

## **Board report: Regulatory standards actions to date – 31 December 2013 (Q3 2013/14)**

This report highlights progress that the approved regulators have made against their regulatory standards action plans that each regulator submitted with their self-assessments to 31 December 2013, building on an earlier report of progress to 30 September 2013. It is not a general report on each of the regulators' business plan KPIs or on other activity they may be undertaking. Where possible, information on progress has been gathered from public documents, including board papers and minutes, as well as from meetings. Where information has not been available, we have asked the approved regulators for an update. The latest version of the full regulators' action log is available [here](#).

The report also contains actions that have come from the LSB's own reports on the regulators' self-assessments.

### **SRA**

#### **SRA actions completed to 31 December 2013**

*The SRA continues to make solid progress on its action plan. It has no further actions, other than those that remain partially completed.*

- Senior leadership development proposals were considered early in 2013 and were agreed by the Board and implemented by the Executive.
- Crispin Passmore was appointed to the new role of Executive Director for Policy started on 6 January 2014
- Paul Philip, new CEO starts on 03 February 2014.
- Samantha Barrass leaves as Executive Director responsible for Authorisation, Supervision and Intelligence and Investigation on 31 January 2014. A decision on her replacement will be taken by the new CEO once he has been in post long enough to form a judgement.
- Two consumer affairs specialists were recruited
- Supervision resourcing was identified and posts were filled in October 2013.
- A sub-Group of the SRA Board will take forward the recommendations of the Board Effectiveness Review that was conducted in the summer 2013. This Group has a work programme in place to progress the work in 2014. Following the review, the Board has appointed a Senior Independent Director, Jane Furniss, to support the Chair and this was reported in the public session of the Board on 22 January.
- A review of scope of regulation was carried-out as part of the Ministry for Justice's call for evidence.
- Following the unsuccessful challenge on QASA, the SRA is ready to begin implementation. (January 2014)
- The Legal Choices website went live on 21 January 2014 and is now available as a resource for consumers, as well as providing all seven approved regulators with a range of consumer engagement tools.

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SRA non-completed actions to 30 December 2013				
Regulatory factor	Action / output	Achieved?	Progress	Regulatory standards view Proposed or taken action
OFR	Carry-out first tier complaints handling visits	Partially	The SRA and BSB have agreed to provide us with an action timetable by the end of Feb 14 setting out joint wording.	Monitor
OFR	Review of ABS licensing	Partially	Completed a survey of ABS firms that have withdrawn from the process and case studies (with ABS and withdrawn firms). There are three stages to this research. Stage 1 results are currently being analysed. Timescales for publication are currently being agreed.	S55 request in place – LSB Board has agreed to continue monitoring. Reports are given to LSB Board on monthly basis.
OFR	Market segmentation of in-house lawyers	Partially	This has been completed and will be published in February 2014	Monitor
OFR	Research into the disproportionality of SRA interventions	Partially	Field work team in place to work with UCL. Client survey started in October 2013 and be finished in early 2014.	Monitor
OFR	Vulnerability, consumer outcomes and the role of information	Ongoing	<ul style="list-style-type: none"> <li>- Consumer research priorities are now being scoped for 2014 to support the SRA to explore areas of consumer vulnerability</li> <li>- Consumer scam / fraud alerts continue to be published on the SRA's website with five new alerts already published since 1 January 2014.</li> <li>- Completed a review of vulnerability and consumer outcomes, the outcome of which has been used in public documents like the Risk Outlook and will inform our up-coming research on asylum seekers and the risks they face</li> </ul>	Monitor
OFR	Market segmentation of in-house lawyers	Partially	This has been completed and will be published in February 2014	Monitor
Supervision	Review of the SRA's approach to supervision high impact firms	Partially	A survey has been completed and the results are now with the senior management team to review.	Monitor
Strategy	Analysis and consideration of the LETR report	Partially	Report published with an action plan in development	Monitor
There are no actions for the SRA beyond 31 December 2013				

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### BSB

BSB completed actions to 31 December 2013				
<i>The BSB is the only regulator that has actions that extend beyond Q3 2013/14. It continues to make progress on its detailed action plan.</i>				
<ul style="list-style-type: none"> <li>▪ The enforcement strategy was completed and published</li> <li>▪ The BSB Board approved the revised risk-based supervision strategy in September</li> <li>▪ The Board also approved the risk assessment framework in October</li> <li>▪ Policy and training outcomes courses on public access were introduced in October</li> <li>▪ A new organisational structure was confirmed as part of the regulatory improvement programme</li> <li>▪ The new Document Management System went live in November</li> <li>▪ The BSB is able to start implementing QASA following the unsuccessful judicial review; material has been developed for the launch</li> <li>▪ A review has been complete on the waiver system in December 2013 and an implementation plan is currently being drawn up</li> <li>▪ The Professional Conduct Department ensured stakeholders were adequately trained on changes in the new Handbook</li> <li>▪ The Handbook now provides rules for barristers to conduct litigation; staff are now able to take applications</li> <li>▪ A communications strategy has been developed for the Handbook's roll-out</li> <li>▪ As part of the first year review for BTAS, budgeting has become more accurate now that they can be based on historic actual</li> <li>▪ New intelligence sharing arrangements have been put in place between the BSB and LeO on first tier complaints</li> </ul>				
BSB non-completed actions to 30 December 2013				
Regulatory factor	Action / output	Achieved?	Progress	Regulatory standards view Proposed or taken action
OFR	Entity regulation application made / implemented	No	BSB continues to develop its arrangements for entity (non-ABS) regulation. Rules change application now expected in April 2014. Licensing authority application will be submitted subsequently (no date set).	We are expecting the entity regulation application shortly, no action necessary
OFR	Entity regulation implemented – skills analysis	No	Delayed for the same reason as entity regulation	We are expecting this application shortly, no action necessary
OFR	Carry-out training and publicity on the Handbook for non-ABS entities	Partially	A road show has begun, the Handbook is available electronically but the entity regulation application has yet to be received	Monitor
OFR	Waiver system reviewed and recommendations implemented	Partially	The recommendation regarding the qualifications committee and delegations went to the January Board meeting. The implementation schedule will be finished in Q4.	Monitor

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OFR	Development and operation of QASA – develop quality assurance of advocacy in Youth courts	Partially	Developing youth court QASA was in part put on hold during the Judicial Review. A meeting with the SRA and IPS has now taken place and a research tender will be issued in the next few weeks which will seek to gather evidence of the types of skills required to undertake work in the This research will inform the direction of the development of any proposals for managing the risks in advocacy in the Youth Courts. It is intended that proposals in that regard will be available by July 2014	Monitor
OFR	Commence implementation of CPD regulations	Partially	A broad outline was agreed at the January Board meeting. A consultation is planned for Q2 on the proposed scheme before submitting rule changes.	Monitor
Risk management	Identify existing evidence	Partially	In progress. The BSB has an internal understanding of the evidence it holds and some work has been done to articulate how the evidence gives it information about the agreed strategic risks. This will be refined further following a risk workshop where interventions were mapped to the agreed strategic risks. In identifying current information, the BSB is also developing recommendations for how it gathers and holds information in the future, which will be reflected in its research strategy which will be finalised by April 2014.	Monitor
Supervision	Develop risk based supervision – policy framework in place	Partially	All staff with regulatory decision making responsibility have been trained to implement risk based decision-making. The Board considered the risk framework at its away day in December. Further refinements are already being made with training for all staff taking place in February.	Monitor
Capacity & capability	Stakeholder engagement – formal review of web content	Partially	Stakeholder session are scheduled for March 2014 to consider web content in relation to making complaints about barristers	Monitor
	Learning and development plan implemented	Partially	The new learning and development strategy has been developed and will be rolled-out over the winter.	Monitor

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BSB actions to 31 March 2014		
OFR	Implementation of the new Handbook and non-ABS entity regulation	Launch new Handbook
OFR	Entity regulation implemented	Monitor impact of changes
OFR	Rules and guidance established for barristers to conduct litigation	Authorisation and supervision processes in place
OFR	Rules and guidance established for barristers to conduct litigation	Monitoring impact of changes
OFR	Development and operation of QASA	Implement Phase Two of scheme
OFR	Development and operation of QASA	Agree approach to Youth Court quality assurance
OFR	Contribute to the Legal Services Act review	Consultation published
OFR	Implement recommendations from LETR	Plan established
OFR	Deliver BCAT 2013 and evaluate first year of operation	Evaluation commences
OFR	Commence implementation of CPD regulations	Development commences
Risk Mgmt	Risk assessment framework	Refinement of framework
Risk Mgmt	Evidence base	Develop research programme to enhance evidence
Supervision	Development of risk based supervision	Commence in targeted areas
Enforcement	Develop new enforcement strategy	Enforcement work commences
Enforcement	Legal research in support of enforcement	Develop systems and implement
C&C	IT systems in place	Risk / supervision database implemented
C&C	Stakeholder engagement	New leaflets and online material developed
C&C	Stakeholder engagement	Develop strategy, resource and implement
C&C	Stakeholder engagement	2 <sup>nd</sup> Biennial survey
C&C	Review of website content	New leaflets about enforcement department work
C&C	Review of website content	Make user feedback possible online
C&C	Review of website content	Develop stakeholder engagement strategy
C&C	Regulatory improvement programme implemented	Competency framework and appraisal system in place
C&C	Governance structure review	Review and develop required changes
C&C	Effective tribunal and adjudication service operation	Adopt new contractual relationship and specification / KPIs
C&C	Change programme	Complete review and design of new business processes
C&C	Staff capacity and capability	Develop new competence framework and appraisal process
C&C	Staff capacity and capability	Develop/implement revised skills training programme

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### CLC

CLC completed actions to 31 December 2013				
<p><i>While none of the CLC's actions were finished in their entirety this quarter, the regulator has been making progress in developing its regulatory standards. The actions below are the only remaining tasks that the regulator has to complete to its current action plan.</i></p>				
CLC non-completed actions to 31 December 2013				
Regulatory factor	Action / output	Achieved	Progress	Regulatory standards view Proposed or taken action
OFR	Review financial protection arrangements	Partially	Reports are made to each meeting of the Audit Committee and to Council. A review of financial protection arrangement has started. The CLC is confident that significant progress will be made across the sector, if a commitment to carry out a review of financial protection arrangements in place for all consumers of legal services.	Monitor
Risk Mgmt	High risk entities are identified and targeted at the earliest possible opportunity	Ongoing	The high-risk entities are reviewed regularly by senior management and reports are made to Council.	
Supervision	Identify and mitigate differentials in achievement rates	Ongoing	The CLC is reviewing the paths to qualification. It is working with practices to test whether they are prepared to take forward the recent call for Apprenticeship trailblazers as part of this work. Working with qualification providers for better information and improved accountability.	Monitor
Supervision	Regulatory fees reflect the risk presented by an entity/activity	Partially	Review continuing and consultation on regulatory fees is due to be published shortly.	Monitor
Capacity & capability	Systems meet our knowledge management requirements. Increased online delivery of regulatory activities	Ongoing	New CRM system likely to go live April-June 2014 subject to acceptance testing.	Monitor
Capacity & capability	CLC behaviours are embedded across the organisation	Ongoing	Training for all staff on the new performance/appraisal training began before Christmas and is ongoing.	No action required

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Risk Mgmt	Review key arrangements for management of people, including pay grading, recruiting arrangements and staff development	Ongoing	Already undertaken recruitment arrangements review; currently benchmarking pay grades, staff development needs programmed into new performance / appraisal system	No action required
Enforcement	Simplify the disciplinary, reviews and appeals processes	Ongoing	This work is being delayed by the MoJ. No action required	No action required

## ILEX IPS

ILEX IPS completed actions to 31 December 2013	
<i>IPS has now completed all actions in its current plan. The LSB will continue to review observations in its report on regulatory standards.</i>	
<ul style="list-style-type: none"> <li>▪ Applications were approved for CILex (as approved regulator) to:           <ul style="list-style-type: none"> <li>○ Be designated to regulate reserved instrument activities (conveyancing) and probate activities</li> <li>○ alter rights immigration advice/services</li> <li>○ alter and extend rights to conduct litigation and rights of audience</li> </ul> </li> <li>▪ To support its new regulatory functions, IPS has filled 15 of 16 new posts in the revised structure.</li> <li>▪ IPS has put in place new risk processes as a part of its new designation and alterations. Specifically, this means it will be able to regulate entities once the Section 69 Order is in force.</li> <li>▪ A draft MoU with OISC was approved by the Immigration Commissioner.</li> <li>▪ A Consumer Engagement and Policy Officer was put in post to lead on consumer issues, including content development for the Legal Choices website</li> </ul>	

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### **IPReg**

<b>IPReg completed actions to 31 December 2013</b>
<p><i>IPReg has now completed all actions in its current plan. The LSB will continue to review observations in its report on regulatory standards.</i></p> <ul style="list-style-type: none"><li>▪ The designation application to become an ABS licensing authority for entities was approved on 09 December 2013. As such, updates were made to:<ul style="list-style-type: none"><li>○ the code of conduct</li><li>○ disciplinary rules</li><li>○ registration requirements</li><li>○ risk profiling arrangements.</li></ul></li><li>▪ An updated website was developed and launched to improve navigation/functionality for both the consumers and practitioners</li><li>▪ The Consumer Engagement Plan was completed and published. It outlines what the regulator has done and intends to do to communicate better with consumers</li></ul>
<b>There are no actions for the IPReg beyond 31 December 2013</b>

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### CLSB

CLSB completed actions to 31 December 2013				
<p><i>The CLSB has no further actions other than those that remain uncompleted. The LSB will encourage the regulator to further strengthen its level of regulatory standards in the 2014/15 exercise.</i></p> <ul style="list-style-type: none"><li>▪ An application for regulating trainees was submitted and rejected on 09 December 2013</li><li>▪ A draft disaster recovery plan was approved by the Board on 03 October 2013</li><li>▪ The consumer loop research was presented to the January Board meeting. While figures cannot be attributed to each section, analysis for the profession, legal aid, instruction and diversity feeds into this</li></ul>				
CLSB non-completed actions to 31 December 2013				
Regulatory factor	Action / output	Achieved?	Progress	Regulatory standards view Proposed or taken action
Risk Management	Feasibility study on entity regulation	Partially	A contractor was employed in Q2 to develop a model for entities, but the CLSB has rejected proceeding with an ABS application. In Q3, this work was put on hold during the MoJ's call for evidence.	Ongoing review
Enforcement	Review information on the CLSB website	Partially	The CLSB reviews its website twice a month and has a system in place for making updates. However, we have not received any assurance from the regulator that information is being reviewed specifically to improve the consumer experience. It must be noted that the CLSB does have one of the clearest regulator websites, which has been praised for its transparency.	Ongoing review
There are no actions for the CLSB beyond 31 December 2013				

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### Master of Faculties

Master of Faculties completed actions to 31 December 2013				
<p><i>The Master of Faculties continues to make solid progress on developing much improved regulatory standards.</i></p> <ul style="list-style-type: none"><li>▪ Completed a consultation on the draft update to the notaries rules</li><li>▪ Completed a consultation on inspection regulations</li></ul>				
Master of Faculties to 31 December 2013				
Regulatory factor	Action / output	Achieved?	Progress	Regulatory standards view Proposed or taken action
OFR	To review the Notary Practice Rules (2009) and bring a revision application in early to mid 2013 to address consumer vulnerability	Partially	The Faculty Office has worked on updating its practicing rules in 2013 and the LSB expects to receive an application in February 2014, ahead of the introduction of a new inspection regime. These are hoped to be in place by 01 April 2014, with the inspection regime following in May.	Inspections to commence in January 2014 with rules to follow - monitor
There are no remaining specific actions for the Master of Faculties				