

To:	Legal Services Board	
Date of Meeting:	30 April 2013	Item: Paper (13) 26

Title:	Q4 Performance Report: January to March 2013	
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 Q4 2012/13 (January-March).

A narrative cover for the MoJ Q4 report is at **Annex A**. The paper also contains the draft Q4 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**). For the first time, this report also includes a summary of all Section 55 (**Appendix 4**) information gathering notices issued during the quarter (and for completeness this extends to cover all notices issued during 2012/13). This will provide a default mechanism to ensure that all such notices get on the public record, whilst avoiding the fact of their issuance becoming a matter of public controversy at the point of writing.

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.

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 Q4 report.

Others:	
----------------	--

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Appendix 1 - all risk sections	Section 36 – 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 April 2013	Item: Paper (13) 26

Q4 Performance Report: January to March 2013

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 2012/13 (January - March).
2. It also contains the draft Q4 submission for the MoJ's performance reporting requirements (**Appendix 1**), the Consumer Panel's quarterly report of activity (**Appendix 2**), a report on regulatory decisions made during the quarter (**Appendix 3**) and a summary of all Section 55 information gathering notices issued during the quarter (**Appendix 4**). A narrative cover for the MoJ Q4 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 Q4 and an update on any commitment which was outstanding from previous quarters, is reported below:

Q4 2012/13 commitment	Progress
Monitor implementation of self-assessment plans	On-going. Self- assessment plans are now published and in place for all but the BSB. This final report is due to be published in May. Work to monitor the their delivery of their action plans is a core part of our Business Plan for 2013/14.
Qualitative assessment for first tier complaints handling	Changed. We have written individually to each regulator with timetables for follow-up action based on their individual reports. Progress against the bespoke frameworks will be reviewed in 2013/14.
Review ending transitional arrangements by year-end based on designation applications	Delayed. This work is subject to progress on IPReg's Licensing Authority application. The application is now expected to be ready at the end of April 2013; however the precise timing of the

	submission will be determined once there is clarity on the required Statutory Orders.
Monitor SRA progress on the compensation review	Ongoing. The LSB has monitored the SRA's progress in implementing a compensation review throughout the year and arrangements have been made to continue with quarterly meetings throughout 2013/14 whilst the SRA's review is undertaken.
Develop Orders for special bodies post consultation (if required)	Changed and on-going. This work was re-scoped following our original consultation to allow time to work with special bodies and potential licensing authorities to develop and test draft guidance and develop an appropriate approach to ending transitional arrangements throughout 2012/13. We will consult on the draft guidance and proposed approach to ending transitional arrangement in 2013/14.
Decision required from any change in scope for will-writing, probate activity and estate administration	Ongoing. A decision is expected from the Lord Chancellor in May 2014. Therefore any further planning or Board decisions that are required on the basis of this will be made in the first quarter of 2013/14.
Review findings from approved regulator data on diversity	Completed. Regulator data collected and reviewed. A progress report and paper is due to go to the May Board.
Review the evidence base around equal pay	Completed. Published literature review on equal pay and table of top 10 law firms workforce profile by gender on LSB website and supporting article on equal pay and progression published in The Guardian.
Identify next steps for approaches to quality	Completed. We have set clear success criteria for what we expect from approved regulators in this area and will follow up on this in 2013/14.
Assess the budget application for the Office of Legal Complaints	Completed. OLC budget assessed against agreed criteria and agreed by Board.

Q3 2012/13 commitment	Progress
Publish final report on will writing activities, probate activity and estate administration	Completed Q4. The final report was published at the beginning of Q4 along with the final recommendation to the Lord Chancellor and final impact assessment.

	The Board agreed to recommend to that will-writing become a reserved activity, but reflected that the weight of evidence did not point to a need to reserve estate administration.
--	--

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 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. For the first time, we are also including a summary report on all Section 55 information gathering notices issued by the LSB. For this first report we have summarised all notices issued in 2012/13 and in future reports we will list all issued in that quarter. This ensures that we are transparent about the use of our information gathering powers whilst avoiding the unnecessary and undue attention that real-time publication of each notice might generate were we to release in full at the time of issue.

To: Ministry of Justice

Legal Services Board 2012/13 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 2012/13. The report is based upon the LSB's overarching programme and individual project plans. It is the final Quarterly report for 2012/13 and therefore shows progress in achieving all the stated milestones for the year.
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. For the first time, this quarter we have also attached a report of all the Section 55 requests that have been made in 2012/13. This is attached at **Appendix 4**.
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 resulted in some work being 'paused', particularly on special bodies, until the new recruit had settled into the job. There are also some pressures in the system which will make maintaining that rating more challenging than usual in the coming quarter.
4. Matters of note not specifically addressed by the programme report include the following:

Organisation development and governance

During January – March 2013:

5. Prior to Christmas, all colleagues were allocated a Personal Development Budget to put towards individual training needs which they have undertaken in the last quarter.
6. Bryony Sheldon joined us in February as a Regulatory Project Manager. She has previously worked at the Ofgem and National Lottery Commission. Catherine Mariner joined the LSB in March as Corporate Affairs Associate. She was most recently a programme administrator at the Institute of Education and immediately prior to that was a member of the Armed Forces Pay Review Body Secretariat at the Office of Manpower Economics.

7. Two new Board Members, Anneliese Day QC and Terry Babbs have been appointed to our Board, replacing David Wolfe QC and Nicole Smith. Frances Harrison was appointed to the Legal Services Consumer Panel Member.
8. All colleagues have taken part in a comprehensive review of our approach to information assurance. Led by the Corporate Governance Manager, colleagues have been looking at all of our policies in this area and considering how effective they are in practice. The intent is to recommend practical improvements to ensure continued compliance is maintained.
9. BIS have announced that the Competition and Markets Authority will be based in Victoria House. While we are contesting the very short notice period, our planning assumption is that we will have to find new accommodation in the course of 2013.

Relations with Government

15. We continue to work closely with MoJ officials on determining the process that will need to be followed should the recommendation to reserve additional activities be approved by the Minister and to ensure that any queries arising from the review of the Impact Assessment by the RPC are resolved.
16. The Chair and Chief Executive appeared before the Justice Committee for a one-off oral hearing on the LSB's work on 19 March.

Relations with OLC

12. The OLC sought approval from the LSB for their budget. The OLC provided a comprehensive submission against criteria agreed between the LSB and OLC to allow the Board to approve the budget. The Board pressed the OLC hard on the need for demonstrable efficiencies and value for money to be realised from this budget and noted that, should the predicted volumes of contacts and cases not materialise, then there would be need for a fundamental look at the OLC's cost base.
13. We have begun to consider the process for appointing a new OLC Chair and two new members when current terms end at the end of 2013/14 and are keeping the Central Appointments Team in the loop.

Stakeholder relations

14. During January - March 2013:

- On 22 January, we published the research into the 'cab rank rule', this received extensive coverage in the trade press and elicited fierce debate
- On 23 January, Chris Kenny spoke at a breakfast briefing on the OFT's recent report with Phillip Collins, the OFT Chairman.
- Chris Kenny spoke alongside the Chairs of the Law Society and Bar Council at the All Party Parliamentary Group on Legal Affairs on 6 February

- Following up an appearance by the SRA, we submitted a memorandum to the Parliamentary Commission on Banking Standards.
- The Chairman and Chief Executive met the Chair of the Justice Committee Sir Alan Beith on 30 January.
- Chris Kenny spoke at a Regulatory Policy Institute seminar on 12 February focusing on media regulation post Leveson and how legal regulation might be relevant to media regulation.
- The Chief Executive attended the Liverpool Law Society's Management Conference on 28 February and made a presentation outlining the LSB's views of the key issues facing it and the legal sector for 2013
- Crispin Passmore spoke about Regulation for a Diverse and Innovative Legal Sector at the Westminster Policy Forum on 19 March

14. A number of articles and research pieces were picked up by or were contributed to the trade media, including:

- a column in the January edition of Modern Law Magazine which highlighted our new research web pages
- the Director of Regulatory Practice fielded a 'question and answer' style interview with for ICAEW's *Economia* magazine. The focus of the interview was on what the Legal Services Act could mean for accountants and lawyers looking forward
- an article on the LSB's cab rank rule research placed in *The Lawyer* in March
- a short opinion piece drafted for an ABS focused supplement to *Modern Law* magazine's March edition
- on 16 January the 'high street' research was published. A joint press release was put out by the Law Society and LSB. The press release and research received good coverage from the trade press (ie *Legal Futures*, the *Law Society Gazette* and the *Solicitors Journal*).

15. The following 'latest news' updates were picked up by the trade media press:

- the SRA's self-assessment report was published on 27 February. Trade press comment tended to be on the LSB's side of argument.
- on 28 February we published the equal pay literature review. It was picked up by some of the trade press
- on 13 February the LSB announced its will-writing, estate administration and probate recommendations to the Lord Chancellor. This was picked up by quite a few media outlets including the usual suspects (*Legal Futures*, the *Law Society Gazette*, the *Solicitors Journal*) and other, not so usual, commentators (*Times Legal*, *Money Marketing* [online], *IFA online* [online], *ICAEW*, *City Wire* [online], *Mortgage Strategy* [online], *The FT Observer* [online], etc.). It was also featured in a ten minute segment on the BBC's *You and Yours* consumer affairs programme on the day it was announced. An article was also drafted for LeO's monthly newsletter.