

To:	Legal Services Board	
Date of Meeting:	15 October 2013	Item: Paper (13) 72

Title:	Q2 Performance Report: 1 July – 30 September 2013	
Workstream(s):	Business Plan 2013/14	
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Status:	Unclassified	

Summary:

This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q2 2013/14 (July-September)

A narrative cover for the MoJ Q2 report is at **Annex A**. This includes a summary of all Section 55 information gathering notices that have been issued in this quarter. The paper also contains the draft Q2 submission for the Ministry of Justice's (MoJ) 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 and comment on the draft Q2 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?
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
Appendix 1 - <i>All Project Risk and Overall Project Status sections</i>	Section 36 - is intended to promote a free and frank exchange of views for the purposes of deliberation by the Board.	

LEGAL SERVICES BOARD

To:	Board		
Date of Meeting:	15 October 2013	Item:	Paper (13) 72

Q2 Performance Report: July – September 2013

Recommendations

The Board is invited to:

- 1) review and comment on the draft Q2 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 Q2 2013/14 (July - September).
2. It 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**), a report on regulatory decisions made during the quarter (**Appendix 3**). A narrative cover for the MoJ Q1 report is at **Annex A**. This includes a summary of all Section 55 information gathering notices issued during the quarter.

Overview

3. The LSB Business Plan for 2013/14 describes the LSB's proposed activities on a quarter-by-quarter basis. Progress against those commitments for Q1 and an update on any commitment which was outstanding from previous quarters, is reported below:

Q2 2013/14 commitment	Progress
Monitor regulators' delivery of regulatory effectiveness action plans	Ongoing: Board progress reporting process agreed and planning begun for the 2014/15 process.
Immigration: Review qualifying regulators' progress to achieving outcomes for consumers	Delayed: Resource reallocated to complete work. Expected completion date is now Q3
First-tier complaints: Review reports from regulators	Delayed: Work has been delayed due to other work commitments and poor response rate from regulators. Review of reports now expected to be completed in Q3.
Will- writing: Subject to Lord Chancellor decisions, work with MoJ to take forward proposals	Re-scoped: Due to Lord Chancellor decision work plan developed to finalise outstanding issues and next steps.
Begin work with stakeholders to facilitate development of voluntary initiatives for estate administration	Re-scoped: Due to Lord Chancellor decision work plan developed to finalise outstanding issues and next steps
Hold roundtable on education and training in response to LETR	Completed: Roundtable held on in September 2013.

Consider publishing policy criteria for education and training in response to LETR	Completed: Draft Statutory guidance published for consultation in September 2013.
Assess practicing certificate fee applications	Completed: Current round of PCF applications approved.
Levy: Meeting with regulators	Delayed: Informal meetings with regulators begun, these will continue into Q3.

Q1 2013/14 commitment	Progress
Review consumer toolkit and make available to regulators	Delayed: Resource diverted to other areas of work. Planned delivery now Q3.
Internal Governance Rules – receive duel certificates	Four out of five received.

4. The table above 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 monthly basis through the Chief Executive’s progress reports.

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 regulatory arrangements applications (**Appendix 2**), a quarterly report from the Consumer Panel (**Appendix 3**). A narrative cover for the MoJ Q2 report is at **Annex A**, this includes a summary of all Section 55 information gathering notices issued during the quarter.

To: Ministry of Justice

Legal Services Board 2013/14 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 2013/14. 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 approval to alterations of regulatory arrangements.
3. We have also included a summary of all the Section 55 requests that have been made this quarter in this report. This ensures that we are transparent about the use of our information gathering powers whilst avoiding the unnecessary and undue attention that real-time publication of each notice might generate were we to release in full at the time of issue.
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 2013/14 and thus its regulatory responsibilities remains at **Amber**. This reflects that, although most of our commitments are on track at the date of report, risks have emerged or are emerging around the programme of work that require management. These risks are not captured as individual risks for each project because it is their accumulated impact on the programme that is of concern. These are:
 - I. External developments and the imminent departure of a Project Manager have caused resource constraints that have put planned deliverable dates at risk and required us to review and make changes to our planned programme of work.
 - II. The Quarterly Programme Report highlights some areas of work that have or are likely to be met with resistance from the regulators which may put our stakeholder relationships and reputation at risk. This will require careful communication and relationship management to reduce the impact of the risk.

5. Matters of note not specifically addressed by the programme report include the following:

Section 55 notices

Date of Notice	Addressee	Title	Organisation	Overview of request	Due date
16/08/2013	Stephen Crown	CEO	Bar Council	Clarification of matters / production of documents relating to contractual terms investigation	23/08/2013

Organisation development and governance

During July - September 2013:

6. In September, we signed a MOTO with the Office for Rail Regulation covering space at 1 Kemble Street which will become the new location for the LSB. Although an exact date has not been set, it is expected that we will move in at the beginning of 2014.
7. MoJ approved the LSB's pay remit submission in July and as such all eligible colleagues received a pay uplift of £725 (a 1% paybill increase distributed on a 'flat cash' basis).
8. Matt Daykin has joined the LSB as Regulatory Associate to cover the maternity cover post vacated by Tim Bayl. Matt joined us from the National Lottery Commission and will be with us until the end of the year working on statutory decisions.
9. A submission to the Minister seeking approval for six new Consumer panel members was made in September. A response is awaited at the time of drafting. Advertising for the new OLC Chair post closed on 6 September and long listing took place on 24 September. Advertising for new OLC Members will commence in early October. We await the commencement of advertising for a new LSB Chair and two members.

Relations with Government

10. We met Treasury officials on 17 September to discuss funding mechanisms for claims management companies (CMC) complaint handling. There is now acceptance from them that primary legislative change would be needed to ensure that CMR could collect the money and MoJ divert it as grant in aid to OLC. MoJ are still looking for a suitable legislative vehicle, which they would hope would also allow any other changes to enable implementation of the ADR directive.

11. Our finalised submission to the MoJ call for evidence was published 10 September. We are now considering what steps we can take in the short term to simplify the regulatory framework that are not dependent on knowing the outcome of the review – this includes work that we had previously identified as part of the cost and complexity work stream of the business plan. We will also engage as required with the recently announced review of advocacy.

Relations with OLC

12. We met with the OLC and Legal Ombudsman on 2 September to review the Legal Ombudsman's (LeO) first quarter Key Performance Indicators (KPI). This covered the period up to the end of July. The report showed that contact levels were lower than expected - despite the change in scheme rules and attempts to follow up premature complaints - both of which had been expected to increase contacts.

13. The impact of the cost review considered by the OLC at its July meeting has begun to impact on the organisation and we are aware of the changes in staffing numbers included at Ombudsman level. Cost reductions in non-pay costs are also targeted over the rest of the year.

14. Service levels remain high in the assessment centre, and OLC anticipate that although the reduction in staff will have a negative impact on daily service levels, the monthly levels on which the KPI is measured will be maintained.

15. In July, the OLC issued a discussion paper on access to redress for legal and other professional services. This asks for views about how the Legal Ombudsman could broaden its approach to redress to mirror changing consumer behaviour and innovations in legal services and in light of the EU Directive on alternative dispute resolution. Although we will not be responding to the paper we did attend their stakeholder event to understand stakeholders opinion on the appropriate course to take. We await their full consultation document based on their initial investigations.

Communications and Stakeholder relations

16. The July / August period was relatively quiet in terms of external communications, although the pace picked up in September with the publication of our response to the MoJ Call for Evidence and the Education and Training Statutory Guidance Consultation.

17. The main external communications exercise was in support of the *learning disabilities* research, which was produced in cooperation with the Consumer Panel and Mencap. We secured a slot on BBC Radio 4s *You and Yours* programme in which the report was discussed. Mencap were interviewed as was a person with learning disabilities who was used to illustrate the piece. This has

also generated enquiries from law firms with a specific interest in the area and they have been pointed in the direction of The Law Society. We understand that The Law Society have subsequently agreed with Mencap to run a series of joint training seminars.

18. We prepared an article in Modern Law magazine on the understanding consumers who don't choose, use or trust lawyers research.
19. The executive has agreed to trial limited use of Twitter as an additional means of sharing our press releases, latest news and publications. Clear guidance has been drafted for use of the account which will be managed by the Communications Manager.