

# 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 Q1 14/15 reporting period:

#### **Developing standards and performance:**

- Request letter and template sent to all regulators to be completed by 3 October 2014 for updates to their 2013 action plans. We have contacted all regulators offering assistance, most reported that they would seek advice in the next month or so.
- The final quarter (Q4 2013/14) monitoring report on regulatory standards action plans was produced. While some small actions remain outstanding, regulators have been proactive in ensuring that they meet their obligations.
- Continued to monitor the SRA’s performance in ABS authorisation and reported to the Board. Performance is improving, work in progress is down and there is only one case still open that is older than six months.
- Began gathering intelligence on regulators in preparation for the 2014/15 self-assessment exercise; an ongoing activity until October. Specifically, insights have been gathered from Team Rules, the SRA / LSB issues log and the correspondence register. Colleagues have also been invited to comment on their particular projects. However we will not formally request intelligence from third parties regarding the performance of the approved regulators.

#### **Thematic Reviews**

##### ***Schedule 13 review:***

- Held meetings with SRA, [REDACTED] on issues associated with schedule 13 drafting and the SRA’s approach to it.
- Obtained legal advice on interpreting/applying the schedule. Conclusion reached that licensing authorities have some discretion, which may not be being utilised (particularly by the SRA)
- Presented paper to the May Board discussing the SRA’s approach to regulation, with schedule 13 issues considered in an annex. This explained that the focus of the project is now on the SRA’s processes and procedures, where there is significant potential for simplification in a relatively short timescale. Need for change to the schedule may be assessed, via a further thematic review, once this work is complete.
- Met SRA, where it broadly agreed with the issues that we had raised and outlined plans to carry out a “fundamental and swift” review of its procedures . This review is currently planned for late July.

##### ***Section 15 review:***

- Final PID has been produced and approved by gateway group.
- Drafted project summary for the website

##### ***Regulatory Restrictions:***

- Final PID has been produced and approved by gateway group.
- A new structure has been developed for the thematic review section on the LSB’s website, as well a statement on the business ownership restrictions thematic review, outlining project’s scope and timetable
- Begun review into regulators’ restrictions on business ownership against the principles of better regulation, the regulatory objectives and the consumer protection arguments.

**Key activities for Q2 14/15 reporting period:**

**Regulatory standards:**

- Continue to gather evidence for 2014/15 review
- Develop formal proposals regarding the collection of third party intelligence and data from the approved regulators for the 2015/16 exercise
- Continue to monitor SRA's performance in ABS approvals.

**Thematic Reviews**

**Schedule 13 review:**

- If requested provide input into SRA staff workshops in July.

**Section 15 review:**

- Draw up specifications for legal review and framework for review of approved regulator regulatory arrangements

**Regulatory Restrictions:**

- Complete review of ownership restrictions against the principles of better regulation, the regulatory objectives and the consumer protection arguments.
- Begin writing text explaining the legislative and regulatory landscape. When complete this will be shared with regulators for factual accuracy.

PROJECT MILESTONES		
PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Developing standards and performance	<b>2014/15 Assessment</b>	
	Self-assessment template and completion request sent to regulators	Complete
	Collate and update intelligence on the performance on the approved regulators	On-going
	Regulators complete and submit update self-assessments/plans	October 2014
	LSB regulatory standards report is published	Jan 2015
	<b>2015/16 Planning</b>	
	External discussions on approach to regulatory standards in 2015/16	Jun – Jul 2014
	External discussions on approach and short consultation for 2015/16 exercise	Aug 2014
	Proposal and Board paper drafted	21 Aug 2014
	THEMATIC REVIEW: Schedule 13 review	Work with stakeholders to categorise issues and identify options for change
Consult on proposal for change (if necessary)		Sept 2014
Submit recommendation to Lord Chancellor (if necessary)		Sept 2014
THEMATIC REVIEW: Section 15 review	Publish detailed scope and schedule for	June 2014

	completion of review	
THEMATIC REVIEW: Business ownership restrictions	Publish detailed scope and schedule for completion of review	Completed (June 2014)

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

ISSUES:		
ISSUE	PRIORITY	ACTION TAKEN
<b>SCHEDULE 13 REVIEW:</b> Change of project focus: work has identified that SRA processes and procedures need to be simplified, rather than modifying the schedule	High	Change of focus shared with Board. Project plans to be amended following a meeting with the SRA on 30 May

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 Q1 14/15 reporting period:

#### **Regulatory Reform:**

- Initial analysis of cost data gaps and analysis of similar activity in other sectors carried out.
- Met BIS and HMT competition teams to discuss the MoJ response to MoJ review of the regulatory framework and submitted written information
- Finalised specification, project plan and risks/issues log and presented to Gateway for comments
- Appointed Chris Decker as external economist resource – had initial meeting and with his help are developing a methodology and ideas for external research to be commissioned.

#### **Liberalising the Legal Workforce:**

##### ***Education and Training:***

- Discussed and agreed the LSB's approach for engaging with regulators on our education and training guidance. This includes issues around enforcement, monitoring/evidence gathering, and thematic reviews.
- Agreed 'close down report' with Gateway which set out the LSB's approach in this area. We will maintain a light touch monitoring role in which we will collect evidence and issues which we can return to towards the end of the year in order to identify risks or to ask further questions.

##### ***Diversity:***

- Hosted a roundtable on 1 May 2014 to discuss a research proposal looking at how law firms judge talent and how this compares to what clients are looking for from lawyers
- Produced and circulated a summary of the latest Bar Barometer report published on 1 April
- Held a meeting with the SRA's Equality External Implementation Group to discuss their thoughts on the appropriate actions for the SRA as they consider Professor John's report on the comparative case review the SRA commissioned him to complete, to see if there is any disparity in the way the SRA applies its policies and procedures in dealing with BME practitioners as compared to others. In light of this meeting we have reviewed SRA's response to the report.
- The BSB have provided confirmation of their actions in response to the recommendations of an equality review of their complaints system
- Ongoing monitoring of ARs work on diversity

#### **Improving the Consumer Experience:**

##### ***Quality:***

- PID presented to Gateway confirming our strategy for revisiting progress against the quality success criteria and potential LSB actions and a focus on comparison websites and data sharing.
- Received responses from some regulators to the questions posed at a roundtable on legal comparison websites . The response from regulators to our letters following the roundtable on opening up their data has generally been mixed.
- Ongoing analysis of the regulators' positions in relation to the quality success criteria published in our

Quality consultation response document

- Wrote to TLS to request information on the processes it follows when responding to requests for information held in its professional registers
- Reviewed interim report from the OLC in response to the Section 120 request we sent them requesting information on complaints received by the Ombudsman concerning transparency of the cost of legal services and in particular transparency of damages-based agreements. We have provided the OLC with further written comments on what we would like to see in the final report due on 1 April 2015

#### **Complaints:**

- Limited work in this area, reflecting Board decision that work would be postponed pending the outcome of the Consumer Panel's Tracker Survey and Impact Report and the Government's decision on implementing the EU ADR Directive (reflected in the timetable above)
- Panel Tracker survey results reviewed. They provide a partial update on information discussed in a November 13 Board paper, e.g. consumer confidence, including in complaining, rates of inaction despite dissatisfaction, and awareness of LeO. Generally speaking, the picture remains unsatisfactory.
- Details and timetable requested from BSB and SRA for thematic supervision work on solicitor cooperation with barristers to facilitate FTCH signposting obligations. The BSB previously indicated (in late February) that it had developed an approach and would be discussing this with the SRA to identify opportunities for joint working

#### **Research:**

- Published research plan
- Ongoing management of externally commissioned research projects including:
  - *What lessons can be learned from the personal injury market?*
  - *Online Divorce*
  - *Innovation: capabilities and barriers in legal services* - Round of discussions with SRA to discuss proposed innovation in legal services research, and possibility of joint research funding. Current view is we may be unable to find enough common ground.
  - *Cost of regulation*
  - *Availability of quality and price information for legal services*
  - *Funding PhD student* - Reviewing 14/15 study plan and provided brief comments
- Dissemination of research findings:
  - Delivered three presentations for SLSA conference (how different are ABS, the future of legal education and training, and barriers to entry and regulatory risk)
  - Research seminar attended by 54 representatives from regulators, representatives, PLE advocates, and academics.
  - Published an assessment of the most effective methods of supporting consumers to identify and respond to legal problems and *How do consumers attitudes and beliefs about the law affect their responses to legal problems?* Both publications were presented at seminar held at UCL 23<sup>rd</sup> May.

#### **Key activities for Q2 14/15 reporting period:**

##### **Regulatory Reform:**

- Finalise scoping and project plan
- Continue working on methodology and prioritise areas for analysis
- Complete gap analysis and assessment on the most viable options for collection of indirect costs for regulation.

##### **Liberalising the legal workforce**

##### **Education and Training:**

- Maintain an interest in changes made to education and training regulations by approved regulators including scanning consultations, rules applications, checking press cuttings and reviewing regulators' websites to identify relevant changes.

**Diversity:**

- Review revised research proposal looking at how law firms judge talent and how this compares to what clients are looking for from lawyers
- Review the SRA's report on its 2013 diversity data collection exercise

**Improving the consumer experience****Quality:**

- Follow up on request for information from TLS on the processes it follows when responding to requests for information held in its professional registers
- Complete analysis of the regulators' positions in relation to the success criteria and write to them with a summary of what we believe they have done, reminding them that in the 2015/16 regulatory standards exercise we will be looking for specific evidence that they are taking action to deliver the success criteria.
- Finalise specification for research on the availability of quality and price information for legal services for individual consumers

**Complaints:**

- Await the Panel's impact report for detailed information on complaint handling and compare with previous rates/performance

**Research:**

- Manage ongoing project through tender evaluations, contract finalisation, meeting and end communications including:
  - publication of Lessons from Personal Injury.
  - Continue to ensure sufficient sample achieved for 'during the event' online divorce surveys, and review against timeline.
  - Finalise legal terms of reference for joint SRA project on innovation
  - Write brief for Strategy Director to determine potential for CMA involvement in availability of quality and price information project, if this is not feasible start tendering exercise.
  - Draft research specifications for the Cost of Regulation research project/s following discussions with independent experts.
  - Write agree and share scoping paper with Legal Education Foundation Chief Executive for LEF board approval.
  - Build data sets for Evaluation: Measuring Access to Justice report, review literature and wider developments.
  - Write and deliver presentation to the International Regulators Conference, 9 July

PROJECT MILESTONES		
PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Regulatory Reform	Review available data and information to assess the total viable cost of regulation	Completed (June 2014)
	Gap analysis and assessment of the most viable options for collection of indirect costs for regulation	Sept 2014
	Prioritisation of areas for analysis	Sept 2014
	Formation of stakeholder group	August 2014
	Publish research	March 2015
	Research: Costs of regulation	April 2015
LIBERALISING THE LEGAL WORKFORCE: Education and Training	Agree an approach to monitoring delivery of LSB guidance	Completed (June 2014)
	Report on regulators' progress	March 2015
LIBERALISING THE LEGAL WORKFORCE: Diversity	Report on regulators' progress	March 2015
IMPROVING THE CONSUMERS EXPERIENCE: Quality	Agree an approach for improving the provision and transparency of regulatory data	Completed (March 2014)
	Publish discussion paper about indicators for informed consumer decision making	Dec 2014
	Consider appropriate action depending on the outcomes of 2013/14 research into effective methods to support consumers in identifying and responding to legal problems	Dec 2014
	Depending on outcomes of research into: <ul style="list-style-type: none"> <li>Consumer information for regulation of complaints handling</li> <li>consumer experience of online divorce consider further action.</li> </ul>	Sept 2014
	Focus on developing regulators' own understanding of and response to consumer experience by contributing to 2014/15 regulatory standards exercise	Dec 2014
	Research - Online Divorce	Sept 2014
	Research - The impact of 'unbundled' services on consumers	April 2015
	Research - Quality and Price Information	Dec 2014
	Research – Open Data and market impact case studies	Dec 2015
	IMPROVING THE CONSUMERS EXPERIENCE: Complaints	Continue to monitor how regulators are using complaints data to identify emerging patterns of provider behaviour
Research	Review of ADR schemes	April 2015
	PhD Student funding	Sept 2014
	Legal services benchmarking survey	June 2015
	Evaluation: changes in access to justice	Feb 2015

RISKS:				
RISK	IMPACT (1-5)	LIKELI HOOD (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 Q1 14/15 reporting period:

- Outgoing Chairman David Edmonds spoke at the second Modern Law conference on 29 April.
- Business Plan 14/15 (early April) and annual report and accounts 13/14 (early June) published.
- Third edition of LSB stakeholder newsletter sent out to elected politicians in England and Wales (MPs, MEPs, Lords and Welsh Assembly Members).
- New Chairman had introductory roundtable meeting with members of the legal press.
- The number of LSB twitter followers now stands at 522 (30 June).

### Key activities for Q2 14/15 reporting period:

- Fourth and fifth editions of Parliamentary and stakeholder newsletter to be sent out
- Exploratory meeting with the Welsh administration re. LSB Board meeting in Cardiff on 27 October and meetings with First Minister, Counsel General and other ministers.
- First public speech of new Chairman (September 4 Westminster Legal Policy Forum event)
- Interviews for new Chairman and outgoing Chief Executive (Die Welt, Counsel Magazine, Modern Law Magazine, etc.)

## PROJECT MILESTONES

PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Communications and Public Affairs	<ul style="list-style-type: none"> <li>• Conduct programme of speeches</li> </ul>	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 Q1 14/15 reporting period:

- Monthly financial reports for monitoring of LSB’s spending position to the Board, Executive Group and budget holders
- Published new Levy rules, which have been laid in Parliament and will come into force on 2 July 2014
- Completed Annual Report and Accounts for statutory audit and Audit and Risk Committee and Board scrutiny and approval. This was laid in Parliament and published on 10 June 2014
- Provided regular monthly submissions and reports to MoJ in line with reporting dates

### Key activities for Q2 14/15 reporting period:

- Provide monthly financial report for monitoring of LSB’s spending position to the Board, Executive Group and budget holders
- Provide regular monthly submission and report to MoJ in line with reporting dates.

## PROJECT MILESTONES

PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Ensure that the LSB does not breach its expenditure budget	<ul style="list-style-type: none"> <li>• Provide monthly financial reports for the Board and MoJ</li> </ul>	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
<p><b>Key achievements of Q1 14/15 reporting period:</b></p> <ul style="list-style-type: none"> <li>Held second Audit and Risk Committee meeting of 2014</li> <li>Board six monthly review of risk register</li> <li>Completed regular review of corporate risk register</li> <li>Introduced refreshed oversight process for project risk management</li> </ul> <p><b>Key activities for Q2 14/15 reporting period:</b></p> <ul style="list-style-type: none"> <li>Regular review of risk at Gateway meetings</li> <li>Begin annual review of Risk strategy in preparation for October ARC meeting</li> </ul>

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"> <li>2<sup>rd</sup> Audit and Risk Committee meeting of 2014 held</li> <li>3<sup>rd</sup> Audit and Risk Committee meeting of 2014 held</li> <li>1<sup>st</sup> Audit and Risk Committee meeting of 2015 held</li> </ul>	Completed (May 2014) October 2014 March 2015
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"> <li>Ongoing project and corporate risk maintenance in line with risk strategy</li> </ul>	On-going

PROJECT RISKS:				
RISK	IMPACT (1-5)	LIKELIH OOD (1-4)	RAG RATING	ACTION TAKEN

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