

To:	Legal Services Board	
Date of Meeting:	27 October 2014	Item: Paper (14) 53

Title:	Draft strategic plan 2015-18 and draft business plan 2015-16	
Workstream(s):	Future strategy and business planning	
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Status:	Official	

Summary:
<p>The Board discussed a skeleton strategic plan for the 2015-18 period at its September 2014 meeting.</p> <p>At Annex A, Board members will find a revised draft of the strategic plan for 2015-18 in the light of their feedback and at Annex B, an early draft of the business plan for 2015-16. This latter is being prepared on the assumption that the strategic priorities set out in the strategic plan are agreed and that there is no significant increase or decrease in the LSB's budget. This is, of course, subject to discussion with ARC on 5 November and the full Board at its following meeting.</p> <p>Annexes A and B will ultimately be published as a single document for consultation in early December pending final Board sign-off at the November meeting.</p> <p>Both documents remain work in progress and are presented to the Board for discussion, comment and views on the overall direction being taken.</p>

Recommendation(s):
<p>The Board is invited to review and discuss the draft strategy and business plan documents, focussing on the issues highlighted in paragraph 7 in particular.</p>

Risks and mitigations
Financial: N/A
Legal: The Legal Director has been and will continue to be consulted

	throughout the development of the plan, particularly with a view to assessing LSB vires.
Reputational:	The strategic plan is the LSB's top level guiding document for the next three years and therefore has high reputational importance. This is magnified as it will be the LSB's first strategic plan under a new Chair, new Chief Executive and new Strategy Director.
Resource:	The Board is asked to discuss resource implications as part of its consideration of the draft strategic plan and draft business plan.

Consultation	Yes	No	Who / why?
Board Members:	x		The draft strategic plan draws heavily on output from the Board strategic planning workshop held in July 2014 and the discussion of the skeleton strategic plan at the September 2014 Board meeting.
Consumer Panel:	x		The Consumer Panel Chair participated in the above workshop and the Panel has provided as an input to the strategic plan its draft 'Emerging Thinking' report in response to the LSB's '2020' commission.
Others:			The Chair of the Office for Legal Complaints participated in the above workshop.

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Annexes A and B	Section 22 – information intended for future publication	N/A

LEGAL SERVICES BOARD

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Draft LSB Strategic Plan 2015-18 and LSB Business Plan 2015-16

Background / context

1. The Board discussed a skeleton of the strategic plan at its September meeting and also held a joint session with the Legal Services Consumer Panel (the Panel) on the same day, to discuss the Panel's draft 'emerging thinking' report¹.
2. On 2 October, a meeting of regulator Chairs was convened by the LSB. The LSB arranged this meeting as a follow-up to the Ministerial summit of legal regulators held in July, at which Ministers tasked regulators with seeking further deregulatory measures to encourage growth and innovation in the legal services market. As Board members will know, six key actions were agreed at that meeting. The LSB will take the lead on the majority of these actions, but will work in collaboration with the other legal services regulators. These actions included:
 - i. The joint production of a briefing document which maps existing work by the regulators to reduce unnecessary regulatory burdens while maintaining appropriate consumer protection.
 - ii. A joint meeting to collaborate on identifying effective business models to avoid the holding of client money.
 - iii. Sharing amongst the regulators of collective knowledge and learning from work on reviewing restrictions on in-house practice, facilitating entry of MDPs, reforming ABS ownership tests and reviewing business ownership restrictions.
 - iv. A review by the LSB in 2015-16 of its statutory decision-making processes.
 - v. The joint prioritisation of 5 – 10 "clausal changes" to the LSA, for subsequent consideration by the Chair-level forum .
 - vi. The joint development of legislative options beyond the LSA, to bring back to Chair-level forum. The LSB has offered to take the initiative on proposing the process for this work, which may include further facilitation by Professor Stephen Mayson.

¹ This document was the Panel's interim response to the LSB's '2020 commission' to the Panel. The LSB asked the Panel to consider the following question: "In the light of developments in the legal services market in particular, but also in the wider economy and society, what risks to consumers of legal services might arise in the period to 2020 and how might the LSB and approved regulators react appropriately to them?"

3. This draft of the strategic plan takes into account the discussion of the skeleton plan at the September Board meeting, the Panel's draft emerging thinking document, and the workstreams arising from the 2 October meeting of regulator Chairs. The draft business plan has been prepared on the basis that the strategic priorities set out in the draft strategic plan are agreed and that there is no significant increase or decrease in the LSB's budget (in line with discussion at the September Board meeting). Both documents are still work in progress.
4. As in previous years, in the likely event that there are more work packages identified for 2015/16 than can be accommodated within the planned level of resources and overall budget, the Executive will undertake a prioritisation exercise in preparing the final plan for Board approval in March 2015. This will take place post-consultation so that it can be informed by the views of consultees who may well have additional suggestions for work that will need to be considered alongside the LSB's own proposals, as well as ensuring input from the incoming Chief Executive.
5. The SRA is currently working on its corporate strategy for 2014/15 to 2016/17, which replaces the last year of its current strategic plan and looks forward over the next two years. The SRA's work in this area is likely to overlap in terms of timing with the development of our plans and any obvious mis-alignment between the SRA's corporate strategy and our strategic plan might be perceived to be an issue externally. We are aware in broad terms of the strategic aims that are likely to be contained in the SRA's document. These relate to improving the SRA's organisational efficiency and continuing reform of the SRA's regulatory approach to enable growth and liberalisation, while striking the right balance with consumer protection. These seem at this stage not to be in tension with the LSB's emerging strategic plan.

Key changes in this version of the strategic plan

6. The key changes are:
 - i. A new Chairman's foreword and a separate overview section.
 - ii. A rewritten 'Context' section.
 - iii. Changed presentation of 'Strategic Priorities' section to make the tone more positive and ambitious, and to add a summary diagram. The substance of the work is similar to that contained in the skeleton document, but the strategic themes have now been rephrased (and re-ordered) as:
 - Breaking down barriers to competition, growth and innovation; and
 - Answering the demand for legal services.

Questions to consider

7. Board members are asked to consider the following questions:
 - i. Are Board members content with the tone and length of the Chairman's foreword, and the division of material between the foreword and the overview?

- ii. Can the Board see how it will achieve what it wants to achieve through the work described under the strategic themes: 'breaking down the barriers to competition, growth and innovation' and 'addressing the demand for legal services'?
- iii. Whilst the final position on the LSB's consumer policy clearly rests with the LSB, where can the Consumer Panel supplement, challenge and add value to the LSB's work during 2015/16? Some candidate areas (building on the Panel's 2020 response) might be:
 - What particular 'digital detriments' have arisen/ are likely to arise in the legal services market? What is the evidence for this?
 - What kind of information could regulators collect from firms to aid consumers?
 - Are there any areas of law (eg family, immigration, housing, etc) which should be priorities (based on clear evidence) for the LSB's work on addressing the demand for legal services? Within these areas, are there any specific priority issues for the LSB to consider?

Next steps

8. The Board is invited to review and discuss the draft strategy plan and draft business plan.
9. The Consumer Panel will produce the final version of its response to the LSB's 2020 commission in early November 2014. A final 'for consultation' version of the strategic plan, incorporating the draft business plan and budget for 2015-16 and taking into account comments from the Board and the Consumer Panel's final report, will be submitted to the Board at its November meeting for sign-off. Consultation will commence as soon as possible after the November Board meeting with a view to the final plans returning to the Board for approval, informed by the views of consultees, in March 2015.