

To:	Board
Date of Meeting:	10 October 2012
Item:	Paper (12) 72

Title:	Q2 Performance Report: 1 July – 30 September 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 Q2 2012/13 (July-September).</p> <p>It also contains the draft Q2 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 Q2 report is at Annex A.</p>

Risks and mitigations	
Financial:	N/A
FoIA:	<p>S36 - is intended to promote a free and frank exchange of views for the purposes of deliberation by the Board Regulatory Performance and Oversight:</p> <ul style="list-style-type: none"> • Para 4 and 5 • Risks • Overall status <p>Strategy Development and Research</p> <ul style="list-style-type: none"> • Para 5 • Overall project status
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 Q2 performance report.
- agree to its use as a basis for discussion with MoJ.

LEGAL SERVICES BOARD

To:	Legal Services Board		
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Q2 Performance Report: July to September 2012

Recommendations

The Board is invited to:

- review and to comment on the draft Q2 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 Q2 2012/13 (July-September).
2. It also contains the draft Q2 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 Q2 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 Q2 and an update on any commitment which was outstanding from previous quarters, is reported below:

Q2 2012/13 commitment	Progress
Receive final self-assessment plans from regulators	Delayed. Self-assessment reports have been received by all approved regulators apart from the BSB. The BSB have been in regular contact about this and we expect their report at the beginning of Q3. A report will be presented to the October Board.
Publish responses to immigration regulation discussion paper document and decide on next steps	Completed. Consultation response document published in July.
Review qualitative assessment plans for first tier complaints and decide on further actions as necessary.	Changed and completed. Paper presented to Board 24 April 2012. The Board proposed to develop a more targeted review framework and we have written individually to each regulator providing feedback on their responses with timetables for follow-up.

Consider response to consultation for special bodies	Completed. Responses received and published on the website. Analysis has identified a number of policy issues that will need to be addressed. Options for guidance for regulators will come to a future Board for decision.
Develop orders to become a licensing authority (if required)	Not required to date
Monitor SRA progress on the compensation review	Ongoing. LSB have made a recommendation to Lord Chancellor on the s69 order and we continue to monitor progress to MoJ submitting relevant orders.
Publish provisional report and consult on will-writing, probate activity and estate administration	Completed. Report and consultation document published September 2012.
Monitor the implementation of agreed approved regulator diversity action plans	Ongoing. We continue to monitor progress against diversity data collection and publication timeline and have begun to engage with regulators regarding progress with action plans.
Publish responses to consultation on approaches to quality	Completed. Response document published September 2012.
Assess dual internal governance rules certificates	Completed. Board agreed IGR assessment certificates at July meeting.
Assess five practicing certificate fee applications	Completed. Assessed and approved five applications.

Q1 2012/13 commitment	Progress
Review and assess next steps (if required) on conveyancing review	Completed - report presented to July Board and will be published by the end of October subject to final fact-checking with regulators.
Define, scope, and carry-out a review of appeals mechanisms and determine next steps in light of internal scoping study	Scoping work completed. The work will be re-scoped and proposals on how to take the work forward outlined in the 2013/14 Business plan
Work with MoJ and SRA to ensure a single compensation fund can operate after 31 December 2012	On-track for end of 2012 Recommendation sent to Lord Chancellor (see Q2 Milestone)

Q4 2011/12 commitment	Progress
Publish key principles against which education and training reforms can be assessed	Changed and Completed. Following our series of seminars/debates, emerging principles were considered by the LSB as part of its September 2012 Strategy meeting. Further proposals concerning options and

	timing will be developed for the 2013/14 Business Plan and subject to the outcomes of the Legal Education and Training Review
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Q1 2011/12 commitment	Progress
Publication of research database	Delayed. We expect our new research pages to be ready to go live in October 2012.

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 Q2 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.

To: Ministry of Justice

Legal Services Board Q2 Performance Report

Overview of the Quarter

- The programme highlight report at Appendix 1 provides a comprehensive overview of the Board's work to deliver its Business Plan during Q2 2012/13. The report is based upon the LSB's overarching programme and individual project plans.
- 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.
- Based on an assessment of the status of individual projects, the LSB judges the status of its overarching programme to deliver its Business Plan in Q2 of 2012/13 and thus its regulatory responsibilities is GREEN.
- Matters of note not specifically addressed by the programme report include the following:

Organisation development and governance

During July – September 2012:

- After receiving approval of our pay remit from the Ministry of Justice (MoJ) we were able to award a pay rise to all colleagues this year, after two years in pay freeze. In line with public sector controls, our pay bill was able to increase by 1% and, after discussion at Remuneration and Nomination Committee (RNC) we agreed to distribute this on a 'flat cash' basis to all eligible colleagues. The Chief Executive, Strategy and Corporate Directors declined to take the award.
- We received notification from MoJ of the launch of a cross-government branding initiative and, as required, we submitted an exemption request on the basis that we need to be seen as clearly independent from Government. As at 2 October we have heard that MoJ have supported our request for exemption and it is now being considered by Number 10.

- We received the Cabinet Office directions on cross-government spend controls and we are studying them carefully to understand where the implications for non-Crown bodies may be different to those applying to Crown bodies.
- We have received one resignation – a colleague will be leaving us in November to move abroad. We are currently recruiting for his replacement.
- The Triennial Review was published and we presented a paper to our Board in July covering suggested actions to address specific recommendations on corporate governance and a draft formal statement responding to the broader concerns raised by stakeholders during the Review process, which was finalised and published in September. Some of the media reaction on the response to the Triennial Review proved to be interesting. In particular, a *Legal Futures* article on our call for an “open debate” on the cost of regulation picked up on the themes of whether solicitors know what they are getting in return for their practising fees and whether or not they believe it is worth it.
- The process for recruiting two new Board Members has been delayed by the recent Ministerial reshuffle. We expect to see an advertisement appearing in the Sunday Times on later this month. MoJ are leading this recruitment and have secured the services of Professor Hazel Genn as independent appointing panel member to sit alongside Catherine Lee, Director, Access to Justice, MoJ and the Chairman.

Relations with the Ministry

- 1- 2-1 between Chris Kenny and Abigail Plenty
- 1st and 2nd Will Writing and Estate Administration Project Board
- 1st 3 way CMC complaints Project Board between MoJ, LSB and LeO

Relations with OLC

- Six monthly One to One between David Edmonds and Elizabeth France
- Regular One to Ones between Chris Kenny and Adam Sampson
- Three way OLC/LSB/MoJ meetings inaugurated

Stakeholder relations

During July –September 2012

- Chris Kenny met the Irish Minister of Justice spoke at a conference on legal services reform promoted by his Department on 5 July.
- We welcomed a visit from a number of visiting American students from the Michigan State University Law-Westminster 21st Century Law Practice Program
- The following discussions and Stakeholder interactions which the Chairman and CEO have had are worth noting:

- Dame Janet Gaymer and Sir Mark Potter on the LETR
 - IPS Chairman and CEO for general round-up in the context of their aspirations for new reserved activities in particular
 - Gray's Inn lunch visit with the Treasurer
 - Introductory meeting with Andrew Spooner, new President of the Solicitors Disciplinary Tribunal
 - Visit to Epq Legal Services, a major on-line supplier
 - Update meeting with Gillian Guy, Chief Executive of Citizens Advice
 - Chris Kenny chaired a session at the International Conference for Legal Regulators which took place on 27/28 September. Speakers on the panel included John Flood, Konstantinos Tomaras (European Commission), Valerie Thean (Singapore Government), Marcus Hartung (Bucerius Center on the Legal Profession)
 - We provided a support statement to the Black Solicitors Network (BSN) for use in their annual Diversity League Table publication
- A number of articles were contributed to the trade media including:
 - An article on 'regulatory standards and assessing regulatory performance' was provided to the Legal Compliance Bulletin.
 - An article for the Young Lawyer Magazine's website launch.
 - An opinion piece for a new magazine called Modern Law which is due to be published in the next month
 - An article for the Law Society's *Legal Compliance Bulletin*
 - An article for the online magazine *thejusticegap.com*
 - An article written by David Edmonds for the Bar Council's *Counsel Magazine* published in the September edition
 - We continue to make gradual improvements to website content and this quarter changes have been made to the regulatory approval section to clarify, update and make more user friendly this section and we have now added an option for viewing the 'home' and 'contact us' pages in Welsh. Users can select the 'Cymraeg' option at the top of each of the pages to open them.
 - We issued a number of latest news updates which were picked up by the trade media including:
 - Our discussion paper on measuring access to justice for individual consumers
 - Our research report on benchmarking professional ethics
 - Our response to the consultation on approaches to quality in the legal services market
 - The LSB response to the MoJ's Triennial Review
 - Our letter to regulators on our referral fee guidance
 - The reappointment of Elisabeth Davies as Chair of the Consumer Panel
 - Our communication with regulators on first-tier complaints handling
 - Our report on individual consumers' perception and use of legal services
 - Will-writing and estate administration consultation