

To:	Legal Services Board	Agenda Item: Item 11
Date of Meeting:	18 January 2017	Item: Paper (17) 05

Title:	Q3 Performance Report: 1 October – 31 December 2016	
Workstream(s):	Business Plan 2016/17	
Author/presented by:	Julie Myers, Corporate Director, Julie.myers@legalservicesboard.org.uk 020 7271 0059 Jenny Prior, Business Planning Associate Jenny.prior@legalservicesboard.org.uk / 020 7271 0053	
Status:	OFFICIAL	

Summary:

This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q3 2016/17 (October – December 2016).

The report provides the basis for our quarterly performance report to the Ministry of Justice (MoJ) as our sponsoring Department. It is presented in the format which has been agreed with the MoJ over past years.

A narrative cover for the MoJ Q3 report is at **Annex A**.

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 the 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?
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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
Annex A: Para's 9-10, 13, third and fourth sentences of Para 16 Appendix 1: all overall status'	Section 36(2)(b)(ii): information likely to inhibit the exchange of views for the purposes of deliberation	

LEGAL SERVICES BOARD

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Q3 Performance Report: October – December 2016

Recommendations

The Board is invited to:

- 1) review the 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 2016/17 (October – December 2016).
2. It also contains the proposed 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 2016/17 describes the LSB's proposed activities on a quarter-by-quarter basis. Progress against those commitments for Q3 is reported below.
4. The table below 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 regular basis through the Chief Executive's progress reports and the monthly Programme Board reports circulated outside of Board meetings.

Q3 2016/17 commitment	Progress
Publish report on emerging market risks	Re-scoped: In light of work being undertaken by regulators, this project has moved to a watching brief status and will be completed once the analysis of relevant LSB research data is complete

Q2 2016/17 commitment	Progress
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Diversity - publish consultation response and implement outcome	Rescheduled: Consultation closed in Q3. Publication of responses and new guidance due in February, Q4.
Internal review of the benefits and risks associated with the changing shape of regulation	In progress (due to complete in Q3): Final report due to go to the Board in January 2017

Q1 2016/17 commitment	Progress
Engage with CMA and government consultation	CMA - in progress: Continuous engagement with CMA. Government consultation on independence has not been issued.

MoJ performance management framework

- 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 2016/17 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 2016/17. 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 2016/17, and thus its regulatory responsibilities, is **Green**. This reflects the fact we are largely on track to deliver our Business Plan milestones, with those projects with timetable alterations planned and noted early in the project process.
5. Matters of note not specifically addressed by the programme report include the following:

Organisation development and governance

6. The tranche of recruitment started in Quarter 2 has now been completed. New starters this Quarter include two Regulatory Associates, one permanent and one providing maternity cover, and a new Corporate Governance Manager. One resignation was received during Quarter 3, the Consumer Panel Associate, and after some delay, MoJ has now agreed that recruitment for a replacement can proceed.
7. In Quarter 3, the Director of Finance and Services carried out an assessment of colleagues' administrative support needs and as a result, a decision has been made to recruit an apprentice administrator. Arrangements for employing an apprentice are being investigated and we expect interviews to take place early in Quarter 4.
8. Two new Board Members, Catharine Seddon and Jeremy Mayhew, started their three-year terms on 1 October 2016. Both Members are currently undergoing induction and as part of this, will be visiting the Legal Ombudsman early in

Quarter 4. Both attended the October and November Board meetings. Both members have also attended training organised by Civil Service College on accountability and governance for ALBs.

9. [REDACTED]

[REDACTED]

11. A new Chair and Member of the Consumer Panel were announced in Quarter 3 and Dr Jane Martin CBE took over from Elisabeth Davies on 1 January 2017. Mark McLaren took up his role as member on the same date.

12. The series of 'emergency spending controls' introduced by MoJ in Quarter 2 2015/16 are still in effect. Areas affected include travel, away days, conferences and catering, engaging consultants, recruiting new colleagues and marketing and communications. The Accounting Officer received and signed an appropriate budget delegation letter in Quarter 3 which has provided some greater allowance for AO authority than the previous delegation.

Relations with OLC

13. [REDACTED]

14. We have continued to receive reports from the OLC under the section 120 requirement put in place April last year. Timeliness performance has fluctuated

slightly with 43% in October and November and 46% in December. Cost per case and per complaint has risen but the 12-month rolling figure remains stable. The quality statistics are also stable. The OLC's second full quarterly report (covering Quarter 2) was received in mid-November due to the need to incorporate the feedback given by the LSB on the report's format and style. The Chairman and Chief Executive met the OLC Chair and Chief Ombudsman to discuss this report in more detail. The OLC Chair outlined in detail all of the measures being taken by the OLC Board to ensure their effective oversight of LeO's performance. We will receive the OLC's third full quarterly report (covering Q3) in January.

15. In October, the Chief Executive attended the OLC's Audit and Risk Assurance Committee (ARAC). This included discussion of the 2015/16 Annual Report and Accounts. Due to a discussion at the LSB's ARAC meeting the previous day, NAO raised the question of progress on the tri-partite operating protocol with LeO/OLC colleagues. Work has now commenced on this drafting, led by OLC.
16. In November, the Chairman, CEO and Corporate Director met the OLC Chair, CEO and Chief Legal Ombudsman to discuss ways of developing the relationship between our respective Boards. Together it was agreed that it was important for each Board to understand the nature and breadth of work undertaken by the other, not so as to minimise the emphasis on performance, but to ensure that the broader context is understood. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]. The Chairman confirmed that the Board would be reviewing the requirements in due course and noted the emphasis that the LSB would place on the expected sustained performance improvement.
17. Actions from this meeting include agreeing that our four newest Board Members would be invited in groups of two to visit LeO in Birmingham to see the operation and to meet staff there. Additionally, the idea of establishing a small sub-group of OLC and LSB members to discuss ways to make sure LeO's rich information can be used to best effect was also mooted.
18. The Chairman and Chief Executive also attended the December OLC Board meeting to observe the item on performance and to update the OLC on LSB thinking. Topics covered included, performance targets, Board to Board relations, arranging visits for Board members to the Legal Ombudsman, and how to make greater use of LeO data and the potential for a joint working group on this.

Communications and stakeholder relations

Meetings to note

19. The Strategy Director spoke to a Notary audience on legal services regulation on 7 October.
20. The Chief Executive participated in on a panel, chaired by Professor Stephen Mayson, about legal services regulation at the London Law Expo on 11 October.
21. The Strategy Director participated in a panel with the SRA and the Law Society at the Legal Futures Innovation conference on 8 November. The topic of discussion was: Regulatory reform as a driver for innovation.
22. The Chairman participated in a joint LSB / UCL Ethics and Law centre event on 14 November. A panel discussion on the LSB's vision paper with the Chairman being joined by Christina Blacklaws (TLS), Neil Rose, (Legal Futures), Iain Millar (Bevan Brittan) and which was chaired by Professor Richard Moorehead. More than 60 persons were in attendance and participated in the discussion.
23. On 23 November, the Chief Executive spoke at the Society of Licensed Conveyancers annual conference in Derby. The speech presented an opportunity to outline the breadth of the work we do, explain our vision for regulatory reform and set out some perspectives, informed by our research, that are most pertinent to the licensed conveyancer community.
24. On 24 November, with a number of others (LeO, LSCP, CMA and Manchester Law Society) the LSB held a stakeholder event in Manchester following the Board Meeting.
25. On 28 November, the Strategy Director attended and participated in a Wales Government event entitled "The Business of Law in Wales" and the following day, the Chairman participated in a Wales Policy Forum event entitled "The future of the legal system in Wales: the market for legal services, modernisation and potential further devolution".
26. On 30 November the LSB's Legal Director spoke on behalf of the LSB at a meeting of the Council of Birmingham Law Society.

Publications and media engagement

27. The autumn edition of the LSB News newsletter was published.
28. The Chief Executive had a useful meeting with Jonathan Goldsmith, the former Secretary General of the CCBE (the Council of Bars and Law Societies of Europe) and regular contributor to the opinion columns of the Law Society Gazette.
29. In mid-October an LSB blog was published by Legal Futures as a follow up to the 12 September paper on the LSB's 'vision for legislative reform'. The blog focuses on some of the criticisms voiced by opponents and offers our response.

30. The LSB's consultation on 'revised guidance for regulators on encouraging a diverse profession' closed in December. An article (by Graham MacLachlan) for Modern Law Magazine on this consultation which was published in the early November edition, encouraging readers' contributions.
31. In early December, LSB launched the 2017/18 Business Plan consultation.
32. Modern Law Magazine also published an article on LSB's ABS research in December.
33. As of 5 January, the LSB has 1,504 followers on Twitter which continues to prove to be a useful tool for communicating to external audiences. The LSB has also now created a dedicated LSB Research twitter account. The intention is that this account will publicise all forthcoming research but also can be used as a platform to highlight all past research and as a reason to re-post and highlight the extensive back catalogue of research we have made publicly available.

18 January 2017