

<b>To:</b>	Legal Services Board	
<b>Date of Meeting:</b>	30 April 2014	<b>Item:</b> Paper (14) 26

<b>Title:</b>	Q4 Performance Report: 1 January – 30 March 2014	
<b>Workstream(s):</b>	Business Plan 2013/14	
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<b>Status:</b>	Unclassified	

<b>Summary:</b>
<p>This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q4 2013/14 (January - March).</p> <p>A narrative cover for the Ministry of Justice (MoJ) Q4 report is at <b>Annex A</b>. This includes a summary of all Section 55 information gathering notices that have been issued in this quarter. The paper also contains the draft Q4 submission for the MoJ's performance reporting requirements (<b>Appendix 1</b>), the Consumer Panel's quarterly report of activity (<b>Appendix 2</b>) and a report on regulatory decisions made during the quarter (<b>Appendix 3</b>).</p>

<b>Recommendations:</b>
<p>The Board is invited to:</p> <ol style="list-style-type: none"> <li>1) review and comment on the draft Q4 performance report; and</li> <li>2) agree to its use as a basis for discussion with MoJ.</li> </ol>

<b>Risks and mitigations</b>	
<b>Financial:</b>	N/A
<b>Legal:</b>	N/A
<b>Reputational:</b>	N/A
<b>Resource:</b>	N/A

Consultation	Yes	No	Who / why?
<b>Board Members:</b>		✓	Regular performance report.
<b>Consumer Panel:</b>		✓	Regular performance report – report also includes Consumer Panel Q4 report.
<b>Others:</b>			

<b>Freedom of Information Act 2000 (Fol)</b>		
<b>Para ref</b>	<b>Fol exemption and summary</b>	<b>Expires</b>
Appendix 1 <i>Project risks</i> and <i>Overall</i> <i>project status'</i>	Section 36(2)(b)(i) - information likely to inhibit the free and frank provision of advice	

## LEGAL SERVICES BOARD

<b>To:</b>	Legal Services Board		
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### Q4 Performance Report: January – March 2014

#### Recommendations

The Board is invited to:

- 1) review and comment on the draft Q4 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 Q4 2013/14 (January – March 2014).
2. It also contains the draft Q4 submission for the MoJ's performance reporting requirements (**Appendix 1** (including the Q3 regulatory standards report which was compiled in Q4)), 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 Q4 report is at **Annex A**.

#### 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 Q4 and an update on any commitment which was outstanding from previous quarters, is reported below:

Q4 2013/14 commitment	Progress
Monitor regulators' delivery of regulatory effectiveness action plans	<b>Completed:</b> Progress reporting to Board and planning for the 2014/15 process continues.
Finalise plans for 2014/15 self assessment	<b>Completed:</b> regulators have been asked to provide an update of progress against the action plans agreed in 2012/13, with a full review scheduled to take place in 2015/16.
Sanctions and appeals: Publish discussion document identifying options for change	<b>Changed and completed:</b> Our investigation identified a number of areas of inconsistency or complexity across the regulators arrangements suggesting the need for change should be explored. However, many of the report's recommendations would either require changes in statute or precedent making court decisions. As such matters are

	outside the LSB's remit we opted not to issue a discussion document but simply to publish the findings of our research.
Carry out research into best practice and conceptualisation of talent to promote a positive approach to diversity issues with progression and retention	<b>Stopped:</b> This work is now being pursued by the University of Leeds, so we are not pursuing directly, but are working to assist the researchers by organising a roundtable with corporate firms on 1 May.
Assess OLC budget	<b>Completed:</b> The OLC budget was approved by the Board at its March 2014 meeting

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 Q4 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 2013/14 Q4 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 Q4 2013/14. The report is based upon the LSB's overarching programme and individual project plans. It includes the Q3 report on progress made by regulators against regulatory standards action 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 not issued any Section 55 requests this quarter.
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 we have successfully completed most the areas of work outlined in our Business Plan and, where they have not been completed, there has been an auditable decision to re-scope or reschedule the work.
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 Q4 2013/14.

**Organisation development and governance**

During January - March 2014:

7. We successfully completed the move from Victoria House to One Kemble Street. An unforeseen outcome of the move is that, as a result of separating our systems from the Competition Commission systems the age and fragility of our IT hardware has come to light and therefore the upgrade that we had planned has had to be accelerated. The system is currently stable however.
8. We appointed Caroline Wallace to the post of Strategy Director. She will start 6 May 2014. Caroline has been able to spend some time meeting colleagues and familiarising herself with key issues and was also able to attend the March Consumer Panel meeting.

9. We received notice from our Head of Development and Research, who has been appointed to a post at the Financial Conduct Authority and his last day in the office was the 8 April. After discussion with Caroline Wallace we have decided to re-scope the role to Head of Development although it will remain responsible for research. Before deciding whether to undertake an external recruitment process we are considering expressions of interest from colleagues internally.
10. In February, our Office Services Co-ordinator left the organisation. In light of the loss of outsourced finance support from Competition Commission (CC) we have opted not to replace this role but to create a new position for a part-qualified accountant to provide improved support for the Director of Finance and Services and add resilience to our finance and services function. We have appointed Chidi Alufuo to the post of Finance and Resources Associate. Chidi previously worked at the Competition Commission, where she had provided support to us, so she knows our organisation well. She will start on 22 April.
11. An offer has also been made for a vacant Project Manager position.
12. On appointment matters:
  - LSB Chair was announced in March 2014. This was in time for Sir Michael Pitt to attend our March Board meeting
  - the appointment of Marina Gibbs and David Eveleigh to the Board was announced on 10 April. The failure to appoint a second lay member is problematic for us as it strips to a minimum the ability of the Board to resource its work and its Committees. We are reassured by the commitment from MoJ to move to rapid appointment for this essential additional lay member whilst also identifying early a successor for Bill Moyes whose appointment ends in March 2015.

## **Relations with Government**

13. Justice Minister, Shailesh Vara, officially opened the new office on 21 January. The visit gave us the opportunity to present the work of the Board and the Consumer Panel as well as introduce him to the majority of colleagues.
14. We published our second e-bulletin in February 2014. This goes to all Westminster and Cardiff Parliamentarians providing information and links to our work. We are aiming to publish the next bulletin at the beginning of May.
15. In February, Julie Myers met the Ministry's Arms Length Bodies Governance Team to discuss their shared services agenda and to make clear the LSB's position on such services.
16. All colleagues have undertaken training on the new Government Security Classification system and refresher training on information assurance more generally.

## **QASA judicial review**

17. Applicants, supported by the Criminal Bar Association, sought leave to appeal the High Court's judgment to the Court of Appeal. This also included an application to extend the existing Protective Costs Order. We contested both of these applications, as did the BSB. The Law Society decided to make no further submissions. The SRA also does not support the granting of leave to appeal and made a submission not to grant a stay to the implementation of QASA, pending resolution of any appeal. Permission to appeal was refused by the Court on the paper but the claimants have now requested an oral hearing which is scheduled for 9 May.

## **Relations with OLC**

18. Two delegates from LSB attended the OLC's open strategy session in January 2014, at which attendees were invited to share their views on the three year strategy and business plan.

19. We held our Q3 KPI meeting on 3 February. In light of Steve Green's appointment as OLC Chair from April, Terry Babbs has taken over Board oversight liaison. The meeting was also attended by Tony Foster (OLC) and Paul Partridge (LeO). The main issues to emerge from the meeting were:

- progress of and targeting within the cost reduction exercise – recent increases in the volume of unallocated cases and work in progress and the need for recruitment into recently vacated posts suggested that there are immediate operational pressures to be managed and lessons to be learned for any similar exercises in future
- potential future operational pressures if time off in lieu is used as a common means of generating "overtime" from staff at nil cost and Ombudsman resource deployed on "lower grade" work
- ensuring that the right Ombudsman model is in place – it seems clear that public demand for an Ombudsman to determine their case is going to remain higher than for other comparable schemes and there is therefore a challenge in ensuring that the operational model responds to this, rather than seeking to manage the demand down
- the need for solid data on quality, including but not confined to satisfaction data
- the cost basis for the new accommodation and the strategy for dealing with any significant mis-estimation.

20. At the March Board meeting we agreed the OLC's budget for 2014/15 of £14.55m which is a reduction of £1.05m post-cost review budget of 2013/14.

### **Communications and Stakeholder relations**

21. David Edmonds and Chris Kenny met the Lord Chief Justice on 15 January. Lord Thomas told us that he was asking Dame Vivien Rose, a competition judge, and Sir Rabinder Singh to also take an interest in legal regulatory matters and we will be arranging suitable briefing for them in due course.

22. A number of briefings were organised with journalists and took place during the quarter: these included Owen Bowcott from the Guardian, Jonathan Ames from the Times and The Lawyer and Mark Hennessy who is the London editor of the Irish Times. These briefings allowed us to remind correspondents of the existence of the LSB and what we do and provide targeted messages in support (eg the Blueprint document) or against (eg discussion with Irish Times journalist partly with a view to counter negative comment made by both the Bar Council and BSB speaking in Ireland regarding legal services reform in England and Wales). Chris Kenny also spoke to the Institute of Paralegals who will be running an article in their online journal on the Blueprint document and regulation in general.

23. In the reporting period Chris Kenny spoke at the following events:

- Risk Management for Law Firms Conference
- Net Law Media / Partners Club White Tie Winter Ball 2013 (Compare).
- Upjohn debate
- Harvard Law School (from London).

24. David Edmonds spoke at the Regulatory Policy Institute's "Hertford Seminar in Regulation" about legal services regulation: past, present, and future. This event was picked up by a number of media commentators partly because of the strong views expressed about, amongst other things, the Law Society and the Bar seeking to stifle competition (as the headline in Legal Futures put it).

25. David Edmonds also gave the opening speech at the Westminster Legal Policy Forum event on innovation in the legal services market.

26. Alex Roy spoke at the Law Without Walls kick-off event at St Gallen, Switzerland

27. Fran Gillon represented the LSB at a Baker Tilly Professional Practice Group event.

28. Chris Kenny was interviewed by Agnese Smith about changes to legal services in England and Wales for a Canadian publication and Kat Hall of the Law Society Gazette following up on the issuing of the LSB's guidance on education and training.



29. Media coverage has focused on the lay-chairs decision, the education and training guidance, the appointment of the new LSB strategy director and on the sanctions and appeals research paper (including a robust wide-ranging response from the Solicitors Disciplinary Tribunal). We also wrote a blog for Legal Futures on a return to self-regulation.
30. The number of LSB twitter followers now stands at 317 (11 March). The account appears to pick up 15 to 20 new followers every week.