

QUARTERLY PROJECT HIGHLIGHT REPORT



PROGRAMME/POLICY AREA: A: Regulatory Performance and Oversight

KEY OBJECTIVES: Developing Standards and Performance, Reviewing progress on prior year initiatives, Reviewing of regulatory sanctions and appeals processes, Ending the transitional arrangement for licensable bodies and the regulation of “special bodies”.

LINK TO REGULATORY OBJECTIVES: RO1, RO4, RO6, RO7

PROJECT HEADLINES

Key achievements of Q2 13/14 reporting period:

Developing standards and performance:

- Approach to regular quarterly reporting of regulators’ progress in meeting their action plans agreed and first report submitted to Gateway and Board. Report showed degree of progress no major issues have been identified at this stage we have approached the regulators to fill any gaps in the monitoring.
- Feedback has been sought from the regulators about the 2012/13 self-assessment exercise and this will be incorporated into the design of the 2014/15 exercise.
- The activity plan to deliver the 2014/14 assessment and to monitor the completion of the regulators action plans reviewed by the Gateway.

Reviewing progress on prior year initiatives:

Immigration:

- Review of planned deliverable dates due to resource issues.

First-tier complaints handling (FTCH):

- Work has largely been on hold owing to necessary re-allocation of resources.
- Regulators (with exception of SRA and BSB, who have already responded) were contacted to remind them that their responses were due by 26 July 2013. All responded with reports of progress or commitments to provide information within specified times.
- Update being prepared for November Board meeting summarising previous work programme and proposing next steps.

Review of regulatory sanctions and appeals processes:

- Developed methodology to enable identification of potential research questions and explored potential and scope of a research project to help ascertain whether current sanctions and appeals mechanisms cause detriment to consumers or to the regulatory objectives
- Development of paper for November Board that:
 - Outlines findings of the project, including legal constraints to change
 - Presents what we think best practice looks like from our research
 - Sets out why we think effective sanctions and appeals processes are important for the regulatory objectives and where the current arrangement might be falling short
 - Proposes what we think needs to be done and is achievable in the short/medium and long terms in terms of reforming sanctions and appeals arrangement in legal regulation.
- Began drafting discussion document which will set out assessment of current sanctions and appeals arrangements and proposes what we think needs to be done and is achievable in the short/medium and long term in terms of reforming sanctions and appeals arrangements.

Ending the transitional arrangement for licensable bodies and the regulation of “special bodies”:

- Meeting held with interested parties to understand views on and implications of the decision to postpone work on the introduction of regulation. There is general agreement that the approach is sensible in the circumstances.

- A statement has been released updating stakeholders on:
 - Next steps
 - The timetable for ending transitional protection for non-special bodies
 - Wider issue of scope of regulation
- This project will now be closed down and reporting will stop

Key activities for Q3 13/14 reporting period:

Developing standards and performance:

- We will present to the Board our preferred options for the 2014/15 regulatory standards assessment exercise in October. Depending on Board feedback we will begin our work to design the process chosen.
- We will start the process of designing ‘Triggers and Actions’ work to link omissions or inaction by the approved regulators to the regulatory objectives. This will help to determine what the LSB should do when regulators do not complete activities on their action plans or have not taken action in areas where the LSB has highlighted the need to do so.
- We will continue to monitor the completion of the regulators’ action plans.

Reviewing progress on prior year initiatives:

Immigration:

- Review qualifying regulators’ progress to achieving the outcomes for consumers set out in our July 2012 letter to regulators.

First-tier complaints handling:

- Follow up on next steps outlined to October Board:
 - follow up on outstanding responses to the July 2012 letter at Chief Executive level with the CLC, IPReg and Faculty Office and seek an updates from the BSB and SRA.
 - conduct a more detailed review of the responses received against the respective criteria set in July 2012
 - collate and understand the implications of recent relevant research
 - develop and bring forward recommendations on next steps for the November Board. This will include consideration of whether further work is needed by the LSB on First Tier Complaints Handling.

Reviewing of regulatory sanctions and appeals processes:

- Continue to develop Discussion Document for review at November Board meeting.
- Publish Discussion Document

PROJECT MILESTONES		
PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Developing standards and performance	<ul style="list-style-type: none"> • Receive and review reports from regulators on progress on delivering their action plans and other areas where action is needed • Provide report to Board with update on progress • Finalise plans for future self-assessment 	Ongoing Q1-4
		Completed (15 October 2013)
Immigration	<ul style="list-style-type: none"> • Review qualifying regulator’s progress to 	March 2014
		July 2013

	achieving the outcomes for consumers set out in our July 2012 letter to regulators	
First-tier complaints handling	<ul style="list-style-type: none"> Receive and analyse reports from regulators on progress against actions points set out in our July 2012 letters 	Delayed November 2013
Review of regulatory sanctions and appeals processes	<ul style="list-style-type: none"> Publish discussion document Publish Decision Document 	December 2014 March 2014
Special Bodies	<ul style="list-style-type: none"> Issue draft guidance for licensing authorities 	Project Closed September 2013
Licensable bodies	<ul style="list-style-type: none"> Work with regulators to understand how those they regulate will be affected by ending the transitional protection 	Project Closed September 2013

RISKS (new or raised):				
Risk	Impact (1-5)	Likelihood (1-4)	RAG Rating	Action Taken

ISSUES:		
ISSUE	PRIORITY	ACTION TAKEN

OVERALL STATUS:	
4	[REDACTED]
3	
2	
1	

QUARTERLY PROJECT HIGHLIGHT REPORT



PROGRAMME/POLICY AREA: B: Strategy Development and Research

KEY OBJECTIVES: Reviewing the Scope of Regulation, Developing a Workforce for a Changing Market, Putting consumer interests at the heart of regulation, Cost and complexity of regulation, Research – evaluation and evidence

LINK TO REGULATORY OBJECTIVES: RO1, RO2, RO3, RO4,RO5, RO6, RO7, RO8,

PROJECT HEADLINES

Key achievements of Q2 13/14 reporting period:

Cost and Complexity:

- Submitted comprehensive proposals for simplifying the regulatory framework and reducing unnecessary burdens on the legal sector, while retaining appropriate oversight in response to MoJ's call for evidence.
- Response sets out a blueprint for the future of regulation – some of the regulators may disagree with our analysis of the failures of the current system and our proposals which would see regulatory consolidation, however the submission has generally been received positively.
- Engaged with stakeholders and encouraged them to respond to the call for evidence so that responses extended beyond the 'usual suspects' and included opinions from other stakeholders that could also provide valuable insights. Reviewed 27 of these other responses that were shared or published
- Held internal session to update, inform and invite views from LSB colleagues.

Scope of Regulation:

- Developed work plan for finalising outstanding issues and next steps around will-writing and estate administration.
- Board formally ended General Legal Advice project because this is now being reviewed as part of the wider Cost and Complexity work. Formally ending the project prevents risk of any misconception that the LSB will undertake a S24 style investigation that could result in a recommendation to the Lord Chancellor to make the area a reserved legal activity.

Developing a changing workforce for a changing market.

Education and Training:

- Project Manager and CEO attended Law Society Education Committee where LETR report and anticipated reaction to it was discussed.
- Project Manager attended the final meeting of the LETR consultative panel, where Julian Webb and each regulator gave presentations on what they thought were the key finding of the report
- LETR report published. The regulators responses to the report have differed in their level of ambition and care is needed to ensure that momentum is maintained and the opportunities presented by the report are not lost. Completed our own analysis of the report.
- Board agreed to publish draft statutory guidance for consultation. The decision to publish guidance at this stage may be perceived / presented as duplication of effort by the regulators. We have endeavoured to mitigate this risk by active stakeholder engagement and met with the BSB and SRA to discuss the guidance ahead of publication. We have also received updates on their own work programmes and will continue this working level engagement over the coming months. Provisional timetable and communications strategy also agreed.
- In the light of decision to issue a consultation paper on our proposals for guidance on education and training, we have decided to undertake targeted discussions with key stakeholders (including ARs) and will not therefore be holding a roundtable in September as originally planned.

Diversity:

- Board considered review of regulators' progress with diversity data collection and publication requirements.
- Diversity roundtable held to discuss our review of the findings, the data collection challenges the regulators have faced, how the regulators are using the data and the opportunities it presents to them.
- Summary of report published including actions agreed at the round table.

Quality Assurance:

- Application for approval of regulatory arrangements relating to QASA approved. JAG issued statement confirming that implementation will go ahead as planned.
- JAG published the final QASA handbook in August 2013
- Completed review of documentation for disclosure and provided the requested information to the claimant of Judicial review as well as our formal response to the substance of the letter before claim ahead of claim being received.
- Claim for judicial review received.
- Held meeting with representatives from Human Assets (who previously conducted research for the LSB on assessment methodology for QASA) in relation to the planned two year review. The outcome of this meeting will feed into our discussions with JAG regarding the terms of reference for future review.
- Undertook review of issues with the provision of TLS and SRA data to third parties, such as comparison website providers following a specific issue which has arisen in connection to a particular provider.
- OLC responded to formal notice we issued under section 120 relating to the provision of information regarding the complaints they receive concerning lack of [rice transparency. They are due to provide us with an interim report on 1 June 2014 and 1 April 2015

Research:

- On-going management of externally commissioned research projects:
- Published:
 - Legal services experience of people with learning disabilities – Qualitative research into the experience of this vulnerable group of consumers to highlight issues for regulators to address (29/07/2013)
- Project management stage:
 - Consumers valuation of regulation – applying for the first contingent valuation research methods to legal services regulation to provide a basis for more objective cost benefit analysis of regulation. Final report received and amendments, looking to publish in October;
 - Investigating barriers to entry exit and merger – Jointly funded project with the Law Society to identify potential regulatory barriers and inform the Cost and Complexity of Regulation project. Final draft being completed and is expected at the early October.
- Project commissioning stage:
 - International study into innovation and regulation of legal services – Non funded project. Network of academics being developed. No change since last month.
- Investigation into competition and regulation: In-house analysis of SRA regulatory information and consumer and supplier survey data applied to the market segmentation framework, to identify which market segments are the least competitive to inform the Cost and Complexity of Regulation project. Four part report due for publication in October.
- ABS survey report finalised and circulated to survey respondents. Draft report being amended following feedback from SRA, TLS, and RSG members.
- Dissemination of research findings:
 - Summary presentation to board on what the different research reports tell is about the consumer interest
 - Presentation of small business legal need findings to LSCP
 - Publication of Modern Law research forum to review research activity
 - Presentation to Michigan State University Summer Law School to highlight research findings and context of legal service reform.

- Presentation of early competition and regulation findings to LSB
- Presentations written for Chief Executive at Legal 360 conference, and for Chair at BIS professionals services group. Both presentations due in first week of October.

Consumers:

- Review of consumer toolkit undertaken and approach re-considered in light of:
 - LSB requirements
 - Regulators' needs
 - Need to incorporate the toolkit successfully into our work
 - Incorporating vulnerability into the toolkit
- Current approach is to focus on support aspect of toolkit rather than prescribe process so that it can be used across all aspects of our work.
- Internal meeting to ascertain exactly how the toolkit can be useful to their work and how to enhance understanding of how consumer issues impact on their areas of work.
- Completed review for LSB assessment of regulators consumer knowledge and our expectations of them following their self-assessment exercise
- Review of LSB consumer research including Oxera

Key activities for Q2 13/14 reporting period:

Cost and complexity:

- Identify key stakeholders with whom there would be benefit in engaging about our reform proposals
- Review the identified actions that we could take in the near term that are not dependent on knowing the outcome of the review – this includes work that we had previously identified as part of the cost and complexity work stream of the business plan
- Engage with the team undertaking the MoJ's review of criminal advocacy to identify how we can best contribute

Scope of Regulation:

- Write to approved regulators asking what action they have taken or intend to take as a result of our findings following the will-writing investigation. However we will make clear that we do not expect increased regulation specifically in relation to will-writing as the Lord Chancellor has decided that the risks are not sufficient to have explicit, statutory regulation of the activity.
- Write to relevant consumer groups, charities etc to ask whether they have or intend to initiate or update any policies relating to will-writing given the evidence of detriment we found.
- Organise a stakeholder roundtable to explore what can now be done to make the will-writing and estate administration markets work better for stakeholders

Developing a changing workforce for a changing market.

Education and Training:

- Continue monitoring of responses to our draft statutory guidance and stakeholder engagement
- Develop key messages to inform CEO and Chair level discussions
- Close consultation on draft guidance and begin analysis of responses.
- Complete handover of work following Project Manager's departure

Diversity:

- Complete handover of work following Project Managers' departure

Quality Assurance:

- Ongoing work in relation to the claim for judicial review in respect of QASA. The exact timetable for this will not be known until we know whether or not permission has been granted.
- Complete analysis of issues in relation to the provision of regulatory data and begin scoping how we will revisit progress against the quality success criteria

- Complete handover of work following Project Manager's departure

Research:

- Continued management of research projects.
- Investigation into competition and regulation – completing data analysis following comments received and finalising October Board paper.
- Refreshing and updating of research web pages library.
- Drafting of specifications for remaining planned 2013/14 research projects .

Consumers:

- Launch toolkit and run workshop with LSCP

PROJECT MILESTONES		
PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Education and training	<ul style="list-style-type: none"> Hold roundtable on education and training in response to the LETR Consider need for statutory guidance or policy criteria in light of initial views on way ahead from regulators 	Re-scoped (See above) Completed (30/09/2013)
Diversity	<ul style="list-style-type: none"> Carry out research into best practice and conceptualisation of talent to promote a positive approach to diversity issues with progression and retention 	31/03/2014
Approaches to Quality	<ul style="list-style-type: none"> Revisit actions on comparison websites with regulators 	31/12/2013
Consumers	<ul style="list-style-type: none"> Review consumer toolkit to update and reflect BS18477 and consumer how to make available to regulators 	Delayed 31/12/2013
Cost and Complexity of regulation	<ul style="list-style-type: none"> Publication of work programme Publish initial report 	Work re-scoped following MoJ call for evidence. (Completed 02/09/2013)

RISKS:				
RISK	IMPACT (1-5)	LIKELIHOOD (1-4)	RAG RATING	ACTION TAKEN
[REDACTED]				

ISSUES:		
ISSUE	PRIORITY	ACTION TAKEN

OVERALL PROJECT STATUS:	
4	[REDACTED]
3	
2	
1	
0	

QUARTERLY HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: External relations

KEY OBJECTIVES: Communications and public affairs

LINK TO REGULATORY OBJECTIVES: N/A

PROJECT HEADLINES

Key achievements of Q2 13/14 reporting period:

- Began process to recruit new OLC Chair
- Oversaw the publication of research and consultations outlined in sections above.
- Managed communication around LSB response to MoJ call for evidence and the LSB's response to Lord Chancellor decision not to make will-writing a reserved activity.
- LSB Submission to Joint Committee on the draft Deregulation Bill
- Began use of Twitter
- Preparation for Parliamentary e-update

Key activities for Q3 13/14 reporting period:

1. Continue to manage publication and dissemination of LSB activity
2. Begin process to recruit new LSB Chair and Board members
3. LSB attendance and participation at a number of sector conferences including the360 Legal Group Ltd Annual conference, Young Barristers' Committee Annual Conference, Legal Wales Conference, CEPLER Conference, Legal Futures Conference '2020 vision', CLC annual conference
4. Publish draft business plan for consultation.

PROJECT MILESTONES

PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Communications and Public Affairs	<ul style="list-style-type: none"> • Conduct programme of speeches 	On-going

OVERALL PROJECT STATUS:

4	[REDACTED]
3	
2	
1	
0	

QUARTERLY HIGHLIGHT REPORT



PROGRAMME/POLICY AREA: Finance and Funding Mechanism (Levy)

KEY OBJECTIVES: Finance

LINK TO REGULATORY OBJECTIVES:

PROJECT HEADLINES

Key achievements of Q2 13/14 reporting period:

1. Provided regular monthly submissions and reports to MoJ for HMT in line with reporting deadlines
2. Provided on-going reports for monitoring of LSB's spending position to the Board, Executive Group and budget holders
3. Assisted the Accounting Officer in finalising formal budget delegation letters for budget holders in line with the LSB Finance Regulations.
4. Sent out estimated levy amounts due from approved regulators for 2013/14
5. Arranged initial meetings to discuss review of levy mechanism

Key activities for Q3 13/14 reporting period:

1. Prepare draft budget for 2014/15 for consideration by Board including associated appendices and comparisons
2. Monthly financial reports for monitoring of LSB's spending position to the Board, Executive Group and budget holders
3. Financial appraisal of spending decisions
4. Meetings with approved regulators to ascertain initial views/concerns about the review of the levy funding mechanism
5. Prepare consultation document on review of levy funding mechanism

PROJECT MILESTONES

PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Levy Review	<ul style="list-style-type: none"> • Informal meetings with Office for Legal Complaints • Prepare and publish proposals for consultation 	30/09/2013 31/12/2013
Ensure that the LSB does not breach its expenditure budget	<ul style="list-style-type: none"> • Provide monthly financial reports for the Board and MoJ 	On-going

OVERALL PROJECT STATUS:

4	[REDACTED]
3	
2	
1	
0	

QUARTERLY HIGHLIGHT REPORT



PROGRAMME/POLICY AREA: Risk

KEY OBJECTIVES: Ensuring that a system of risk management is maintained to inform decisions on financial and operational planning

LINK TO REGULATORY OBJECTIVES: All projects are risk assessed and measures taken to mitigate or exploit are integral to planning, approval and operational activities

PROJECT HEADLINES

Key achievements of Q213/14 reporting period:

1. Completed review of Risk Management Strategy
2. Regular monthly review of risk at Gateway meetings

Key activities for Q3 13/14 reporting period:

3. Hold third Audit and Risk Committee meeting of 2013 with Annual Review of Risk Strategy and first Board level discussion on new format risk register.

PROJECT MILESTONES

PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Formal risk management system maintained by executive and reviewed by Audit and Risk Committee	<ul style="list-style-type: none"> • 3rd Audit and Risk Committee meeting of 2013 held • 1st Audit and Risk Committee meeting of 2014 held 	<p>23/10/2013</p> <p>January 2014</p>
All projects are risk assessed and measures taken to mitigate or exploit are integral to planning, approval and operational activities	<ul style="list-style-type: none"> • Ongoing project and corporate risk maintenance in line with risk strategy 	On-going

PROJECT RISKS:

RISK	IMPACT (1-5)	LIKELIH OOD (1-4)	RAG RATING	ACTION TAKEN
N/A				

OVERALL PROJECT STATUS:

4	[REDACTED]
3	
2	
1	
0	