

To:	Legal Services Board	Agenda item: 13
Date of Meeting:	26 October 2017	Item: Paper (17) 74

Title:	Q2 performance report: 1 July – 30 September 2017	
Workstream(s):	Business Plan 2017/18	
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Status:	OFFICIAL	

Summary:

This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q2 2017/18 (July – September 2017).

The report provides the basis for our quarterly performance report to the Ministry of Justice (MoJ). We now meet with the MoJ twice a year rather than quarterly, but we have agreed that we will continue to send them this report on a quarterly basis..

A narrative cover for the MoJ Q2 report is at **Annex A**.

The paper also contains the draft Q2 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 Q2 performance report; and
- 2) agree to it being submitted to 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 Q2 report.
Others:			

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
All Risks and 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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Q2 Performance Report: July - September 2017

Recommendations

The Board is invited to:

- 1) review the Q2 performance report; and
- 2) agree to it being submitted to MoJ.

Introduction

1. This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q2 2017/18 (July – September 2017).
2. It also contains the proposed Q2 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 Q2 report is at **Annex A**.

Overview

3. The LSB Business Plan for 2017/18 describes the LSB's proposed activities on a quarter-by-quarter basis. Progress against those commitments for Q2 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.

Q2 2017/18 commitment	Progress
Increasing market transparency for consumers - Assess regulators' action plans	Complete: LSB's assessment of action plans was published 2 October 2017
Publish research on prices of individual legal services	Rescheduled: Publication of research is due w/c/ 13 November 2017
Holding regulators to account for their performance – consultation on new framework	Complete: Consultation concluded 25 September 2017

Independence of regulation – initial consultation and stakeholder engagement	Rescheduled: Publication of consultation delayed to Q3 to allow additional time for policy development and presentation to the Board.
Diversity – assessing regulators responses to revised LSB guidance – stakeholder engagement	Complete: Stakeholder engagement concluded in Q2

Q1 2017/18 commitment	Progress
Fieldwork for the review of enforcement activities	Rescheduled: Due to lack of resource this project has been moved to Q3.

Q4 2016/17 commitment	Progress
Publish report on understanding how vulnerable consumers access legal services	Completed: The report was published 14 July 2017.

MoJ performance management framework

5. The draft Q2 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**) and a quarterly report from the Consumer Panel (**Appendix 3**). A narrative cover for the MoJ Q2 report is at **Annex A**.

To: Ministry of Justice

Legal Services Board 2017/18 Q2 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 Q2 2017/18. 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. There have been no section 55 notices issued 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 2017/18, and thus its regulatory responsibilities, is **Green**.
5. Matters of note not specifically addressed by the programme report include the following:

Organisation development and governance

6. In Quarter 2, we made an offer of permanent employment to a Regulatory Associate who was previously on a fixed-term contract for maternity cover and welcomed a new Regulatory Associate providing maternity cover. We also welcomed the new Corporate Affairs Associate.
7. Recruitment has concluded to replace the Corporate Governance Manager and maternity cover for the Business Planning Associate. Both of these new appointees will be starting in early Quarter 3.
8. On 30 September, 15 LSB colleagues took part in an away day with local charity Roots and Shoots. This builds upon the away days that colleagues did with the charity last winter. This time, colleagues braved the downpours to do weeding, planting, cleaning, sweeping, heavy lifting and fruit picking to prepare the charity's grounds and building for the arrival of students for the new academic year.
9. LSB Board Member Terry Babbs has been reappointed to his position at the LSB and will continue his role in chairing the Audit and Risk Assurance Committee.

Relations with OLC

10. The Board was due to receive the OLC's Annual and Report and Accounts for 2016/17 in this Quarter but this has been rescheduled to Quarter 3 as the Report is now not due to be laid until October 2017.
11. The Interim Chair and Chief Executive continue to hold regular meetings with their counterparts at OLC and recent discussions have included: performance; appointments; and the review of our Memorandum of Understanding. The latter was brought to the Board in September 2017.
12. The OLC brought a proposal to the September Board requesting a small revision (upwards) to their budget. OLC had already received an indication from MoJ that they would be content with such a revision. The Board approved the revision.
13. The Executive has also reviewed the way we resource our oversight relationship with OLC. Going forward, the Corporate Director will continue to lead on our statutory appointment responsibilities for OLC whilst the Strategy Director will lead on all aspects of our oversight responsibilities.
14. In early Q3, recruitment commenced for two new members for OLC in light of the impending end of terms for one lay and one non-lay member. In line with LSB governance, the LSB's Remuneration and Nomination Committee will oversee this process and the panel will comprise two LSB Board Members, the OLC Chair and an independent. Gatenby Sanderson will support the process.

Communications and stakeholder relations

Meetings to note

15. There were no communications activities at the start of this reporting period (23 May to 19 July) as a result of purdah and due to the period between 20 July and 20 September corresponding with both political and legal holidays, communication activities were reduced. We are now preparing for a busier Autumn.
16. The CEO attended and spoke at the annual Manchester Law Society legal regulation conference.
17. The CEO also gave a presentation to a meeting of the Joint Five Law Societies (Manchester, Birmingham, Liverpool, Leeds and Bristol Law Societies) in Leeds. LSB was also represented at Legal Practice Management event in Birmingham in early July.
18. One significant engagement over the period, was a meeting of the interim Chair and Chief Executive with the Vice-Minister (of Justice responsible for regulating the legal services sector) Xiong of the People's Republic of China. The Vice-Minister was in London as a guest of the FCO and he met with representatives of

the legal services sector (MoJ, Law Society, Bar Council, etc).

19. The first of the planned Board to Boards took place on 12 September, with the Bar Standards Board. The meeting was positive and a range of topics was discussed.

Publications and media engagement

20. Following the end of purdah, we resumed external communications activities. Within the first few days, we published a document outlining the LSB's regulatory approach and a week later launched a consultation on the regulatory performance of regulators.
21. Jemima Coleman and the CEO represented the LSB on the SRA float for London Gay Pride. The BSB, CLC and CILEX Regulation were also in attendance. A colleague represented the consumer panel. This was an extremely successful event and an opportunity to reinforce the LSB commitment to diversity in the legal profession.
22. The LSB published its barriers to investment research and published and hosted a round table discussion on our vulnerable consumers' research.

16 October 2017