

To:	Board
Date of Meeting:	28 January 2010
Item:	Paper (10) 02

Title:	Chief Executive's progress report: January 2010
Workstream(s):	All
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Status:	Restricted

Summary:
<p>The paper updates Board Members about:</p> <ul style="list-style-type: none"> • staffing and governance issues; • progress on the key project areas, by way of a new performance report; • other internal and external policy developments; and • stakeholder and communications activities and forthcoming meetings.

Risks and mitigations (Covered in assessments of project progress)	
Financial:	N/A
FoIA:	N/A
Legal:	N/A
Reputational:	N/A
Resource:	N/A

Consultation	Yes	No	Who / why?
Board Members:		✓	N / A – routine update and personal commentary.
Consumer Panel:		✓	
Others:			

Recommendation(s):
<p>The Board is invited to:</p> <ol style="list-style-type: none"> (1) note the Chief Executive's progress report; (2) comment on the new format of the project progress report; and (3) comment on the scope of analysis to be undertaken on the Jackson Review of Civil Litigation Costs.

LEGAL SERVICES BOARD

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Operations and governance issues

Staffing

1. Ramandeep Bhatti (Administrative Assistant) and Anna Cheung (Associate) joined LSB at the beginning of the year.
2. Formal acceptances have been received from the following new appointees:

James Meyrick	Project Manager	ex-ABI (and author of papers for Small Business Research Trust)
Dawn Reed	Project Manager	ex-Friends Provident
Michael Stacey	Project Manager	ex-Ministry of Justice (MoJ)
Karen Marchant	Associate	ex-Legal Services Commission
Luke Mcinerny	Associate	ex-HM Treasury and Better Regulation Executive

We hope to bring all on board in the course of March and we are planning a comprehensive induction programme.

3. 
4. Nick Glockling (currently Deputy Director, Legal at Postcomm) has been appointed as our permanent second lawyer. Nick joins us on 6 April; in the interim, legal support will continue to be provided by Martin Montague.
5. We will continue to keep the staffing position under review, not least because the initial resource plan gives us scope for a further two posts at Associate level.

Organisation development and governance

6. As the organisation gets closer to steady-state size, we continue to explore ways

in which we can improve operational performance and effectiveness, maintain cohesiveness in the way we work and embed our desired organisation culture. There are a number of projects being led by the Senior Management Team to take this work forward:

- planning for an all-colleague 'away-day';
- sourcing training for 'handling difficult callers' and improving drafting skills;
- developing a performance management process, including personal development plans; and
- continuing to develop a suite of internal policies and processes, including a standard project management methodology.

Business Plan 2010/11

7. The draft LSB Business Plan was published for consultation on 16 December 2009. The consultation will close on 5 March. We will be holding a round-table to discuss the draft Plan with interested stakeholders in the week beginning 8 February. Only one response has been received to date and informal feedback has been limited, although we understand that The Law Society is very supportive of investigating the reserved/unreserved issue.

Project update

Project progress report

8. Board Members will note the new format of the project progress report (**Annex 1**). The report is one of the outputs of the integrated process of project and risk management that is being introduced across LSB by the Business Planning Associate. It has been collated from the outputs of the monthly meetings of the Programme Board (chaired by the Director of Corporate Affairs, and attended by all Project Managers, the Media and Public Affairs Manager and Research Manager).
9. The new process ensures that:
 - programme management is an integrated part of our business lifecycle;
 - progress reporting links to our published Business Plan commitments and, when necessary, related developments (i.e. enforcement action);
 - information requirements align across LSB and reduce duplicate information requests and thus the bureaucratic burden;
 - detail is provided to a level making sure reports are meaningful; and
 - progress reporting aligns with the Risk Management Strategy.
10. We will continue to evaluate the new process in light of experience to identify where improvements and inclusions can be made and we are interested in any immediate observations from Board Members. The plan is that the text of my reports will now deal only with:
 - high priority developments post the Programme Board discussion; and
 - high profile issues that do not yet fit into the formal project framework.

Alternative Business Structures (ABS)

11. After inconclusive discussions with officials, the Chairman has now written to Bridget Prentice MP (Parliamentary Under Secretary of State, MoJ) seeking an acceleration of the secondary legislation timetable on ABS to ensure that we have the power to recognise Licensing Authorities ahead of the election. We believe that this will give an important signal of intent and, by reducing 'back loading' within the project, help to further protect its delivery dates.

The Levy

12. HM Treasury has now confirmed its agreement to the start-up Levy Statutory Instrument. General Counsel is making arrangements for the Board's formal consent to be notified.
13. The absence of the Director of Finance and Services has significantly slowed progress this month on substantive Levy issues. New resource has now been identified at Associate level to take this work forward and we will provide a further update at the meeting.

Research

14. LSB hosted three seminars in January for academics and other stakeholders about our research plans for 2010/11. Despite attendance suffering because of the weather, the sessions successfully gained input into the content of our research plans and increased wider engagement with stakeholders in the relevant research fields. We will provide a summary of the events and a final summary of our research plans to all those who attended or expressed an interest in attending.
15. The results of our launch research were published online on 29 December and have been picked up by the media and academics (see para. 31).
16. Developments in the last month include:
 - The Consumer Panel has commissioned Vanilla Research to undertake its first research project, looking at referral arrangements. The report is due at the end of March.
 - LSB has commissioned Charles River Associates to produce an accompanying study looking at the economics of referral fees. This will formalise the relative merits of alternative policy options, allowing LSB to reach a policy recommendation later in the year.
17. Likely developments over the coming month include:
 - We will be visiting the Solicitors Regulation Authority (**SRA**) to discuss research looking at opportunities to work together and synergies in our research programme.

- We are hoping to commission academics to undertake a study looking at the progression of women and BME lawyers and their experiences in the legal profession.
- A draft Research Strategy and updated Research Plan for 2010/11 will be presented to the Board in February.
- We hope to finalise the membership of the Research Strategy Group, with the first meeting likely to be held in early March.

Overall assessment

18. The last month has seen a substantial increase in our engagement with external stakeholders and the beginning of a variety of research projects. We aim to build on the success of the last month through further stakeholder engagement initiatives and the publication of our Research Strategy and first research reports.

Broader Policy Developments

Jackson Review of Civil Litigation Costs

19. As we anticipated from his meeting with the Board in September, Lord Justice Jackson's final report has come down strongly against referral fees. We have made clear that we will take his views into account, but will also reflect on the advice we receive from the Consumer Panel and our own consumer and economic research before reaching a final position.
20. However, the report goes considerably wider than the narrow question of referral fees in its consideration of other forms of litigation funding and some wider questions on access to justice, notably in relation to the issue of 'cost shifting'. We are liaising with MoJ to understand better the process for considering the recommendations and will come back to a future Board meeting with a full assessment of the implications of the report for the LSB.

21.



Unleashing Aspiration

22. The Government's response to the Milburn Report on Fair Access to the Professions was unveiled by Lord Mandelson (Secretary of State for Business, Innovation and Skills (**BIS**)) and Pat McFadden MP (Minister of State for BIS) on 18 January. It has accepted the core Milburn recommendation, which in turn reflected earlier LSB analysis, that professional regulators need to take action to help embed greater social mobility alongside wider diversity strategies. I have been asked to sit on an implementation group to be chaired by David Lammy MP (Minister of State for Higher Education, BIS) and to chair one of its sub-groups, which will cover health, design and engineering bodies as well as some of our own stakeholders. This is a significant feather in the LSB's cap, but we will need

to ensure that it does not generate so much peripheral work as to distract from our core priorities.

Quality Assurance for Advocates (QAA)

23. Progress continues slow and steady. The Joint Advocacy Group (JAG) has produced a short consultation document on standards, but too much of the initial response from stakeholders has focused on perceived weaknesses of the Legal Services Commission's (LSC) research into the pilot scheme, the level of LSC involvement going forward and questions of ideal future governance, rather than seeking to put in place a workable scheme, delivered in a way that enables further development in the light of experience. We will be reviewing progress with the JAG shortly, with a view to re-convening the wider roundtable group next month to try to keep efforts properly focussed.

Office for Legal Complaints (OLC)

24. Board Members will be aware that The Law Society's legal action against the MoJ and OLC. I will update the Board about developments at the meeting.
25. The Chairman attended OLC's Board meeting on 18 January. It is clear that OLC's timetable is heavily dependent on IT development – as well as staffing – and that it is somewhat in the hands of an MoJ investment committee as regards a decision. The process is complicated by MoJ's stated intention of requiring all arm's-length bodies to migrate to the MoJ IT solution, DISC. OLC finds itself in the midst of that debate and is testing thoroughly the proposed DISC solution against its system requirements to see whether it is fit for purpose when compared against the preferred solution sourced from the open market.
26. Aside from these two matters, progress on building the organisation proceeds well, with a number of key appointments (Deputy Ombudsman, Ombudsmen, Director of Operations, Board Secretary and Head of External Relations) having recently been confirmed.

Consumer Panel

27. The Chairman joined the Consumer Panel on 14 January for its second meeting and provided an overview of LSB's work. The Panel agenda also included a discussion about the Panel's workplan for 2010/11 and a discussion with LSB colleagues about ABS. Colleagues were invited to meet Panel Members after the meeting.
28. The Appointments Commission and LSB have received a legal challenge from one of the unsuccessful candidates in the Panel appointments process. I will update the Board about developments at the meeting.

Public Affairs and Communications Issues

Public affairs

29. As reported at the last meeting, we have had productive discussions with Shadow Ministers and special advisors to brief them about our work. We continue to monitor statements of thinking from all parties in our area and, more broadly, on public sector reform and the delivery of public services.
30. The election of the new First Minister of the National Assembly for Wales, Carwyn Jones AM, provides an opportunity for deepened engagement with the Assembly Government. I had a productive meeting with him in his previous role as Counsel General, when he had responsibility for overseeing links on justice policy with London, and we have written to congratulate him on his appointment. We will also make contact with John Griffiths AM, his successor as Counsel General, whose early statements suggest strong alignment with our approach on diversity. We are keeping a close eye on the ongoing 'Wales and Whitehall' inquiry of the Welsh Affairs Committee to see if there are any matters that we should factor into our work.

Media

31. The generation of YouGov consumer research in December, covering attitudes to quality in legal services, consumer empowerment and choice, created the grounding for substantial pro-active media work over the Christmas period. The research results formed part of a package focusing on the activation of the new regulatory regime and our assumption of full powers. This gave rise to the Chairman's appearance on Radio 4's Today programme on 1 January, as well as a more consumer-focused piece in the print edition of the Mail on Sunday's personal finance pages. Alongside these pieces of coverage, a substantial article appeared in The Times focusing on an interview with the Chairman in which he discussed elements of our draft Business Plan. The consumer research story also created a strong presence in trade press. This has been by some way our most successful period in the media and I am grateful to our Media and PA Manager for his hard work.

Stakeholder engagement and the external environment

32. We have continued to focus on engaging practitioners, and deepening knowledge of our agenda, through working with the journals of ARs. To this end, a substantial interview with the Chairman appeared in the Institute of Legal Executives (ILEX) journal during January, and we have also worked with The Law Society's Legal Complaints Bulletin on an article dealing with the specific policy area of complaints-handling. The Legal Abacus magazine, released by the Institute of Legal Cashiers and Administrators, has also featured a profile piece about the Chair and the Board's priorities. A piece in my name should appear in next month's Legal Marketing.
33. We continue to engage with stakeholders through events focusing on, amongst other policy areas, the developing ABS agenda, on which I will be speaking at a Law Society event at the College of Law at Chester on 26 January. We are

working with regional partners in the North East and the South West to develop the next in the series of Open Forum events, following on the November event held in Manchester, and we hope to give the Board firm dates at the meeting.

34. In terms of developments in the external environment, we continue to monitor the build up of the parties' policy platforms for the forthcoming election.

Meetings – backward and forward look [BH to update]

35. The Chairman's meetings etc during January include:

- Interview with Frances Gibb (Legal Editor, The Times) – 7 January
- OLC Board meeting – 18 January

36. My meetings etc during January include:

- Des Hudson (Chief Executive, The Law Society) – 6 January
- Educators Forum at LSB (including David Lammy MP) – 12 January
- NDPB Network meeting – 13 January
- Gateway to the Professions Collaborative Forum – 18 January
- Peter Handcock (MoJ) – 21 January
- The Law Society's Regulatory Affairs Board – 21 January
- Osama Rahman (Chief Economist, MoJ) – 22 January
- Cheshire and North Wales Law Society (re ABS) – 26 January.

37. The Chairman's meetings etc over the coming month include:

- Bob Heslett (President, The Law Society) – 2 February
- Meeting with Executive NDPB NEDs (hosted by MoJ) – 2 February
- Consumer Panel meeting – 10 February
- Baroness Deech (Chair, BSB) et al (re ABS) – 10 February
- Inner Temple Guest Night – 10 February
- APIL President's reception – 11 February
- ABS Open Forum – 16 February

38. My meetings etc over the coming month include:

- GC100 follow-up meeting – 29 January
- Gateway to the Professions Collaborative Forum – 2 February
- Divorce Online (re ABS) – 2 February
- Forum on education and training – 3 February
- Roundtable with ARs and stakeholder (re first tier complaints) – 5 February
- Carolyn Regan (LSC), Keir Starmer (DPP) and Peter Lewis (CPS) – 8 February
- ABS local government conference – 11 February
- Master of the Faculties Annual Church, Law and State reception – 12 February

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