

To:	Board
Date of Meeting:	11 July 2012
Item:	Paper (12) 53

Title:	Q1 Performance Report: 1 April – 30 June 2012
Workstream(s):	Business Plan 2011/12
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Status:	Protect

Summary:
<p>This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q1 2012/13 (April-June).</p> <p>It also contains the draft Q1 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). A narrative cover for the MoJ Q1 report is at Annex A.</p>

Risks and mitigations	
Financial:	N/A
FoIA:	Appendix 1: All <i>Project risks and Overall project statuses</i> (s36) Page 1: Point 4 under <i>Self assessment for the approved regulators</i> (s36) Page 1: Point 1, last sentence under <i>Smaller approved regulators</i> (s36) Page 2: Points 3 and 4 under <i>Regulation of Special Bodies</i> (s36)
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:			

Recommendations:
The Board is invited to:

- review and to comment on the draft Q1 performance report.
- agree to its use as a basis for discussion with MoJ.

LEGAL SERVICES BOARD

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Q1 Performance Report: April to June 2012

Recommendations

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- review and to comment on the draft Q1 performance report
- 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 2012/13 (April-June).
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 regulatory 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 2012/13 describes the LSB's proposed activities on a quarter-by-quarter basis. Progress against those commitments for Q1 and an update on any commitment which was outstanding from previous quarters, is reported below:

Q1 2012/13 commitment	Progress
Analyse and discuss self-assessment plans with regulators	Completed.
Review and assess next steps (if required) on conveyancing review	Completed subject to decision on next steps. Report due to go to 11 July Board.
Define, scope, and carry-out a review of appeals mechanisms and determine next steps in light of internal scoping study	Review completed. However, decision on next steps has been reprioritised due to resource constraints. The matter will come to October Board in order that adequate consideration can be given to the subject..
Consult on regulation for special bodies	Completed. Consultation due to close 16 July 2012
Develop Orders to become a licensing authority (if required)	Not required to date.
Work with MoJ and SRA to ensure a single compensation fund can operate after 31	On-track for end of 2012, however submission of draft recommendation delayed. Work now on a slightly delayed

December 2012	timeline. Consultation on draft order due to close 13 July and draft recommendation will be submitted in August. Draft order has been through a draft approval process with MoJ.
Publish general approach to scope of regulation investigations	Completed. Consultation published 23 April 2012 and due to close
Release a public consultation document on will writing, probate activity and estate administration	Completed. Consultation published 23 April 2012 and due to close
Monitor the implementation of agreed approved regulator diversity action plans	Completed. Reviews completed and formal responses published on 31 May 2012.
Publish Interim Baseline evaluation of the impact of the Legal Services Act	Completed. Interim Baseline report published 4 April 2012.

Q4 2011/12 commitment	Progress
Publish assessment of approved regulators arrangements for first tier complaints handling	Changed. Paper presented to Board 24 April 2012. The Board resolved to note the progress report and proposed to develop a more targeted review framework for review at 11 July Board meeting with a view to implementing it in September/October. We will write individually to each regulator to provide feedback on their responses.
Commission consumer research to compare changing consumer experience of legal services with MoJ baseline study	Changed. The timing is too early to carry out a meaningful review the impact of the introduction of ABS on consumer experience. We have, however, compiled research to review of the effectiveness of the Legal Services Act reforms as a whole and published the Interim Baseline Market Impact Report.
Publish key principles against which education and training reforms can be assessed	Changed. Following our series of seminars/debates, emerging principles will be considered by the LSB at part of its September 2012 meeting. However, we have circulated and published an informal discussion paper to stimulate debate in the course of our seminars and beyond which has cleared some of the necessary ground.

Q3 2011/12 commitment	Progress
Conveyancing: review of evidence and decision on next steps	Changed. Evidence has been reviewed and will be presented to the Board at the July meeting.

Q1 2011/12 commitment	Progress
Publication of research database	Delayed. We completed the Regulatory Information Review and our research database in September and have shared it with the approved regulators. However, given the quantity and variety of sources of the information we have collected, we intend to disseminate this resource on our website site by developing a user-friendly searching tool, which is being developed in the second quarter of 2012/13.

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 is attached (**Appendix 1**). The report contains all of the fields requested by MoJ, including headline risks for each project, a quarterly report on regulatory arrangements applications, a quarterly report from the Consumer Panel and a brief narrative cover paper to provide some further context for the report.

Paper Annex A - Narrative cover for MoJ Q1 Report

To: Ministry of Justice

Legal Services Board 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 2012/13. 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. Based on an assessment of the status of individual projects, the LSB judges the status of its overarching programme to deliver its Business Plan at the end of Q1 of 2012/13 and thus its regulatory responsibilities is GREEN.
4. Matters of note not specifically addressed by the programme report include the following:

Organisation development and governance

5. During April – June 2012:
 - We filled three vacancies (see below) and our budgeted headcount remains at 30:
 - Tom Peplow has joined as Regulatory Associate initially focusing on Workforce Development
 - Harriet Gamper has joined as the Consumer Panel Associate
 - Vincent McGovern has joined the LSB as Communications Manager
 - We completed annual performance appraisals and, following discussion at the Board's Remuneration and Nomination Committee, we are preparing our Pay Remit. This will be in line with HM Treasury guidance.
 - Board Members were made aware that Sir Suma Chakrabarti, Permanent Secretary, MoJ had recently been elected as the next President of the European Bank for Reconstruction and Development from 3 July 2012. We have made contact with Sir Suma in his new role, given the interest of other International Financial Institutions in legal services reform.

- We implemented changes to our website to ensure compliance with new cookies legislation. We have also received an advisory visit (at LSB request) from the Information Commissioner's Office to review our data protection policies and processes.
- Our Annual Report was laid in Parliament. This included an unqualified audit opinion from the NAO, secured before the end of May, ensuring that we were in line with the timescale for consolidation of accounts.

Triennial review

- At time of drafting we await publication of the Triennial Review. There has been a degree of trade press coverage of responses to the Triennial Review. We addressed many of these during our successful media briefing to accompany the launch of our Baseline Market Impact Report and Business Plan which took place on 3 April. This provided an ideal and useful opportunity to engage in an open and frank manner with a variety of interested commentators and we received informed coverage of our findings, and our general position, as a result.

Relations with the Ministry

- We continue to engage with data and information requests from the Ministry (and Cabinet Office via the Ministry). We also met the Ministry's Head of Internal Audit who is likely to wish to attend LSB Audit and Risk Committee meetings in due course.
- We have resurrected a quarterly tripartite meeting for MoJ/LSB/LeO and one has been held in the past quarter. This presents an ideal opportunity to discuss matters of shared interest.
- The Chairman and Chief Executive had their annual meeting with Jonathan Djanogly which included formal presentation of our Annual Report.

Relations with OLC

- Held Joint Board meeting with OLC, which included discussion of shared challenges and likely developments in the legal services sector.
- CEO attended LeO ARC meeting
- Regular LSB/LeO Chair and Chief Executive Four way meeting held
- Two meetings of forum to discuss redress and regulation held including non-executive representatives from each organisation in order to understand mutual timetables, issues and risk

Stakeholder relations

During April – June 2012

- We have taken part in a number of useful speaking events, a number of which secured good media coverage of our robust positioning. In particular, the Chairman's speech to a seminar held by Russell-Cooke, chaired by the Master of the Rolls and which also included submissions by the incoming Bar Council Chair and current Law Society President proved especially interesting to trade commentators. Similarly robust messages were also given when the Chairman addressed Law Society Council, prompting much less strong reaction than on previous similar occasions.
- Less newsworthy but equally positive from a stakeholder engagement perspective, Chris Kenny spoke on a panel with Lord Falconer to an SRA seminar on the future regulation, to a mixed financial services and legal conference on ABS hosted by SIFA and at a separate event hosted by the ACL and on 23 May spoke at an event on the Future of the Bar with the Chairman of the Bar Council.
- We concluded our series of events supporting the legal education and training review with a very well received event in Cardiff on 10 May. Our understanding is that the review team will be unveiling their proposals at or immediately after the SRA's symposium on 10/11 July, so we will be working towards an assessment of them by the September Board. Our discussion paper for the seminars has been helpful in moving the team to explore more radical options, but colleagues will have noticed concern from commentators such as Stephen Mayson about the review dealing too narrowly with questions of existing qualifications to the exclusion of broader workforce issues.