

Business Plan 2010/11

Legal Services Commission Business Plan 2010/11

Presented to Parliament pursuant to paragraph 15 of Schedule 1
to the Access to Justice Act 1999

Foreword by the Chair and Chief Executive

Introduction

Our business plan for the 2010/11 financial year is quite deliberately a one year work programme. It reflects the priorities for our work - priorities that have been jointly agreed by the Ministry of Justice (MoJ) and the Legal Services Commission (LSC).

It does not attempt to set the year's work in a wider policy or strategic context, as this year is clearly one of transition from the strategy and vision of the previous government to that of the new government.

Our priorities are quite simply:

A: Delivering a structure and framework for the future administration of Legal Aid [Implementing the Magee recommendations which can be found at - www.justice.gov.uk/publications/docs/legal-aid-delivery.pdf]

B: Delivering improved financial management and control [Implementing the Financial Stewardship Plan, which was developed to address control issues that had been highlighted by the National Audit Office (NAO)]

C: Meeting the budget and resources challenges we face and maintaining access for those most at need

D: Engaging staff and building their capability

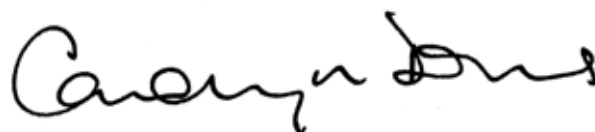
These priorities reflect the very challenging past year of the LSC, where our accounts were qualified, Sir Ian Magee reported on the need for our relationship with the MoJ to change for the better, and where Ministers have stated their intention that the LSC becomes an Executive Agency of the MoJ, rather than an Executive Non Departmental Public Body (NDPB) as currently constituted.

We commit to work collaboratively and constructively with the MoJ to meet our challenges and to deliver against this one year plan.



Sir Bill Callaghan

Chair, Legal Services Commission



Carolyn Downs

Chief Executive, Legal Services Commission

The Legal Services Commission

The Legal Services Commission provides legal aid and legal advice and information in England and Wales through two schemes: the Community Legal Service (CLS) and the Criminal Defence Service (CDS). Our work is essential to the fair, effective and efficient operation of the civil and criminal justice systems. It is also critical in helping to provide access to legal advice for some of the most vulnerable members of society.

Our Structure

The LSC has its headquarters in London and provides local services from 13 offices, including our Wales office. We also operate the Public Defender Service (PDS) from 4 offices that deliver legal advice and representation to people involved in criminal cases in those localities. Across our locations we employ a total of 1516 people¹.

Our organisation is designed to ensure that we focus on our core business of commissioning appropriate, quality legal services for clients, as well as achieving our ambitious change programme. Our Executive Team reports to the Chief Executive, and includes the Finance Director, the Commission's Legal Advisor, and the Director of Case Management.

Our Finances

Administration:

Our administration allocation for 2010/11 is £96.6m, with an additional ring fenced budget of £10.6m- transferred from fund- for the implementation of Crown Court Means Testing (CCMT). Capital Expenditure is £19.3m, which is predominantly IT and estates expenditure essential to meet business needs.

Fund:

The fund budget for 2010/11 is £2,012m. When compared with our latest forecast (as at the 2009/10 Q3 Review) this shows a projected shortfall of £156m and we are working with the MoJ to address this issue.

Our Strategic Objectives

We have four objectives and we will work with our providers, justice partners at local and national level, staff and other government departments to:

- **Objective 1** – Maximise access to quality services to meet the diverse needs of the clients we serve
- **Objective 2** – Deliver a sustainable Legal Aid Scheme and an efficient and diverse organisation
- **Objective 3** – Facilitate the efficient and effective delivery of justice and wider government priorities
- **Objective 4** – Work with our providers fairly and robustly; and improve our delivery performance

¹ July 2010 figure that includes permanent staff and payroll temps only.

LSC Corporate Key Performance Indicators for 2010/11

LSC Corporate Key Performance Indicators for 2010/11

We have reduced the number of headline KPIs this year to 7. These focus on the core areas of our business and processes, and will be actively managed and measured throughout the year, with monthly review by the Board.

The suite of KPIs against which we will be measured are:

KPI 1	Exceed 1 million acts of assistance - We will reach 600,000 face to face acts of assistance and 400,000 telephone acts of assistance by the 31st of March 2011.
KPI 2	<p>Whole system initiatives (in partnership with other parts of the wider Justice System) -</p> <p>This is a target created by MoJ, with Her Majesty's Court Service (HMCS), Children and Family Court Advisory and Support Service (CAFCASS), local authorities and the LSC all playing a part to reduce delay in child supervision and care proceedings.</p> <p>The over arching target is across 5 years, but the year 1 contribution is to increase the number of parents (and those with parental responsibility) in England receiving pre-proceedings (level 2) advice in Care Proceedings cases to 15% in 90% of local authority areas.</p> <p>The current number of local authorities where this target is being met is 157 (48%). The target is to increase to 294 which is an increase of 137 local authority areas. This requires an improvement of 42%.</p> <p>To attempt to meet this stretching target, the LSC will take action throughout the year as follows;</p> <ul style="list-style-type: none"> • Identify providers using little or no level 2 advice, and contact them to increase the number • Provide geographical data on level 2 usage to local performance monitoring groups • Contribute to monitoring groups that include local authorities, either through attendance at the meeting, or the provision of supporting papers and information.
KPI 3	Customer Service Scorecard - Meet specified performance levels in at least 10 out of 15 targets. The areas for measurement cover the quality of our work, the speed of processing and response. These stretching targets include the processing of applications and bills, and error rates.

KPI 4	<p>Take action to live within the allocated fund budget - The target is to complete actions agreed with MoJ in monthly finance review meetings, by the specified deadline. The actions will consist of things that the LSC can do within the year to improve the fund budget shortfall. New actions will be agreed every month, and will be rated (red amber and green) against agreed tolerances.</p> <p>The 2009/10 quarter 4 forecast for 2010/11 shows the near cash position at £2,165m, with a shortfall of £153m. The LSC will continue to work with the MoJ on this.</p>
KPI 5	<p>Live within the Administration budget - We will live within our allocated administration budget of £107.2m (including CCMT), and will track year-to-date and full year variance to our budget.</p>
KPI 6	<p>Implementation of the stewardship action plan milestones - The target is to complete the agreed actions that form part of the LSC financial stewardship action plan, in order to strengthen financial control and reduce the risk of future qualification of the accounts.</p> <p>Actions that will be undertaken include implementing phase 1 of the Ernst & Young recommendations (which has identified improvements to financial controls for both the legal aid fund and administration budget), implementing the Public Accounts Committee actions, and embedding the new general ledger system.</p>
KPI 7	<p>People scorecard – Meet the following people measures;</p> <ul style="list-style-type: none"> i. Achieve an average of 7.66 or fewer sickness absence days per person for the year ii. 98% of employees who should have had a Performance Development Review (PDR) for the May/June and the December/January rounds have a rating recorded on the HR system iii. Reduce the total number of grievances, appeals and tribunals by 15% compared with 2009/10

Detailed work programme for 2010/11

- A. Delivering a structure and framework for the future administration of Legal Aid [Implementing Magee]
- B. Delivering improved financial management and control [Implementing the Financial Stewardship Plan]
- C. Meeting the budget and resources challenges we face and maintaining access for those most at need
- D. Engaging our staff and building their capability

The following schedule sets out our priorities for the year, showing the key milestones and delivery targets that we are committed to achieving. This is a challenging work programme and we must manage the associated risks effectively if it is to be completed as planned. We have already streamlined the Board and Committee structure, to focus attention and available resources on monitoring and managing the agreed priorities. We will establish and maintain an appropriate degree of trust and support that fosters honest and robust reporting and discussion of issues and risks between managers and staff, Commissioners, MoJ officials and Ministers. We are determined to achieve this and, in the light of a National Audit Office facilitated self-assessment of the effectiveness of our Board governance, we will be reviewing this on a regular basis during the year.

A: Delivering a structure and framework for the future administration of Legal Aid [Implementing Magee]

1. Implementing the agreed Magee Action Plan	
Key Activities	Timing
Within 3 months	
Work-stream Managers identified and appointed [Completed]	May 2010
Governance – review size of Commission, consider and allocate responsibilities of individual Commissioners and clarify the status of CEO and Finance Director as Board members [Completed]	May 2010
LSC to agree with MoJ those recommendations to be taken forward [Completed]	June 2010
Key outcomes and outputs defined for each work-stream [Work underway]	June 2010
Permanent Secretary and LSC Chair joint responsibility for fostering constructive, supportive, trusting and challenging relationship between LSC and MoJ at all levels. [Completed]	June 2010
Within 6 months	
MoJ/LSC consensus on way forward	July 2010
Framework document to be agreed focusing on decision-making responsibilities and accountabilities, escalation and financial management and forecasting	July 2010
LSC to participate in independent review of progress against plan that will be commissioned by MoJ - to include initial proposals for providing greater focus on issues and interests to legal delivery in Wales. [MoJ is conducting 'fundamental look at legal aid']	September 2010

2. Development of Business Case for implementing Magee recommendation on move to Executive Agency status	
Key Activities	Timing
Within 3 months	
Detailed benefits defined with a realisation strategy developed [Work underway]	June 2010
Within 6 months	
Submission to Ministers on the Executive Agency transition and change proposals agreed within 18 months	July 2010
Within 12 Months	
Gate 0 review of Programme to confirm achievability and strategic fit	October 2010
Strategy for the Agency to be published that includes – clarity around relationship with MoJ, responsibility for policy development and promulgation, operation of financial planning, forecasting and budgetary control	February 2011
3. Defining the new organisation's governance and policy procedures	
Within 3 months	
Clarity on policy making - MoJ/LSC to establish single organisation focus [Completed]	June 2010
Within 6 Months	
Final agreement on policy and decision making and the associated structure	August 2010
Ensure supporting work on proposals around items to go into the Legal Aid Bill are completed	September 2010

Priorities for 2010/11

A: Delivering a structure and framework for the future administration of Legal Aid
[Implementing Magee] *continued*

4. Defining the new organisation's operational systems and processes (including ICT)	
Key Activities	Timing
Within 6 Months	
Agree the case for further efficiencies – after consideration of sharing Legal, Financial, HR, IT and Estates services and to include consideration of the potential for out-sourcing services	September 2010
MoJ, LSC and HMCS to consider the division of responsibilities to achieve maximum efficiency around processes and administration	September 2010
Within 12 Months	
Draft IS strategy including Enterprise Resource Planning and management information requirements to be completed	December 2010
The LSC will focus on developing its expertise and capacity as a Commissioning body	November 2010
The LSC will develop and implement proposals to ensure the right balance between maintaining adequate control and giving providers space to deliver services effectively and efficiently and to encourage innovation	March 2011
Privacy Impact Assessments to be completed for all "to be" processes and systems	January 2011
5. Defining the new organisation's workforce capacity and capability requirements	
Within 12 Months	
Proposals with respect to Pay, Terms and Conditions and Pensions treatment to be finalised.	December 2010
Employee relations negotiations completed, including transfer of undertaking protection of employment (TUPE)	December 2010
Draft HR Strategy to be drawn up for the new organisation to align with MoJ policies and procedures	March 2011
Preparations for transition of selected LSC staff to new body	March 2011
External Recruitment to meet priority skills and capacity shortfalls to be completed	March 2011
6. Defining the estate and infrastructure requirements	
Within 12 Months	
Draft Estates Management Strategy completed and agreed with MoJ, implementation will ensure that the most efficient configuration and structure is in place to support the new organisation [depends on progress of organisational design work]	March 2011

B: Delivering improved financial management and control

1. Continuously improving our systems, checks and controls to ensure robust payment methods and to produce an auditable set of accounts	
Key Activities	Timing
Within 3 months	
Prepare 09/10 accounts for audit by NAO [Completed]	June 2010
Implement 'quick wins' Phase 1 recommendations on improved financial controls from Ernst & Young review [Completed]	June 2010
Within 6 months	
Define and implement quick wins (cash impact)	July 2010
Implement Phase 1 recommendations on improved financial controls from Ernst & Young review	July 2010
Within 12 Months	
Implement Phase 2 recommendations on improved financial controls from Ernst & Young review	March 2011
Plan for 10/11 accounts preparation	March 2011
2. Efficiently recouping overpaid monies where appropriate, and recovering debt owed to the LSC	
Within 3 months	
Recover £5m of overpaid monies (08-09) [Work underway- £4.75m had been recovered by July 2010]	June 2010
Review phase 1 of the provider dashboard risk assessed firms - driving financial recoveries and changing behaviour [Work underway]	June 2010
Within 6 Months	
Start phase 2 of the provider dashboard risk assessed firms	September 2010
Complete review and implement refinements of provider dashboard methodology	September 2010
Within 12 Months	
Recover £5m of overpaid monies (09-10)	March 2011
Recover £2.5m of overpaid monies (10-11 identified in-year)	March 2011
Review phase 2 and start phase 3 of the Relationship Management financial stewardship programme	March 2011
Reduce the debt owed to the LSC [Recovery Services cases] by £20m	March 2011
3. Fairly and effectively working with our providers to manage their performance	
Within 3 months	
Publish phase 1 guidance to providers [Completed]	July 2010
4. Implement PAC Action Plan	
All actions to be completed in accordance with published timescales	January 2011

Priorities for 2010/11

C: Meeting the budget and resource challenges we face and maintaining access for those most at need

1. Implementing Legal Aid Reform Projects (including: CCMT, Crime/Civil Contracts, VHCC Phase 2)	
Key Activities	Timing
Within 3 months	
Legal Aid Funding Reforms – implement reductions to 148 police station fixed fees (including funding order and supplier management system changes [Completed])	April 2010
Specialist Quality Mark outsourcing [Completed]	May 2010
Within 6 months	
Complete national roll-out of Crown Court Means Testing (CCMT)	July 2010
Implement crime 2010 contracts and prison law fee schemes	July 2010
Complete implementation of new arrangements for the Very High Cost Cases (VHCC) scheme (phase 2)	July 2010
Legal Aid Funding Reforms – Transfer committal remuneration arrangements from supplier management system to Crown Court Litigator Fee (including funding order in April, interim IT solution in June and full IT solution in September)	September 2010
Legal Aid Funding Reforms – implement reductions to Advocates Graduated Fee Scheme (including funding order and IT workaround. IT solution to be delivered in September)	April and September 2010
Within 12 months	
Implement Civil 2010 Contracts and civil fees phase 2	October 2010
2. Implementing Internal Change Projects (including: IT Transformation, e-Forms/Integrated Delivery Programme)	
Within 3 months	
Conclude roll out of IT transformation [Completed]	June 2010
Agree integrated financial accounting and operational system requirements [Work underway]	June 2010
Within 6 Months	
Crown Court Remuneration - Implement Advocates Graduated Fee Scheme transfer from HMCS to LSC	September 2010
Complete full IT transformation programme	December 2010
Within 12 Months	
Completion of release 1 (eForms) as part of the Integrated Delivery Programme	December 2010
Delivery of civil case management and financial accounting ready for release 2 of the Integrated Delivery Programme	March/April 2011

3. Helping to resolve issues at the earliest opportunity (telephone and internet advice, mediation, diversion from courts)	
Key Activities	Timing
Within 6 Months	
Implement the agreed way forward following court mediation pilots	September 2010
Within 12 months	
As agreed with MoJ partners, collaborate with 'diversion from courts' initiatives & evaluation of effectiveness	March 2011
4. Deliver quality legal advice to those who need it	
Within 3 Months	
Review Public Defender Service (PDS) achievement of cost neutrality by target date [Completed]	June 2010
Within 6 Months	
Establishing effective service from the new crime providers	October 2010
Within 12 Months	
Deliver 1 million acts of assistance- 600k face to face, 400k telephone acts	March 2011
Establishing effective service from the new civil contract providers	March 2011
Deliver quality service through PDS	March 2011
5. Implementing an integrated corporate planning cycle, underpinned by robust performance management framework	
Within 3 Months	
Complete re-prioritisation of programmes and projects [Completed]	June 2010
Agree the approach and implications for LSC for Her Majesty's Treasury's (HMT) clear line of sight agenda [Completed]	June 2010
Within 6 months	
Publish 2010-11 business plan and KPIs	July 2010
Complete interim review of business performance, including KPI validation	September 2010 (and October arrears reporting)
Plan for an integrated 2011-12 planning cycle	September 2010
Within 12 Months	
Implementation of next phases of management information strategy, including improved tools	October 2010
Complete quarterly resource accounts - HMT line of sight alignment/ embed quarterly reporting process	December 2010

Priorities for 2010/11

D: Engaging our staff and building their capability

What does success look like?

- LSC staff “buy-in” to transition proposals and plans
- Individuals will feel that they are well led, with a stronger performance culture evident across the LSC
- Staff will consider they have access to the necessary training opportunities to develop and improve
- Staff will consider they are properly supported by the organisation to do their jobs
- We will be engaged in a Programme and Project Management (PPM) network that learns from best practice and benefits from peer-base support and guidance
- We will have reduced sickness absence levels by 3% compared with 2008/09 benchmark
- Staff will have objectives and a PDR rating for May/June and December/January rounds

1. Increase and strengthen the capability of all our people	
Key Activities	Timing
Within 3 months	
Launch revised and simplified Performance Development Review guidance for all staff with links to tools and resources [Completed]	May 2010
2009 Staff Survey actions plans to be developed, implemented in each department and measures for monitoring and reporting on progress established [Completed]	June 2010
All members of Senior Management Team (SMT) to have 1-2-1 meeting with Carolyn Downs to discuss personal development and plans in going forward [Completed]	June 2010
Launch on-line learning toolkit for all staff to provide a readily accessible learning resource [Completed]	June 2010
Within 6 months	
Financial management skills gap analysed and development programme agreed	July 2010
We will link into the MoJ PPM training framework to improve delivery of PPM and change capability	September 2010
Leadership capability development programme launched which will include 360 degree feedback	September 2010
Staff will complete the Risk Management On-line training package (target 80% coverage)	September 2010
Launch of Management Skills Programme Four	September 2010
Launch of Equality & Diversity training roll out	September 2010

Key Activities	Timing
Within 12 months	
We will link with the Civil Service People Framework to align our work and share resources and capability	September 2010
Develop wider understanding of financial management skills – particularly among senior and line managers including through internal development programme, National School of Government programmes and use of MoJ Justice Academy	December 2010
Improve the leadership skills of SMT – including 360 degree feedback to be incorporated into personal development plans – staff assessed as not capable leaders (at performance review) promptly achieve improvement or move on	March 2011
Enhance managers' ability to take a coaching approach that includes delivering robust messages and preparing staff for the future	March 2011
2. Increase and strengthen staff engagement and confidence	
Within 3 months	
Business plan issued and communicated to staff to establish priorities and maintain business focus	July 2010
Monitoring and reporting mechanism developed and embedded to ensure SMT and staff are aware of corporate delivery against plan. [Completed]	July 2010
Revised internal communications strategy published - to engage staff and maintain focus on the delivery and achievements associated with the LSC vision, stewardship and financial recovery	July 2010
Local recognition schemes supported to recognise excellent performance against Employee Charter	July 2010
Within 6 Months	
'Talkback' sessions take place with the LSC as appropriate to ensure two-way communication on transition	September 2010
Engage with SMT and key business managers to revise and agree approach to forward planning 2011-14 to ensure staff are involved with developing a fully integrated corporate plan and business plan for 2011/12	September 2010
Within 3 Months	
Director of Communications appointed and in post [Completed]	June 2010
Develop and strengthen the Internal Audit function, through targeted recruitment, use of external contracts and launch of further training and development of existing team (as required). [Completed]	June 2010
Continue to improve the effectiveness of the HR Business Partner model [Completed]	June 2010
Continue to embed and develop the Shared Services Model [Completed]	June 2010

Priorities for 2010/11

Key Activities	Timing
Within 6 Months	
Cross-MoJ professional development contacts established and implemented (including Comms and IT)	July 2010
Professional Development programmes for key professional groups to be in place and effective use is made of wider MoJ networks (where appropriate)	September 2010
Developing and strengthening professional financial skills within Finance Department	August 2010
Staff to have PDR 1-2-1s and rating for May/June round	August 2010
Strengthening capabilities within HR function to support the transition to the new business model	September 2010
Within 12 months	
Corporate Programme Office will provide flexible support to change management programmes – that is valued and value adding.	March 2011
Embedding the “professional partners enabling business success” ethos in all corporate service functions	March 2011
Greater alignment and close working with MoJ HR family	December 2010
Staff to have PDR 1-2-1s and rating for December/January round	February 2011
Sickness absence will have decreased by 3% (against 08/09 levels) in average days per person – annual figure to be reported in scorecard – monthly figures reported in support of performance management	March 2011

The Business Plan is available to download from www.legalservices.gov.uk under About us > Our publications

A Welsh version of our strategic objectives and targets is available to download from www.legalservices.gov.uk

