

LEGAL SERVICES COMMISSION BOARD

MINUTES OF THE MEETING HELD ON 25 MAY 2011

[Note: These minutes are subject to be reviewed and the information that is exempt from disclosure under the Freedom of Information Act will be deleted and replaced by an explanation of the exemption that applies.]

Present: Sir Bill Callaghan, Chair
Barry Elliott
Tom Jones OBE
Julian Lee
Beryl Seaman CBE
Dr David Wolfe
Carolyn Downs, Chief Executive
Owen Mapley, Finance and Corporate Services Director

Attendees: Hugh Barrett, Director of Legal Aid Commissioning & Contract Management
Ruth Wayte, Director of Legal and Service Development
Holly Perry, Head of Chief Executive's Office
Hannah Stephenson, Governance Officer (minutes)

For particular items: LSC11/35 Melena Ward, Central Commissioning
LSC11/37-38 Helen Riley, Director of Case Management
LSC11/39 Patrick Bloom, Corporate Planning & MI Manager

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The minutes of the meeting held on 4 May 2011 were approved.

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Matters Arising

The Board agreed that the minute of the informal discussions held at the 4 May meeting was confidential and exempt from publication. Only decisions and actions on formal items would be published.

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Agenda

LSC11/29 Update on Integrated Delivery Programme (circulated out of committee on 10 May 2011)

The Board discussed the risk to the Integrated Delivery Programme (IDP) of programme inter dependencies and timescale delays beyond the control of the LSC.

The Chief Executive would follow up on the action to circulate the minutes of the IDP Programme Board to Commissioners **(CD)**.

Completed: Circulated by email on 3 June as part of Commissioners' weekly update.

The Commission noted the update.

LSC11/30 Outcome of Legal Aid Reform consultation

[Freedom of Information Act 2000 Exemption: s36 – the free and frank exchange of views for the purpose of deliberations]



An update on timescales would be provided for Commissioners as soon as this was available **(HB)**.

Ongoing: Updates provided through the Commissioners' weekly update emails.

The Commission noted the oral update.

LSC11/31 Family Justice Review consultation response

The Chair and Chief Executive updated the Commission on their meeting with David Norgrove to discuss the interim report on the Family Justice Review consultation. In addition the Chief Executive and Director of Legal and Service Development had met with the MoJ staff tasked with implementing the proposals.

Commissioners were asked to send their comments on the draft response direct to the Chief Executive by Friday 3 June **(Commissioners)**.

Completed.

Subject to comments received, the Commission approved the response.

LSC11/32 Commission feedback session

The Chief Executive drew to the Board's attention the issues arising from two recent meetings of large providers, which were attended by the LSC. In particular The Law Society had voiced objections and this would likely be published in the Gazette. The LSC's position was to accept all invitations to 'business as usual' meetings with providers, but would review this position during a tender round. In addition the criteria for invitation for the recent meetings had been discussed with representative bodies at the Criminal Contract Consultative Group, and other providers would be invited to organise similar conferences over the summer which would be attended by senior LSC staff.

The Commission noted the prior approval of the two HMRC invoices. The Chair had in addition delegated authority to the Finance Director to approve the transfer of funds between two bank accounts necessary to facilitate the May salaries payment, as the total amount had exceeded the delegated authority limits of both the Chief Executive and Finance Director.

The Board agreed to formally delegate authority to the Chair of the Audit Committee to approve payments exceeding the delegated limit of the Chief Executive, when the Chair was unavailable.

In addition, a review of the delegated authority limits of the Chief Executive would be conducted in the future **(CD/OM)**.

In hand: The Finance Director has commissioned a review of all delegated authorities including those of the CEO, which will be completed in July.

The Audit Committee Chair provided an update on the 17 May meeting. The Chair expressed confidence in the progress being made across the LSC and in particular highlighted successes in developing the Assurance Framework and Counter-Fraud Strategy, and through financial stewardship; although some areas of issue remained. The encouraging tone of the NAO's most recent update to the Audit Committee was also noted.

The Commission noted the updates.

LSC11/33 Finance update including April management accounts

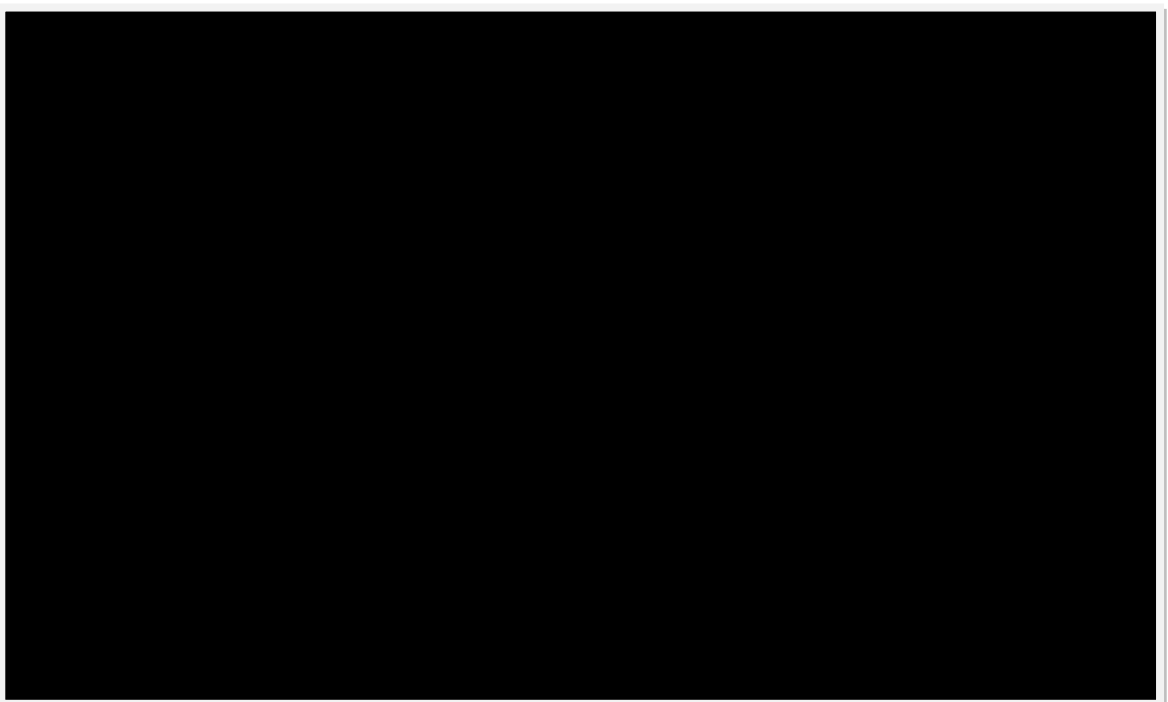
The Finance Director presented a brief update on the management accounts. Key points included indentifying future likely pressures on the Admin accounts, and completing formal work on quarter three testing in advance of the audit of the Fund accounts due to begin in July. There was a notable trend in the reduction in crime and civil work (with the exception of family).

Commissioners requested further information on the latest position with the Litigator Graduated Fee Scheme and the Advocates Graduated Fee Scheme, which would be addressed by the Director of Case Management under LSC11/37 and LSC11/38 later on the agenda.

The Commission noted the financial position.

LSC11/34 Lessons learned exercise – 2010 tenders

[Freedom of Information Act 2000 Exemption: s36 – the free and frank exchange of views for the purpose of deliberations]





Actions in hand.

LSC11/35 Family contracts re-tender

[Freedom of Information Act 2000 Exemption: s36 – the free and frank exchange of views for the purpose of deliberations]



LSC11/36 Risk update and draft Assurance Framework

The Commission discussed the further progress made on the development of a formal LSC Assurance Framework. This had been discussed at the recent Audit Committee meeting on

17 May, which had recommended to the Board the need for something more structured but with regular review.

Resource implications, especially within case management where capacity was limited, were highlighted as a particular area for attention.

The Commission agreed the proposals set out in the paper, subject to the comments captured above.

LSC11/37 Year end performance summary for operational delivery

The Director of Case Management provided additional explanation of the statistics presented in the Case Management Year End Report. Key points included:

- The significant increase in volumes of work and addressing backlogs
- The related increase in correspondence from providers
- Resource shortfalls, loss of skilled staff through voluntary redundancy or to support other programmes of work, and the time taken to train new staff
- The increase in rejected applications due to staff applying more vigorous quality control checks, and the reaction of providers
- The increase in telephone traffic and complaints from providers, exacerbated by hard rejects, backlogs and Crown Court Means Testing processing delays.

The Commission further discussed how to address provider error. The approach being taken was to work with providers now to correct common errors, prior to the introduction of IDP, which had the support of the representative bodies. The increase in provider calls and correspondence was having the most notable impact on processing times. In terms of resource, a decision would need to be taken on whether to utilise the expected additional allocation of staff to address the backlog or for processing new claims.

The Commission noted the following corrections to the year end report:

- The figure highlighted in yellow on page five of the report was 43% (for MHU Civil Applications Processing performance in March 2011)
- On page 19 the civil performance average headcount for 2010/11 was nearer to 4.75.

The operational delivery performance summary would be presented to the Board on a quarterly basis **(HR)**. In addition, the Chief Executive and Director of Case Management would consider publishing the operational delivery performance summary externally on the LSC website **(CD/HR)**.

In hand: The operational delivery performance summary will be added to the agenda plan as a quarterly item once timescales for the production of the data have been finalised by the Director of Case Management.

The Commission noted the concerns about delays in processing and inadequacy of resource and noted the helpful reports.

LSC11/38 Risks and issues on operational delivery

The Board drew particular attention to the IT issues outlined in the paper, adding that MAAT was an LSC system now hosted by ATOS, and that addressing the issues was high on the MoJ's list of priorities.

The number of cases that could not be processed due to non-compliance errors by Her Majesty's Courts and Tribunals Service had now risen to 6000. In addition, the addition of case outcome to the IT products had not taken place by 20 May, as reported in the paper.

The Commission noted the update.

LSC11/39a Corporate reporting – Year end corporate metrics report

The Commission queried why, given the IT issues discussed under LSC11/38 above, the IT risk reported in the year end performance report had reduced. The Finance Director would circulate a note to Commissioners confirming the reasons for reporting reduced IT risk **(OM)**.

In hand: A note will be circulated shortly by the Head of IT (on behalf of the Finance Director).

Commissioners also queried the overall green rating for the People Scorecard KPI, and requested that the components be broken down. The Corporate Planning & MI Manager would provide additional explanatory wording for the People Scorecard KPI **(PB)**.

Completed: An update was included with the Commission feedback session paper for the 29 June Board meeting (LSC11/45 refers).

The Commission noted the update.

LSC11/39b Corporate reporting – Update on proposals for executive reporting

The Corporate Planning and MI Manager presented an illustrative example of future performance reporting. An iterative version, with progress against milestones, would be presented at the June Board meeting and a comprehensive version in July **(PB)**.

Ongoing: Work continues to develop the performance framework and agree the protocols. A full report will be provided in July.

The Commission endorsed the approach for future performance reporting.

LSC11/40 Half-yearly update on information requests

The Commission noted the update.

LSC11/41 Provider risk update

The Commission welcomed the summary update on key high risk providers and requested that this be included as a quarterly item to the Board **(HB)**.

Completed: Added to the agenda plan as a quarterly item.

The Commission noted the update.

LSC11/42 Staff pension and assurance schemes no. 3 & 4

The Finance Director tabled a paper on the LSC staff pension and assurance schemes no. 3 & 4, which had been prepared by the Assistant Pensions Manager.

An update would be provided for Commissioners on the latest position in the next weekly update or soon after **(OM)**.

The next update will be available in September.

The Commission noted the update and approved the actions highlighted in the paper.

Any other business

None

Next meeting

The next Commission meeting would take place on 29 June 2011.