

To:	Board
Date of Meeting:	26 May 2011
Item:	Paper (11) 40

Title:	Legal Services Consumer Panel – Annual Report 2011
Workstream(s):	Corporate governance
Presented by:	Dianne Hayter, Chair of the Consumer Panel dianne.hayter@legalservicesconsumerpanel.org.uk
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Status:	Protected

Summary:

The Legal Services Consumer Panel's (**the Panel**) Annual Report 2011 is attached at **Annex A**. An unformatted version of the Panel's Consumer Impact Report is attached at **Annex B**. The Board is asked to comment on both reports.

Risks and mitigations

Financial:	N/A
FoIA:	Initial assessment: Annex A and B – s22 (information intended for future publication)
Legal:	N/A
Reputational:	The Annual Report is the Panel's key accountability tool and allows stakeholders to assess its achievements and value for money.
Resource:	N/A

Consultation	Yes	No	Who / why?
Board Members:	✓		Annex A and B reviewed by Chairman
Consumer Panel:	✓		The Annual Report was agreed by the Panel following its meeting on 4 May
Others:	N/A		

Recommendation(s):

The Board is invited to comment on:

- a) the Panel's Annual Report 2011
- b) the Panel's Consumer Impact Report.

LEGAL SERVICES BOARD

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Legal Services Consumer Panel – Annual Report 2011

Recommendation

The Board is invited to comment on:

- a) the Panel's Annual Report 2011
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Annual Report 2010/11

1. The Panel's terms of reference include a commitment to producing an Annual Report. As we were constituted mid-way through the 2009/10 financial year, it was decided not to produce a report for that period. Therefore, the attached document reports on the first 18 months of the Panel's work.
2. The Annual Report is an important document as it gives LSB and our stakeholders, including legal services consumers, a record of our activities during the previous twelve months and allows them to hold us to account for this work. It is also a key means for us to demonstrate our impact and value for money. In addition, it provides an opportunity to provide a high-level commentary on developments affecting consumers, although the Consumer Impact Report is the primary vehicle for this. The Consumer Impact Report is our annual health-check on the legal services reforms, whilst the Annual Report records the Panel's particular contribution to this agenda.
3. A review was undertaken of annual reports published by consumer organisations in order to identify good practice and standard reported information. This found a large degree of similarity in approach, which the Panel's report follows, as follows:
 - An overview by the Panel Chair
 - Five key themes where the Panel considers its work has made most impact: the changing regulatory landscape; complaints; quality assurance; referral fees; and consumer-focused regulation
 - A list of our priorities for 2011-12 connecting to the Work Programme document
 - Transparency – financial information, attendance record and activity summary
 - Annexes – a comprehensive list of our activities: reports, research, consultation responses, events/speeches, news releases and meetings.

Consumer Impact Report

4. The Board endorsed the Consumer Impact Report as a project in the Work Programme 2010/11 and received a short presentation on progress at its meeting on 28 March. The finalised text of the report is attached to the paper; this is currently being formatted by the in-house designer at the Legal Ombudsman.
5. The key audiences for the Report are the regulatory and complaint-handling organisations which are responsible for delivering the reform agenda. We hope it is also helpful to parliamentarians and others who ultimately provide accountability for these bodies, and, more widely, to all those affected by the changes.
6. The report measures the direction of travel of the reform agenda in the last financial year towards the Panel's vision for the market. Its main aim is to provide a tool for the profession and its regulators to identify opportunities to improve in areas of weakness. The Report identifies other benefits as defining consumer expectations of the reforms and enhancing transparency and accountability for those organisations with a shared responsibility for designing and delivering them, which in turn should improve consumer understanding of legal services and build public confidence in regulation.
7. The key elements of the project were:
 - a short literature review on the theory behind measuring outcomes and good practice from elsewhere
 - the creation of an external advisory group, the main purpose of which was to help us identify the key strategic questions and risks and to scrutinise whether the indicators were robust
 - a data review to ascertain information we could use and the gaps
 - a stakeholder workshop in November
 - consideration by the Panel at three formal meetings and an additional informal meeting in January
 - an omnibus tracker survey commissioned from YouGov
8. The five elements of the Panel's vision for the market represent the high-level outcomes that underpin the assessment framework: responsive services; high quality advice; a diverse workforce that understands its diverse clients; quick, fair and cost-effective complaints-handling; and where consumers are placed at the heart of regulation. Each high-level outcome is broken down into three intermediate outcomes, and, in turn, a series of indicators. The indicators are populated by regularly published data sources such as business plans, annual reports and board papers. In addition, we commissioned YouGov to conduct an annual tracker omnibus survey with both a representative sample of the general population and recent users of legal services. A qualitative commentary interprets the data and makes wider observations on developments during 2010-11.
9. The Report assessment paints a mixed picture, which is to be expected as the reforms are a long-term project. On the positive side: there is high overall consumer satisfaction with outcomes and service; a good story to tell on the diversity of entrants to the workforce; the move to outcomes-focused regulation;

and the start of major reviews into the rationale for regulating legal services and education and training. On the negative side, we highlight: failures in elements of service; low consumer trust ratings and high volumes of claims on the solicitors' compensation fund; diversity at senior levels of the workforce; lay majorities on regulatory boards; and consumer engagement.

10. The Report highlights as its key theme the imbalance of power between consumers and lawyers. The Tracker Survey highlights little shopping around, lack of confidence and a lack of information which would help consumers to make informed choices. Moreover, the survey evidence reveals Black and Minority Ethnic consumers and those in lower socio-economic groups are worse off across a range of indicators.

Next steps

11. The Panel plans to publish both reports in early June, with the Consumer Impact Report shortly preceding the Annual Report.
12. The Consumer Impact Report is an annual exercise and we expect to publish the second edition in June 2012.

16.05.11