

QUARTERLY PROJECT HIGHLIGHT REPORT

PROGRAMME/POLICY AREA:	Breaking down regulatory barriers
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As the traditional boundaries between different legal professions and business models disappear, regulation must keep pace with market developments. Work here is designed to ensure that unnecessary regulation that can stifle positive change is removed, thereby delivering the benefits of competition, growth and innovation. Through our work, we hope to achieve more choice for consumers and less unmet need; a greater range of business models in the sector, with increasingly diverse service provision and an increased ability for service providers to be agile and respond to changing patterns of demand: and a smaller number of streamlined and simplified regulatory arrangements.

LINK TO REGULATORY OBJECTIVES:	RO1, RO3, RO5, RO6
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PROJECT HEADLINES

Milestones achieved in Q2 15/16 reporting period:

Reviewing regulatory restrictions on in-house lawyers (section 15):

- Discussion paper published in July
- Draft report to Board on recommendations in September
- Recommendation on section 15 with next steps published in September
- This project, as it appears in the Business Plan, is now complete.

Cost of regulation:

- The in depth research was published in September
- Benchmarking work was redesigned as transparency of costs research. This research has been completed and the report is currently undergoing quality checks.

Ministerial summit work:

- The reports on deregulatory achievements, potential clausal changes and options for a new legislative framework beyond the Act, and a shared resource report on alternatives to handling client money were published in July
- This project, as it appears in the Business Plan, is now complete.

Choice of insurer:

- Scoping for this project has been completed and a PID approved by the Senior Leadership Team

Review of rules change process

- A PID for this project has been completed and approved by the Senior Leadership Team

Innovation in the provision of legal services:

- Final report on Innovation in the provision of legal services published in July
- This project, as it appears in the Business Plan, is now complete.

Key activities for Q3 15/16 reporting period:

- Choice of insurer project: Regulatory assessment, including both desk based analysis and stakeholder discussion, will take place in October
- Rule change review project: Regulatory assessment, including both desk based analysis and stakeholder discussion, will take place in October. This has slipped due to other projects requiring resource.
- Innovation: A stakeholder event to publicise this research will be held in November

PROGRESS AGAINST BUSINESS PLAN MILESTONES		
PROJECT	BUSINESS PLAN MILESTONE	STATUS
Reviewing regulatory restrictions on in-house lawyers	Publish response document to discussion paper	Complete
	Report to Board with report and recommendations	Complete
Analysing the impact of ending the different transitional periods	Board paper	Complete
Cost of regulation	Benchmarking of regulators' costs	Due end of Q2 Delayed – due Nov Board
	Publish “in depth” research report	Complete
	Report to the Board	Due end of Q3
	Undertake scoping exercise for any further work	Due end of Q3
Ministerial summit work	Publish report on deregulatory achievements	Complete
	Publish report on potential clausal changes and options for a new legislative framework beyond the Act	Complete
	Publish shared resource report on alternatives to handling client money	Complete
Choice of Insurer	Undertake scoping exercise (more milestones tbc)	Complete
Review of rules change process	Undertake assessment of current processes including recommendations for change	Due end of Q2 Delayed – due in Q3
	Publish consultation if necessary	Due end of Q3
Innovation in the provision of legal services	Publish report	Complete

RISKS (new or raised):				
Risk	Impact	Likelihood	Overall	Action taken
[REDACTED]				

OVERALL STATUS:	
4	[REDACTED]
3	
2	
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QUARTERLY PROJECT HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: Unmet legal need

Legal services must be affordable and accessible, consumers must be able to make informed choices to take advantage of the range of services that a more dynamic market will offer, and appropriate protections for consumers and the public interest must be secured. We want consumers to be able to meet their legal needs conveniently, affordably and effectively, and we want to improve the extent to which need for legal services is met. We want small businesses to be able to grow by being able to access the legal services they need at a price they can afford. We aim to improve our – and service providers’ – understanding of the consumer’s journey through the legal services landscape, and how we can target our activity in this area (whether by type of consumer, area of law or legal activity) to have the most beneficial effect for consumers.

LINK TO REGULATORY OBJECTIVES: RO1, RO3, RO4, RO7

PROJECT HEADLINES

Milestones achieved in Q2 15/16 reporting period:

Legal needs research:

- The report on small businesses legal needs has been signed off by the Senior Leadership Team
- Adult questionnaire piloted and reviewed with a view to reduce survey length
- Draft children survey passed the NSPCC ethics committee

Research into different types of provider:

- Initial mapping of the unregulated sector finalised
- Tender issued for research into different types of provider
- In-house legal opinion of scope of section 163 obtained

Unbundled services research:

- Report published
- This project, as it appears in the Business Plan, is now complete.

Affordability

- Scoping for this project has been carried out

Accessing services:

- Established illustrative barriers in scope
- Identified 15 bodies in related sectors that should be involved in the accessing services evidence gathering
- Initial desk-based research into other sectors completed

Open data:

- PID and scoping paper completed
- Evidence gathering and analysis of current data and tools available in the legal sector complete

Thematic review of s112 (complaints):

- Workshop held with colleagues to determine the current position of s112
- LSB web text refreshed

Diversity:

- Scoping paper discussed at Senior Leadership Team meeting

Key activities for Q3 15/16 reporting period:

- Publication of small businesses legal needs report
- Draft report on Adult Legal Needs survey
- Draft full legal needs report (adult and children)
- Undertake research into unregulated providers
- The affordability PID is due to be circulated to Senior Leadership Team in October
- Further desk-based research for the accessing legal services work
- Meet with regulators to understand interventions for the open data project
- Meet with comparison websites to understand barriers for the open data project
- Stakeholder engagement for s112 project underway

PROGRESS AGAINST BUSINESS PLAN MILESTONES

PROJECT	BUSINESS PLAN MILESTONE	STATUS
Legal needs research	Individual consumers survey	Due end of Q3
	Publish report on small businesses legal needs survey	Due end of Q1 Delayed – due October
	Publish report on legal needs of consumers	Due end of Q4
Research into different types of provider	Undertake scoping exercise	Complete
	Undertake analysis of powers in section 163 of the Act (voluntary arrangements)	Complete
	Undertake research into unregulated providers of legal services	Due end of Q3
	Publish research report on unregulated providers of legal services	Due end of Q4
Unbundled services research	Publish research report	Complete
Affordability	Undertake scoping exercise	Complete
	Evidence gathering into what ‘affordability’ means for legal services	Due end of Q3
	Publish report	Due end of Q4
Accessing services	Evidence gathering	Due end of Q2 Rescoped – now due end of Q3
	Publish report on innovations in other sectors (e.g. health and financial services)	Due end of Q3 Rescoped – combined with Q4 milestone
	Publish accessibility report encompassing findings on legal needs survey	Due end of Q4
Open data and markets	Evidence gathering and analysis of current data and tools available in legal sector	Complete
	Review arrangements in other sectors	Due end of Q3
	Undertake research into quality and price information	Due end of Q3
	Publish report and recommendations	Due end of Q4
Thematic review of s112 (complaints)	Undertake scoping exercise	Complete
	Stakeholder review	Due end of Q2

		Delayed – due by end of Nov
	Assess implications for ADR directive requirements	Due end of Q3
	Decision document for Board	Due end of Q4
Diversity	Milestones to be developed in PID process	TBC

RISKS (new or raised):				
Risk	Impact	Likelihood	Overall	Action taken
[REDACTED]				

OVERALL STATUS:	
4	[REDACTED]
3	
2	
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QUARTERLY PROJECT HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: Performance, evaluation and oversight

The Act gives us a range of responsibilities that we fulfil through our programme of performance, evaluation and oversight activities. These range from approving new designations and requests for changes to regulatory arrangements to monitoring the performance of approved regulators in delivering the requirements of the Act and evaluating the Act's impact. We also oversee the OLC's performance in administering the Legal Ombudsman scheme, approve the OLC's budget and consent to their Scheme Rules. In 2015/16, the LSB will also deliver its new functions as competent authority for the OLC in line with The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015.

LINK TO REGULATORY OBJECTIVES: RO1, RO2, RO6, RO8

PROJECT HEADLINES

Milestones achieved in Q2 15/16 reporting period:

Regulatory Standards review

- Sent out regulatory self-assessments
- Met with about 25 stakeholder organisations to discuss their experiences of the regulators
- Data collected from these meetings has been collated and analysed
- Worked with regulators to help them prepare for completing their self-assessments

ADR Directive:

- OLC have decided to withdraw their ADR application and instead consult on their scheme rules. Whether they apply or not will depend on the outcome of the consultation
- This project is currently on hold

Market evaluation:

- PID agreed by the Senior Leadership Team
- Presentation to the Research Strategy Group and feedback received
- Literature review begun
- Combined data sets on supply and demand to build a data platform for further analysis

Key activities for Q3 15/16 reporting period:

- Approved regulators will return their regulatory standards self-assessments
- Analysis will begin on returned self-assessments
- Preparations for provisional finding meetings with the regulators will begin
- Potentially continue with OLC ADR application
- Analysis of combined data sets to begin for Market Evaluation

PROGRESS AGAINST BUSINESS PLAN MILESTONES

Regulatory Standards review	Approved regulators complete data return	Complete
	Undertake a survey of stakeholders' experience of contact with regulators	Complete
	Approved regulators submit self-assessments to the LSB	Due end of Q3
	Report to the Board and recommendations	Due end of Q4
ADR Directive	Undertake scoping exercise	Complete
	Implement protocols	Due end of Q2

Market evaluation	Scoping activity including reviewing continued relevance of all aspects of the 2011 evaluation framework	Complete
	Evidence gathering and analysis	Due end of Q3
	Publish report	Due end of Q4

RISKS (new or raised):
[REDACTED]

OVERALL STATUS:					
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QUARTERLY HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: External relations

Communications and public affairs

LINK TO REGULATORY OBJECTIVES: All

PROJECT HEADLINES

Key achievements of Q2 15/16 reporting period:

- Innovation in legal services joint research by SRA/LSB launched. Joint press briefing took place in advance
- Chief Executive spoke at Westminster Legal Policy Forum event on innovation in legal services
- Published collective regulators response to the Government's cross-economy drive to find more opportunities for deregulation in legal services
- Published paper exploring options for reform of the Legal Services Act 2007
- Issued Autumn edition of LSB News
- Published joint research by LSB and Legal Services Consumer Panel (LSCP) into the unbundling of legal services
- Started a consultation on principles for in-house lawyers
- Chief Executive spoke at 360 Annual legal Conference.

Key activities for Q3 15/16 reporting period:

- Small business legal needs update report to be published. Followed by Event focusing on findings of *innovation in legal services and update on small business' legal needs* reports
- Chairman to participate in breakfast panel as part of National pro-bono week
- Chief executive to participate in Yorkshire law society event
- Changes in pricing of legal services survey started
- LSB representatives to speak at Legal Futures innovation conference
- LSB to participate in Welsh Government thought leadership event in London (LSCP to represent LSB in event in Cardiff)
- LSB Board meeting and three way stakeholder event with Legal Ombudsman and LSCP in Leeds
- Chairman to meet with Dominic Grieve QC, MP and Chair of Justice Select Committee Robert Neil MP.

RISKS (new or raised):

There are no new or raised risks this quarter.

[REDACTED]

OVERALL STATUS:

4

3

2

1

[REDACTED]

QUARTERLY HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: Finance and funding mechanism (Levy)

Finance

LINK TO REGULATORY OBJECTIVES: n/a

PROJECT HEADLINES

Milestones achieved in Q2 15/16 reporting period:

- Monthly financial reports for monitoring of LSB's spending position to the Board, Executive Group and budget holders
- Finalised 2015/16 budget version 2 analysis for MoJ for tracking and monitoring purposes
- Provided regular monthly submissions and reports to MoJ in line with reporting dates
- Prepared draft budget for 2016/17 for consideration by Board including associated appendices and comparisons

Key activities for Q3 15/16 reporting period:

- Provide monthly financial report for monitoring of LSB's spending position to the Board, Executive Group and budget holders
- Work with legal team to determine and then collect outstanding costs from claimants in relation to the judicial review of the Quality Assurance Scheme for Advocates following the Courts' (High, Appeal and Supreme) decision to uphold our decision
- Prepare budget for 2016/17 for Board approval and then consultation with the 2016/17 proposed Business Plan
- Financial appraisals of spending decisions
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RISKS (new or raised):

There are no new or raised risks this quarter.

[REDACTED]

OVERALL STATUS:

4

3

2

1

[REDACTED]

QUARTERLY HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: Risk

Ensuring that a system of risk management is maintained to inform decisions on financial and operational planning. All projects are risk assessed and measures taken to mitigate or exploit are integral to planning, approval and operational activities

LINK TO REGULATORY OBJECTIVES: See individual work streams

PROJECT HEADLINES

Milestones achieved in Q2 15/16 reporting period:

- Regular review of risk at SLT meetings
- Bottom up review of the risk register by SLT
- Introduction of inherent risk to the risk management procedure

Key activities for Q3 15/16 reporting period:

- Regular review of risk at Gateway meetings
- Six-monthly review of risk register by Board (November)
- Review of risk register by ARAC (October)
- Review of Risk Management Strategy

RISKS (new or raised):

There are no new or raised risks this quarter.

[REDACTED]

OVERALL STATUS:

4
3
2
1

[REDACTED]