

To:	Legal Services Board	
Date of Meeting:	15 October 2013	Item: Paper (13) 70

Title:	Solicitors Disciplinary Tribunal Budget 2014	
Workstream(s):	Statutory Decisions	
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Status:	Unclassified	

Summary:
<p>The Board is responsible for considering and approving Solicitors Disciplinary Tribunal's (SDT) annual budget as set out under paragraph 48 of Schedule 16 to the Legal Services Act 2007(LSA 2007). The approved budget must be paid by The Law Society (TLS).</p> <p>On 10 September 2013 the SDT submitted their 2014 budget application to the LSB with a proposed budget of £2,847,020 - an increase of £66,668 (2.4%) on the 2013 budget (██████████). Paragraph 5 of this paper sets out significant variances in individual line items between the 2014 budget estimate and the 2013 budget.</p> <p>The SDT has submitted the information required for an application as set out in the Memorandum of Understanding (MoU) between the SDT, TLS and the LSB. The MoU was recently reviewed and agreed between all parties on 23 July 2013.</p> <p>The LSB indicated in the decision letter to approve the 2013 budget some specific areas of improvement for the SDT to consider in their future submissions. ██████████ ██████████ ██████████</p> <p>SDT colleagues have consulted TLS in accordance with the statutory requirements and Anthony Brooks, Head of Legal Services, TLS was copied into the original application submission from SDT. The LSB is also required to consult TLS on the application and a summary of their comments are noted in Paragraphs 16 to 22.</p>

Recommendation(s):
The Board is invited to approve the SDT's budget application of £2,847,020 for 2014 (██████████).

Risks and mitigations
Financial: N/A
Legal: N/A
Reputational: N/A
Resource: N/A

Consultation	Yes	No	Who / why?
Board Members:		√	
Consumer Panel:		√	
Others:	Under the terms of the MoU LSB is required to consult with TLS on the budget application.		
Freedom of Information Act 2000 (Fol)			
Para ref	Fol exemption and summary		Expires
Paragraphs in summary, 3, 5, 6, 7, 8, 25 (in part or full) Paragraph 11 (in full) Paragraph 15 (in part) Paragraph 19, 20, 21 (in part) Annexes A - C (in full)	Section 44 - restricted information under s167 LSA which was obtained by the Board in the exercise of its functions and therefore must not be disclosed		
Paragraphs 9, 10 (in part), 12, 13 and 21 (in part). Annex D	Section 22 – information intended for future publication		

LEGAL SERVICES BOARD

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Solicitors Disciplinary Tribunal (SDT) Budget 2014

Background / context

1. Paragraph 48 of Schedule 16 to the LSA 2007 requires the Board to approve the SDT's annual budget.
2. A MoU, revised and agreed between the LSB, the SDT and TLS in July 2013, sets out the process which the parties follow and this application has been made in accordance with the provisions of that MoU.

Budget application

3. The application is for the approval of £2,847,020 for 2014. This is an increase of £66,668 (2.4%) on 2013 [REDACTED]. The SDT attribute the small increase in the budget (which according to the SDT have been balanced as far as possible by savings elsewhere in the budget) to the following reasons:
 - a. increased staffing levels in case management functions;
 - b. estimated cost of living expenses;
 - c. Members' recruitment in 2014;
 - d. increased investment in IT and research projects.
4. The 2014 budget application was submitted to the LSB and copied to TLS on 10 September 2013.
5. As a part of the MoU, SDT is required to highlight variances in the individual line items for the 2014 budget compared to 2013 and the reasons for the changes [REDACTED].
[REDACTED]

[REDACTED]

6. The SDT have provided an analysis showing the 2013 actual expenditure year to date (January to August 2013) compared to the 2013 budget for the same period [REDACTED]. Please note that there are several expenditure items pending until the end of the budget year and all surpluses will be returned to TLS.

7. [REDACTED]

8. The SDT have also provided an analysis showing the full year 2012 budget compared with 2012 actual spend [REDACTED]

Caseload data

9. The SDT is required to indicate caseload data from which their budget submission is based on. The application was accompanied by a draft Business Plan for 2014 [REDACTED]

10. [REDACTED] In recent months, both the SDT and SRA have taken steps to improve joint working and the sharing of information through the inception of the new User Group Committee (**UGC**). The UGC aims to improve cross party case management and build understanding which should contribute towards working together more effectively.

11. [REDACTED]

12. [REDACTED]

13. [REDACTED]



Other information

14. The SDT's Annual Report 2012/2013, summarises its progress towards meeting their key performance indicators (**KPIs**) over a 12 month period from 1 May 2012 to 30 April 2013. The high level results are summarised in the table below.

Description of KPI	2011/12	2012/13	Progress towards meeting target
KPI 1: Proceedings issued or notice on non-certification sent to applicant within 10 days (from 1 Sept 2012 decreased to 7 days) – 85% target	92% (240 cases heard)	98% (166 cases heard)	Target exceeded; the most recent year shows an improvement on the previous year.
KPI 2: Determination by hearing to be completed within 6 month of issue of proceedings – 70% target	44% (227 cases heard)	55% (202 cases heard)	Target not met; the most recent year shows a significant improvement on the previous year. Late applications for adjournments are a key inhibitor to reaching the target. Work continues with the UGC to reduce this occurrence.
KPI 3: Average cost per court	£6,505 (260 cases)	£7,151 (276 cases)	No specific target.
KPI 4: Judgements to be served within 7 weeks of determination – 80% target	87% (227 cases)	93% (202 cases)	Target exceeded; the most recent year shows an improvement on the previous year.
KPI 5: Number of SDT decisions appealed			No specific target. For the year to 30 April 2013, a total of 22 appeals known to the SDT were determined in the High Court; 10 were allowed and 12 were dismissed.

15. In the letter approving the 2013 budget application, the LSB highlighted areas of improvement to be addressed for 2014. These [REDACTED] [REDACTED] have been discussed in meetings with LSB, SDT and TLS colleagues to agree the revised MoU in July 2013, and addressed in the 2014 budget application.

[REDACTED]

Consultation with TLS

16. Under the terms of the MoU, the SDT must consult with TLS when setting its budget. The LSB must also consult with TLS when considering the application for approval.
17. The SDT sent the preliminary budget estimate for 2014 to Anthony Brooks, Head of Legal Services and Alan Valance, Chief Operating Officer, TLS on 30 May 2013. Anthony Brooks was also copied into the original application submission from SDT received by the LSB on 10 September 2013.
18. On 16 September 2013, the LSB sent its formal request to Anthony Brooks seeking views on the application; we received comments on 4 October indicating that overall, TLS are supportive of the 2014 budget and made some comments on specific parts of the application.
19. TLS noted [REDACTED] under-spend [REDACTED] [REDACTED] does not directly impact on TLS's funding of SDT as underspends are fully accounted for.
20. TLS is of the view that the SDT must be properly prepared to deal with ABS appeals when they feed through, therefore the estimate [REDACTED] for ABS appeals appears to be a prudent estimate. LSB is a little sceptical of this volume, given that the SRA have made no disciplinary decisions have been made against an ABS, but it is prudent to err on the side of caution.
21. TLS also commented on the [REDACTED] estimate caseload for 2014 when compared to 2013 [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] TLS recognise that this represents SDT's best estimate for 2014 based on the information at hand and TLS supports it. TLS intend to monitor this throughout 2014 and going forward as there may be the need for better information exchanges between SRA and SDT regarding workload estimation; it is the TLS's view that the UGC should provide an excellent forum for that to happen.

22. The LSB have recently approved the TLS/SRA's practising certificate fee levels for 2013/2014. The budget accompanying the PCF application set out £2,800,000 to be allocated to the SDT.

Conclusions and recommendations

23. The SDT's 2014 budget application was made in accordance with the procedure set out in the MoU; no major concerns were raised by TLS.

24. The past quarterly performance reports have shown the SDT continues to make operational improvements. In light of this achievement, LSB and SDT have agreed to revert back to annual reporting on KPIs as set out in the MoU.

25. The Board is invited to approve the SDT's budget application of £2,847,020 for 2014 (██████████).

04 October 2013