

FOR IMMEDIATE RELEASE:

10:00AM Wednesday 12 December 2012

LSB's regulatory assessments: Positive signs, but much further to go

Drive for sustained improvement at heart of draft Business Plan

The Legal Services Board is today publishing its first assessments of the **performance of regulators in the legal services sector**. These are issued alongside a consultation on the LSB's draft Business Plan for 2013/14. Together these documents make clear the importance, the LSB attaches to improving regulatory performance in the coming year.

The regulatory assessments focus on five of the regulatory bodies operating in the sector, with a further report due in early 2013 into the remaining two. They represent a baseline from which future regulatory performance will be judged.

The LSB concludes that there was a wide range of competence, both across the different regulators and within each of them individually.

Some regulators demonstrate a clear understanding of the need to adopt an approach to regulation that delivers an outcomes-focused code, clear risk assessment, active supervision against those risks and robust enforcement when that is justified. But all the regulators assessed in today's report are at a comparatively early stage in developing and implementing that approach. A sustained drive to implementation is still needed.

The highest quality submissions, those of the Council for Licensed Conveyancers and the Intellectual Property Regulatory Board, were notably challenging and self-reflective and commanded confidence, not least because they were underpinned by external review of their assessments.

Both they and a number of other regulators covered by this report have made significant progress in putting together ambitious work plans to collect and use more information about those they regulate. These plans are welcome, but more needs to be done to address common failings. These include:

- a general lack of understanding of the needs of consumers who use legal services

- a lack of consumer engagement
- a failure to seek to identify the different risks in the different segments of the markets in which they regulate.

Some regulators also have significant ambitions to expand the services and business types they are able to regulate. The LSB welcomes this ambition, but recognises that substantial work will be required for each one to achieve them.

The LSB will support regulators in their plans to improve their regulatory performance and will be monitoring closely adherence to action plans. The Board itself will intervene directly if it considers that necessary.

The LSB is also issuing its **draft business plan for 2013/14** for consultation. The plan builds on the [LSB's response](#) to its Triennial Review and underlines the importance of effective, focused regulation for economic growth in the wider economy as well as the legal services market itself.

The plan confirms the focus of the LSB on performance issues. Only one new investigation is proposed – into the cost and complexity of regulation, and is designed to raise understanding of both the practical challenges and underlying complexity of the current regulatory legislative framework.

Chairman of the Legal Services Board, David Edmonds, said:

“Our vision for legal services regulation is one which imposes the lowest possible regulatory demands on legal services providers, consistent with safeguarding consumers, the rule of law the professional principles and the wider regulatory objectives. That means fewer rules, but better intelligence and targeted intervention.

This challenging vision demands a more sophisticated approach to the regulation of legal services.

The legal services regulators are a diverse group of bodies. As we will do increasingly in the coming year, consistent with the message from the Triennial Review, we put the onus on them - to assess themselves and to set out plans for action. It's the Board's role to assess and comment on those plans – and then to hold regulators to account for their delivery.

A number of regulators are making significant progress. However substantial work will be required for each one to achieve their ambitions And significant improvement in consumer understanding and engagement will be required across the board if regulators are indeed to show that they can meet successfully the challenges that they face.”

ENDS

For further information, please contact our Communications Manager, [Vincent McGovern](#), on 020 7271 0068.

Notes for editors:

1. This assessment focuses on the regulatory performance of:
 - the Costs Lawyer Standards Board (CLSB) which has been delegated regulatory responsibility by the Association of Law Costs Draftsmen (trading as the Association of Costs Lawyers – ACL)
 - ILEX Professional Standards (IPS) which has been delegated regulatory responsibility by the Chartered Institute of Legal Executives (CILEX)
 - the Intellectual Property Regulation Board (IPReg) which has been delegated regulatory responsibility by the Chartered Institute of Patent Attorneys and the Institute of Trade Mark Attorneys
 - the Council for Licensed Conveyancers (CLC)
 - the Master of the Faculties (the Faculty Office).
2. The regulatory assessments of these five regulators can be found [here](#).
3. The consultation document for the LSB's 2013/14 Business Plan can be found [here](#). This consultation will **close** on Monday **4 March 2013**.
4. The regulatory assessment of the SRA and BSB will be published in early 2013. Publishing the assessments of the other regulators separately today allows due consideration to be given to their findings.
5. The Legal Services Act ("The Act") created the Legal Services Board as a new regulator with responsibility for overseeing the regulation of legal services in England and Wales. The new regulatory regime became active on 1 January 2010.
6. The LSB oversees eight approved regulators, which in turn regulate individual lawyers. The approved regulators, designated under Part 1 of Schedule 4 of the 2007 Act, are the Law Society, the Bar Council, the Master of the Faculties, the Institute of Legal Executives, the Council for Licensed Conveyancers, the Chartered Institute of Patent Attorneys, the Institute of Trade Mark Attorneys and the Association of Costs Lawyers.
7. In addition, the Institute of Chartered Accountants in Scotland and the Association of Chartered Certified Accountants are listed as approved regulators in relation only to reserved probate activities.
8. The legal profession currently consists of 15,309 barristers, 119,641 solicitors and 12,145 individuals operating in other aspects of the legal profession such as conveyancing. The sector is currently valued at £25.49 billion per annum (total turnover in 2010).