

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 Q3 15/16 reporting period:

Special bodies:

- A change request was agreed by SLT in December to move this project to the next Business Plan year.

Cost of regulation:

- Work on transparency reports is ongoing and is due to be completed by the end of Q4.
- The data for the transparency work has been quality checked by finance colleagues

Choice of insurer:

- The PID for this project was agreed by SLT in November
- Regulatory assessment, including both desk based analysis and stakeholder discussion took place
- A background summary and questions for economic support has been completed
- Work on an evaluation report on stakeholder discussion and the desk based analysis has begun

Review of rules change process

- A review of current guidance documentation, an analysis of a sample of rule change assessment processes and a review of other relevant literature has taken place
- 19 stakeholder meetings took place in Quarter 3
- A draft report has been prepared and is with the Project Sponsor for finalisation

Innovation in the provision of legal services:

- A stakeholder event to publicise this research was held in November
- This project, as it appears in the Business Plan, is now complete.

Key activities for Q4 15/16 reporting period:

- Cost of regulation: Work on transparency reports to be completed and report to the March Board
- Choice of insurer project: Work on the evaluation report on stakeholder discussion and the desk based analysis due to be completed
- Rule change review project: A consultation will be published in Q4 if it is deemed necessary. This decision will be made at SLT in January.

PROGRESS AGAINST BUSINESS PLAN MILESTONES

PROJECT	BUSINESS PLAN MILESTONE	STATUS
	Publish response document to discussion paper	Complete

Reviewing regulatory restrictions on in-house lawyers	Report to Board with report and recommendations	Complete
Analysing the impact of ending the different transitional periods	Board paper	Complete
Special bodies	Undertake scoping exercise	Rescheduled for next business plan year
Cost of regulation	Benchmarking of regulators' costs	Rescoped to transparency reports due in Q4
	Publish "in depth" research report	Complete
	Report to the Board	Rescoped - due end of Q4 (from Q3)
	Undertake scoping exercise for any further work	Rescoped - due end of Q4 (from 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	Complete
	Publish consultation if necessary	TBC – under consideration
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	
1	

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 Q3 15/16 reporting period:

Legal needs research:

- The Small Business legal needs report was published in October
- Adult survey field work was completed in December

Research into different types of provider:

- Research into unregulated providers undertaken
- Initial desk research and approach to interviews signed off
- Discussion guides for provider interviews signed off
- Change request accepted to move report of findings to the Board to April 2016 due to links with legal needs research

Affordability

- The affordability PID was reviewed and agreed by SLT in October with the scope reduced to providing just the definition of affordability (work on barriers moved to next business year)
- Draft definition and illustrative examples of affordability completed in December

Accessing services:

- Met with relevant bodies to discuss approaches to accessibility
- Provisionally agreed the most relevant innovations in other sectors

Open data:

- Met with regulators to understand interventions
- Met with comparison websites to understand barriers
- The Legal Services Consumer Panel was due this quarter but has been delayed by two weeks into Q4

Thematic review of s112 (complaints):

- Stakeholder engagement for s112 project complete
- Paper sent to SLT strategy session
- Draft consultation paper written for Q4 launch

Diversity:

- Drafting and first review of section of report: regulators’ progress in use of diversity data
- Date for diversity forum set (10 February)
- All diversity data published by regulators has been consolidated into one document

- Individual meetings with representatives from regulators to discuss data have been arranged.

Key activities for Q4 15/16 reporting period:

- Draft report on Adult Legal Needs survey
- Complete children survey fieldwork for legal needs
- Draft full legal needs report (adult and children)
- Different types of provider: analysis of legal needs data (available Feb) to identify market shares of unregulated providers
- Test conceptual definition of affordability with the Legal services Consumer Panel (27 January)
- Assess similar accessibility projects (past or present) in the legal sector
- Delivery of LSCP paper for the open data project
- Open data Board paper outlining next steps for 2016/17
- Launch of s112 consultation
- Depending on outcome of consultation, potential update to s112 requirements
- Diversity forum meeting
- Individual meetings with regulators to discuss diversity data
- Diversity report to the March Board

PROGRESS AGAINST BUSINESS PLAN MILESTONES

PROJECT	BUSINESS PLAN MILESTONE	STATUS
Legal needs research	Individual consumers survey	Due end of Q3 - Delayed
	Publish report on small businesses legal needs survey	Complete
	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	Complete
	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	Complete
	Publish report	Due end of Q4
Accessing services	Evidence gathering	Complete
	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	Complete
	Undertake research into quality and price information	Complete
	Publish report and recommendations	Due end of Q4
Thematic review of s112 (complaints)	Undertake scoping exercise	Complete

	Stakeholder review	Complete
	Assess implications for ADR directive requirements	Complete
	Decision document for Board	Due end of Q4
Trading behaviour risks	Undertake scoping exercise and engage with appropriate external bodies	Due end of Q4
Diversity	Board report	Due end of Q4

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

OVERALL STATUS:	
4	[REDACTED]
3	
2	
1	

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 if called upon.

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

PROJECT HEADLINES

Milestones achieved in Q3 15/16 reporting period:

Regulatory Standards review

- Finished meeting with stakeholder organisations to discuss their experiences of the regulators
- All self-assessment submissions have been analysed and triangulated
- Summary reports on initial findings have been drafted and seen by SLT

ADR Directive:

- The OLC released a statement in December announcing their withdrawal from the application process. For the foreseeable future, the OLC will not apply to become an approved ADR entity
- This project has now been closed down.

Market Evaluation:

- First draft of report completed with 11 out of 14 outcomes included
- Report reviewed by SLT in October

Key activities for Q4 15/16 reporting period:

- Regulatory Standards meetings on initial findings to be arranged and held
- Regulatory Standards individual reports on regulator's performance and overall report to be drafted
- Evidence gathering process ends for Market Evaluation work
- Road testing of Market Evaluation conclusions
- Completion of four research project feeding into Market Evaluation work.

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	Complete
	Report to the Board and recommendations	Due end of Q4
ADR Directive	Undertake scoping exercise	Complete
	Implement protocols	Closed down
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 Will complete in Q4
	Publish report	Due end of Q4 Rescheduled to start of Q1 16/17

RISKS (new or raised):

[REDACTED]

OVERALL STATUS:

[REDACTED]

- 4
- 3
- 2
- 1

QUARTERLY HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: External relations

Communications and public affairs

LINK TO REGULATORY OBJECTIVES: All

PROJECT HEADLINES

Key achievements of Q3 15/16 reporting period:

- The *small business legal needs survey* update was published. This was followed by an event at BIS focusing on this research and the *innovation research* published during the summer
- Chief Executive attended the annual *Legal Wales conference* in Cardiff, a gathering of the 'Joint 5' grouping of law societies (Leeds, Manchester, Liverpool, Bristol, Birmingham), and a Welsh Government thought leadership roundtable
- Representatives of the LSB spoke at a CIPA event in October
- The Chairman participated in a breakfast panel event to mark National Pro-Bono week
- Articles were provided to the Law Society Gazette and Modern Law magazine
- The LSB hosted a stakeholder by the stakeholder event (jointly with the LSCP and Legal Ombudsman) for legal professionals and anyone interested in legal services in Leeds Town Hall
- Chairman meet with both Dominic Grieve QC, MP and Chair of Justice Select Committee Robert Neil MP in December

Key activities for Q4 15/16 reporting period:

- The Chairman will meet with Minister Vara in late January
- A number of reports are to be published (regulatory benchmarking and others as yet tbc) and consultations launched (eg re. BSB applications, section 112, etc)
- We will consult on the LSB business plan 2016/17 in January
- We will be hosting a regulators forum on diversity in legal services in February

RISKS (new or raised):

[REDACTED]

OVERALL STATUS:

4

[REDACTED]

3

2

1

QUARTERLY HIGHLIGHT REPORT

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

Finance

LINK TO REGULATORY OBJECTIVES: n/a

PROJECT HEADLINES

Milestones achieved in Q3 15/16 reporting period:

- Monthly financial reports for monitoring of LSB's spending position to the Board, Executive Directors and budget holders
- 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
- Q2 consolidation return for MoJ corporate finance team

Key activities for Q4 15/16 reporting period:

- Provide monthly financial report for monitoring of LSB's spending position to the Board, Executive Directors 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 consultation with the 2016/17 proposed Business Plan
- Financial appraisals of spending decisions
- Q3 consolidation for MoJ corporate finance team

RISKS (new or raised):

[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 Q3 15/16 reporting period:

- Regular review of risk at SLT meetings
- Trialling of inherent risk measurements
- Six-monthly review of risk register by Board (November)
- Review of risk register by ARAC (October)

Key activities for Q4 15/16 reporting period:

- Regular review of risk at SLT meetings
- Review of Risk Management Strategy for ARAC
- Review of risk register by ARAC (March)

RISKS (new or raised):

[REDACTED]

OVERALL STATUS:

4
3
2
1

[REDACTED]