

QUARTERLY PROJECT HIGHLIGHT REPORT



PROGRAMME/POLICY AREA: A: Regulatory Performance and Oversight

KEY OBJECTIVES: Developing Standards and Performance, Thematic Reviews, Ensuring Effective Redress for Consumers, Widening Access to Justice and the Legal Services Market

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

PROJECT HEADLINES

Key achievements of Q3 12/13 reporting period:

Self assessment for the approved regulators:

1. Published report of regulatory assessments for CLC, IPReg, IPS and the Faculty Office. The regulators were given the opportunity to comment on the reports before publication and the CEO and Chairman of each regulator met with the LSB CEO and Chairman to discuss their action plans.
2. The final reports did attract some criticism from CLSB and IPS, we have made clear that we stand by our assessment and do not intend to debate individual conclusions in the document. We also indicated that we are happy to discuss how each regulator can develop further against the indicators.
3. Final self-assessment has been received from SRA and the review has been completed.

Review of regulatory sanctions and appeals processes:

1. Scope of the project has been reviewed and redefined and a Project Manager has been assigned to the work. A revised PID and project plan has been developed and agreed by the Gateway Group reflecting the new objectives
2. Key objective of the work is to continue research and review the work with a view to producing a discussion document by the end of the 2013/14 business year which sets out:
 - The current systems and issues of consumer detriment or poor regulation that they raise
 - A system for sanction and appeals arrangements that meets the characteristics of what we consider to be effective arrangements
 - The barriers to achieving the ideal system
 - Options for change
3. We have scoped the legal research requirements for establishing the legal framework that underpins the current sanctions and appeals arrangements.
4. Once the main review is complete we will need to contact regulators informally to test out our factual understanding. This will need careful handling to ensure that regulators understand that this does not mean that the LSB are about to propose a radical change.

First Tier Complaints Handling:

1. Begun engagement with BSB on FTCH research
2. Director of Regulatory Practice attended discussion at Legal Ombudsman about findings from YouGov survey
3. Approved regulators currently undertaking steps towards meeting the outcomes of the bespoke frameworks that were sent to them in Q2.

Ending Transitional Arrangements for ABS like bodies:

1. Work subject to IPReg LA application

Regulation of Special Bodies:

1. Summary of consultation responses and next steps published.
2. New project manager appointed - nonetheless there are concerns around this workstream as guidelines due to be published in March and the new appointment will not begin until February

Key activities for Q4 12/13 reporting period:

Self assessment for the approved regulators:

1. Publish SRA self assessment report
2. Complete review of BSB self assessment and present to Board for publication in March
3. Start to consider and develop ideas about how to monitor regulators' performance against their actions plans and other commitments.

Review of regulatory sanctions and appeals processes:

1. Commission legal research to better understand how existing arrangements came about
2. Develop detailed plan and risk register for project
3. Develop and agree scope and actions for a review of good regulatory practice in appeals and sanctions in other sectors

First Tier Complaints Handling:

1. New project manager in place
2. Planning for 2013/14

Regulation of Special Bodies:

1. New project manager in place
2. Planned publication of guidelines for LA.

SRA Compensation Fund:

1. Meeting arranged between LSB and SRA to discuss compensation review with aim to meet quarterly whilst review is undertaken.

PROJECT MILESTONES		
PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Self-assessment for the approved regulators	<ul style="list-style-type: none"> Analyse and discuss plans with regulators Receive final plans from four regulators Receive final plans from SRA Receive final plan from BSB Monitor implementation of plans 	Completed (30/06/2012) Completed (30/10/2012) Completed (31/12/2012) 31/01/2013 31/03/2013
Review of Appeals Mechanisms	<ul style="list-style-type: none"> Define, scope, carry out a review and determine next steps in light of internal scoping study 	Completed (30/06/2012)
Immigration	<ul style="list-style-type: none"> Publish response to discussion document and assess next steps 	Completed (31/07/2012)
Conveyancing	<ul style="list-style-type: none"> Review and Assess next steps 	Completed (14/12/2012)
First-tier Complaints Handling	<ul style="list-style-type: none"> Review qualitative assessment plans and decide on further action as necessary AR's undertake work to meet outcomes in Bespoke frameworks 	Completed (30/09/2012) On-going
Ending Transitional Arrangements for ABS like bodies	<ul style="list-style-type: none"> Review arrangements by year-end based on designation applications 	31/03/2013

Regulation of Special Bodies	<ul style="list-style-type: none"> Consult on regulation for special bodies Consider responses to consultation Publish Guidance for Special Bodies 	Completed (15/07/2012) Completed (30/09/2012) 31/03/2012
LSB as a licensing Authority	<ul style="list-style-type: none"> Develop Orders (if required) 	Has not been required 30/09/2012
SRA Compensation Fund	<ul style="list-style-type: none"> Work with MoJ and SRA to ensure a single fund can operate after 31/12/2012 Monitor SRA progress on the compensation review 	Completed (30/09/2012) 31/03/2013

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

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, Approaches to Quality, Evaluating the Impact of the LSA (2007) Reforms.

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

PROJECT HEADLINES

Key achievements of Q3 12/13 reporting period:

Scope of Regulation:

1. The following papers were published in relation to the investigation into the regulation of will-writing activities and estate administration activities and closed on 8 November:
 - a) Summary of feedback to consultation and LSB response
For consultation -
 - b) A Provisional Report - stating that the Board is minded to recommend that the list of reserved activities is amended and the reasons for its decision
 - c) Draft Section 162 guidance for prospective approved regulators for consultation to help them develop their regulatory arrangements
 - d) Updated impact assessment
 - e) Preliminary equalities impact assessment
2. Analysis of responses to consultation on the provisional reports and associated documents re: will-writing, probate and estate investigations and presented paper to Board outlining developing thinking.
3. Held a number of meetings with consultees and received additional quantitative information from the will-writing representative bodies and also from ICAEW
4. Held two meetings of joint LSB/MoJ implementation Project Board
5. Discussed with the Board emerging thinking on estate administration
6. Finalised the impact assessment for will-writing activities in discussions with MoJ economists (subject to Board approval)
7. Board agreed proposed approach and timetable to reviewing protections in relation to legal advice for individual consumers

Education and Training:

1. Completed review of education and training provider market
2. Started mapping current regulatory arrangement for education and training
3. Begun developing high level policy framework for education and training to be used in engaging with the outcome of the LETR
4. Attended meeting of the LETR Consultative Steering Panel which included a discussion around emerging recommendations
5. Held CEO level meeting with LETR commissioning regulators to confirm shared understanding of the review's emerging recommendations and discuss next steps. The emerging recommendations largely meet the Board's aims in relation to flexibility. The SRA is currently reviewing its regulations to simplify processes and where possible remove unnecessary regulations, as evidenced by the recent 'Red Tape Challenge' publication (where 6 of the 10 recommended changes relate to education and training). The other regulators are expected to undertake similar reviews in response to the reports publication. Substantive Regulator board discussions are scheduled to take place in March/ April
6. We have noted the view of the BSB that, "*subject to certain adjustments currently in train, the necessary work has been done by the Wood reviews for the BSB on the Bar Vocational Course (now Bar Professional*

Training Course - BPTC) and pupillage, and that the current system of training for the Bar is, indeed, fit for purpose.” This contrasts with the view put forward in the LETR paper. We have not yet discussed this with the BSB but will do so in the context of the emerging recommendations.

Diversity:

1. Following publication of the Judicial Diversity Taskforce Annual report in September we have met with colleagues from the MoJ to discuss the connections between work on judicial diversity and the role of regulation in addressing diversity issues ore broadly.
2. Continued monitoring of AR progress against the diversity data collection and publication timeline, including discussions with CILEX, SRA and BSB. The BSB will not know the outcome of the chambers monitoring programme until summer 2013 once the planned compliance exercise has finished. The SRA has reported 44% compliance within firms and plans to publish aggregated data early in 2013. The low disclosure rate on the BSB’s data collection exercise for individual barristers has been picked up by Legal Futures following the Board discussion. This will be perceived as a stark contrast to the relative success of the SRA data collection exercise and will need to be factored into our review planning
3. Agreed scope and completed literature review of the issues in relation to the equality of pay across legal services (as indicated in the Business Plan).
4. Followed up on November meeting with the SRA, TLS and city firms in relation to concerns regarding the model questionnaire and indicating our intention to review the process in 2013

Quality

1. Completed review of QASA consultation and provided feedback to Joint Advisory Group
2. Continued discussions with the JAG members at CEO and Chair level in relation to the final details of the QASA scheme. JAG has announced its agreement on a way forward following the fourth consultation. The revised timetable will be announced in January 2013
3. Project Manager attended training session for judges on judicial evaluation for QASA
4. Sent letter to BSB, IPReg, IPS and CLC asking them to consider the Consumer Panel’s report on comparison websites and to let us know what actions they plan to address the issues identified

Research

1. Launched LSB research pages
2. Initiated the following research projects: Small Business Consumers, behavioural economics, financial protection and understanding consumers.
3. Sent out research specifications for the data analysis project but are now reviewing a plan to undertake the work in-house.
4. Updating knowledge bank, and Maps of legal services in line with new research findings and revised data in preparation for publication on research website.
5. Developed scoring system for research project tender evaluations following internal audit exercise.
6. Received draft reports on:
 - i. the cab rank rule
 - ii. value of regulation
 - iii. advocacy quality measures

Key activities for Q4 12/13 reporting period:

Scope of Regulation:

1. Produce Board paper and finalised recommendations re: will-writing, probate and estate administration inc. draft final reports and impact assessment
2. Obtain clarity from MoJ officials about forward process and timetable particularly re: RPC sign-off preceding chief economist sign-off
3. Submit recommendation to Lord Chancellor – 90 period begins
4. Begin General Legal Advice project with initial meetings with academics and the Advice Services Alliance

Education and Training:

1. Continue to develop high level policy framework for education and training to be used in engaging with the outcome of the LETR, including a review of current regulatory arrangements for education and

- training and areas where regulators are already delivering on LETR recommendations
2. Review LETR report and determine appropriate communication activity for publication

Diversity:

1. Continue to engage with approved regulators regarding progress with action plans, including a review of the BSB's report on its individual collection exercise
2. Scope out plans for review of AR diversity data collection and publication
3. Develop communications plan for publication of literature review on equal pay

Quality Assurance

1. Announcement of revised timetable for implementation of QASA. We will continue discussions both at working and CEO level in relation to QASA implementation to ensure that the delay to the original timetable is minimised and to manage the risk of further issues arising as JAG seek to address the remaining technical issues arising from consultation. A meeting is scheduled between JAG and LSB colleagues on 21 January but we will seek to confirm the timetable as soon as possible to ensure momentum is maintained

Research

1. Ongoing management of research projects including: cab rank rule, small business consumers, behavioural economics, financial protection, and understanding consumers who don't use legal services.
2. Review draft of value of regulation research report.
3. Begin work to promote the LSB research web pages to law colleges and students.
4. Finalise plan for Evaluation work 2013 and produce PID as necessary.
5. Publish high-street solicitors report

PROJECT MILESTONES		
PROGRAMME / POLICY DELIVERABLES	PROJECT MILESTONE	MILESTONE DELIVERY DATE
Scope of Regulation Investigation	<ul style="list-style-type: none"> • Publish General Approach • Provide progress update 	Completed (30/06/2012) Completed (31/12/2012)
Will writing, probate activity and estate administration	<ul style="list-style-type: none"> • Release public consultation document • Publish provisional report and consult • Publish final report • Decisions arising from any change in scope 	Completed (30/06/2012) Completed (30/09/2012) 28/02/2013 31/03/2013
Diversity	<ul style="list-style-type: none"> • Monitor implementation of agreed approved regulator action plans • Review findings of approved regulator data • Review the evidence base around equal pay 	Completed (31/12/2012) 31/03/2013 Completed (31/03/2013)
Education and Training	<ul style="list-style-type: none"> • Track AR progress (AR led milestones) 	31/03/2013
Approaches to Quality	<ul style="list-style-type: none"> • Publish response to consultation • Identify next steps 	Completed (30/09/2012) 31/03/2013
Evaluation of the Impact of the Legal Services	<ul style="list-style-type: none"> • Publish Interim Baseline Evaluation 	Completed

Act	<ul style="list-style-type: none"> Publish expanded Baseline Evaluation 	(04/04/2012) Completed (31/10/2012)
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RISKS:

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

ISSUES:

ISSUE	PRIORITY	ACTION TAKEN

OVERALL PROJECT STATUS:

4	
3	[REDACTED]
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 Q3 12/13 reporting period:

1. Published draft Business Plan for consultation
2. Published first round of Self-Assessment reports
3. Chairman spoke at SAHCA annual conference: 'Advocacy for the next decade: a fused profession?'
4. Chairman address to BSB Board

Key activities for Q4 12/13 reporting period:

5. Chris Kenny speech to the Scottish Competition Law forum
6. Chris Kenny speech to the Legal and Constitutional APPG event about future of the legal services market
7. Speech to the Liverpool Law Society Management conference

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: Providing Value for Money

KEY OBJECTIVES: Finance

LINK TO REGULATORY OBJECTIVES:

PROJECT HEADLINES

Key achievements of Q3 12/13 reporting period:

1. A&RC analysed detailed budget submission and assumptions
2. Clear Line of Sight: Quarter Two consolidation information sent to and accepted by MoJ corporate finance team
3. Regular monthly submissions and reports provided to MoJ in line with reporting dates

Key activities for Q4 12/13 reporting period:

1. Clear Line of Sight: Quarter Three consolidation information to complete and to send to the MoJ corporate finance team
2. NAO systems walk through tests
3. 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
Constant review of spending decisions	<ul style="list-style-type: none"> • Produce Annual report and Budget, gain sign off from National Audit Office, submit to Minister, lay and publish 	Completed (19/06/2012)

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>Key achievements of Q3 12/13 reporting period:</p> <ol style="list-style-type: none"> 1. Audit and Risk Committee meeting including annual review of risk strategy. 2. Regular review of Corporate risk register by Gateway group <p>Key activities for Q4 12/13 reporting period:</p> <ol style="list-style-type: none"> 3. First Audit and Risk committee of 2013 to be held

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"> • Half yearly Board review of Corporate risk register • 3rd Audit and risk Committee meeting of 2012 to be held • 1st Audit and risk Committee meeting of 2013 held 	Completed (12/09/2012) Completed (08/10/2012) 11/03/2013
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
[REDACTED]				

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