

QUARTERLY PROJECT HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: Breaking down regulatory barriers

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

PROJECT HEADLINES

Milestones achieved in Q4 15/16 reporting period:

Cost of regulation:

- Transparency reports have been accuracy checked by the relevant regulators
- Final reports agreed with BSB, IPReg, CILEx Regulation and CLSB. Final details to be agreed with Faculty office, CLC and SRA
- Single issue SLT meeting in March agreed next steps in the project

Choice of insurer:

- SLT discussion held to clarify where the project is intended to get to and how evaluation of current BSB regulatory requirements relates to this
- Regulatory Policy Institute appointed to provide advice after tender process
- Eversheds provided training on competition law in March

Review of rules change process

- SLT meeting at January discussed the outcome of the review of the rule change process. Due to the nature and scale of the recommendations it was agreed that a consultation was not necessary.
- Whilst work to implement the changes will happen in 2016/17, this project, as it appears in the Business Plan, is now complete.

Key activities for Q1 16/17 reporting period:

- Cost of regulation: Final details on transparency reports to be agreed with Faculty office, CLC and SRA
- Cost of regulation: Work on transparency reports to be completed and reported to the April Board
- Choice of insurer: Board paper to May meeting and publication shortly after

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
Special bodies	Undertake scoping exercise	Project closed
Cost of regulation	Benchmarking of regulators' costs	Rescoped to transparency

		reports due in Q4
	Publish "in depth" research report	Complete
	Report to the Board on transparency reports	Due end of Q4 – Delayed into Q1 16/17
	Undertake scoping exercise for any further work	Will form part of the Board report
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	Complete
	Identify and evaluate relevant regulatory restrictions	Complete
	Complete assessment of regulatory restrictions against legislative requirements (Board paper and publication)	Due end of Q4 – Delayed into Q1 16/17
Review of rules change process	Undertake assessment of current processes including recommendations for change	Complete
	Publish consultation if necessary	Complete – consultation not judged necessary
Innovation in the provision of legal services	Publish report	Complete

RISKS (new or raised):

[REDACTED]

OVERALL STATUS:

4

3

2

1

[REDACTED]

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 Q4 15/16 reporting period:

Legal needs research:

- Full report drafted including both adult and children survey findings
- Ongoing work on publishing the final report with TLS and LEF but delays have pushed back publication date

Research into different types of provider:

- Analysed legal needs data to identify market shares of unregulated providers
- Final draft report submitted by Economic Insight
- Board paper prepared for April meeting

Affordability

- Tested conceptual definition of affordability with the Legal services Consumer Panel (27 January)
- Held LSB all staff discussion session on illustrative examples
- Definition and illustrative examples paper drafted

Accessing services:

- Drafted report on accessibility
- Report submitted to March Board and publication approved

Open data:

- LSCP paper delivered in January. Three of 15 recommendations were for the LSB
- Analysis of barriers for comparison websites participating in the legal services market was completed and presented to SLT in February
- Met with UKRN in January and March for the price comparison website project
- Open data Board paper including next steps for 2016/17 submitted to the March Board
- Accessing services: Follow up report via CEO for April Board meeting

Thematic review of s112 (complaints):

- Redrafted guidance to assist regulators to achieve stronger outcomes for consumers
- s112 consultation launched at the beginning of March and will close 27 April
- Analysis of legal needs survey data to inform the final decision on changes to requirements/guidance

Diversity:

- Diversity forum held in February
- Diversity report submitted to the March Board and approved

Key activities for Q1 16/17 reporting period:

- Diversity: Report published on website
- s112 review: The decision document will be published in May.
- s112 review: engage with regulators and LeO pre-consultation response
- Open data: officially respond to LSCP paper
- Affordability: Submit paper on definition and illustrative examples to April Board
- Different types of provider: Report and paper submitted to April Board
- Legal needs: Publication of final report (subject to purdah)

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 – Delayed into Q1 16/17
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	Complete
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 – Delayed into Q1 16/17
Accessing services	Evidence gathering	Complete
	Publish report on innovations in other sectors (e.g. health and financial services)	Complete
	Publish accessibility report encompassing findings on legal needs survey	Due end of Q4 – Delayed into Q1 16/17
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
	Board report and recommendations	Complete
Thematic review of s112 (complaints)	Undertake scoping exercise	Complete
	Stakeholder review	Complete
	Assess implications for ADR directive requirements	Complete
	Decision document for Board	Complete
Trading behaviour risks	Undertake scoping exercise and engage with appropriate external bodies	Complete
Diversity	Board report	Complete

RISKS (new or raised):

[REDACTED]

OVERALL STATUS:

4

3

2

1

[REDACTED]

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 Q4 15/16 reporting period:

Regulatory Standards review

- All initial regulatory standards meetings were concluded by the first week in February
- Individual regulator performance reports have been drafted, peer reviewed, reviewed by the CEO and are now with the regulators for accuracy checking
- The thematic section of the report has been drafted and is out for peer review

Market Evaluation:

- Market Evaluation presentation given to the January Board
- Aras of outstanding analysis completed and outcomes completed as far as possible pending research results
- Price index research completed and report finalised
- Direct access and economic advice added to the relevant outcomes

Key activities for Q1 16/17 reporting period:

- Regulatory Standards: Regulators to accuracy check the thematic reviews
- Regulatory Standards: The Board is due to consider this at its April meeting
- Regulatory Standards: Action plans are due to be drafted and shared by June
- Market Evaluation: Publication of price index research report
- Market Evaluation: Quality check of analysis to ensure figures are accurate/corroborate
- Market Evaluation: Completed segment by segment analysis for the Annex

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 – Delayed into Q1 16/17
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	Complete

	Publish report	Due end of Q4 – Delayed into Q1 16/17
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RISKS (new or raised):

[REDACTED]

OVERALL STATUS:

4
3
2
1

[REDACTED]

QUARTERLY HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: External relations

Communications and public affairs

LINK TO REGULATORY OBJECTIVES: All

PROJECT HEADLINES

Key achievements of Q4 15/16 reporting period:

- The LSB published a policy statement on *in-house lawyers*
- We held a *diversity forum* which contributed to an update paper on regulators progress on diversity (published with March Board papers).
- We consulted on *PCF rules changes, its 2016/17 business plan, and first tier complaints handling*
- And we announced various decisions including one regarding the *BSB's ABS licensing application*
- Research into *improving accessibility of legal services* was published
- The 2016/17 Business Plan was published so too was a response to the launch by the CMA of its legal sector market study
- The Chairman and CEO met Minister Vara at the end of January.

Key activities for Q1 16/17 reporting period:

- A number of reports will be published (*prices of legal services, public access to legal services, a regulatory standards review, unregulated sector review* and others) and we expect that the BSB section 69 consultation will be launched
- Representatives of the LSB will speak at a number of external events
- We will be responding to the Judiciary's McKenzie Friends consultation
- We will publish our annual report
- We will travel to Cardiff to meet the Welsh Government's *legal policy* unit

RISKS (new or raised):

There are no new or raised risks this quarter.

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 Q4 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
- Updated proposed budget for 2016/17 following public consultation and MoJ comments for consideration by Audit, Risk and Assurance Committee meeting as a 'finance Committee' for the Board including associated appendices and comparisons
- Produced all required analyses and reports required by NAO for interim audit of 2015/16 financial statements
- Updated and issued Memoranda of Understanding for all approved regulators and issued payment notices and collected all amounts due.
- Q3 consolidation accounts model for MoJ corporate finance team

Key activities for Q1 16/17 reporting period:

- Provide monthly financial report for monitoring of LSB's spending position to the Board, Executive Directors and budget holders
- Finalise 2016/17 budget analysis for MoJ corporate finance and LSB budget holders
- Prepare all necessary documentation and analyses for year-end audit by NAO
- Produce the 2015/16 statutory Annual Report and Accounts
- Q4 financial consolidation for MoJ finance team
- Collect levy information in order to be able to calculate estimates for the levy for 2015/16 for all approved regulators

RISKS (new or raised):

There are no new or raised risks this quarter.

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 Q4 15/16 reporting period:

- Regular review of risk at SLT meetings
- ARAC approval to introduce inherent risk measurements (March)
- Review of Risk Management Strategy by ARAC (March)
- Review of risk register by ARAC (March)

Key activities for Q1 16/17 reporting period:

- Regular review of risk at SLT meetings
- Review of risk register by ARAC (May)
- Six-monthly review of risk register by Board (May)

RISKS (new or raised):

There are no new or raised risks this quarter.

OVERALL STATUS:

4
3
2
1

[REDACTED]