

<b>To:</b>	Legal Services Board	<b>Agenda item: 16</b>
<b>Date of Meeting:</b>	26 April 2017	<b>Item:</b> Paper (17) 31

<b>Title:</b>	Q4 Performance Report: 1 January – 31 March 2017	
<b>Workstream(s):</b>	Business Plan 2016/17	
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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 2016/17 (January – March 2017).

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

A narrative cover for the MoJ Q4 report is at **Annex A**.

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 the 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?
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<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 risk sections	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>Agenda item: 16</b>
<b>Date of Meeting:</b>	26 April 2017	<b>Item: Paper (17) 31</b>

### Q4 Performance Report: October – December 2016

#### Recommendations

The Board is invited to:

- 1) review the 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 2016/17 (January – March 2017).
2. It also contains the proposed 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 2016/17 describes the LSB's proposed activities on a quarter-by-quarter basis. Progress against those commitments for Q4 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.

Q4 2016/17 commitment	Progress
Publish report on making sure that regulation does not unnecessarily deter entry, innovation and investment.	<b>Rescheduled:</b> The report is scheduled to be published in May, Q1 of 2017/18.
Publish report on understanding how vulnerable consumers access legal services	<b>Rescheduled:</b> The report is scheduled to be published in May, Q1 of 2017/18.

<b>Q2 2016/17 commitment</b>	<b>Progress</b>
Diversity - publish consultation response and implement outcome	<b>Complete:</b> Publication of responses and new guidance published in February.
Internal review of the benefits and risks associated with the changing shape of regulation	<b>Complete:</b> Final report presented to the Board in January 2017.

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

### **MoJ performance management framework**

5. 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 2016/17 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 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. In Quarter 4, a new Consumer Panel Associate took up post and a Regulatory Project Manager had their fixed-term contract extended. Two resignations were received during Quarter 4, the Corporate Affairs Associate, and a Regulatory Associate. Interviews for the Regulatory Associate are ongoing.
7. Last Quarter a decision was made to recruit an apprentice administrator and in Quarter 4 the first round of interviews took place. The selection process is underway.
8. The Minister's decision to open a competition to identify a new Chair for the LSB presents a potential risk as interruption in the LSB's strategic leadership may well have a significant impact on the development of the LSB's new three-year strategy. At the time of drafting, interregnum arrangements have been put in place.
9. A new Chair of the Consumer Panel, Dr Jane Martin CBE and new Member, Mark McLaren, took up their positions at the start of Quarter 4.

10. The Accounting Officer received and signed an appropriate budget delegation letter for 2016/17 in Quarter 3 which has provided some greater allowance for AO authority than the previous delegation.

### **Relations with OLC**

11. The Board, and MoJ, have been updated regularly on developments at the OLC. In Quarter 4, Wanda Goldwag was confirmed as OLC Chair following her appearance at the Justice Select Committee on 22 March. She took up her post on 1 April 2017.

12. During Quarter 4, the LSB continued to receive reports from the OLC under the section 120 requirement put in place April last year. The requirements were due to be reviewed at the end of Quarter 4. Timeliness performance has shown a slight downward trend with 48.5%, 46% and 45.9% in January, February and March respectively. Cost per investigation has risen but the 12-month rolling figure on the old KPI has remained stable. The quality statistics are also stable. The OLC's third full quarterly report (covering Quarter 3) was received in February. The Chairman and Chief Executive travelled to Birmingham to meet 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.

13. In reviewing the section 120 requirements, the Board agreed in March to continue to monitor the OLC's performance in administering an effective Legal Ombudsman scheme without using its section 120 powers. This was with the proviso that the OLC was willing to continue to provide performance reports to the LSB on a voluntary basis and to being reporting publicly on its own performance.

14. Throughout Quarter 4, the executives of the LSB, MoJ and LeO worked together to finalise a draft of the Tripartite Operating Protocol. In March, the Board approved this draft subject to certain amendments. Final agreement of the document was delegated to the Chair and Chief Executive.

15. Also at the March Board meeting, the Board approved the OLC budget for 2017/18.

16. In January, four Board Members visited the Legal Ombudsman to learn more about how the organisation works. Members met a number of senior staff to discuss current initiatives and the Modernising LeO project as well as spending time with the frontline services. All attending Board Members found this visit very valuable.

## **Communications and stakeholder relations**

### Meetings to note

17. On the 10 January the CEO met with the President and Director of the Council of the Inns of Court in what will hopefully become a regular meeting in the calendar.
18. On 25 January, the LSB's Strategy Director spoke at a Westminster Legal Policy Forum event: legal innovation and the business of law: technology, skills and new business model.
19. On 31 January the Chief Executive attended a Brexit round table discussion hosted by the European Policy Forum's Regulatory Practice Group.
20. On 29 March, the Lords Select Committee on the Constitution held its annual evidence session with the President and Deputy President of the Supreme Court. During the hearing, Baroness Hale remarked on the LSB's views as set out in our 'Vision for Legislative Reform', in the context of a question to her about the rule of law. The Chairman wrote to Baroness Hale (with a copy to the Chairman of the Select Committee) to reassure her that the LSB believes the rule of law is of vital importance, and that it does not believe that the independence of the legal profession conflicts with consumer interests.
21. The CEO met stakeholders from a number of new organisations including representatives of the Prisoners Advice Service, the Legal Practice Management Association and the Equality and Human Rights Commission. He also met with Christina Blacklaws (Deputy Vice President of the Law Society).

### Publications and media engagement

22. Two articles were prepared for Modern Law Magazine. The first in late January (for the February/March edition) focused on the CMA report and focused more on the report itself than the LSB's position on it as this was the only item in that edition which had its attention on the CMA report. The second article has been submitted for the next edition and focuses on the LSB's revised guidelines to regulators on diversity.
23. The LSB's revised diversity guidance and report was published in February.
24. The latest edition of the LSB Newsletter was sent to MPs, Peers, MEPs and members of the Wales Assembly in late February.
25. As of 10 April, the LSB has 1,547 followers on Twitter which continues to prove to be a useful tool for communicating to external audiences.