

<b>To:</b>	Board	
<b>Date of Meeting:</b>	28 March 2011	<b>Item:</b> Paper (11) 13

<b>Title:</b>	ABS implementation – next steps: key issues and risks	
<b>Workstream(s):</b>	Workstream 5b: Widening access to the legal market	
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<b>Status:</b>	Restricted	

<b>Summary:</b>
<p>The Board receives regular reports about the key issues and risks concerning the implementation of alternative business structures (<b>ABS</b>). The March update is attached (<b>Annex A</b>). We will provide a more detailed oral update on appellate bodies.</p> <p>Also attached is an issue concerning direct licensing (<b>Annex B</b>).</p> <p>In addition, at its last meeting the Board suggested that we should publish on our website a timetable of steps needed between now and October. A draft is at <b>Annex C</b>. Given that the focus is necessarily on the minutiae of secondary legislation, the timetable for which is not under the LSB's control, rather than market developments, the Board may wish to reconsider whether to proceed with publication.</p>

<b>Risks and mitigations</b>	
<b>Financial:</b>	N/A.
<b>FoIA:</b>	Annex A – s36 (as highlighted) Annex B – s36 (as highlighted) Annex C – ss 22 and 36 (as highlighted)
<b>Legal:</b>	N/A.
<b>Reputational:</b>	This is a key policy issue and there is therefore a serious reputational impact if ABS implementation is delayed. This is mitigated by continuing close discussions with the Council for Licensed Conveyancers ( <b>CLC</b> ), the Solicitors Regulation Authority ( <b>SRA</b> ) and Ministry of Justice ( <b>MoJ</b> ).
<b>Resource:</b>	Resource overall for the ABS project is stretched.

Consultation	Yes	No	Who / why?
<b>Board Members:</b>		✓	
<b>Consumer Panel:</b>		✓	
<b>Others:</b>	N/A.		

**Recommendation(s):**

The Board is invited:

- a) to note and to comment on the progress of the implementation of ABS (Annex A)
- b) to endorse the approach to the issue concerning direct licensing (Annex B)
- c) to comment on the proposed website information (Annex C).

**Annex A – ABS implementation: next steps – key issues and risks (March 2011)**

Topic	Next key date(s)	Board input	[FoIA exempt – s36]	Mitigation	Rating	Change
			Key issues/risks			
Maximum Financial Penalty SI	With MoJ	To sign final rules after consent from Lord Chancellor to make them	[REDACTED]			
Appellate bodies		Discussion March meeting				
Section 69 Order	With MoJ					
CLC application to become licensing authority	Responses from OFT and Consumer Panel received and Lord Chief Justice and sent to CLC	28/4/11 – decision on recommendation				
SRA application to become licensing authority	Received 25 March 2011	Decision on recommendation				
10 SIs / Commencement orders	From January 2011 to October 2011	Most are MoJ led				
LSB resources	Ongoing	N/A				
LSA Part 5 Impact	Latest draft sent					

Assessment	to MoJ 1 March								
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## Annex B - Direct licensing

1. The LSA Part 5 section 73 states:

*Licensing authorities and relevant licensing authorities*

*(1) In this Act "licensing authority" means—*

*(a) the Board, or*

*(b) an approved regulator which is designated as a licensing authority under Part 1 of Schedule 10 and whose licensing rules are approved for the purposes of this Act.*

*(2) For the purposes of this Act—*

*(a) the Board is a licensing authority in relation to all reserved legal activities, and*

*(b) an approved regulator within subsection (1)(b) is a licensing authority in relation to any reserved legal activity in relation to which the designation is made.*

Schedule 12 paragraph 1(1) states:

*Application to Board*

*1 (1) A licensable body may apply to the Board for a decision that the body is entitled to make an application for a licence to the Board acting in its capacity as a licensing authority.*

2. **[exempt – legal professional privilege]** 

3. **[exempt s36]** 

4. 

a. 

b. 

c. 

d. 

[Redacted text block]

e.

[Redacted text block]

f.

[Redacted text block]

## Annex C – proposed website information

Subject to Parliamentary approval, ABS will be allowed from 6 October 2011. This Table sets out the key steps that are needed between April and October to enable this to happen. This information is correct as of [●]. It will be updated if there are significant changes.

[Table – exempt – s22 and s36]

Topic	Next milestone
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]