

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 Q4 13/14 reporting period:

Developing standards and performance:

- Finalised the thematic review prioritisation template and agreed areas of focus for 2014/15
- Consulted the Board on the 2014/15 regulatory standards update exercise and the full assessment planned for 2015/16. The Board approved the proposed approach for 2015/16. We have written to regulators to set out our approach, also pointing to new standards of best practice and have met all of the regulators to discuss the updated approach to the regulatory standards during 2014/15 (bar IPreg who we meet on 9 April).
- Reported to the Board on progress made by the SRA on ABS authorisations during 2013. The paper focused on the position of so called multi disciplinary firms and the impact of the changes made by the SRA (including the introduction of the single form). The Board accepted the recommendation that we continue to monitor the SRA but we need not start a formal investigation.
- A report on progress made by the regulators against the actions they planned for Q3 (13/14) has been produced and cross checked with the regulators. This report was presented to the Board and is attached to this report.
- We produced a PID for the 2014/15 update self assessment and the planning work for the 2015/16 regulatory standards assessment. The gateway group reviewed and approved the PID.

Schedule 13 review:

- Worked with stakeholders, including ABS, to further understand issues. It appears that there may be issues associated with the SRA licensing process which may have to be addressed before considering whether changes are needed to Schedule 13.
- Met with FCA to understand its approach to fit and proper person testing with licensing and the underlying legislation.
- Began drafting consultation document.

Reviewing progress on prior year initiatives:

Immigration:

- Rescheduled for 2014/15

First-tier complaints handling (FTCH):

- Agree further joint working initiatives with LeO, mostly likely starting with its research on the business case for complaint handling
- Considered the need for correspondence with the Faculty Office, eg in relation to provisions that allow for charging members of the public who wish to make a complaint
- Attended OLC open strategy session
- Followed up work with the BSB and SRA on sending joint communications to their approved persons about sign-posting obligations (including that failure to assist barristers in meeting their obligations could be a breach of the SRA code of conduct). Reviewed SRA and BSB published information regarding the obligation on solicitors to assist barristers in meeting their obligations
- Attended LeO’s business case for good complaint handling research event. This appears to have been

intended to encourage approved regulators and representative bodies to communicate the key messages to their communities. The event was well attended and appeared to be positively received.

- Provided feedback to LeO on its business case for good complaint handling event for publication in its newsletter

Review of regulatory sanctions and appeals processes:

- Published sanctions and appeals research paper . We will pursue the recommendations in the paper through the blueprint work and, where we are able to influence, through regulatory standards.
- We met with the SDT to discuss the paper and next steps.
- A project close-down report was presented to the gateway group and Programme Board

Key activities for Q1 14/15 reporting period:

Regulatory standards

- Send requests for information about progress made on action plans to regulators.
- Meet IPReg to discuss 2014/15 regulatory standards review

Thematic reviews

- Publish detailed scope of and schedule for completion of section 15 and structural obstacles reviews
- Schedule 13:
 - Meet SRA to discuss outstanding issues relating to its licensing processes and suggestions for amending the LSA.
 - Present progress paper to Gateway group.

First Tier Complaints Handling

- Follow up with SRA and BSB on next steps and associated timetable for work to ensure solicitors assist barristers with FTCH signposting

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 • Finalise plans for future self-assessment 	Completed Completed (March 2014)
Immigration	<ul style="list-style-type: none"> • Review qualifying regulator’s progress to achieving the outcomes for consumers set out in our July 2012 letter to regulators 	Rescheduled to be completed in 2014/15
Review of regulatory sanctions and appeals processes	<ul style="list-style-type: none"> • Publish discussion document • Publish Decision Document • Publish research paper 	Completed (January 2014)

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

ISSUES:		
ISSUE	PRIORITY	ACTION TAKEN
As above		

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 Q4 13/14 reporting period:

Cost and Complexity:

- Developed project specification with Board feedback and completed PID
- Progressed review of existing cost data and comparisons with similar activity in different sectors
- Conduct further analysis of how and where regulatory burdens can be reduced for providers and innovation encouraged
- Began discussions with external resource for scrutiny role for cost of regulation project
- Met the SRA to discuss their work reviewing regulatory burdens to identify crossover and dependencies
- Drafted blog about how liberalisation and simplification can support access to justice published with Legal Futures
- Met Sir Bill Jeffrey to provide final input into his review of criminal advocacy – the quality of the LSB submission and evidence base was highlighted

Scope of Regulation:

- Convened a roundtable of 20 industry participants (regulated and unregulated sector) to discuss possible ways for them to lead on improving standards across the industry.
 - Strong message emerged at the roundtable that the issue is really about getting firms completely outside of any form of regulation or code agreement to opt in.
- Followed up the roundtable with correspondence making clear that the onus is on industry to work together to improve standards in the unregulated part of the sector
- Wrote to MoJ officials and parliamentarians who have expressed an interest in our will writing investigation outlining what we have done to try and improve the will-writing market for consumers including encouraging industry led initiatives and that our responsibility moving forward will be restricted to regulated lawyers
- As a follow up to the will writing roundtable we have written to the Probate Service asking them about their plans to accept scanned wills. This letter also updates them with the current situation about will writing.
- Will-writing project now closed

Developing a changing workforce for a changing market.

Education and Training:

- The Board decided to issue Section 162 guidance about reviewing education and training arrangements, as amended in light of consultation feedback, to approved regulators
- Met with Julie Brannan, new SRA Director of Education and Training and participated in the SRA workshop held at TLS on education and training.
- Begun discussions with approved regulators about their progress, plans and possible timetable and mechanisms for monitoring progress in reviewing and modernising their education and training regulations in line with LETR findings and LSB guidance

Diversity:

- Met the ICAEW and provided guidance on their proposed actions for monitoring the diversity of their regulated community
- Produced and circulated a summary of the Oxera report for the SRA on in-house solicitors
- Met the SRA to discuss the feedback they received during the completion of their latest diversity monitoring exercise, and the lessons they have learnt about the process
- Arranged a roundtable, with academics and law firms, to discuss a research proposal looking at how law firms judge talent and how this compares to client perceptions of what they look for from lawyers.
- Considered the latest Law Society Diversity and Inclusion Charter annual review, and written to TLS to congratulate them on the work they, and the more than 400 Charter signatories, are doing
- Reviewed the report from Professor Gus John 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.

Quality Assurance:

- Continue scoping how we will revisit progress against the quality success criteria and potential LSB actions, through developing an options paper for consideration at the Gateway Group in April 2014.
- Any action required following decision on QASA Judicial Review
- Attended a roundtable hosted by the Consumer Panel with voluntary quality scheme providers and a joint LSB and Legal Services Consumer Panel roundtable on legal comparison websites . At the comparison website roundtable attendees agreed to the principle of making usable regulatory data available either through the Legal Choices website or in other ways.

Research:

- Ongoing management of externally commissioned research projects including
 - An assessment of the most effective methods of supporting consumers to identify and respond to legal problems.
 - *How do consumers attitudes and beliefs about the law affect their responses to legal problems?*
 - *What lessons can be learned from the personal injury market?*
 - *LSCP tracker survey 2014* – Held update meeting with survey company and panel manager to kick off the 2014 survey. Project end date end of March.
 - Online Divorce – joint LSCP research project to look at the consumer experience of online divorce in the context of the wider growth of self-help legal services. Tender published and closed. 3 companies being interviewed.
 - International study into innovation and regulation of legal services – Non funded project. Network of academics being developed. Limited progress to date.
- Research programme PID shared with PMs and Gateway Group for discussion.
- Dissemination of research findings:
 - Papers submitted to and accepted for SLSA conference and UCL access to Justice conference
 - Chairs Research forum with SRA, TLS, LEO, and BSB to review range of research activity ongoing and planned for the year ahead.
 - Attended Legal Choices launch.
 - Met MOJ to discuss their potential research plans, in particular updated legal needs survey
 - Responded to SRA on proposed innovation in legal services research, and possibility of joint research funding.
 - Attended first meeting of Civil Justice Research Forum (MoJ led)
 - Held Research Strategy Group meeting
- Project initiation stage:
 - Innovation: capabilities and barriers in legal services: Meet with SRA to discuss proposed innovation in legal services research, and possibility of joint research funding. Awaiting response until end of April.
 - Cost of regulation: Following discussion at Gateway and Board, timing of research activity delayed by two months to allow for independent experts to be identified and put in place.

- Availability of quality and price information for legal services
- Funding PhD student: Held phone conference with student and mentor, awaiting receipt of 14/15 study plan.
- Evaluation: Measuring Access to Justice report: Reviewed rule approval activity in terms of *improving access to justice* and started to build data sets for analysis of trends.

Key activities for Q1 14/15 reporting period:

Regulatory Reform:

- Finalise specification and specification
- Begin review of available data and information to assess the total viable cost of regulation

Liberalising the legal workforce

- Agree an approach with regulators to monitoring the delivery of LSB guidance on education and training
- Hold roundtable to discuss a research proposal looking at how law firms judge talent and how this compares to client perceptions of what they look for from lawyers.

Improving the consumer experience

- Present Quality PID to Gateway and confirm strategy for revisiting progress against the quality success criteria and the potential response from LSB
- Follow up with regulators on questions on the provision of data that were posed at the roundtable on legal comparison websites.

Research:

- Publish research plan
- Manage ongoing project through tender evaluations, contract finalisation, meeting and end communications
- Begin to consider outcomes of Consumer information of complaints handling research and propose appropriate action
- Deliver three presentations for SLSA conference (*How different are ABS?, The Future of Legal Education and Training and Barriers to Entry and Regulatory Risk*).

PROJECT MILESTONES		
PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Diversity	<ul style="list-style-type: none"> Engage with academics carrying research into best practice and conceptualisation of talent to promote a positive approach to diversity issues with progression and retention 	Stopped: As this work is now being pursued by the University of Leeds, we are not pursuing directly, but are working to assist the researchers in the coming year

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

ISSUES:		
ISSUE	PRIORITY	ACTION TAKEN
As above		

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 Q4 13/14 reporting period:

- LSB attendance and participation at a number of sector conferences including the ACAS Conference for SME's on legal services market, Upjohn Lecture, the Society of Legal Scholars Annual Presidents reception.
- CEO addressed *Harvard Law School Program on the Legal Profession* event on disruptive Innovation in the market for legal services
- Articles were provided for a number of trade publications including Modern Law magazine and two blog posts were written for Legal Futures. LSB representatives were made available for interviews with a number of other publications.
- Met a representative of the Welsh government
- The Chair of the LSB made a well received regulation focused speech to the Westminster Legal Policy Forum in mid-March.
- The second edition of the LSB email newsletter was sent out to elected politicians in England and Wales (MPs, MEPs, Lords and Welsh Assembly Members). Reception appears to be neutral positive (only two from a distribution list of 1500+ have asked to be unsubscribed).
- The number of LSB twitter followers now stands at 387 (11 March). The account appears to pick up 15 to 20 new followers every week.

Key activities for Q1 14/15 reporting period:

- Final speech by David Edmonds to Modern Law conference
- Introducing new Chair and members to legal services sector
- Organise a first meeting between the new Chair and the trade press
- Publishing Business Plan 14/15
- Publishing Annual report and Accounts 13/14
- Third and fourth editions of Parliamentary and stakeholder newsletter to be sent out
- Exploratory meeting with the Welsh administration with a view to holding an LSB Board meeting and accompanying stakeholder engagements in Cardiff before the end of the year.

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 Q4 13/14 reporting period:

- Levy rules changes agreed and new rules published. Statutory process begun with MoJ.
- 2014/15 budget agreed and published.
- Monthly financial reports for monitoring of LSB’s spending position to the Board, Executive Group and budget holders.
- Provide regular monthly submissions and reports to MoJ in line with reporting dates

Key activities for Q1 14/15 reporting period:

- Monthly financial reports for monitoring of LSB’s spending position to the Board, Executive Group and budget holders
- Complete statutory process for new Levy rules
- Complete Annual Report and Accounts for statutory audit and Audit and Risk Committee and Board scrutiny and approval.
- Provide regular monthly submissions and reports 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"> • 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 Q4 13/14 reporting period:

- Held first Audit and Risk Committee meeting of 2014
- Regular monthly review of risk at Gateway meetings

Key activities for Q1 14/15 reporting period:

- Hold second Audit and Risk Committee meeting of 2014
- Board six monthly review of 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"> • 1st Audit and Risk Committee meeting of 2014 held 	Completed March 2014
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	