

To:	Board	
Date of Meeting:	29 January 2014	Item: Paper (14) 08

Title:	Q3 Performance Report: 1 October – 31 December 2013	
Workstream(s):	Business Plan 2013/14	
Presented by:	Julie Myers, Corporate Director julie.myers@legalservicesboard.org.uk / 020 7271 0059	
Author:	Michelle Jacobs Business Planning Associate michelle.jacobs@legalservicesboard.org.uk / 020 7271 0053	
Status:	Unclassified	

Summary:
<p>This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q3 2013/14 (October - December)</p> <p>A narrative cover for the MoJ Q3 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 Q3 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).</p>

Recommendations:
<p>The Board is invited to:</p> <ol style="list-style-type: none"> 1) review and comment on the draft Q3 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 Q3 report.
Others:			

Freedom of Information Act 2000 (Fol)

Para ref	Fol exemption and summary	Expires
Appendix 1 – all <i>Risks</i> and <i>Overall project status</i> sections	Section 36(2)(b)(i) – information likely to inhibit the free and frank provision of advice	

LEGAL SERVICES BOARD

To:	Board		
Date of Meeting:	29 January 2014	Item:	Paper (14) 08

Q3 Performance Report: October – December 2013

Recommendations

The Board is invited to:

- 1) review and comment on the draft Q3 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 Q3 2013/14 (October – December 2013).
2. It also contains the draft Q3 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 Q3 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 Q3 and an update on any commitment which was outstanding from previous quarters, is reported below:

Q3 2013/14 commitment	Progress
Monitor regulators' delivery of regulatory effectiveness action plans	Ongoing: Progress reporting to Board and planning for the 2014/15 process continues.
General legal advice: Publish discussion document	Changed: The re-scoping of cost and complexity work in light of will-writing decision and MoJ call for evidence resulted in decision not to proceed with work on General Legal Advice
Revisit actions with regulators with regards to comparison websites	Completed: Meeting held with SRA, CLC, LeO and LSCP to discuss data sharing. Paper prepared for Gateway Group outlining progress and options.
Publish initial report on the cost and complexity of legal regulation	Re-scoped: Blueprint document submitted to MoJ in response to call for evidence with work on deregulation including cost now scheduled to run on into 2014/15.
Assess SDT budget application	Completed: SDT budget approved in

	October 2013
Assess practicing certificate fee applications	Completed: Current round of PCF applications approved.
Prepare and publish levy rules consultation.	Completed: Consultation published in December 2013

Q2 2013/14 commitment	Progress
Immigration: Review qualifying regulators' progress to achieving outcomes for consumers	Re-scheduled: Insufficient resource available to complete work on this timetable. Now expected to be completed by the end of Q2 2014/15 .
First-tier complaints: Review reports from regulators	Completed December 2013: Review of reports now completed and paper and next steps agreed by Board.
Levy: Meeting with regulators	Completed December 2013: Informal meetings with regulators completed and consultation document published

Q1 2013/14 commitment	Progress
Review consumer toolkit and consider how to make available to regulators	Completed December 2013: Consumer toolkit completed and circulated to colleagues.

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 Q3 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 Q3 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 Q3 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 Q3 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 current pieces of work are on track, the need to re-scope a number of areas has meant that some of our original business plan commitments will not be met and the degree of uncertainty around the outcome of the MoJ review and QASA judicial review.
5. Matters of note not specifically addressed by the programme report include the following:

Section 55 notices

6. There were no Section 55 notices issued in Q3 2013/14.

Organisation development and governance

During October - December 2013:

7. The LSB vacated its office in Victoria House on 21 December and moved into its new office at One Kemble Street at the beginning of 2014.

8. Matt Daykin, who had joined the LSB as Regulatory Associate to cover the maternity cover post vacated by Tim Bayl left us at the end of December. Karen Marchant is due to return from maternity leave at the beginning of January..
9. Our Strategy Director, Crispin Passmore left the organisation at the end of December to take on a position at the SRA. Recruitment is underway for a new Strategy Director. We do not expect anyone to be in post before April.
10. We have also advertised for a secondee – via the Whitehall and Industry Group – for a Regulatory Project Manager to work on the simplification agenda for 18 months to two years. This role is in lieu of Emily Lyn’s departure as Project Manager in October
11. On appointment matters:
 - OLC Chair and Members – Steve Green was approved as the new OLC Chair in December.
 - Advertising for OLC Members closed on 22 November 2013 and long-listing took place in December.
 - LSB Chair and Members –the process is being managed by the MoJ Public Appointments Team. Short listing for the positions is due to take place in January 2014.
 - In October Ministers approved six new Consumer Panel appointments with two appointments taking effect in December 2013. The remaining four will take effect in April 2014.

Relations with Government

12. The Chairman and Chief Executive met the new Justice Minister Shailesh Vara MP in November. A useful meeting was also held with the Permanent Secretary to discuss LSB work on equality and diversity.
13. We have developed an e-bulletin to be sent to all Westminster and Cardiff Parliamentarians providing information and links to our work. The first edition was published in November.

Relations with OLC

14. We held a conference call with Tony Foster (OLC) and Paul Partridge (LeO) to discuss the LeO KPI report for Q2. The main points to come from the meeting were:
 - Following on from the last meeting, the OLC reported that they are confident that the level of Case Fee Waivers was now settled and it was accurate, but they would keep this under review in terms of quality.

- In light of the fact that contact levels remain lower than original expectations there was discussion about whether there is scope for some research around the reasons for this (there was some speculation that it was because complaints were being dealt with better at the first tier). No clear approach to research has been identified.
- OLC provided an update on the cost review and confirmed that the LeO management team were tracking progress to ensure that they are achieving the planned savings. They recognised that in order to achieve their 2014/15 budget they will need to carry out further efficiency savings. Following the cost review the figures for the KPI report had been rebased. OLC confirmed that they endorsed this approach but that there were no plans to publicise the fact that they are measuring their performance with new figures. LeO pointed out that the reason for the cost review was to bring down their unit cost, but the target had not changed. The year to date unit cost figure has been recast since the cost review and now stands at £2020; LeO project a unit cost of £1960 at the end of the year.
- The number of cases classed as 'work in progress' increased during the course of the cost review, and LeO have been dealing with a backlog. This was put down to a fall in morale caused by the restructure as well as some staff taking unpaid leave over the summer. The figures are now reducing.
- The quality KPI is now reported on their website. In Q2 they report that:
 - satisfaction with service for parties that were satisfied with the outcome of their case was 100% for both complaints and lawyers (up from 97% and 95% in the last quarter).
 - The satisfaction rates for parties that were not happy with their outcome was 44% for complainants and 50% for lawyers.
 - We pressed the OLC on whether these numbers were being reported to the Board, if they were satisfied with the way that they were presented and whether they thought that the figures would be enhanced if they also provided an overall satisfaction figure. OLC confirmed that the Board were happy with the format as it was.
- At the November Board meeting we agreed the OLC's draft budget for 2014/15. The OLC have proposed a budget of £14.55 which is a reduction of £1.05m post-cost review budget of 2013/14.

Communications and Stakeholder relations

15. Chris Kenny made a well-received speech at the *360 Legal Conference* at the Belfry on 3 October.
16. Anneliese Day QC represented the LSB on a panel at the *Young Barristers Conference 2013* on 5 October

17. All activities of note have been tweeted using our new Twitter account (@LSB_EngandWal). This includes information about regulatory approvals which would not normally be press released. Our use of Twitter gained us the attention of the Guardian's social media marketing pages in the papers technology section. They view our starting to use Twitter as "*A hopeful sign; and given that Barristers are calling for the LSB to be disbanded, winning a few advocates via social media might be no bad thing.*" We currently (at 20.1.14) have 231 followers.
18. Chris Kenny attended the *Legal Wales 2013* conference on 11 October where he met representatives of the Welsh Government, the President of the Cardiff and District Law Society and the Director of Legal Wales. Chris has subsequently met Theodore Huckle QC, the Counsel General for Wales. It is intended that a semi regular series of meetings (once a quarter on average) will be held with representatives of the Welsh Government with a view to engaging with them and ensuring that they are kept up-to-date with the LSB's regulatory activities. The first of these meetings took place on 12 November.
19. On 28 October Chris Kenny spoke at a European Commission conference on a single market for lawyers on 28 October.
20. Crispin Passmore met the Irish Justice Minister, Alan Shatter TD, who was in London with senior officials on a fact finding visit about ABS.
21. Julie Myers hosted a delegation from the Ministry of Justice for the People's Republic of China who were keenly interested in securing independence in regulation and the operation of the Legal Ombudsman service.
22. Chris Kenny attended a conference, and took part in a panel discussion, in Brussels titled "*New organisation of the profession and of law firms: cross-border issues*". This was a useful opportunity to scotch myths about the Board and ABS and to lobby the Commission on the need for the Establishment and Services Directives to be reformed;
23. Crispin Passmore travelled to Köln where he spoke at the "Anwaltsblatt" symposium on the topic of ABS he found the academic and practitioner audience very receptive to our messages.
24. Articles were drafted for both the *Professional Associations Research Network journal* (due for publication in January 2014) and *Modern Law magazine* (December issue). Both articles focus on the blueprint document or aspects of it (self-regulation in the case of the ML article).
25. A number of conference appearances were made during this period. Alex Roy represented the LSB at the CEPLER conference where he spoke on a panel on the "*future of legal education*". He also spoke at the Society of Licensed Conveyancers Conference on the Future of Legal Regulation. Chris Kenny also spoke at the Legal Futures conference on a panel with Lord Falconer, the vice-President of the Law Society and proponents and opponents of ABS.

26. Research published during this period included:

- research into the value of legal regulation
- a report outlining changes in competition in the legal services market since the Legal Services Act 2007 came into force. Both of these reports were picked up by the trade press.

27. The Guardian also wrote about the joint LSB/Mencap/Consumer Panel report on what happens when people with learning disabilities need advice about the law. The Chairman met the Guardian's legal correspondent Owen Bowcott and discussed a number of the current issues that we have concerns about. This was the LSB's first meeting with him.

28. We held a small pre-consultation workshop attended by a variety of stakeholders on our forthcoming Business Plan for 2014/15.