

Summary: Intervention & Options

Department /Agency:
Legal Services Board (LSB)

Title:
Impact Assessment of rules and fee relating to the process for application and cancellation of designation of licensing authorities

Stage: Decision

Version: Final

Date: 3rd March 2010

Related Publications: Compliance and Enforcement – Statement of Policy in relation to cancellation of designation as a Licensing Authority
Designating Approved Regulators as Licensing Authorities

Available to view or download at:

http://www.legalservicesboard.org.uk/what_we_do/consultations/2009/pdf/final_cp_designation_LA.pdf
http://www.legalservicesboard.org.uk/what_we_do/consultations/2009/pdf/final_cp_app_LA.pdf

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What is the problem under consideration? Why is government intervention necessary? The problem is that there are currently no rules by which an approved regulator can apply to be designated as a licensing authority nor rules by which such a designation can be cancelled. Those approved regulators who wish to be designated as licensing authorities for the purposes of licensing have to apply to the LSB and so government intervention is required to implement the rules for both designation and cancellation.

What are the policy objectives and the intended effects? The objectives of this policy are to implement a set of rules by which approved regulators can become licensing authorities. The intended effects are to provide approved regulators with clarity by which they can apply, to increase the types of entities able to provide legal services in England and Wales. This will promote the regulatory objectives of the Legal Services Act.

What policy options have been considered? The following options are assessed against the base case:

- **Option 0:** Base Case ("Do nothing")
- **Option 1:** Implement a set of administrative rules that allow approved regulators to become licensing authorities, and a set of rules governing the cancellation of designation of a licensing authority.

Option 1 is our preferred option as it provides a cost reflective, transparent and consistent process to meet the LSB's responsibilities under the Legal Services Act

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects? The first applications by approved regulators to become licensing authorities are expected around September 2010. The first applications made to the licensing authorities for ABS licences will be made in mid 2011. The impact of this policy would therefore be evaluated within 5 years of full implementation.

Sign-off For final proposal/implementation stage Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed on behalf of the Legal Services Board by:

Chris Kenny

Chief Executive of the Legal Services Board



Date: 26 March 2010

Summary: Analysis & Evidence

Policy Option: 1

Description: Implement a set of administrative rules governing designation and cancellation

COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups' £22,000 fee per application to licensing authorities. Estimated £22,000 administrative costs to the LSB per application. These are treated as one off costs and would incur when a licensing authority would file an application with the LSB (around September 2010). £4,400 cost per case for voluntarily cancellation of licenses to the Licensing Authorities.
	One-off (Transition)	Yrs	
	£ 44,000		
	Average Annual Cost (excluding one-off)		
	£ Minimal		Total Cost (PV) £ 44,000
Other key non-monetised costs by 'main affected groups' LSB would incur additional administrative and monitoring costs. It would also likely to incur administrative and investigation costs associated with the cancellation of a designation.			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups' £22,000 one-off fee income to the LSB per application.
	One-off	Yrs	
	£ 44,000		
	Average Annual Benefit (excluding one-off)		
	£		Total Benefit (PV) £ 44,000
Other key non-monetised benefits by 'main affected groups' Licensing authorities would incur benefits in the form of revenue stream for regulatory activities. They would also benefit from clear rules and guidelines. The benefits of becoming a licensing authority for an approved regulator will only accrue when it is permissible to regulate alternative business structures. Consumers would benefit as the new rules would result in confidence and better quality provision of legal services provided by ABS.			

Key Assumptions/Sensitivities/Risks Assumptions are: a small number of bodies will apply to become licensing authorities; the potential to regulate alternative business structures will lead to benefits for the licensing authorities, and; application to become a licensing authority is purely voluntary. We have assumed a very low number of licensing authorities being granted licenses. There will be no cancellation of licenses.

Price Base Year	Time Period Years	Net Benefit Range (NPV) £	NET BENEFIT (NPV Best estimate) £ 0
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What is the geographic coverage of the policy/option?	England and Wales			
On what date will the policy be implemented?	02/08/2010			
Which organisation(s) will enforce the policy?	LSB			
What is the total annual cost of enforcement for these organisations?	£ negligible			
Does enforcement comply with Hampton principles?	Yes			
Will implementation go beyond minimum EU requirements?	Yes			
What is the value of the proposed offsetting measure per year?	£ nil			
What is the value of changes in greenhouse gas emissions?	£ nil			
Will the proposal have a significant impact on competition?	No			
Annual cost (£-£) per organisation (excluding one-off)	Micro nil	Small nil	Medium nil	Large nil
Are any of these organisations exempt?	N/A	N/A	N/A	N/A

Impact on Admin Burdens Baseline (2005 Prices)					(Increase - Decrease)
Increase	£ negligible	Decrease	£ negligible	Net	£ negligible

Evidence Base (for summary sheets)

1) Introduction and Background

1. 1 The Legal Services Act 2007¹ (the Act) sets out a new regulatory framework for the operation of legal regulators, (referred to as the approved regulators in the Act) and the ownership of legal service providers. It gives the Legal Services Board (LSB) a new power to approve licensing authorities. These are approved regulators who have also been approved by the LSB to license a particular type of legal service provider (licensable bodies) conventionally known as alternative business structures (ABS).
1. 2 Approved regulators have the ability to authorise persons to carry on any reserved legal activity² that they are approved to regulate. This may include bodies that provide legal services (such as law firms) but they cannot authorise bodies that are “licensable bodies” - ABS. In order to regulate ABS approved regulators will need to be designated by the Lord Chancellor on recommendation of the Legal Services Board as a Licensing Authority. Only approved regulators can apply for designation, but any body can apply to become an approved regulator.

2) Scope of the Impact Assessment

1. 3 This Impact Assessment (IA) is a decision stage IA and considers the costs and benefits of the administrative rules required under the Act that allow approved regulators to apply to become licensing authorities, and to cancel the designation of licensing authorities. Consultation papers³ were issued on these rules; this final policy position takes into consideration the views expressed.
1. 4 The LSB has considered this policy as part of the overall implementation of reforms in the legal services market introduced by the Act. However the impacts identified for this IA are limited to the rules for application, cancellation and the associated fees.
1. 5 The IA undertaken in line with the criteria set out in the Impact Assessment Guidance.⁴

Objectives of Proposals

1. 6 The Legal Services Act sets out eight regulatory objectives:
 - (a) protecting and promoting the public interest;
 - (b) supporting the constitutional principle of the rule of law;
 - (c) improving access to justice;
 - (d) protecting and promoting the interests of consumers;
 - (e) promoting competition in the provision of services within subsection (2);
 - (f) encouraging an independent, strong, diverse and effective legal profession;
 - (g) increasing public understanding of the citizen’s legal rights and duties;
 - (h) promoting and maintaining adherence to the professional principles.

¹ http://www.opsi.gov.uk/acts/acts2007/ukpga_20070029_en_1

² The reserved legal activities are: the exercise of a right of audience; the conduct of litigation; reserved instrument activities; probate activities; notarial activities; and the administration of oaths

³ http://www.legalservicesboard.org.uk/what_we_do/consultations/2009/pdf/final_cp_designation_LA.pdf
http://www.legalservicesboard.org.uk/what_we_do/consultations/2009/pdf/final_cp_app_LA.pdf

⁴ <http://www.berr.gov.uk/whatwedo/bre/policy/scrutinising-new-regulations/preparing-impact-assessments/toolkit/page44199.html>

1. 7 The new licensing regime would allow approved regulators to become licensing authorities and the proposed rules that will govern the new licensing regime form a necessary part of the requirements under Part 5 of the Act. We consider that introduction of these rules will allow the Act to be commenced as intended by Parliament and will further the Regulatory Objectives of the Act.

Proposed Policies

1. 8 This IA explores the current situation (base case) in depth and assesses whether the stated objectives are being achieved, by looking at both qualitative and quantitative evidence.
1. 9 In order to conform as closely as possible with the requirements in the Act, the following two aspects have been considered for Option 1:
 - Implement a set of administrative rules that allow approved regulators to become licensing authorities; and
 - Implement a set of rules governing the cancellation of designation of a licensing authority.
1. 10 Both the two sets of rules would be implemented simultaneously. If a set of rules are created to govern the application process, then a set of rules are required that would govern the cancellation of designation required through LSB enforcement action.

Affected Stakeholder groups, Organisations and Sectors

1. 11 It is expected that the proposals in this IA will apply to a very small number of bodies as the decision apply to become a license authority is *voluntary*, and will be made by an Approved Regulator on the basis of its overall approach to regulation.
1. 12 The 10 current Approved Regulators and any new Approved Regulators will be able to apply. The current Approved Regulators are:
 - the Law Society;
 - the Bar Council;
 - the Council for Licensed Conveyancers (CLC);
 - the Institute of Legal Executives;
 - the Chartered Institute of Patent Attorneys;
 - the Institute of Trade Mark Attorneys;
 - the Faculty Office, the Association of Law Costs Draftsmen;
 - the Association of Chartered Certified Accountants (“ACCA”), and
 - the Institute of Chartered Accountants of Scotland (“ICAS”).
1. 13 Of these, only the Law Society and the Council for Licensed Conveyancers (CLC) have indicated interest in becoming a licensing authority in the immediate future.
1. 14 Other groups affected are the LSB, consumers of legal services, and the wider legal services market.

3) Problem under Consideration

3. 1 For most of the legal services market there are currently restrictions on the ownership and management of legal service providers. For solicitors, the largest legal profession, until recently only solicitors have been allowed to own the entities which provide legal services to consumers. This was one of the major issues highlighted by the OFT⁵ which recommended that the unjustified restrictions on competition should be removed. Sir

⁵ http://www.of.gov.uk/shared_of/reports/professional_bodies/oft328.pdf

David Clementi was then appointed to carry out an independent review of the regulatory framework for legal services in England and Wales⁶. The Government broadly accepted Sir David's report, and in October 2005 it issued a White Paper⁷ which led to the Legal Services Bill and then the Legal Services Act 2007.

3. 2 In order to regulate this new class of entity allowed by the removal of these restrictions a new licensing regime was introduced. This regime was not to form part of the current remit of the existing regulators, rather it would be applicable to licensing authorities. In order to take on the additional powers of a licensing authority an approved regulator would need to apply to the Legal Services Board and show that they had the rules in place and were competent to do so.
3. 3 The Problem is that there are currently no rules governing the process of allowing approved regulators to become licensing authorities or to cancel the designation of licensing authorities. The lack of method and rules by which designation will be applied is not sending clear signals to those bodies that are considering becoming licensing authorities.
3. 4 In relation to this, there is not a clear enforcement strategy that would state the circumstances under which designation would be removed.

4) Cost Benefit Analysis

4. 1 This section sets out the potential costs and benefits associated with implementing the rules that allow approved regulators to become licensing authorities, and to cancel designation of licensing authorities.
4. 2 The IA process aims to identify as far as possible the impacts of Government proposals on society. A critical part of the process is to undertake a cost benefit analysis (CBA) of the proposal. CBA assesses whether the Government's proposals would deliver a positive or negative impact to society, accounting for economic, social and environmental considerations. The IA process therefore should not be confused with a *financial appraisal*, which is focused purely on assessing how much resource the Government would save from certain proposals.

CBA Principles

4. 3 This IA identifies as far as possible both monetised and non-monetised impacts from society's perspectives, with the aim of understanding what the net social impact to society might be from implementing these rules.
4. 4 CBA places a strong emphasis on the monetisation of costs and benefits. However there are important aspects that cannot sensibly be monetised. These might be distributional impacts on certain groups of society or some institutional impacts, either positive or negative.
4. 5 An important consideration for any CBA is the relevant scope of the assessment. The scope of this IA is defined to include the impacts that fall within England and Wales in line with the scope of the Legal Services Act.

Economic Rationale

4. 6 The conventional economic approach to Government intervention is based on efficiency or equity arguments. Government intervenes if there is a perceived failure in the way a market operates ("market failures") or if it would like to correct existing institutional

⁶ <http://www.legal-services-review.org.uk/content/report/index.htm>

⁷ <http://www.dca.gov.uk/legalsys/folwp.pdf>

distortions (“government failures”). Government also intervenes for equity (fairness) reasons. In this case, there are both efficiency and equity arguments for intervention.

4. 7 The Act allows for the ABS market⁸ to be regulated but the current system does not allow for regulation. Secondary legislation is required to facilitate regulation. There are two sets of rules required for this; one for the designation and one for the cancellation of approved regulators to become licensing authorities.
4. 8 Clearly defined set of rules would provide guidelines for licensing authorities of how to meet the regulatory objectives and ensure that the provision of legal services meets these objectives. This would also allow the licensing authorities to promote better regulation, mitigate risks and promote regulatory objectives at the lowest appropriate costs.

OPTION 0 – Base Case / (“Do Nothing”)

4. 9 HM Treasury’s Green Book Guidance⁹ requires that all options are assessed relative to a common “base case”. The base case for this IA has been assumed to be “do nothing”. Its net present value is therefore zero.
4. 10 The Legal Services Act 2007 sets out a new legal framework for the regulation of the legal profession and industry, which includes the creation of a licensing regime for ABS. Those approved regulators who wish to be designated as licensing authorities for the purpose of licensing ABS have to apply to the LSB in order for it to make an appropriate recommendation to the Lord Chancellor.
4. 11 If the LSB does not make the rules about the process by which an approved regulator can apply to be designated as a licensing authority, the new legal framework would be redundant and the LSB would be in breach of the Act.

OPTION 1

Description

4. 12 This option implements a set of rules (which are secondary legislation) required under the Act that would allow approved regulators to:
 - *apply* to become licensing authorities;¹⁰ and
 - to *cancel* designation of licensing authorities.¹¹
4. 13 The legal framework for how Approved Regulators (ARs) are designated as Licensing Authorities (LAs) is largely set out in part 1 of schedule 10 (Designation of ARs as LAs) to the Act. Part 2 of schedule 10 deals with cancellation of that designation which forms part of the Board’s enforcement strategy.

Rules Allowing Approved Regulators to Apply to Become Licensing Authorities

4. 14 Section 82 of the Act requires each LA to prepare and issue a statement of policy (“LA policy statement”) as to how, in exercising its functions under Part 5 of the LSA 2007 (regulation of ABS), it will comply with the requirements of section 28 of the Act (ARs duty to promote regulatory objectives etc.)¹² It must then have regard to that policy statement when carrying out its licensing functions. The Board must approve the statement before the AR can exercise its functions as a LA¹³.

⁸ It is difficult to assess the size of the ABS market as it will depend on the number of businesses licensed. The legal services market as a whole is worth £26bn per annum, we expect that this will grow as a result of these liberalisations and for ABS to form a small but significant part of the whole market.

⁹ http://www.hm-treasury.gov.uk/data_greenbook_index.htm

¹⁰ These would be consistent with the other rules made by the LSB for equivalent purposes.

¹¹ These would be consistent with the other rules made by the LSB for equivalent purposes.

¹² Section 82(1) of the Act.

¹³ Section 82(2) of the Act.

Rules Specifying Cancellation of Designation of Licensing Authorities

4. 15 The cancellation of designation Statement of Policy that the LSB must make in accordance with section 49(1)(g) of the Act about how it will exercise functions under section 76 of the Act (cancellation of designation as Licensing Authority by order).
4. 16 Similar to the processes for cancelling the designation of Approved Regulators¹⁴, there are three circumstances in which a Licensing Authority's designation can be cancelled:
1. Where a Licensing Authority can ask the LSB to make a recommendation to the Lord Chancellor cancelling its designation in relation to one or more reserved legal activities. The LSB does not regard this power as part of its enforcement tools. However, it will try to ensure that appropriate arrangements have been put in place by the Licensing Authority before the LSB makes any recommendation. The Lord Chancellor can decide not to cancel the designation;
 2. Where the LSB can make a recommendation to the Lord Chancellor to cancel a Licensing Authority's designation if an act or omission (or a series of them) by a Licensing Authority has had or is likely to have an adverse impact on one or more of the regulatory objectives, and that the act or omission was unreasonable and it is appropriate to recommend cancellation of designation in all the circumstances of the case¹⁵. The Lord Chancellor may (in accordance with a recommendation by the LSB) cancel a Licensing Authority's designation in relation to some or all of the reserved activities which it regulates. The Lord Chancellor cannot cancel a designation in the absence of a recommendation from the LSB. However, the Lord Chancellor is not obliged to accept the LSB's recommendation. The LSB's power of cancellation of designation can only be used when the LSB is satisfied that the issue cannot be adequately addressed by any of its other powers¹⁶; and
 3. Where the Licensing Authority's designation as an Approved Regulator is wholly or partially cancelled in which event an equivalent cancellation will have to be sought by the Licensing Authority or applied to the body's Licensing Authority functions¹⁷.
4. 17 In addition the Act (at sections 76 to 79 and at schedule 10 Part 2) sets out the procedure that the LSB must follow. This includes giving a warning notice to the Licensing Authority and considering representations from it, obtaining advice from the Lord Chancellor, OFT, Consumer Panel, Lord Chief Justice and other appropriate consultees.
4. 18 The LSB proposes to follow the general approach set out in its Statement of Policy on enforcement powers¹⁸ when considering whether to recommend that an Approved Regulator's authorisation as a Licensing Authority is cancelled – this includes its approach to addressing what constitutes unreasonableness.

Fees

4. 19 The fees charged by the Legal Services Board, based on a cost recovery estimate are £22,000 for application and £4,400 for voluntary cancellation (i.e. outside of enforcement). These have been calculated on a similar basis to other fees charged by the Legal Services Board. The level of fee falls outside of this impact assessment.

Costs of Option 1

4. 20 It is noted that the costs and benefits of the ability to be able to cancel designation of a licensing authority would only be realised if and only if it becomes necessary to cancel the designation of such a body.

Applicants

¹⁴ See section 45 of the Act.

¹⁵ See section 76(5) of the Act.

¹⁶ See section 45(6) of the Act.

¹⁷ See section 75(2) of Act.

¹⁸ http://www.legalservicesboard.org.uk/can_we_help/lwb_policies_procedures/pdf/enforcement_policy_statement.pdf

- 4. 21 The direct cost to applicants would be £22,000 based on the calculation of the administrative cost required by the LSB. Currently there are only two bodies that have indicated that they wish to apply to become licensing authorities. Therefore it is expected that the total costs borne by the regulated community would be £44,000. These costs are based on the assumption that two regulators would apply and would rise if the number of applications increases.
- 4. 22 Licensing Authorities would incur cancellation costs of £4,400 per case if they wish to cancel their status as Licensing Authority (i.e. outside enforcement).
- 4. 23 There would be a cost to potential applicants of preparing for an application; however they have informed us that this will largely be a by-product of their wider regulatory modernisation programme.

LSB

- 4. 24 Estimated cost to the LSB of processing an application is £22,000 per application. The ongoing monitoring and compliance costs for the LSB would be negligible as they would fall into the LSB's wider enforcement and performance monitoring.
- 4. 25 LSB is likely to incur additional costs if an approved regulator would fail to comply with regulatory objectives leading to the cancellation of designation by the LSB. LSB would incur additional administrative costs and investigation costs.

Benefits of Option 1

- 4. 26 The main benefits of this option would *only* be realised when the applicant is able to generate revenue through issuing licenses to alternative business structures in mid 2011. These would *not* be realised until the remaining parts of the Act¹⁹ are commenced. Once the remaining parts of the Act are commenced, the benefits for the licensing authority would be ongoing revenue through annual fees from the regulated ABS.

Approved Regulators

- 4. 27 The benefits of becoming a licensing authority would only accrue when they are able to regulate alternative business structures. As the licensing authorities would be able to charge a fee for regulatory activities, they would benefit from additional revenue arising from those activities.
- 4. 28 The new rules would provide clarity for approved regulators as they would be able to apply as licensing authorities with confidence about the process, and circumstances under which their designation may be removed.
- 4. 29 There would be no cross subsidy from the other approved regulators who choose not to apply to become a licensing authority as the fee would, to the best of our estimation, cover the costs of the LSB processing the application.

LSB

- 4. 30 The LSB would receive a one-off application fee income of £22,000 per application, from the approved regulators applying to become licensing authorities. It is estimated that this amount would cover the cost of processing the application.

Consumers

- 4. 31 Following the introduction of the new rules, there would be Licensing Authorities to license new types of legal services businesses. With the regulation and protections envisioned in the Act as well as the Licensing Authorities' rules (as approved by the Legal Services Board) consumers' interests would not be compromised. Clarity in rules would lead to a

¹⁹ The first applications by approved regulators to become licensing authorities are expected around September 2010. The first applications made to the licensing authorities for ABS licences will be made in mid 2011.

greater confidence and is also likely to lead to a better quality provision which would benefit consumer of legal services.

Net Impact of Option 1

4. 32 The total fee paid by the approved regulators that apply to become licensing authorities is estimated to cover the cost to the LSB of £22,000 and is therefore considered as a transfer. Since the costs associated with Option 1 are negligible, it follows that overall, Option 1 would have a positive impact.

5) Enforcement and Implementation

5. 1 The policy adopted will be implemented by a statutory instrument which can only be made with the consent of the Lord Chancellor.
5. 2 The LSB will be the body who enforces the policy and these rules will form part of wider LSB enforcement strategy and a small part of the monitoring of the licensing authorities.

6) Specific Impact Tests

6. 1 Impact Assessments were carried out in the process of the Legal Services Bill's progress through Parliament.²⁰ The LSA requires the LSB to makes rules about the process and fee charged for licensing authority applications.

Rural proofing

6. 2 The LSB's policy on licensing authority applications is not expected to have a specific impact on rural areas.

Environmental tests

6. 3 There is no impact expected on the environment.

Competition Assessment

6. 4 In line with the OFT Competition Assessment Guidance, assessment of the impact on competition in each of the markets affected focuses on addressing four key questions against the base case:
- i. Does the option directly limit or increase the number of suppliers?
 - ii. Does the option indirectly limit or increase the number of suppliers?
 - iii. Does the option limit or increase the ability of suppliers to compete?
 - iv. Does the option reduce suppliers' incentives to compete vigorously?
6. 5 By becoming licensing authorities, approved regulators will be able to license legal services providers (ABS) and charge fees for this service. Currently only two regulators indicated that they would apply to become licensing authorities. This might have an adverse impact on competition between licensing authorities and provide incentives to charge higher level of fees to ABS.
6. 6 The LSB however has responsibility to oversee the setting of fees from the approved regulators including the licensing fees. We therefore expect the prices charged for the licensing by approved regulators to be reflective of their costs.

²⁰ <http://www.official-documents.gov.uk/document/cm68/6839/6839.pdf>

6. 7 Approved regulators are commercial organisations, which generate revenue by charging the users of their services a fee. The £22,000 application fee might act as a credit constraint to some regulator and prevent them from applying to become licensing authorities. This would therefore limit indirectly the number of suppliers in the market.

Sustainable Development

6. 8 There is no impact expected on sustainable development.

Small Firms Impact Test

6. 9 Some approved regulators can be categorised as small firms. If they are not well-resourced the prescribed fee may be a barrier to them becoming a licensing authority. In this case it is unlikely that they would have sufficient resources to regulate ABS in any event. Applications to become licensing authorities are entirely voluntary and so the costs can be avoided altogether. We acknowledge that these small firms may lose business due to their inability to be able to enter the new market that has opened up.
6. 10 Where a body chooses to apply to become a licensing authority, part of the LSB's policy is to work with it to ensure that the compliance cost is minimised. The individuals regulated by these bodies would be able to work in ABS licensed by another regulator.

Legal Aid and Justice Impact Test

6. 11 We expect minimal impact through rules, although greater competition between licensing authorities and within the legal profession may enhance the competitiveness of the legal aid market as consumers are offered a greater range of legal services at more affordable prices.

Human Rights

6. 12 In promoting a proportionate response to risks the rules proposed are likely to protect human rights. In addition, there are specific requirements on the LSB to make rules concerning oral and written representations that can be made about advice received by the Board. The LSB must consider the representations made.

Freedom of Expression Audit

6. 13 The LSB's policy is not expected to have a specific impact on Freedom of Expression.

Privacy Impact Test

6. 14 The LSB's policy is not expected to have a specific impact on privacy.

EIA

6. 15 There is no direct or indirect impact expected from designating approved regulators as licensing authorities. Once ABS are licensed, we would expect that overall, the resulting increase in competition will ensure better access to legal services for all groups of consumers. ABS should also increase career opportunities for those working in the legal sector, both lawyers and non-lawyers as more diverse business structures and ways of working are introduced. In promoting these changes generally, we have considered the (albeit limited) evidence currently available that the current restrictions that operate in the market have not delivered a diverse legal profession.

6. 16 However it is unlikely that it will be possible to isolate exact drivers for any positive or negative changes in diversity, although we will continue to research and build an evidence base.

Specific Impact Tests: Checklist

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes	No
Small Firms Impact Test	Yes	No
Legal Aid	Yes	No
Sustainable Development	Yes	No
Carbon Assessment	Yes	No
Other Environment	Yes	No
Health Impact Assessment	Yes	No
Race Equality	Yes	No
Disability Equality	Yes	No
Gender Equality	Yes	No
Human Rights	Yes	No
Rural Proofing	Yes	No