposed research has been delayed until March 2016 due to changing priorities.
Publish access to justice evaluation report	<b>Re-scoped:</b> This is now part of the 2015/16 full market evaluation project. Scoping activity is due in Q1 2015/16, evidence gathering and analysis in Q1-Q2, with a report published in Q4.
<b>Q2 2014/15 commitment</b>	<b>Progress</b>
Prioritisation of areas for analysis in cost of regulation review	<b>Re-scheduled:</b> Due to the unforeseen complexity of this project, it will now be completed in Q3 2015/16.
Consider action following outcomes of 2013/14 research into consumer information and on-line divorce	<b>Research published March 2015:</b> Outcomes being considered.

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 Q4 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 Q4 report is at **Annex A**.

**To: Ministry of Justice**

**Legal Services Board 2014/15 Q4 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 Q4 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 **Amber/Green**. Continuing resource pressures due to a number of resignations in quarters 2 and 3 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. Three colleagues departed - Chris Hanford (Head of Research and Development), James Meyrick (Project Manager) and Olivia Marley (Regulatory Associate).
  - ii. Three colleagues started with us – Jenny Hart as Business Planning Associate, Antonet Abbink as Corporate Affairs Associate, and Graeme McLachlan as Regulatory Associate
  - iii. One internal move – Cat Kelly from Corporate Affairs Associate to Regulatory Associate.
7. The quarter therefore saw considerable recruitment activity and the following appointments have been made:
  - i. Three Regulatory Project Managers – Karen Marchant (internal promotion), Emma Kelly-Dempster and Chris Nichols (external appointments).

8. There have also been significant changes in the Consumer Panel executive with Steve Brooker (Consumer Panel Manager) due to move to the Head of Research and Development role and Harriet Gamper (Consumer Panel Associate) to be replaced by Stephanie Chapman on 20 April. An offer has been made to a new Consumer Panel Manager and we expect to make an announcement shortly.
9. We were pleased to receive news of Dr Helen Phillips appointment as a new Board Member (lay) in March but disappointed to learn that the additional lay member and required non-lay member appointments were not made. We were pleased to see extensions offered to two Board Members whose terms were due to end on 31 March 2015. This will allow a degree of normal operation at Board level but the situation remains less than ideal.
10. Recruitment for OLC Board members is now complete with five new appointments to the Board. We have stressed the need for appropriate induction arrangements to be put in place.
11. The LSB Audit and Risk Assurance Committee met in March. The agenda included an internal audit update from KPMG and the planning report from NAO on the external audit. The Committee were also given sight of the project plan and high level outline for the LSB Annual Report and Accounts. The Committee also agreed a paper on the effectiveness of ARAC and a paper on arrangements for managing OLC related risks to the LSB.

### **QASA judicial review**

16. In February the barristers challenging the Quality Assurance Scheme for Advocates were granted permission to appeal to the Supreme Court on the issue of the Provision of Services Directive. However, the Supreme Court declined permission to appeal against the Court of Appeal's finding that the principle of independence of the advocate was not infringed by QASA, saying it did not have a real prospect of success. The appeal was heard in March.

### **Relations with OLC**

12. The Board have been updated regularly on developments at the OLC and in March the OLC draft budget was presented to the Board by Ian Brack and Katheryn King and was approved.
13. Terry Babbs, Julie Myers and Jenny Hart also met OLC and Legal Ombudsman colleagues in February to review KPI performance. Discussion included an update on OLC strategic focus and review of LeO structures and Scheme Rules. OLC continues to work on revising its performance reporting framework to ensure it is holistic and addresses quality as well as timeliness. A variety of remedial measures being taken to address performance issues including levels of unallocated cases at the Resolution Centre and Ombudsman work in progress

were also discussed. Since this meeting, Stella Manzie, lead OLC non-executive for this area, has resigned her position. One of the newly appointed OLC Board members will take on this role in future.

14. LSB management and exposure to OLC related risks was considered by the ARAC and Board in March and a programme of to strengthen and review governance protocols is being developed.

## **Communications and stakeholder relations**

15. Mike Pitt delivered the keynote address to the Modern Law Magazine annual conference on 11 March. The speech attracted the attention of the three main legal trade press outlets (interestingly each focused their reporting on a different aspect of the speech). Caroline Wallace was on a panel at the 360 Legal Group annual conference on 20 March.
16. We published a number of reports all of which garnered legal trade press attention. We issued the *Section 15 discussion paper* (which was featured on the front page of the Law Society Gazette). The *regulatory standards performance report 2015/16* was put out on 25 February and we announced the appointment of a new member of the Board on 12 March. At the time of drafting we were due to issue the report about the first phase of the *cost of regulation* project on 18 March and the *online divorce research* on 19 March.
17. LSB Newsletter edition #6 was sent out to political stakeholders at the start of March. The LSB twitter account now has 862 followers with that number being added to at the rate of about seven to ten per week.
18. We are keen to follow up on Bill Moyes's feedback at the January 2015 Board meeting, which followed his dinner with Simon Lofthouse QC, a member of the BSB Board. Specifically, that we look for more opportunities for Board members to engage strategically with the regulators.
19. Informal soundings with the regulators so far have suggested they would welcome the LSB reaching out in this way. However, most have suggested that we keep discussions at the strategic level and avoid overly formalising the contact.