

To:	Legal Services Board	
Date of Meeting:	30 January 2013	Item: Paper (13) 07

Title:	Q3 Performance Report: 1 October – 31 December 2012	
Workstream(s):	Business Plan 2012/13	
Presented by:	Julie Myers, Corporate Director julie.myers@legalservicesboard.org.uk / 020 7271 0059	
Author:	Michelle Jacobs Business Planning Associate Michelle.jacobs@legalservicesboard.org.uk / 020 7271 0053	
Status:	Unclassified	

Summary:

This paper provides a summary of the Board's performance in delivering its published Business Plan commitments during Q3 2012/13 (October - December).

It also contains the draft Q3 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 Q3 report is at **Annex A**.

Recommendations:

The Board is invited to:

- 1) review and comment on the draft Q3 performance report; and
- 2) agree to its use as a basis for discussion with MoJ.

Risks and mitigations

Financial: N/A

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 Q3 report.
Others:			

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Appendix 1 - all Risk and Overall project status sections	Exemption FoIA s36 – is intended to promote a free and frank exchange of views for the purposes of deliberation by the Board.	

LEGAL SERVICES BOARD

To: Legal Services Board	
Date of Meeting: 30 January 2013	Item: Paper (13) 07

Q3 Performance Report: October to December 2012

Recommendations

The Board is invited to:

- 1) review and comment on the draft Q3 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 Q3 2012/13 (October - December).
2. It also contains the draft Q3 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 Q3 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 Q3 and an update on any commitment which was outstanding from previous quarters, is reported below:

Q3 2012/13 commitment	Progress
Monitor implementation of self-assessment plans	On-going. Self- assessment plans are now published and in place for all but SRA and BSB. Work will now begin to monitor regulators implementation of their action plans.
Procedural assessment for first-tier complaints handling	Changed and completed. We have written individually to each regulator with timetables for follow-up action.
Recommendation to Lord Chancellor and development of orders for special bodies (if required)	Changed. Analysis of consultation responses has resulted in repositioning of the proposed guidance and the decoupling of the responses from the guidance. Guidance to licensing authorities will be published in Q1 2013/14 and recommendation to Lord Chancellor will only be made once there is a viable framework for regulating special bodies in place.

Monitor SRA progress on compensation review	Ongoing. LSB have made recommendation to Lord Chancellor and we monitored the progress of MoJ submitting relevant orders.
Provide progress update on the scope of regulation investigation	Completed. A paper was submitted to the Board in November outlining current thinking and proposed approach.
Publish final report on will writing activities, probate activity and estate administration	Changed. Final recommendation due to be agreed at January Board meeting, with final report and recommendation to be published in February.
Monitor the implementation of agreed approved regulator diversity action plans	On-going. Monitoring of regulator progress against the diversity data collection and publication timeline.
Publish updated Baseline evaluation of the impact of the Legal Services Act	Completed. Report published 25/10/2012.
Assessment of the budget application for the Solicitors' Disciplinary Tribunal	Completed. Budget approved.
Assess two practicing certificate fee (PCF) applications	Completed. IPReg and BSB PCF applications have been considered.

Q2 2012/13 commitment	Progress
Regulatory standards: Receive final self-assessment plans from regulators	Delayed. Self-assessment reports have been received by all approved regulators apart from the BSB.
Develop orders to become a licensing authority (if required)	Not required to date

Q1 2011/12 commitment	Progress
Publication of research database	Completed. LSB research pages launched November 2013

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 Q3 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 2012/13 Q3 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 Q3 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 for 2012/13 and thus its regulatory responsibilities is as **GREEN** with all commitments on track at the date of report. MoJ should however be aware that delays in arrival of new project manager resources will result in some work being 'paused', particularly on special bodies, as we await the new recruit's arrival.
4. Matters of note not specifically addressed by the programme report include the following:

Organisation development and governance

During October – December 2012:

5. One of our experienced Regulatory Project Managers, left the LSB on 9 November and whilst a successor has been appointed, her start date is still to be confirmed. Tim Bayl joined the LSB on 12 November as maternity cover for one of our Regulatory Associates. We also interviewed for the vacant Corporate Affairs Associate post and an offer has been made to a candidate.
6. We carried out our first colleague survey during October/November. We had a 100% response rate and results have been shared with colleagues and with the Remuneration and Nomination Committee. Whilst results were generally positive, some cultural and behavioural concerns were identified which we wish to address as a matter of urgency. We are seeking external support to help us do that.
7. Board member recruitment commenced in November and, whilst timing is outside of the scope of this report, interviews are scheduled for January 2013. A good field was secured of both lay and non-lay candidates. The appointing panel comprised Paul Kett, Deputy Director Strategy and Change, MoJ, David Edmonds and an independent assessor.

8. Recruitment is also underway for an additional Legal Services Consumer Panel member. The advertisement appeared in the Sunday Times on 11 November. Barbara Saunders is chairing the recruiting panel and Ed Nally is also a member, together with Elisabeth Davies and an independent. Interviews are scheduled to take place in January 2013.
9. We received formal confirmation that we may retain our website. We are yet to hear the outcome of the cross-government branding exercise.
10. We drafted and published for consultation our draft Business Plan for 2013/14.
11. The Remuneration and Nomination Committee reviewed the LSB Health and Safety Policy Statement in line with its annual responsibilities at its 25 June 2012 meeting, and presented to the Board for review and approval at its November meeting.

Relations with the Ministry

12. Introductory meeting with Lord Chancellor, Chris Grayling, and Parliamentary Under Secretary of State Helen Grant took place in December. This presented a useful opportunity to brief on our plans and confirm our commitment to a deregulatory, growth agenda.
13. We continue to work closely with the Ministry on determining the process that will need to be followed should a recommendation to reserve additional activities be made by the LSB.

Relations with OLC

14. The OLC sought consent from the LSB to two drafting amendments to their revised Scheme Rules over the Christmas period. The OLC provided satisfactory explanation and assurances to allow the Board to provide that additional consent.

Stakeholder relations

15. During October –December 2012
 - Chris Kenny delivered a key note speech at the Westminster Legal Policy Forum event in which he spoke about the challenges still facing regulation in the legal services sector and what the LSB will be doing to meet them. The speech received wide coverage in the trade press
 - Chris Kenny spoke on 21 November at an Institute for Government/Public Chairs Forum conference on Triennial Reviews
 - We provided a support statement to the Black Solicitors Network (BSN) for use in their annual Diversity League Table publication

- Nicole Smith represented the LSB at the Black Solicitors Network's annual Diversity League Table publication launch and award ceremony. She delivered a short address and presented the awards. Reaction to her participation has been extremely positive. Chris Baas represented the organisation at a breakfast briefing on ABS
- The new research pages on the website were launched on 22 November. A reception to mark the event and the significant contribution that research is making to legal services regulation was held
- David Edmonds spoke at the SAHCA conference on 17 October, using his comments to call for continued cooperation to secure implementation of a common QASA scheme
- Chris Kenny and David Wolfe attended the Bar Conference 2012. The conference provided a platform for the Bar's leadership to call for our abolition. This did not come as a surprise, following as it did Michael Todd QC's 'right of reply' column in *Counsel* magazine in which he reacted strongly to David's prior article 'Walking forwards briskly'. MoJ issued a helpful statement following the conference.
- A number of articles were contributed to the trade media, including:
 - An article written by David Edmonds for the Bar Council's *Counsel Magazine* published in the September edition
 - a 'question and answer' style interview with David Edmonds for *Modern Law Magazine*. This interview was given two pages in its third edition. Also included in this issue was a short column piece focusing on the report on benchmarking and tracking changes in the ethics and behaviour of providers of legal services which Professor Richard Moorhead wrote for the LSB
- The following 'latest news' updates were picked up by the trade media press:
 - Our discussion paper on measuring access to justice for individual consumers
 - 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
 - and our report on individual consumers' use of legal services
 - will-writing and estate administration consultation