

To:	Legal Services Board
Date of Meeting:	9 July 2014
Item:	Paper (14) 41

Title:	Q1 Performance Report: 1 April – 30 June 2014
Workstream(s):	Business Plan 2013/14
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Status:	Unclassified

Summary:
<p>This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q1 2014/15 (April – June).</p> <p>A narrative cover for the Ministry of Justice (MoJ) Q1 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 Q1 submission for the MoJ's 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 Q1 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 Q1 report.
Others:			

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Appendix 1: <i>Regulatory Performance and oversight - Project Headlines - first line of Schedule 13 reviews</i> All <i>Project risks and Overall project status'</i>	Section 36(2)(b)(i) – likely to inhibit the free and frank provision of advice	

LEGAL SERVICES BOARD

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Q1 Performance Report: April – June 2014

Recommendations

The Board is invited to:

- 1) review and comment on the draft Q1 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 Q1 2014/15 (April - June 2014).
2. It also contains the draft Q1 submission for the MoJ's performance reporting requirements (**Appendix 1**), the Consumer Panel's quarterly report of activity (**Appendix 2**) and a report on statutory decisions made during the quarter (**Appendix 3**). A narrative cover for the MoJ Q1 report is at **Annex A**.

Overview

3. The LSB Business Plan for 2014/15 describes the LSB's proposed activities on a quarter-by-quarter basis. Progress against those commitments for Q1 is reported below:

Q1 2014/15 commitment	Progress
LSB requests information from regulators about progress against their regulatory standards action plans	Completed: Letter and template sent to all regulators with a completion deadline of 13 October 2014.
Schedule 13: work with stakeholders to categorise issues and identify options for change	Completed: The review work has indicated that the issues around Schedule 13 are largely to do with SRA processes and procedures rather than the legislation. SRA have acknowledged the need to review their processes and they plan to do this in July 2014.
Publish detailed scope of and schedule for completion of Schedule 15 and structural obstacles reviews	Completed: Information about the scope and schedule for this work has now been published on the LSB website .
Regulatory Reform: Review of available data and information to assess the total viable cost of regulation	Completed: Initial analysis included in internal scoping document
Conduct reviews into specific areas where existing regulation is perceived to	Ongoing: Work identified for thematic review has now been scoped out in more

impose unnecessary burdens	detail and PIDs produced and agreed by Gateway Group.
Agree an approach to monitoring delivery of LSB guidance on education and training	Completed: Gateway Group agreed a proposal to adopt a 'light touch' monitoring role to oversee how regulators are applying our guidance. We expect to be collecting evidence and issues which we can return to towards the end of the year in order to identify risks or challenge further.
Monitor regulators' use of complaints data	Re-scheduled to March 2015: Board previously agreed to postpone this work pending the LSCP's tracker survey and Impact Report and Government decision on implementing the EU ADR Directive.
Consider action following outcomes of 2013/14 research into consumer information and online divorce	Delayed to Sept 2014: Online divorce research delayed in order to obtain a suitable sample of people as they go through the online divorce process.
Publish 2014/15 research plan	Completed: Research plan published in April 2015
Consider applications from regulators for changes to their regulatory arrangements	On-going: Work to consider applications from regulators to change their regulatory arrangements continues
Consultation and recommendations to the Lord Chancellor on related orders for current designation applications	On-going: Work continues on statutory orders and on the orders needed to give effect to the designation, section 80 and section 69 orders
Decision on whether to require dual self-certificate as a means of assurance on compliance with the IGRs	Completed: Decision not to require dual self-certificates for 2014/15.
Receive reports on how regulators determine PCF spend against the permitted purposes	Completed: Reports have been received and responses are being drafted.
Publish levy rules	Completed: New Levy rules will come into force on 2 July 2014

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 Q1 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 applications for statutory decisions (**Appendix 2**), a quarterly report from the Consumer Panel (**Appendix 3**). A narrative cover for the MoJ Q4 report is at **Annex A**.

To: Ministry of Justice

Legal Services Board 2014/15 Q1 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 Q1 2014/15. 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 statutory decisions.
3. We have issued one Section 55 request this quarter (see table below) which was sent to the BSB and Bar Council.

Section 55 notices

Date of Notice	Addressee	Title	Organisation	Overview of request	Due date
20/05/2014	Stephen Crowne / Vanessa Davies	CEOs	Bar Council / Bar Standards Board	Information request for BSB investigation and enforcement process - length of time taken	06/06/2014

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 is **Green**. This reflects that at this early stage of the business year we are currently on track to deliver our initial milestones.
5. Matters of note not specifically addressed by the programme report include the following:

Organisation development and governance

During April - June 2014:

6. We welcomed our new Chair Sir Michael Pitt and two new Board members, David Eveleigh and Marina Gibbs who began their terms at the beginning of May and April respectively. At the time of drafting we are still waiting confirmation that an exercise to identify two further lay members can proceed.

7. Our new Strategy Director Caroline Wallace took up her post on 6 May. Caroline had been able to spend time meeting colleagues and familiarising herself with key issues before her formal start date and was also on hand to discuss relevant staffing issues following the departure of Alex Roy as Head of Development and Research in April.
10. We were delighted to appoint Chris Handford to the position of Head of Research and Development which he took up from the 12 May. This is an important role and we are pleased to have been able to make an internal appointment. We have begun the recruitment process for his successor and will shortly proceed to recruitment for a Research Associate.
11. We were also joined in April by Chidinma (Chidi) Alufuo as Finance and Resources Associate. Chidi previously worked at the Competition Commission, where she had provided support to us, so she knows our organisation well.
12. We were also joined in June by Kate Webb who has been appointed to fill one of the vacant Project Manager positions. Kate joins us from the UK health professional regulators at the Professional Standards Authority (previously CHRE where she worked on a range of issues including their cost effectiveness, education and training functions, board appointments, and transparent provision of information to the public. Before that she worked in policy roles at Which? and Asthma UK, working on pharmaceutical regulation, patients' rights and patient involvement.
13. Additionally, in order to supplement our strategic thinking over the coming year, Professor Stephen Mayson will be working with the Board closely for the remainder of the current business year. As you know, Stephen has a great track record in practice, consultancy, academia and as a legal commentator and has been a constructively critical friend of the LSB since our inception. He will be working for around a day a week averaged over the year, particularly contributing to work on the strategic plan for 2015-18 and the project on the cost of regulation.
14. Saxton Bampfylde have been engaged to support the organisation in the recruitment of a new CEO and advertising has appeared online in The Guardian, Sunday Times and Executive Appointments.
15. In June, all colleagues undertook online equality and diversity training to raise awareness of this important issue. Our bespoke – and mandatory – training programme will be running on two dates later this year and all Board Members how have not been on the training will be asked to attend alongside new colleagues.

Relations with Government

15. The Chairman and CEO met Shailesh Vara MP in June. This was both an introductory meeting for the Chairman but also an opportunity to discuss our

Annual Report which was laid on the same day and the upcoming Regulators' Summit.

QASA judicial review

16. As a result of the Claimants appeal hearing on 9 May Lord Justices Briggs and Tomlinson granted the Claimants (Appellants) permission to appeal the QASA High Court decision handed down in January.
17. A hearing has now been fixed for Wednesday 16 July, and is estimated to last three days. We are still waiting for the finalised orders.
18. The Joint Advocacy Group has had to revisit the phasing of implementation. The three bodies are taking slightly different approaches, but the end date for compliance remains the same.

Relations with OLC

19. We held our Q4 KPI meeting on 29 April. The main issues to emerge from the meeting were:
 - The level of work in progress remains an issue and number continued to fluctuate throughout the quarter. The issue highlights the lack of resilience for sick leave or annual leave in their processes.
 - The 70% timeliness target remains a challenge and it seems that, from anecdotal evidence, the focus on timeliness may be having an impact on quality. The executive are undertaking an investigation and will be providing an update to the OLC in July, with emerging findings being fed to their strategy day in September.
 - The latest customer satisfaction survey results and a paper on KPI reporting on impact and reputation were presented to the OLC Board in April. OLC explained that of particular concern is the emerging shift in the balance between cases where a solution has been ordered and where nothing is ordered, particularly in relation to Ombudsman decisions. The OLC Board requested that further investigation is carried out into the reasons for this. In the customer satisfaction survey results, complainant satisfaction has decreased which the Board have expressed alarm at. The executive are looking more closely at the questions that are being asked.
20. At their April meeting the LSB had an informal discussion around the Legal Ombudsman's (LeO) operational performance, cost and the governance and the oversight of its performance by the Office of Legal Complaints Board to date. The Chairman raised the issues with Steve Green and the OLC have also now

had an opportunity to outline their aspirations going forward with the Chairman and Chris Kenny.

Communications and stakeholder relations

21. We submitted our response to BIS's consultation on the Implementation of the EU ADR Directive in which we indicated our wish to be appointed as the Competent Authority for the OLC if the final decision is to allocate this role to existing regulators. We also signalled our willingness to engage with them on the more complex issues around acting as the Competent Authority for ADR schemes for the none regulated legal services, complaints arising from claims management companies and the position should OLC extend their jurisdiction beyond legal services.
22. Chris Kenny was interviewed by Gavin O'Toole for the National Association of Licensed Paralegals (NALP) Paralegal News publication and by Richard Parnham for Partner Magazine. James Meyrick was also interviewed by HR magazine for a piece on the changing face of legal recruitment as a result of the introduction of ABS. The article was published in the April edition of the magazine.
23. The media (primarily trade) picked up on a variety of LSB activity during this period – specifically the announcement of the LSB's new Chairman and Board members, and the 2014/15 Business Plan and levy decisions and annual report , most of what the LSB published during this period, the news of the Chief Executive's departure, the research issued on how we help legal services consumers make better decisions, and various approvals which were granted.
24. We also wrote another blog for Legal Futures, this time on our recently issued guidance to regulators on legal education and training and had a piece in Modern Law Magazine on our statutory guidance on education and training.
25. We had our regular meeting with representatives of the Welsh Assembly Government, and it is anticipated that this will lead to an exploratory meeting with the administration later in the quarter. We and the Legal Services Consumer Panel also agreed to participate in the 2014 Legal Wales conference in October in Bangor. In parallel, we are starting to plan for the October Board meeting to be held in Cardiff, where we will aim to broaden contacts with the Welsh Government beyond the Counsel General to include the First Minister and Minister for Industry.
26. David Edmonds delivered the keynote address at the Modern Law Conference. His speech received considerable coverage both in the trade press and social media
27. Following the publication of Professor Gus John's SRA commissioned independent comparative case review into the way the SRA applies its policies

and procedures in dealing with BME solicitors, on 1 May, the CEO met Peter Herbert and representatives of the External Implementation Group (EIG) that had been set up in response to the previous report by Lord Ouseley. Colleagues may recall that the EIG had been vocal in its denunciation of the John report, which although found that there was disproportionality in the way cases against BME solicitors were handled at different stages of the disciplinary process, nevertheless, did not find evidence of institutional racism within the SRA. The need for all parties to work together to address the important issues raised in the report was stressed, and Paul Philip has signalled that this will be one of his early priorities.

28. The third LSB news email was sent out to political stakeholders on 22 May. To date we have only had about a dozen requests to unsubscribe from the mailing list (from a distribution of over 1,600) and each newsletter publication has been accompanied by a spike in website visits (a spike between September and October 2013 of 9,467 hits and a spike of 3,493 hits between February and March this year).

29. The number of LSB twitter followers now stands at 515 (26 June).