

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 Q3 16/17 reporting period:

Regulatory costs:

- Desk-based review published on website
- Interest group convened to discuss options for discussions with regulators
- A paper proposing standard metrics to be published by regulators shared with them prior to the working group
- Working group meeting held with regulators.

Legislative change

- CMA final report and recommendations published
- All work regarding the CMA recommendations will subsumed into 2017/18 projects and so this project, as it appears on the Business Plan will be closed
- Work on this project may recommence on the publication of any consultation on independence by the MoJ.

Barriers to investment

- Meetings held with project's stakeholders
- Regulator engagement has led to a rescoping of some aspects of the project
- Roundtable event held
- ABS survey launched with 63 responses to date.

Key activities for Q4 16/17 reporting period:

- Regulatory costs: CEO Forum to review proposals in light of discussion at the working group; results of CEO Forum discussion and options for next steps going to the Board in March.
- Barriers to investment: ABS survey to close week commencing 13 February; launch of survey of investors; start interviews with investors.

PROGRESS AGAINST 16/17 BUSINESS PLAN MILESTONES

PROJECT	BUSINESS PLAN MILESTONE	STATUS
Improving scrutiny of regulatory costs and identifying opportunities for savings	Publish report to 2015/16 cost of regulation project	Complete
Identifying ways in which legislation needs to change to keep pace with the legal services sector	Engage with CMA and government consultation	Complete/ on hold: CMA recommendations to form part of 17/18

		projects. Government consultation not issued.
Making sure that regulation does not unnecessarily deter entry, innovation and investment	Publish report	Due in Quarter 4

RISKS (new or raised):				
Risk	Impact	Likelihood	Overall	Action taken
There are no new or raised risks this quarter.				

OVERALL STATUS:
[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 Q3 16/17 reporting period:

Responding to emerging market risks:

- Commission analysis of relevant LSB research data from the research team
- Monitoring regulators’ risk forum work
- This project will be moved to a watching brief status in light of the work being undertaken by the regulators

Vulnerable consumers:

- Appointed Research Works to carry out project research
- Screening tools and topic guides for interviewing vulnerable consumers and their carers have been developed
- Paper to Board in November with setting out progress on the research and seeking views on achieving additional impact

Key activities for Q4 16/17 reporting period:

- Emerging market risks: analysis of relevant LSB research data
- Vulnerable consumers: Research report first draft due in February ahead of final report available in March; due to go to Board in March with an overview of findings and an update on work to support its publication.

PROGRESS AGAINST 16/17 BUSINESS PLAN MILESTONES

PROJECT	BUSINESS PLAN MILESTONE	STATUS
Encouraging market entry by comparison websites by unlocking regulatory data and helping consumers choose and use legal services	Respond to Panel advice	Complete
	Reassess after CMA interim report	Complete (project subsumed into CMA workstream)
Responding to emerging market risks	Publish report	Re-scoped: Project has moved to a watching brief status in light of work being undertaken by regulators
Understanding how vulnerable consumers access legal services	Publish report	Due in Quarter 4 but now likely to be in Q1 17/18

RISKS (new or raised):				
Risk	Impact	Likelihood	Overall	Action taken
There are no new or raised risks this quarter.				

OVERALL STATUS:
[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 Q3 16/17 reporting period:

Regulatory performance:

- The performance management dataset has been developed and tested with colleagues
- The regulatory standards framework has been reviewed which included a desk-based research review of other standards frameworks and meeting with other regulatory bodies to discuss their schemes
- Developed potential frameworks and tested these with colleagues
- Developing a risk assessment framework using desk-based research and meeting other regulators

Diversity:

- Consultation closed with 19 responses received
- Responses analysed and decision document drafted
- Finalised the guidance based on feedback.

Changing shape of legal regulation:

- Identification of high level similarities and differences in regulatory arrangements
- Discussions with regulators and complaint bodies held
- Case studies identified
- Completed mini-literature review to identify regulator switching theory and contrasted this with experiences in the legal services sector
- Analysis of findings and development of final report.

Key activities for Q4 16/17 reporting period:

- Regulatory performance: Testing by SLT of the performance management dataset and framework before being tested with the regulators; further development of risk assessment framework and process for carrying out regulatory performance work.
- Diversity: Board to sign off decision document and revised guidance for publication in February
- Changing shape of legal regulation: Final report to go to SLT and then January Board.

PROGRESS AGAINST 16/17 BUSINESS PLAN MILESTONES

PROJECT	BUSINESS PLAN MILESTONE	STATUS
Holding regulators to account for their performance	Publish report and action plans	Complete
	Review project for further work	Complete
	Publish consultation	Complete

Diversity – the role of regulators in driving improvement	Publish consultation response and implement outcome	Rescheduled – now due in Q4
Identifying the benefits and risks associated with the changing shape of legal services regulation	Internal review of emerging findings	In progress – final report due to go to January Board

RISKS (new or raised):				
Risk	Impact	Likelihood	Overall	Action taken
There are no new or raised risks this quarter.				

OVERALL STATUS:
[REDACTED]

QUARTERLY HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: External relations

Communications and public affairs

LINK TO REGULATORY OBJECTIVES: All

PROJECT HEADLINES

Key achievements of Q3 16/17 reporting period:

- The LSB **organised two stakeholder events** (in partnership with others):
 - With University College London we arranged an open event on the LSB's **Vision Paper for Legislative Reform**
 - With a number of others (LeO, LSCP, CMA and Manchester Law Society) we held a **Stakeholder event** in Manchester following our Board meeting
- We attended and spoke at a number of **conferences**:
 - *Notary Training conference*
 - *London Law Expo*
 - *Legal Futures* innovation conference
 - *Society of Licenced Conveyancers* annual conference
 - *Wales Policy Forum* event on legal services in Wales, and
 - We addressed the *Council of Birmingham Law Society*.
- We **responded** to the *CMA's final report* into the legal services market.
- We launched two **consultations**:
 - Our *2017/18 business plan*
 - Updating our *diversity guidance*
- We wrote articles for *Legal Futures* (on the LSB Vision Paper) and for *Modern Law Magazine* (on our diversity consultation).
- We met representatives of both the Bar and the solicitor's profession while in Manchester and had meetings with representatives of the Wales Government when in Cardiff.
- And finally we prepared and distributed the autumn edition of the LSB News newsletter.

Key activities for Q4 16/17 reporting period:

- Representatives of the LSB will speak at a number of events in Q4 including:
 - Westminster Legal Policy Forum innovation event, and
 - A Brexit roundtable
- The LSB will be looking to organise a roundtable event for City Firm General Counsels
- Articles will be submitted to *Modern Law magazine*.
- We will publish our diversity consultation report and the winter edition of the LSB News newsletter.
- The Chairman and Chief Executive will travel to Cardiff to meet the Counsel General for Wales and the Cabinet Secretary in the Wales Government with most responsibility for legal services.
- We plan to publish our 2017/18 business plan following consultation.

RISKS (new or raised):

There are no new or raised risks this quarter.

OVERALL STATUS:

[REDACTED]

QUARTERLY HIGHLIGHT REPORT

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

Finance

LINK TO REGULATORY OBJECTIVES: n/a

PROJECT HEADLINES

Milestones achieved in Q3 16/17 reporting period:

- Provided monthly financial report for monitoring of LSB's spending position to the Board, Executive Group and budget holders
- Prepared draft budget for 2017/18 including associated appendices and comparisons for consideration by the Board to form the Draft Business Plan and Budget consultation for 2017/18
- Provided all regular returns and responses to commissions from MoJ within deadlines
- Submitted enhanced information for MoJ 'medium term financial planning'
- Provided information and completed model for MoJ Q2 consolidation purposes

Key activities for Q4 16/17 reporting period:

- Provide monthly financial report for monitoring of LSB's spending position to the Board, Executive Group and budget holders
- Prepare final budget for 2017/18 for Board approval
- Financial appraisals of spending decisions
- Submit LSB financial information for Q3 *MoJ Consolidation Model*

RISKS (new or raised):

There are no new or raised risks this quarter.

OVERALL STATUS:

[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 16/17 reporting period:

- Regular review of risk at SLT meetings
- Review of risk register by ARAC (October)
- Six-monthly review of risk register by Board (November)
- Meetings with experts and users on potentially introducing risk assurance

Key activities for Q4 16/17 reporting period:

- Regular review of risk at SLT meetings
- Review of risk register by ARAC (March)

RISKS (new or raised):

There are no new or raised risks this quarter.

OVERALL STATUS:

[REDACTED]