

<b>To:</b>	Board
<b>Date of Meeting:</b>	28 March 2011
<b>Item:</b>	Paper (11) 20

<b>Title:</b>	Consumer Panel Work programme 2011/12
<b>Workstream(s):</b>	Corporate governance
<b>Presented by:</b>	Dianne Hayter, Chair of the Consumer Panel dianne.hayter@legalservicesconsumerpanel.org.uk
<b>Author:</b>	Steve Brooker, Consumer Panel Manager steve.brooker@legalservicesconsumerpanel.org.uk / 020 7271 0077
<b>Status:</b>	Protected

<b>Summary:</b>
The Consumer Panel's proposed Work programme 2011/12 is attached ( <b>Annex A</b> ). The Board is asked to endorse the Work programme, as set out in the memorandum of understanding between the Board and the Consumer Panel.

<b>Risks and mitigations</b>	
<b>Financial:</b>	The Consumer Panel has a small delegated budget. Funding is requested for qualitative research with small charities.
<b>FoIA:</b>	Annex A – s22.
<b>Legal:</b>	N/A.
<b>Reputational:</b>	Effective communication will be needed to ensure that the Work programme is seen by key audiences and that the Panel's priorities are seen as complementary to those of the Board.
<b>Resource:</b>	The programme is ambitious, but allows some unplanned time in the second half of the year for reaction to emerging consumer detriment and unexpected additional work caused, for example, by a new LSB request for advice. Any significant new work will need to be matched by explicit subtractions from, or re-planning of, the programme.

Consultation	Yes	No	Who / why?
<b>Board Members:</b>	✓		Barbara Saunders.
<b>Consumer Panel:</b>	✓		The Work programme was endorsed by the Consumer Panel at its meeting on 16 February.
<b>Others:</b>	N/A.		

<b>Recommendation(s):</b>
The Board is invited: <ul style="list-style-type: none"> <li>a) to discuss the Work programme's overall tone and direction</li> <li>b) to endorse the Consumer Panel's Work programme 2011/12.</li> </ul>

## LEGAL SERVICES BOARD

<b>To:</b>	Board		
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### Consumer Panel Work programme 2011/12

#### Recommendation(s)

The Board is invited:

- a) to discuss the Work programme's overall tone and direction
- b) to endorse the Consumer Panel's Work programme 2011/12.

#### Overall approach

1. The Consumer Panel has deliberately written the Work programme 2011/12 to communicate its role and initial priorities to a wide range of stakeholders within and outside the legal sector, reflecting the diversity of audiences that have an interest in the provision of legal services. We have also been at pains to write the Work programme in plain language so that it is accessible to the general public.
2. The document sets out in simple terms the benefits of the Consumer Panel model, its strategic objectives and the tools it uses to carry out its work. It follows the format of the 2010/11 document by setting out our vision for legal services, operating methods, work priorities, measurement framework and delivery plan.
3. The Work programme describes two main roles for the Consumer Panel. First, its core role is to provide advice to the Board and others on the reform agenda. This activity includes providing informal behind-the-scenes and formal public input on policy development and implementation activities. A second type of activity is where the Consumer Panel sets the policy agenda, by taking a lead role in developing policy including on issues where regulators are not active.
4. The document also assigns levels of activity to topics in the first category above. In areas where the Panel has made an impact during 2010-11, such as regulatory independence and consumer engagement, we hope to consolidate our success by maintaining a watching brief and continuing to nudge the Approved Regulators in the right direction. We expect to engage more extensively and proactively on major new policy developments, such as the education and training review and the rationale for legal services regulation.
5. The Consumer Panel intends to continue providing advice to the Legal Ombudsman. However, the focus will change from helping the organisation to put the right systems in place to monitoring the user experience and extracting the learning from complaints. Publication of complaints will also remain a key issue for us. The Panel is holding a joint meeting with the OLC Board on 20 June in Birmingham.
6. The Consumer Panel is conscious of the need to ensure that its work is sensitive to any differences in the experiences of consumers in Wales and takes account of the devolved context. We have carried forward two objectives from last year: to ensure our remit and priorities are clearly understood across Wales; and to ensure we understand and can take account of issues specifically facing

consumers in Wales. More specifically, we plan to run a seminar in Cardiff on will-writing and to engage with small businesses in Wales to explore their role as consumers of legal services.

## **Prioritisation**

7. The Consumer Panel is not resourced to tackle the entire policy agenda, so last year we developed a set of prioritisation principles. We found these a helpful discipline and will continue to use them in 2011/12:
  - Does it fit with our strategic objectives?
  - Is there evidence of significant consumer detriment, an emerging threat or an area that would benefit from fresh thinking?
  - Is consumer detriment likely to continue or increase?
  - Is the Consumer Panel best placed to carry out this work?
  - Is there a realistic prospect that our work will have an impact?
  - Are resources available to deliver the work effectively?
8. The Work programme is ambitious, but we consider the delivery plan is achievable based on experience last year. There is some flexibility in the second half of the year to take on new activities, although significant new work will need to be matched by explicit subtractions from or re-planning of the Work programme. This was the case in 2010/11 as the will-writing investigation necessitated a postponement of the planned project on price comparison websites.
9. The Consumer Panel represents a wide variety of consumers. The Board and colleague survey conducted at the end of 2010 found that we could do more to reflect the interests of different consumer types. Therefore, we have developed a new workstream on consumer diversity, focusing initially on small charities and then with clients who are at a particular risk of disadvantage. We have held exploratory discussions with small charities, which highlighted the problems they face in finding affordable, high quality legal advice. We wish to follow up this early work by carrying out qualitative research with a representative sample of the sector, asking about: their legal needs; finding legal advice; their experience of legal services; and other observations on the market. This would mirror the methodology used successfully in the LSB's small business research.

## **Main activities**

10. The Consumer Panel's planned main activities are listed below. In particular, we wish to highlight the publication in Q1 of the first Consumer Impact Scorecard (previously named the Consumer Welfare Index). This is a tool to help assess the direction of travel towards the Panel's vision for legal services. During 2010-11, we have worked carefully to develop the underpinning framework, including by seeking the advice of an informal external advisory group and running a stakeholder workshop.

- Responding to the policy agenda – ABS; complaints; consumer engagement; education and training review; regulatory independence; and rationale for legal services regulation.
- Setting the policy agenda – responding to LSB advice requests on will-writing, quality schemes and not-for-profit providers; the Consumer Impact Scorecard (including starting work on the second edition); consumer diversity (small charities as consumers and focused studies with groups of consumers at particular risk of disadvantage); and price comparison websites.

## **Resourcing**

11. The Consumer Panel has a delegated budget of £48,000, of which £21,000 represents the fees paid to Panel Members; this leaves a discretionary amount of £27,000 to spend on research, travel and other expenses. In 2010-11, we are spending c£15,000 on an omnibus survey to inform the Consumer Impact Scorecard, which we wish to repeat in 2011-12. We also explore opportunities to work in partnership with others as an alternative means of funding consumer research, as we did successfully this year with the Legal Ombudsman to inform their consultation on publishing complaints decisions.
12. The Consumer Panel also shares the LSB research budget, for example last year this supported projects on referral fees and quality assurance. In order to deliver our plans on consumer diversity, funding is required for the proposed qualitative research with small charities. The LSB Research Manager has indicated this work would be valuable as it would complement existing initiatives on market segmentation. As an indicative guide, we would expect costs to be similar to the small business research, which was £38,000. It is unlikely that funding can be achieved from alternative sources.
13. It is too early to say whether new advice requested by the LSB will require primary research as these projects have yet to be scoped in detail. However, the nature of the topics suggests that the necessary evidence can be gathered through desk research.

## **Next steps**

14. The Consumer Panel plans to publish the Work programme in April. As set out in the memorandum of understanding, the Consumer Panel will return to the Board with proposals for significant new areas of work should the need arise.

**Dianne Hayter – Chair, Consumer Panel**

**Steve Brooker – Consumer Panel Manager**

07.03.11