

To:	Legal Services Board	
Date of Meeting:	30 November 2010	Item: Paper (10) 90

Title:	Draft LSB Business Plan 2011/12	
Workstream(s):	All	
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Status:	Unclassified	

Summary:
<p>The Board has discussed its draft Business Plan for 2011/12 (‘the Plan’) at previous meetings. A full text is presented for review (Annex A). Also attached are proposals for evaluating the impact of LSB activity (Annex B). This Annex will eventually become Annex 1 of the published draft Plan.</p> <p>The draft Business Plan is scheduled to be published for consultation on 8/9 December 2010. The version attached here still requires some additional refinement, including text review, cross-referencing, updating of statistics and proofing. It is recommended that the final approval for publication be delegated to the Chairman and Chief Executive.</p> <p>The draft Plan has been forwarded to Ministry of Justice (MoJ) for Ministerial review in line with the revised Framework agreement. Any comments will be reported to the Board at the meeting.</p>

Risks and mitigations	
Financial:	N/A.
FoIA:	Exempt – for future publication (s22).
Legal:	N/A.
Reputational:	Previous Plans have been criticised for lack of evaluation measures – these are now proposed.
Resource:	N/A.

Consultation	Yes	No	Who / why?
Board Members:	✓		Bill Moyes and Nicole Smith have provided feedback on the evaluation approach. The Chief Executive has also had a brief conversation with Bill Moyes on the budgetary approach.
Consumer Panel:		✓	Discussion with the Panel will take place on 8 December at its ‘away day’.

Others:	MoJ feedback will be reported at the meeting.
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Recommendation(s):

The Board is invited:

- (1) to review and comment on the draft Business Plan (including the evaluation approach) for 2011/12; and
- (2) to delegate authority to approve the publication of the Plan to the Chairman and Chief Executive.

LEGAL SERVICES BOARD

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Draft LSB Business Plan 2011/12

Executive Summary

Recommendation(s)

The Board is invited:

- (1) to review and comment on the draft Business Plan (including the evaluation approach) for 2011/12;
- (2) to delegate authority to approve the publication of the Plan to the Chairman and Chief Executive.

Background / context

1. The Board has discussed its work programme for the year ahead in recent meetings, including, in particular, a review of the budget proposed for 2011/12 based on the work programme at its meeting in October. The draft Plan is due to be published on 8 December 2010 and the latest version is attached (**Annex A**).
2. Board Members should be aware that the version circulated with this paper comprises '*work in progress*' and by the time of the meeting drafting will have been refined further.
3. Also attached is the evaluation framework for the impact of LSB activities on the legal services market (**Annex B**). This will comprise Annex 1 of the published draft Plan.

Points to note

4. The Board's attention is drawn in particular to:
 - a. the work proposed in Section 2A: Developing regulatory excellence, where Members will see that we are proposing a drive of all Approved Regulators (**AR**) to outcomes-focused regulation. Although this has been implicit in much of our activity to date, we have not previously staked our colours to the mast so openly;
 - b. the description of our budget in both the foreword and in Section 4, where we refer to a proposed under-spend in 2010/11, efficiency gains through absorption of costs of additional activity and other cost increases as leading to a reduction in costs of regulation for ARs in 2011/12;
 - c. the three ways of evaluating our activity proposed: day-to-day effectiveness; regulatory effectiveness; longer-term market impact. This is discussed in greater detail below; and
 - d. presentation of review work – as discussed previously, we are consciously shifting the focus into core regulatory areas, such as conveyancing and discipline alongside the Act's reform agenda (see Section 2A).

Evaluation framework

5. The evaluation of LSB's work is split into three areas, following recent Board discussions:
 - a. Efficiency of our regulatory process
 - b. Effectiveness of regulatory process and reforms
 - c. Evaluation of the impact of the Legal Services Act 2007 reforms.
6. We address the first two through performance indicators, supplemented by more qualitative assessment, such as surveys and lessons learned exercises. These are important in securing confidence in LSB as the driver of the overall reforms that are subject to longer-term evaluation as the third strand.
7. In this third strand, longer-term evaluation, we paint a picture of the future legal services market, as a profile against which to measure performance. This is rooted in the regulatory objectives analysis completed and published in April and the original set of objectives that the Board set in 2008/09.
8. The challenge facing LSB is to develop a meaningful long-term evaluation approach in a near vacuum of data or evidence. In the approach proposed in **Annex B**, therefore, we focus as much on how we will deploy research to identify meaningful assessments as any particular indicator of success of the reforms.

Allocation of costs

9. At its meeting on 11 October, Audit and Risk Committee requested an indication of how the budget was spread across LSB's work programme. As Members will know, we operate a matrix style of working on projects, so one colleague may spend the majority of their time working on their main project, but will have additional roles supporting others.
10. It is impossible to assess how much may be spent working to support each regulatory objective; but we can make an informed analysis of the overall proportion of time and, by using their relative position within the organisation (SMT, Project Manager, Associate), spend on each of the work streams for 2011/12.
11. Applying this same calculation to corporate overheads (including operational colleagues and Board Members), we can determine a rough proportion of overall spend on each work stream.
12. These figures must be taken for what they are – an indication of proportions only, and not an accurate assessment of how much is actually spent on each work stream.

Work Stream	%	£
Developing regulatory excellence	30%	1,479
Developing our evidence base	17%	838
Ensuring effective redress for consumers	9%	444
Widening access to the legal services market	22%	1,085
Securing independent regulation	5%	247
Developing a changing workforce for a changing market	9%	444
Improving access to justice: rationalising the scope of regulation	8%	394
Total	100%	4,931

Next steps

13. Pending discussion at the Board, informal feedback from Ministers and once Chairman and Chief Executive approval has been granted, we will prepare a final version of the full Plan for publication on 8 December, following which there will be a 12-week consultation. As we have in previous years, we will aim to hold at least one stakeholder workshop to discuss the draft Plan.
14. In light of the cross-Government freeze on spend on a variety of communications activity, we propose only to issue the draft Plan electronically. We have, however, managed to ensure that the document will have the same high-quality appearance as our previous documents by taking up MoJ's offer of 'free' design and document preparation services from its in-house communications team.
15. We will also news release the draft Plan, selling in to regular news outlets.

21.11.10