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A handwritten signature in blue ink, appearing to read 'Dear Jonathan', written in a cursive style.

Red Tape Challenge

I am writing to welcome the launch of the legal services element of the broader Red Tape Challenge.

As the oversight regulator for the legal sector, the Legal Services Board (LSB) is very aware that when it comes to regulation, there a careful balance to be maintained between protecting the interests of consumers and the public and putting proportionate, appropriate regulation in place that allows businesses the freedom to perform.

Now that the infrastructure for oversight regulation of the legal services market is in place, my Board is focusing on delivering its core statutory responsibility of assuring and improving the performance of the approved regulators. Alongside this, we continue to stimulate conditions to ensure the continuing health and future growth of the sector through facilitating changes such as the introduction of alternative business structures. While our role remains central to the overall regulatory framework, it is important to point out that it is but a small element of the overall regulatory controls on the sector, the vast majority of which are imposed directly on service providers by the approved regulators rather than by Government or by the LSB.

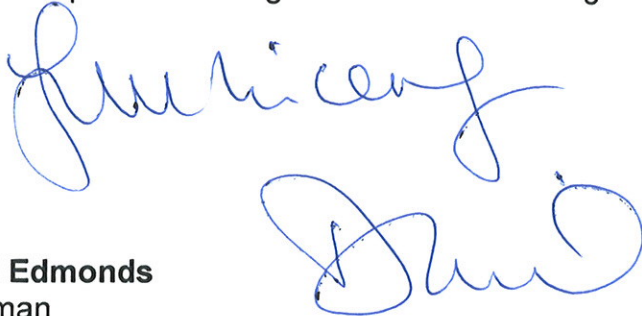
We agree that there are many areas where the objectives of the red tape challenge can be met across the legal sector. These range from the very practical (for example bailiff action) to the very technical (the detailed guidance provided by some bodies, which may risk fettering professional discretion).

As part of our work to improve regulatory effectiveness, we are challenging the approved regulators to reduce regulatory burdens by, amongst other things, ensuring that they set a limited number of clear outcomes for the firms and professionals they regulate, rather than having lengthy codes of conduct backed by extensive quasi-mandatory guidance. This change will help to protect the public interest by setting clearer outcomes for consumers, creating a more flexible regulatory environment for businesses and bolstering proper professional autonomy and independence. We are pleased that some of the regulators have made significant strides in that direction, but some still have a considerable way to

go. We therefore see the Red Tape Challenge as a welcome initiative that reinforces the need for regulation to become ever more proportionate and targeted.

Beyond the immediate scope of the Red Tape Challenge, I hope that Government will look past secondary legislation alone and reflect on the need for a more radical 'spring cleaning' of the statutory basis of legal regulation outside of the Legal Services Act 2007? By simplifying the legal framework for legal services, the position of the regulatory objectives would be strengthened and in turn create benefit for the public, consumers and businesses.

I look forward to working with the Ministry and the three sector champions to improve further the provision of legal services and the legal sector in general.

A handwritten signature in blue ink, appearing to read 'David Edmonds', written in a cursive style.

David Edmonds
Chairman