

LEGAL SERVICES COMMISSION BOARD

MINUTES OF THE MEETING HELD ON 30 MARCH 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, Executive Director for Finance and Corporate Services

Attendees: Hugh Barrett, Executive Director for Commissioning
Helen Riley, Director of Case Management
Ruth Wayte, Director of Legal and Service Development
Holly Perry, Head of CEO's Office and Governance
Hannah Stephenson, Corporate Governance Officer (minutes)

For particular items: LSC11/18 Jonathan Djanogly, MP, Legal Aid Minister
Suma Chakrabarti, Permanent Secretary
Sally Jones, Private Secretary to Jonathan Djanogly
Severine Gould, Assistant Private Secretary to Suma Chakrabarti

LSC11/18- 21 Cate Jolley, Corporate Governance Policy Manager

LSC11/22 Damon Norville, Programme Director for the Integrated Delivery Programme

LSC11/23 Patrick Bloom, Head of Planning and Performance

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The minutes of the meeting held on 23 February 2011 were approved.

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Matters Arising

There were no matters arising.

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Agenda

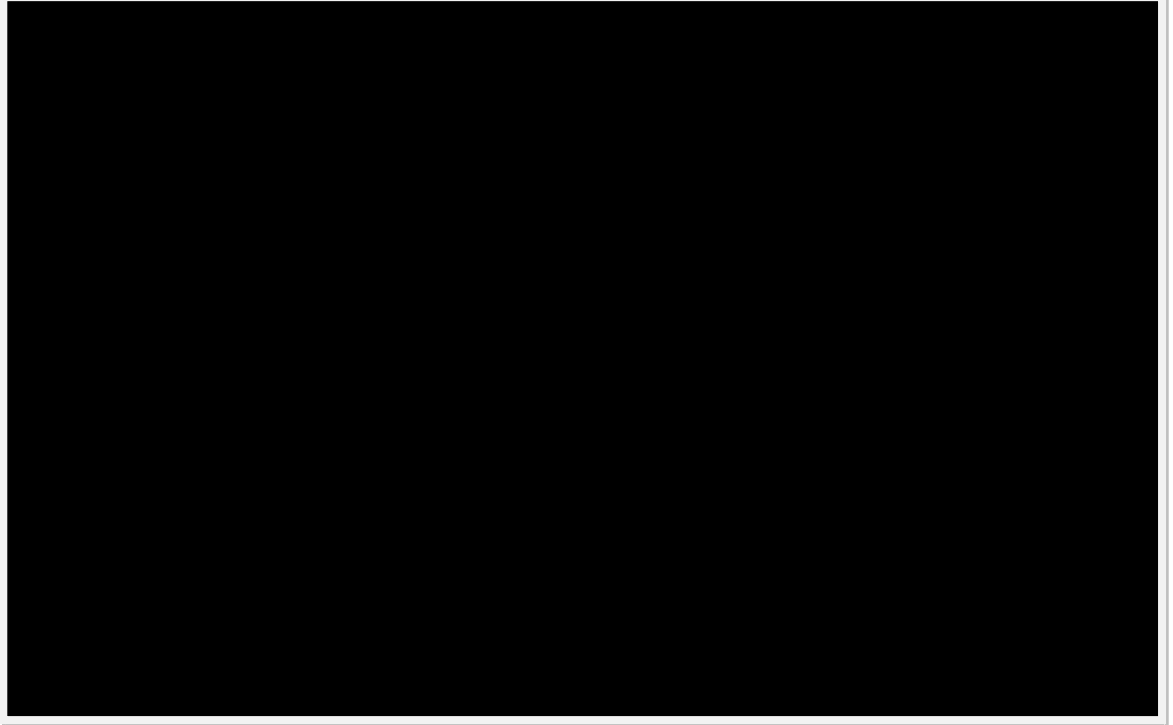
LSC11/17 Revised Trust Deed for LSC staff pension scheme (circulated out of committee on 16 March 2011)

The Board noted that approval had been given out of committee for the pre-payment of £7.5m to the pension scheme.

Post meeting update: The payment to the pension scheme was paid before 31 March.

LSC11/18 Ministerial visit

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



In hand. Commissioners are asked to send their comments to Eleanor Druker by 13 May, who will then prepare a draft response for consideration at the 25 May Board meeting.



The guidance will be circulated shortly as part of the Commissioner's weekly update.



In hand.

LSC11/19 Commission feedback session

The Chair of the Audit Committee provided an update on the 15 February meeting of the Committee. The Committee had agreed to focus on four key areas: the development of a fraud strategy, oversight of the Integrated Delivery Programme (with overall responsibility resting with the Board), financial management across the LSC, and developing an Assurance Framework.

The Audit Committee Chair updated the Board regarding the decision to outsource the LSC's internal audit function to Price Waterhouse Coopers on a two year contract.

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



In hand.

The Commission noted the prior approval of the two HMCS SLA invoices. The Board delegated authority to the Chief Executive to approve and sign HMCS SLA invoices in future, where the Board's prior approval had already been given to incur expenditure over £1m, referring them to the Board only where the contract was significantly extended or modified. Any new expenditure over £1m would continue to be referred to the Board.

The Commission approved the invoice from DX Network services and noted the remaining updates.

LSC11/20A Finance update – February management accounts

The Finance Director provided an overview of the key points from the February management accounts.

The Board highlighted some figures and dates (especially relevant financial years) used in the report, and the presentation of information in tabular form. Commissioners asked that all finance reports be reviewed in future to ensure they were accurate and clear to follow **(OM)**.

In hand/ongoing.

The Board discussed the delay in realising some expected savings, in particular from Standard Monthly Payments and Crown Court Means Testing. The Finance Director informed the Board that efforts were being made to formalise responsibility for figures (between LSC and MoJ Finance) to ensure consistency in the future.

The Board expressed their appreciation to those staff leaving on voluntary redundancy, for their contribution to the LSC.

The Commission noted the financial position.

LSC11/20B Finance update – Budget for 2011/12

The Finance Director explained that this paper intended to add extra detail to the 2011/12 budget figures presented to the Board in January (LSC11/06A refers), including an assessment of the risks.

The Board noted that the forecast expenditure was fully funded by MoJ and discussed the impact on the LSC of outsourcing capital expenditure to MoJ.

The Board approved the budget for Admin totalling £99m and noted the estimated depreciation charges and movements in provision of £16.2m. The Board also noted the funded position on the legal aid Fund and noted the £19m allocated to LSC capital projects.

LSC11/20C Finance update – Spending review 2010 plans

The Finance Director introduced the paper as a first attempt to detail the spending review 2010 outlook, but emphasised that this was not a final position.

On the Fund side it was felt that savings were achievable, but these were subject to many unknowns. Admin savings were currently not deliverable and the LSC was working to identify alternatives.

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

The Board discussed the challenge posed by the coinciding of a number of key events in autumn 2012 including executive agency transition, the rollout of the Integrated Delivery Programme (IDP), office moves, the expansion of Leeds Shared Services Centre, and scope changes. [REDACTED]

The Finance Director explained that some further work was needed to achieve sufficient clarity and understanding of interdependencies.

Commissioners requested to receive regular updates and latest up-to-date figures relating to the spending review **(OM)**.

In hand/ongoing.

The Commission noted the current position.

LSC11/20D Finance update – Financial stewardship, full report

The Finance Director drew attention to paragraph 5 of the cover paper, confirming that the LSC would now only be monitored quarterly by MoJ Finance, which was standard for other MoJ bodies.

The Board discussed the LSC's relationship with providers as it sought to recover overpayments. The Chief Executive had written to the Legal Aid Practitioners' Group in recognition of the pressure providers were under, but stressed the positive gains of the financial stewardship work. The Board agreed that a similar message should be delivered to other representative bodies and stakeholders, stressing the achievements made.

The Board agreed on the need to build on the achievements of the past year and maintain the positive attitude of LSC staff. The Chair welcomed the progress made and congratulated staff.

The Commission approved the draft plan for 2011/12 and noted the update.

LSC11/21 Future Executive Agency Board structure

The Chief Executive had circulated a revised version of the paper out of committee on 28 March, with changes to the length of Commissioners' terms and the executive agency vesting date. More work was needed to finalise the governance structure, in particular the Audit Committee and links between Boards.

The Commission noted the update, subject to further discussions with the Chair including at the 4 May non-executives' only session.

LSC11/22 Update on Integrated Delivery Programme

The Programme Director for IDP joined the meeting to present the update, which would now be presented to the Board on a monthly basis.

The Board discussed plans to engage with provider representatives and to carry out a more detailed impact assessment, and the need to fully understand the benefits, which would become clearer after the pilot. Commissioners also discussed the impact of MoJ policy changes on rollout of IDP and what contingency plans were in place if timescales for the pilot or rollout needed to be amended. The Board also noted the consequences for the LSC of the change in information security impact level for the Programme from zero to four. The impact was expected to be confined to testing, rather than design.

The Commission noted the update and thanked the Programme Director for the report.

LSC11/23 LSC Business Plan 2011/12

The Head of Planning and Performance joined the meeting to present the draft Business Plan.

The Board discussed the sickness absence and Performance Development Review (PDR) targets in Key Performance Indicator 7: People and Performance Management. The Chief Executive was confident that the PDR target was achievable, and clarified that the sickness absence target was below the civil service average.

The Commission formally endorsed the 2011/12 Business Plan, subject to a number of minor changes to be made to the Plan before it was submitted to ministers **(PB)**.

Completed. The revised LSC Business Plan for 2011/12 was signed off by Ministers and laid in Parliament on 4 April 2011.

LSC11/24 Risk and Assurance Framework update

The Finance Director presented the draft Assurance Framework on behalf of the Head of Assurance and Performance Management, and thanked Julian Lee for his input.

The Commission welcomed the draft Assurance Framework, and noted the update and that the fully developed Framework would be presented to the Audit Committee at its meeting on 17 May.

LSC11/25 Corporate metrics report

The Finance Director presented the latest corporate metrics report. The acts of assistance KPI would be removed going forward, as agreed by the Minister. A discussion of the levels of sickness absence took place, with assurance given by the Chief Executive that sufficient management information was in place to target areas where absence was particularly high.

Commissioners requested clarification on the role of the Local Performance Improvement Groups, as mentioned under the Whole Systems Initiatives KPI **(HB)**.

Local Performance Improvement Groups were established throughout England and are made up of practitioners and front line managers working in Her Majesty's Courts Service, local authorities, Cafcass, and the LSC. They aim to reduce unnecessary delay in care and supervision proceedings and the groups work together to pinpoint and address the problems contributing to delay in their localities. The LSC is a virtual member of these groups (i.e. there is a named contact to whom they can direct address issues relating to family legal aid).

The Commission noted the report.

Any other business

4 May meeting agenda

The Chair would discuss the 4 May agenda further with Commissioners and the Chief Executive, with consideration of the following **(BC/CD)**:

- Include a discussion on risk appetite
- Share with Commissioners the outputs from the Executive Team strategy day held in early March
- Review successes over the past year and discuss the forward look
- Use the tender lessons learned exercise as part of the discussion
- Extend the meeting until 2pm to allow for a fuller joint strategic session.

In addition, the Board planned to discuss the outcome of the Legal Aid Reform consultation at the 25 May Board meeting **(HS)**. Meeting dates for 2012 would also be set up **(HS)**.

The agenda plan has been updated to reflect the actions above.

Next meeting

The next Commission meeting would take place on 4 May 2011.