

Putting consumer and
public interests at the heart
of legal services regulation

Draft Business Plan
2011/12



Our regulatory objectives and the professional principles

Section 1 of the Legal Services Act 2007 sets out a very challenging set of regulatory objectives for the Legal Services Board, approved regulators and Office for Legal Complaints. These are to:

- protect and promote the public interest;
- support the constitutional principle of the rule of law;
- improve access to justice;
- protect and promote the interests of consumers;
- promote competition in the provision of legal services;
- encourage an independent, strong, diverse and effective legal profession;
- increase public understanding of the citizen's legal rights and duties;
- promote and maintain adherence to the professional principles.

Section 1 further defines the professional principles as:

- acting with independence and integrity;
- maintaining proper standards of work;
- acting in the best interests of clients;
- complying with practitioners' duty to the Court to act with independence in the interests of justice; and
- keeping clients' affairs confidential.

Section 4 also gives the LSB a duty to assist in the maintenance and development of standards of regulatory practice and the education and training of lawyers.



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Introduction

When the Legal Services Board (LSB) began operating, we set out an ambitious three-year plan for the first-stage delivery of the reform programme for legal services in England and Wales. Our major priorities for modernisation included a focus on embedding independent regulation, opening up the market and establishing the new complaints-handling regime. Following a period of concerted progress alongside our partners, the approved regulators, we now find ourselves at the final stage of that three-year plan. The 2011/12 period will be a year of transition, marking a movement from the three early priorities to the next phase of the reforms. In setting out the next steps, it is worth reminding ourselves of progress against those key priorities.

Core priorities

Just as it was a fundamental part of the legislation, ensuring independent regulation across the legal services sector is one of the Board's most urgent priorities. This is the foundation stone for commanding public confidence in regulation - all of the other reforms rely on its achievement.

Real working independence is also the key to deregulation by the LSB. The more approved regulators deliver effective and independent regulation themselves, the less we will need to intervene directly. This has always been our intention but, over time, needs to become the practical reality rather than an aspiration. The agreement, at the end of 2010 with each of the approved regulators on achieving compliance with our Internal Governance Rules (IGRs) was potentially an important milestone - creating a basis for renewed public confidence in the independence of legal services regulators. We are now working to ensure that compliance is delivered in practice.

The period covered by this draft business plan will see the first Alternative Business Structures (ABS) begin trading. Opening up the market has been a key strand of work to widen choice for consumers whilst freeing up practitioners to organise in innovative new ways. The LSB, over the last two years, has been building the licensing framework for ABS - developing governance requirements and operational rules that ensure consumer protection is at its heart.

The next few months will see the first bodies apply to the LSB to become Licensing Authorities for ABS, with the first licences being issued shortly afterwards. The emergence of new types of legal business in the market will bring to a head one of the most transformative aspects of the reforms. Alongside this, we are seeing the development of outcomes-focused regulation - a more pragmatic approach to consumer protection that puts compliance with the spirit of the rules above 'box-ticking' and ensures that all types of business have the opportunity to compete on a level playing field.

Another key priority has been the reform of the complaints-handling system. Historically, slow and poor redress for consumers with legitimate complaints has undermined public confidence and diminished the reputation of the profession. During 2010 we have seen the closing down of the old regime for new service complaints and the establishing of the Office for Legal Complaints (OLC) and the Legal Ombudsman Scheme under the chairmanship of Elizabeth France and the operational leadership of her Chief Executive and Chief Ombudsman Adam Sampson. The emergence of the Ombudsman marks an important development in the legal services market, promising access for consumers to a free, impartial and speedy dispute-resolution service. Practitioners who are the subject of complaints can also expect swifter resolution and a fair and efficient hearing throughout the process. We now need to ensure that these important objectives are turned into reality.

Direct regulatory activity

The model of oversight regulation requires strong partnerships between the LSB and the approved regulators. Delivering the reform agenda depends on the effectiveness of the frontline regulators in leading work across each respective arm of the profession. This period has seen increasingly effective working relationships between the LSB and the approved regulators, with the development of different models of collaboration across various aspects of our work. Where appropriate, we have seen the emergence of cross-sector working groups, including on issues such as the Joint Advocacy Group (JAG), which is leading the development of Quality Assurance for Advocates (QAA) and the Diversity Forum of the Professional Regulators. Alongside this, bringing frontline regulators into compliance with the IGRs has been an example of two-way dialogue on how to implement policy pragmatically. In all of these cases, partnership working has been generally effective but there has occasionally been the need for the LSB to be robust in setting its expectations. This will continue. Partnership working is not an end in itself: it's the most effective way of underpinning better outcomes.

We also fulfil our own direct regulatory obligations. This involves approving changes to the regulatory arrangements of the frontline regulators – including recommending designation of approved regulator status on new bodies, and changes to reserved legal activities. We have built processes that ensure proper consultation, before delivering speedy outcomes in a way that is transparent to all those who have an interest as well as to the wider public. Initial feedback on these processes from partners has been positive.

Practitioners have made an investment in better regulation, whilst Parliament and the wider public need to be able to measure progress on the reforms. We have therefore been developing a framework for evaluation of the reform programme and our own impact, whilst also continually assessing the capacity of frontline regulators. We will launch this during the consultation period on this draft Business Plan. We have also set up a specific research work-stream to understand more about the activities, capacity and strategies of the smaller approved regulators: our focus is on supporting their capacity building so that the interests of all consumers are appropriately protected.

A new strand of direct regulatory work undertaken by the Board will be oversight of the bodies that regulate immigration advice. Currently, The Law Society, Bar Council and ILEX are Designated Professional Bodies under the Immigration and Asylum Act 1999. This means that, as well as being regulated by the LSB in respect of legal services, they are also overseen by the Office of the Immigration Services Commissioner (OISC) in their regulation of their members who provide immigration advice. These functions will be transferred to the LSB, and our detailed rules will come into effect on 1 April 2011.

Next steps

As the new structures bed down, our focus is moving onto the delivery of services – with regulation acting as a vehicle to protect and promote the interests of consumers and the public and improve their experience. This means ensuring that the workforce is fit-for-purpose, that quality is recognised and measured, and that consumers have more choice in the market. Part of this work will be a re-examination of the scope of reserved legal activity, with a focus on establishing a rationale for regulation and its basis in consumer protection and the more limited role of 'reservation' within this.

Many of the grounds for 'reservation' have developed ad hoc, over time, rather than in a way that is underpinned by a consistent rationale. We have set out our intention, from the beginning, to only make regulatory interventions that are proportionate and targeted at addressing harm to consumers. Whilst threats to consumers' interests, where they exist, must be addressed forcefully, we are mindful of compliance burdens on practitioners and the impact on access to justice if restrictions on entry drive up costs for firms and charges for clients. Devising a modernised framework for determining what services are regulated and how will be an important piece of work in ensuring that we and the approved regulators are targeting interventions appropriately.

We want also to begin to address issues surrounding the workforce and its role in delivering high-quality services for consumers. We believe that there needs to be a re-examination of education and training for lawyers and its effectiveness in equipping practitioners for the modern market. Working with the approved regulators, we will audit the training needs for the workforce of the future and

critically examine education and training against them. We want to test our strong initial view that the modern legal services market demands more flexible career pathways and more varied educational opportunities for its staff. We hope that the regulators' recently announced review will lead to concrete proposals for action in the course of 2011. One priority will be to improve diversity and promote social mobility. In doing so, we will broaden the focus from entry level onto progression to senior levels and retention. Alongside this work, professional development for current practitioners will continue to be a priority, with the rollout in 2011 of QAA.

In composing this draft Business Plan, we have maintained the tradition of grouping together work-streams under the familiar aims for reform. The exception to this is the omission of 'Putting consumer and public interest at the heart of regulation' as a specific work-stream. We believe the paramount importance of this work needs to underpin all of our work-streams as a constant theme, rather than being 'bolted on' independently. This works on two levels: firstly through ensuring that legal services deliver for the consumer from the point of engagement to its conclusion; and secondly serving the wider public interest through satisfying the unique role that lawyers and their businesses play in civic society and in the maintenance of the rule of law. These values, as well as the importance of widening access to justice, run through the entirety of our work. This is why we have entitled our entire draft Business Plan "Putting consumer and public interests at the heart of regulation".

Wider public policy

As the wider public policy landscape begins to adjust to the priorities of the new coalition government, we are grateful for continued commitment from Ministers and officials to the reform programme. We welcome recognition of the role that reforms such as ABS can play in supporting the achievement of wider objectives. Ministers' continued recognition of the importance of our role as independent both of Government and the profession has strengthened the rule of law.

Where clear alignment with Government's policy interests occur, we will be pro-active in contributing evidence and thinking. It is in this spirit that we will participate in

the consultation led by the Department for Business, Innovation and Skills concerning representation for consumers in policy-making – underlining the value we attach to ensuring that the contribution made by the Legal Services Consumer Panel ('the Consumer Panel') be maintained. In line with this, the Consumer Panel will publish its own work-plan in April in the light of the final version of this Plan. We have indicated throughout this draft Plan where we intend to ask for specific Panel advice, notably whether consumer protection requirements may differ in relation to services provided by not for profit bodies. **We would specifically welcome the views of other consumer bodies on areas on which we might seek Panel advice.**

The importance of research and evidence-gathering for policy-making has been borne out over the last year. In areas such as referral fees and will writing, we have commissioned independent research, published results and tested emerging thinking with our partners. This realises our commitment to be, at all times, an evidence-led regulator – even in circumstances where the conclusions driven by the evidence are unpopular.

Investing in research is crucial given the enormous data gaps across the sector, particularly in areas such as the economic rationale for regulation and on workforce diversity issues. More widely, creating new partnerships with academics and other researchers, both nationally and internationally, must be an essential task for regulators in filling those evidence gaps.

Our resources

We are proposing to maintain the budget for 2011/12 at the same level as for this year, 2010/11. This is despite undertaking a significant additional tranche of work related to immigration advice, the increase in VAT on goods and services and the additional 1% employers national insurance increase. In addition, we are under pressure from increases to our contractual services and general running costs, but we are determined not to increase the costs to our levy payers for this year. Indeed we are working on the assumption that our costs for 2010/11 will come in at a slightly lower level than originally planned and these savings will accrue in full to our levy payers in 2011/12. We will, of course, constantly scrutinise our ways of working and seek to operate as efficiently and effectively as we can so that we can continue to provide not only excellent value for money to our levy payers but also transparency on how their funds are spent.

The transition year

We now find ourselves in the closing stages of this initial tranche of reforms. The major feature of work so far has been to modernise the institutions and machinery of regulation to bring it up to date with a fast-changing market. Alongside this, we have updated the approach to focus on outcomes and better assess risk. This business plan sets out the final steps of the initial three-year plan, bringing to a close the capacity-building stage for regulation. The impact will be a reshaped institutional landscape which provides a powerful foundation both for consumer confidence and for the next stage of the reforms.

Finally, we would like to thank our fellow Board members and all colleagues at the LSB for their energy, imagination and sheer hard work in driving implementation of our first three-year strategy and in laying firm foundations for the further work detailed in this draft Plan. The real progress we have discussed would quite simply not have been possible without them.



David Edmonds

David Edmonds Chairman



Chris Kenny

Chris Kenny Chief Executive

Section 1: The regulatory context

Overview

1. The LSB is the independent body responsible for overseeing the regulation of legal services in England and Wales.
2. Our goal is simple and clear – to reform and modernise the legal services market place in the interests of consumers, enhancing quality, ensuring value for money and improving access to justice across England and Wales.
3. Funded by, but wholly independent of, the legal profession our three major priorities in 2009/10 and 2010/11 were and remain:
 - assuring the public about the rigour and independence of legal regulation by ensuring a common baseline of regulatory competence, learning lessons from other sectors and maintaining clear independence from both government and professional interests;
 - better consumer redress when things go wrong through a new independent ombudsman for complaints, ensuring fair, effective and rapid dispute resolution for everybody concerned;
 - giving consumers more choice and lawyers new business opportunities by opening up the market and increasing competition to allow new types of legal business to emerge.
4. These remain our core priorities for what is the final year of a three-year strategic planning cycle. Working with our partners, we have made great strides on our way to delivering these. Therefore, whilst their importance does not diminish in the year ahead, we are able to lift our heads to consider the regulatory consequences that flow from them. This means we need to consider the skills, distribution and make-up of the legal workforce that the changing market-place is going to need. We must address the scope and remit of regulation as the structure and nature of service delivery changes. And we must ensure that service users of all kinds are able to make judgements about quality of service provision as the range of providers open to them diversifies.

Approved regulators

5. We oversee eight approved regulators who themselves are required to ensure independent regulation of the eight branches of the legal profession. These are:
 - The Law Society, who through the Solicitors Regulation Authority (SRA) regulate 112,246 practicing solicitors¹;
 - The General Council of the Bar, who through the Bar Standards Board (BSB) regulate the 16,455 practicing barristers²;
 - The Institute of Legal Executives (ILEX), who through ILEX Professional Standards regulate 7,500 practicing fellows³;
 - The Council for Licensed Conveyancers (CLC) who regulate 989 practicing licensed conveyancers⁴;
 - The Chartered Institute of Patent Attorneys (CIPA), who through the Intellectual Property Regulation Board (IPReg) regulate 1,817 practicing chartered patent attorneys⁵;
 - The Institute of Trade Mark Attorneys (ITMA), who through the Intellectual Property Regulation Board (IPReg) regulate 794 practicing trade mark attorneys⁶;
 - The Association of Law Costs Draftsmen (ALCD) who regulate 246 practicing costs draftsmen⁷;
 - The Master of the Faculties who regulates 827⁸ notaries.
6. In addition, from 1 January 2010, two further professional bodies from outside the traditional legal services sector were designated formally as approved regulators for reserved probate activities⁹:
 - Institute of Chartered Accountants in Scotland (ICAS);
 - Association of Chartered Certified Accountants (ACCA).

7. The Act also allows new bodies to apply to the LSB to become approved regulators and we are starting discussions with the Institute of Chartered Accountants for England and Wales (ICAEW) who have indicated their intention to make an application to regulate probate activities.

Our approach

8. As we explained in our Business Plans for 2009/10 and 2010/11, our starting point in approaching regulation is as follows:
 - The Legal Services Act 2007 sets out clear regulatory objectives. These objectives will provide a strategic underpinning for all of the work of the LSB and we will always map our proposals back to them. Our approach to the regulatory objectives was set out in a document published in July 2010 “The regulatory objectives”¹⁰.
 - The better regulation principles are enshrined within the Act – so our activities will always be transparent, accountable, proportionate, consistent and targeted.
 - We expect that the approved regulators will act in accordance with the regulatory objectives and better regulation principles, as required by the Act, limiting the need for us to use either our direct regulatory or enforcement powers, and reducing to a minimum any requirement for us to duplicate work undertaken competently by others. However, we will not hesitate to do what is necessary, should the need arise.
 - We will set out the anticipated impact on consumers and the professions of alternative regulatory options in our consultation papers and seek views from others about whether we have made the right assessment.
 - We will work with approved regulators to identify risks and manage them as we open up the legal services market. This means less of a focus on prescriptive rules that apply to everyone, and greater supervision of lawyers and business that present risks to specified outcomes. We expect that approach to apply both to our activities and to the approach of the approved regulators.
- We will continue to develop strong working relationships with key stakeholders including the Ministry of Justice (MoJ), the approved regulators, citizen and consumer groups, the professions, firms and partnerships across the sector, potential new entrants to the market, other regulators and redress providers and the academic community.
- Above all, the public interest will guide us in our work. Our touchstone will be what works best for the citizen and the consumer, (including small business and corporate clients), not any particular interest group.

Evaluating our impact

9. In previous years, we received some justified criticism for failing to set out with sufficient clarity how we proposed to measure our performance in delivering our regulatory remit. In our Plan for 2010/11, we explained our approach to evaluating the extent to which both the approved regulators and we are delivering the regulatory objectives. We also outlined preliminary key performance indicators to demonstrate our performance in delivering our regulatory role in reviewing regulatory rules changes.
10. As our organisation has matured, we are now able to confirm our commitment to evaluating our overall performance at three levels:
 - monitoring and evaluating our delivery of our ‘business as usual’ tasks;
 - evaluating our delivery of a change in regulatory best practice through regulatory actions;
 - evaluating our effectiveness in delivering long-term market change.

Day to day effectiveness

11. On page 35 and 36 we describe the timescales we have agreed we will work to in:
- delivering our role in “regulatory decisions”;
 - responding to freedom of information and data protection requests; and
 - paying our suppliers.

In addition to setting ourselves challenging timescales, we will review the quality of the work undertaken and keep under constant review the decision-making processes.

Regulatory effectiveness

12. The changes that we promote in the way that legal services are regulated are more difficult to measure. We are seeking to change the client experience in the legal services market by changing regulatory culture as much as the processes themselves, moving away from a reactive rules-based regulatory framework to an outcomes-focused approach, backed by hard-nosed risk assessment. These changes have already started to occur. We now need to track their actual impact. Specific key performance indicators may have some role in some of these areas, but are likely to tell only part of the story.
13. Given the complex nature of these changes, we will carry out a series of reviews to evaluate in detail the effectiveness of specific aspects of the changes. These reviews will include a review of first-tier complaints-handling and implementation of regulatory independence. On the latter, we will assess the risks and produce ‘RED/AMBER/GREEN’ (RAG) ratings for each of the regulators. Our own aim for independence, for instance, will be for all regulators to be at, or close to, a green ‘RAG’ rating by the end of 2011/12.

14. This draft Plan contains a number of possible areas for other reviews on page 16. We expect increasingly to shift the focus to reviewing such “bread and butter” aspects of regulation, learning from the experience of the Council for Healthcare Regulatory Excellence (CHRE).

Long-term market change

15. Inevitably – and rightly – it is the delivery of market changes to improve access to justice via more innovative and better value services that will stand as the benchmark for the success or failure of the LSB and indeed the legal services reform programme. So we need to find ways to link all our activities to changes in the legal market as experienced by consumers. During the consultation period for this draft Business Plan, we will be launching our proposed framework for evaluation.

Notes

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- 1 <http://www.lawsociety.org.uk/documents/downloads/lr-report-accounts08.pdf> as at March 2009
 - 2 <http://www.barcouncil.org.uk/assets/documents/Annual%20Report%202008%20-%20Final.pdf> as at December 2008
 - 3 http://www.ilex.org.uk/media/facts_figures_for_the_media.aspx
 - 4 http://www.legalservicesboard.org.uk/what_we_do/consultations/closed/pdf/levy_consultation_paper_merged_final_080710.pdf as of 1 April 2009.
 - 5 Register of Patent Attorneys, <https://www.cipa.org.uk/members/directory/default.asp?dir=2> as of 18 November 2009
 - 6 http://www.legalservicesboard.org.uk/what_we_do/consultations/closed/pdf/levy_consultation_paper_merged_final_080710.pdf as of 1 April 2009.
 - 7 Source: *ibid.*.
 - 8 Source: *ibid.*.
 - 9 At 21 November 2010 neither of these bodies has authorised any member to carry out these activities.
 - 10 http://www.legalservicesboard.org.uk/news_publications/publications/pdf/regulatory_objectives.pdf

Section 2: Draft work programme 2011/12

Our activities for the year ahead

16. The period 2011/12 represents our third year of operation and our second year with our full regulatory oversight responsibilities. The natural rhythm of our work is now clear and, as the new framework has become better understood by all parties, so our relationships with the professions' regulators have matured and we have been able to draw a better picture of the work that will come our way from them.
17. This means that our draft Plan for the year ahead has two elements: our core regulatory activities and our strategic initiatives. So in Sections 2A and 2B we outline how we will undertake our day-to-day activities, including our approach to approval of changes to regulatory arrangements, our options for a programme of regulatory scrutiny exercises and our evidence-gathering approach. In Sections 3A-3E we describe the five areas in which we will be undertaking work to deliver our statutory responsibility to assist in the maintenance and development of standards of regulation in the sector and the education and training of lawyers.
18. As ever, we have structured our work to maintain momentum towards delivering our vision for the legal services market of the future. As we have stated in our previous Business Plans we want to see:
- Greater competition and innovation in service delivery;
 - Access to justice for all consumers;
 - Empowered consumers, receiving the right quality of service at the right price;
 - An improved customer experience with swift and effective redress when things go wrong;
 - Constantly improving legal professions, as diverse as the community they serve;
 - Clear regulatory structures, which command wide confidence in the public and the market.
19. This vision derives from the regulatory objectives set out in the Act and our work aims to deliver it. The majority of the work described in the draft Plan represents continuity with work already begun in 2009/10 and 2010/11.
20. For the avoidance of doubt, the loss of a work-stream dedicated to 'putting the consumer and public interest at the heart of regulation' should not be taken to mean we have decided to put that work to one side or that we believe it is complete. Nothing could be further from the truth. In fact, we have elevated the centrality of the consumer and the public interest to be at the heart of our draft Plan. It is the title for the draft Plan and is embedded across all of our work.

RO1

Protecting and promoting the public interest

RO2

Supporting the constitutional principle of the rule of law

RO3

Improving access to justice

RO4

Protecting and promoting the interests of consumers

RO5

Promoting competition in the provision of services

RO6

Encouraging an independent, strong, diverse and effective legal profession

RO7

Increasing public understanding of the citizen's legal rights and duties

RO8

Promoting and maintaining adherence (by authorised persons) to the professional principles

Section 2A: Developing regulatory excellence



Overview

21. Over our initial period of operation, we have built the machinery for oversight regulation. New systems for approving new rules and wider changes to regulatory arrangements have been developed, as well as processes for designation and cancellation of approved regulator and Licensing Authority (LA) status. We will continue to deliver these systems efficiently, with appropriate review, alongside our partners across the frontline regulators.
22. It is increasingly clear to us that there are four core elements to effective regulation of the legal services market:
- An outcomes-driven approach to regulation that gives the correct incentives for ethical behaviour and has effect right across the increasingly plural and diverse market;
 - A robust understanding of the risks to consumers associated with legal practice and the ability to profile the regulated community according to the level of risk;
 - Supervision of the regulated community at entity and individual level according to the risk presented; and,
 - A compliance and enforcement approach that deters and punishes appropriately.
- We would welcome views on the appropriateness of these as the four pillars of regulation in order to further develop our thinking ahead of the final business plan.**
23. In addition to the responsibilities set out at the start of this section, we will use regulatory scrutiny exercises, or thematic reviews, to deepen our understanding of certain areas of risk. These may be initiated in response to a range of factors such as market conditions, regulatory capacity, new regulatory functions or to follow up previous regulatory changes.

Why this work matters

24. The Act sets out a clear role for the LSB as the oversight regulator, providing assurance of the quality of regulatory outputs in the sector through supervision and monitoring. Section 4 of the Legal Services Act 2007 provides that the Board must 'assist in the maintenance and development of standards in relation to regulation...'. In doing so, we must have due regard at all times to better regulation principles and must stay focused on the regulatory objectives laid down by the Act.
25. The modern, more dynamic market needs regulators to do more than maintain a register, create and manage a detailed set of rules and take enforcement action when specific issues come to their attention. Regulators must also understand consumer detriment, and tackle it through risk-based supervision that is focused on good outcomes achieved by acting in the spirit of compliance with the rules rather than box-ticking. We expect to work ever more closely with approved regulators on these practical aspects of their work, as outcome-based regulation spreads in the sector.

Regulatory decisions

26. We now have a full year of experience of handling changes to regulatory arrangements, marked by the issuing of 12 decision notices on rules change applications and 13 exemption directions. Moreover, we have begun to assess the first applications to extend reserved legal activities. We will seek to build on this experience during 2011/12 with a particular focus on refining the process and acting upon lessons learned through feedback from partners. A major part of that process will be to work with the approved regulators to develop a better understanding of how they approach changes to regulatory arrangements – deepening our process knowledge and enabling us to apply more often the quicker deployment of exemption powers when appropriate.

27. The currently anticipated work for 2011/12 is as follows:

Approved regulator initiated:

- Process applications for changes to regulatory arrangements
- Complete consideration of the three pending applications from ILEX Professional Standards to extend its reserved legal activities
- Consider SRA LA application; CLC reserved legal activity and LA applications, other LA applications

Core work:

- Processing Practising Certificate Fee applications, ensuring that we and the approved regulators implement actions from our lessons-learned exercise whilst working alongside their budgeting and business planning timetables
- Consideration of the Solicitors Disciplinary Tribunal (SDT) budget and any rule changes
- Consideration of applications from any other bodies that seek approved regulator or LA status

28. The metrics and methods we will use to measure our performance in undertaking these tasks are described on page 35.

Regulatory scrutiny exercises

29. As an oversight regulator, we need to be able to demonstrate that those that we regulate are effective and are addressing the appropriate risks and issues. Equally, in common with those we regulate, we need to identify and evaluate risks to make sure we target our own resources at the key issues. Regulatory intervention should occur only where there is evidence of consumer detriment and/or actual or potential risks to the wider public interest.
30. Described below are a number of areas where we believe we may need to respond to risk. Some of these are areas that follow on from earlier policy initiatives – independence and first-tier complaints for instance – and where we need to provide confirmation that our actions have had the desired impact. Others in the proposed list are new, and represent areas not yet addressed.
31. Before deciding whether to pursue a particular investigation, we will spend time examining the issue to provide evidence to support our approach. There are a number of ways we might do this, including reporting and self-assessment by the approved regulators, reviews of approved regulators' rules, guidance and enforcement activity and more detailed inspections involving site visits and interviews. In all of the proposed areas, we will work with the approved regulators to develop an understanding of how they assess compliance and use their enforcement powers.
32. On our current analysis, in addition to the work we propose to do to evaluate effectiveness of our interventions into independence of regulation and effectiveness of first-tier complaint-handling, we have identified the following five areas as potential candidates for 'deep-dive' investigation across the regulated community.

Disciplinary rules, enforcement and appeals

33. One core function of approved regulators is to discipline individuals and entities that are responsible for breaches of regulatory rules. This is a demanding role that rests on strong investigative capability, robust, transparent, rapid decision-making and tribunal processes and fairness to those under investigation. We believe that there is scope for comparative and collaborative work to identify best practice in this area, including the extent of lay involvement in such processes and to measure approved regulators' performance against such criteria. We also want to explore the scope for greater alignment of processes, not least in the formal architecture of disciplinary decision-making and appellate bodies.

Referral fees

34. Once we have analysed and reported on responses to our current discussion paper, we will consider what, if any, further action is needed. This could include asking approved regulators to assess the impact of our final assessment on their regulatory arrangements and then to report to us.

Conveyancing

35. A number of conditions suggest strongly that a review of conveyancing is warranted. The consultancy report on client protection recommends that the SRA undertake a review of the regulation of conveyancing as this area produces the highest number of claims against the various client protection mechanisms. Alongside this, anecdotal evidence suggests that levels of fraud are rising across a number of industries - creating new demands on trade and regulatory bodies including the Financial Services Authority (FSA), Association of British Insurers (ABI), the Council of Mortgage Lenders (CML), the SRA and the CLC.
36. Against this background, it is as yet unclear whether, and if so where, consumer detriment is occurring. Alongside partners, we need to deepen our understanding of this area in order to assess the extent to which legal services regulation might be an appropriate vehicle through which to tackle harm and, if so, whether change is needed in either the

regulatory framework and/or its application. In view of this, we will start a piece of work to gather and review evidence to inform further action. Based on this we will consider whether further scrutiny work is necessary.

Smaller approved regulators

37. Our existing strand of work on smaller approved regulators aims to understand, engage and support the smaller approved regulators so we can be sure that they have the capacity to deliver regulation that is both compatible with the regulatory objectives and which protects consumers. This is a key element of ensuring that we are a proportionate regulator, sensitive to particular conditions across the sector. To this end, a research project is ongoing to understand better the regulatory risks and issues for smaller approved regulators and how they are being addressed. We will use its findings and our ongoing dialogue with smaller approved regulators to develop specific action plans, where needed, to address the issues identified.

Immigration

38. In view of the transfer of oversight functions to the LSB in respect of providers of immigration advice, we will consider scrutinising interventions in this area during late 2011/12.
- 39. We would welcome views on the areas for investigation we should prioritise and why. In addition, we would like to hear whether there are more pressing areas on which we ought to be focusing our immediate attention and why.**

Section 2B: Developing our evidence base



40. Throughout the draft Plan, we describe the programme of research we intend to undertake in 2011/12 to ensure we have a robust evidence-base to inform our regulatory decision-making. We will finalise our research programme once we have the outcome of this draft Business Plan consultation, Board input and a series of seminars with academics and other stakeholders in January 2011.
41. We will also continue to consult our Research Strategy Group (RSG), which comprises a mixture of LSB staff, academics and representatives from approved regulators and professional bodies. We will be looking to see how we can strengthen the independent representation on the RSG in 2011/12. The input of the Consumer Panel also remains pivotal in determining our research programme.
42. Alongside our programme of externally commissioned work, we expect to conclude our Regulatory Information Review (RIR) early in 2011/12. We started the RIR to identify all the relevant and available evidence on the legal services market and to identify optimal ways of filling the very many gaps in what is currently available. We have completed the initial review of published evidence and will now explore in more detail unpublished research and data held by regulators and professional bodies.
43. The next stage will be to prioritise which gaps we will fill once the full data-gathering is complete, following which we aim to publish the database of information along with details of system notes for maintenance, contributions and updating.
44. Critically this work will help to 'baseline' current legal supply to allow later evaluation of the impact of the introduction of ABS. We describe our plans in more detail in paragraphs 68 and 97-99.
45. Alongside our work to provide the research base for our regulatory work, our research team also provides support to the independent Consumer Panel and contributes to the design and management of their own research programme as professional advisors. The Panel will publish their own work programme for 2011/12 in April 2011. Of equal importance to our own research and evidence-gathering programme, is that undertaken by regulators and others. As in previous years, we intend to act as a hub in bringing those involved in researching the legal services market together.
46. But research is only one way in which we gather important information to inform our work. Of no less value are the views we hear expressed to us directly by consumers, by lawyers, by clients of all kinds and indeed by anyone with an interest in the provision of legal services. Whilst inevitably subjective and personal, such views are nevertheless important to us so we can get an impression of the mood of the market.
47. We therefore intend in 2011/12 to continue our occasional programme of seminars out of London, to maintain our commitment to accepting speaking engagements and meeting requests, and to actively reaching out to the quieter and hard to reach voices that nevertheless have things to say that we need to hear. We will continue to ensure that we understand and reflect the particular needs of the market in Wales. During the latter half of 2010/11, we embarked on a programme to understand the interests of a variety of third sector organisations in legal services and we will continue this work in 2011/12.

Section 3A: Ensuring effective redress for consumers



Workstream overview

48. With the Legal Ombudsman now operational, our focus in 2011/12 will be to ensure that all stages of complaints resolution, at both provider and Ombudsman level, are effective and that the valuable information that can be gleaned from complaints is collected and used appropriately to ensure a virtuous circle of constant improvement. The LSB is responsible for monitoring the robustness of the OLC's oversight of the Legal Ombudsman scheme. We will do this primarily through assessment of the information we receive from the OLC about the performance of the Legal Ombudsman scheme against our agreed performance management framework.
49. In September 2010, we agreed with the OLC that it would provide us with quarterly information about how the Legal Ombudsman performs in four key areas:
- timeliness – the percentage of complaints within jurisdiction resolved within three months;
 - cost efficiency – the total cost of considering a complaint, calculated by dividing the total cost of the organisation by the number of cases resolved;
 - quality – in relation to timeliness, customer service and accuracy of decision-making; and
 - satisfaction – to be determined using both annual surveys and quarterly research on feedback.
50. Information that we receive from the OLC about performance in these areas will provide us with a clear indication of how the new service is developing and form the basis of firm targets for 2012/13.
51. We will also continue to work to improve systems for first-tier complaints-handling, based on the findings of a qualitative review of approved regulators' arrangements. This will include looking at how approved regulators have used information sources to identify particular and systemic issues that should inform decision-making and, more widely, how they assess consumers' experience of complaints-handling. This gives approved regulators the ability to assess the effectiveness of the regulatory arrangements they have adopted for complaints-handling and to develop action plans where the review has revealed regulatory gaps and/or areas for improvement. We will generate consumer research to compare with information provided by approved regulators.
- ### Why this work matters
52. A perception of poor complaints-handling by the legal profession was one of the primary drivers for the programme of legislative reform. The system was felt to be bewilderingly complex, difficult for consumers to navigate through and often slow to reach a resolution. In response, a fundamental requirement of the 2007 Act was the establishment of the Legal Ombudsman scheme to make sure that users of legal services have recourse to a single, independent and impartial body to resolve disputes involving their lawyer. As part of the arrangements, approved regulators must ensure legal service providers have effective procedures in place for the resolution of complaints. Together, these initiatives will simplify and rationalise the complaints-handling system.
53. An important foundation is a set of standards for letting consumers know about their right to complain and directing towards redress. They should feel confident that they will have their complaint dealt with effectively at the first-tier and, if it needs to go further, that it will be resolved impartially by the Legal Ombudsman. The qualitative review has an important role to play in assessing support available to help consumers navigate through the system.
54. System improvements are likely to result in raised levels of consumer satisfaction with legal services as more disputes are settled and clients are retained. Moreover, the realisation that complaints data is, rather than a threat from which to defend firms, an opportunity to respond to consumer demand – particularly in relation to gaps in the services

offered and standards of customer service can bring commercial benefits. This has the potential to further improve public confidence in the profession and levels of satisfaction with the performance of practitioners. Similarly, regulators need to take the opportunity afforded to use this data in tackling the specific issues it identifies.

In Q1 2011/12, we will publish our benchmark assessment of consumer satisfaction. In Q4 2011/12, we will repeat the exercise to provide the first evaluation of complaints-handling by entities. Alongside this we will commission research into best practice across the sector.

Research/evidence

55. We will draw extensively on management information from the Legal Ombudsman in relation to all aspects of this agenda. This will be supplemented for first-tier complaints by consumer attitudinal research.

56. The findings from Legal Ombudsman customer satisfaction surveys will also provide an important source of information on the effectiveness of, and satisfaction with, complaints resolution at both first and second tier. So will evidence collected by the approved regulators on complaints made against individuals and firms both for service and conduct issues.

| Activity | Description | Milestone/output |
|---|--|---|
| Research into consumer perceptions of the outcomes that they experience with first-tier complaints-handling | We will research consumer perspectives on their experience of complaints-handling by legal service providers and measure those against approved regulators' self-assessments | Q1 (11/12): Terms of reference agreed, with project put out to tender Q2 (11/12): Research is completed and published |
| Review of first-tier complaints-handling regulatory frameworks | Procedural and qualitative review of approved regulators regulatory arrangements and regulatory activity | Q1 (11/12): Process development Q2 (11/12): Consultation with approved regulators and review commenced Q3 (11/12): Publish assessment |
| Monitor Legal Ombudsman performance targets | Data provided quarterly by OLC | Ongoing |
| Review consumer satisfaction with the Legal Ombudsman process and outcomes | We will work with the Legal Ombudsman on the development of their surveys | Ongoing |

The medium-term outcomes that this work will contribute to

57. We wish to see the complaints-resolution system in its entirety developed to such a degree that an objective assessment would conclude that approved regulators are focused on achieving outcomes for consumers, are in full compliance with the Act and have mechanisms in place to learn and apply

lessons from complaints. At practitioner level, complaints should be similarly viewed at the most senior levels as an opportunity to improve the quality of legal services. We would expect that practitioners, having identified and acted on this, will innovate and compete towards developing new ways to address gaps and meet needs.

Section 3B: Widening access to the legal services market



Workstream overview

58. During 2011/12 we will see, first, the emergence of Licensing Authorities (LAs) for ABS and then, from October 2011, the first of these new business models opening their doors for trading. The process of dealing with applications to become LAs, which will start in the early part of 2011/12, will be the culmination of two years work in developing the licensing framework and governance rules.
59. Throughout 2010/11 the SRA and the CLC have made progress towards developing licensing rules and the other information about capability needed to assess applications for designation as a LA. We therefore expect to receive applications for designation as LAs before the start of this business plan year. This progress has meant that we did not have to consult during 2010 on our own approach to licensing.
60. By the end of March 2011, we will have considered how best to implement the requirements in the Act to separate any direct licensing function from the other activities of the LSB, including the cost of doing so and the options for funding that cost. In the event of any delay to expected designation applications, or if it appears that there may be some forms of ABS that no LA will be competent to license, we will consult in Q1 of 2011/12 on our own approach to licensing ABS.
61. An important element of establishing the regulatory framework will be the creation of a new body to hear appeals. We have been working with the Tribunals Service over the past year to this effect and are working towards its First-tier Tribunal adding legal services to its jurisdiction. This will be a key part of the institutional change underpinning the new licensing framework.
62. Continuing to build the evidence base on market developments, as well as looking to the future, will be a priority. We will continue to engage both with regulators and market participants to get an understanding of the emerging risks, models for organisation and outcomes. Alongside this, we will work with the wider landscape of regulators, including those (such as the BSB, ILEX Professional Standards and IPReg) who may wish to become LAs in the future. Finalising a set of baseline measures for wider monitoring, with indicators on diversity, access to justice and service quality will be key to tracking impact.
63. As part of this, we will increase our levels of engagement with voluntary sector bodies delivering legal and advice services as we look towards the lifting of the transitional protections on special bodies in April 2013.

Why this work matters

64. The introduction of ABS is potentially one of the most transformative developments in the history of legal services provision. It will bring new investment, fresh ideas and new ways of working to the market. A well-regulated dynamic market for legal services will deliver across the regulatory objectives. By removing historical restrictions - whilst replacing them with robust risk-assessment measures focused on outcomes - practitioners will be able to innovate and reshape their offer in ways that were previously not possible. New forms of collaboration and new entrants into the market will increase consumer choice, whilst greater competition will raise standards. Existing law firms will be able to attract new capital – providing a driver for sustainability and growth in difficult economic times.

65. This programme will also contribute to a greater degree of plurality in the market, bringing new working practices and career pathways. New entrants with original approaches to development, virtual law firms and greater numbers of telephone and web-based advisory services with greater varieties of pricing structures are just some examples. Challenging old orthodoxies will be a major feature of the more dynamic and diverse marketplace – having an impact on areas such as workforce diversity, where the unreformed market had difficulty with the pace of change in other sectors.
66. Opening up the market can also have a major impact on widening access to justice at a critical time. Increased levels of supply from new entrants, alongside greater innovation in the way services are packaged and delivered, will create competitive forces that lower prices and widen access. In the current economic climate, and in the context of new pressures on legal aid, this has the potential to have a major impact – particularly for those consumers who, whilst better-off than the threshold for public support, still struggle to afford to engage good-quality legal advice. Competition is more likely to extend the reach of provision in these areas than current restrictive practices will allow.

Research evidence

67. We will build on the work currently being carried out on the impact assessment for the commencement of the ABS regime. Building on the evidence and thinking already made public through that study – as well as our perspective on market development through our regulatory oversight role – we will develop measures to ensure that this workstream delivers against the regulatory objectives.
68. At the start of the year covered by this Business Plan we will publish the impact assessment framework that we will use to benchmark the provision of legal services and evaluate the impact of ABS on the market. Alongside this we will publish a pilot study applying the framework to a particular segment of the market. Later in the year we will apply the framework to other segments of the market giving us a complete picture of the provision of legal services before the introduction of ABS. We are likely to supplement this with further consumer research in Q4 2011/12 to explore changing consumer experiences of legal services as well as drawing on evidence from the Legal Ombudsman and our complaints research.

| Activity | Description | Milestone/output |
|---|--|---|
| Designation of Licensing Authorities | Processing applications to become Licensing Authorities | Q1 (11/12): Applications for Licensing Authority status are received Q2 (11/12): Designation decisions are issued |
| Commencement of Part 5 of the Legal Services Act 2007 | Working with the Ministry of Justice to ensure that the Orders associated with ABS are made | Q1/2 (11/12): Orders to be made 6 October 2011 – ‘go live’ date for ABS |
| Designation of an appellate body for ABS appeals | Further development of appeals work | Q1 (11/12): Order to be made Q3 (11/12): Implementation |
| Ongoing development of market readiness and Licensing Authority readiness | Working with the widest possible group of external stakeholders to identify and manage risks and opportunities presented by ABS | Ongoing engagement, particularly through ABS implementation group meetings |
| Development of policy approach with respect of special bodies | Working with special bodies and their representative groups to ensure they are well placed for the removal of the transitional protection measures | Q1 (11/12): Workshop event Q1/ 3 (11/12): Commission advice from the Consumer Panel regarding consumer protection in relation to not for profit providers Q4 (11/12): Development of options and assessment of regime |
| Initial evaluation of the impact of opening markets | Consumer research to compare the changing consumer experience of legal services with the Ministry of Justice baseline study | Q4 (11/12): Research is commissioned |

The medium-term outcomes that this work will contribute to

69. This work will contribute to a wider change in approach when it comes to compliance with regulation amongst legal services providers. Rather than focusing on ‘box ticking’ in respect of the detailed letter of rules, the focus will be on delivering good outcomes for clients. No longer restrained by old restrictions on capital and management, innovative practitioners and firms can challenge orthodoxies and deliver more holistic services in the market. Alongside this clearer focus on consumers, a more dynamic market for legal services means that more people can engage affordable legal advice.
70. The embedding of robust consumer protection measures and governance requirements within ABS will mean that, where things do go wrong, active regulators with the right tools will be able to quickly identify and minimise consumer detriment. For the legal services workforce, there will be a greater plurality of delivery models and new working methods brought into the market. This will bring new career paths, where partnership is not the only route to success and career development.

Section 3C: Securing independent regulation



Workstream overview

71. Our Internal Governance Rules (IGRs) set down a range of structural and functional standards to underpin independent regulation. They address matters such as budget-setting for the regulatory arms, lay majorities on boards, shared services arrangements and the ability to shape strategy. Across each of the approved regulators and their regulatory bodies there has been a process of reviewing governance arrangements against the framework for securing independent regulation provided by the IGRs – with the aim of submitting a dual self-certification of compliance. These are statutory rules and, whilst compliance is non-negotiable, we will be proportionate in assessing how they are delivered and upheld by each approved regulator.
72. Dual self-certification is an annual process and certificates will be due for submission by approved regulators once again in April 2011, with work being carried out by the executive within the LSB to consider their arrangements during the first quarter. It will be important that we shift the focus from reviewing the newly established governance arrangements towards, instead, insisting on practical and effective measures to embed those arrangements in systems and the conduct of personnel. In other words, independence needs to be happening in practice as well as on paper. This is important as obstacles to independent regulation may be cultural just as much as they may be systemic.
73. In the run-up to the return of the 2011/12 certificate, we will develop a risk matrix to provide an open and transparent framework for assessing and monitoring compliance. Along with intelligence gathering and scrutiny of decision-making, this will allow us to identify the level of ongoing supervision needed and to target our interventions appropriately.

Why this work matters

74. Securing regulatory independence has been one of the core institutional reforms to regulatory framework and, as such, is one of the main priorities for our first three years of operation. Reassuring the public about the rigour of legal services regulation, both in the sense of independence and competence, has been a key starting point.
75. The institutional separation through the creation of the regulatory arms was a key first step, but one which must be backed by systems, processes and the development of a culture which is genuinely independent. Consumer and public confidence in the independence and objectivity of regulation depends on embedding this across all levels. Monitoring continued compliance in practice is particularly important in the light of the changing legal services environment and the threats and opportunities that this creates for current practitioners.

Research/evidence

76. The focus of thinking on this work-stream will be to define the type of intelligence-gathering needed as part of the annual return and which is needed to form part of an ongoing risk matrix. We will work with the approved regulators, wider stakeholders and internally to ensure that we are co-ordinated in appropriately using information received across the work streams.

Milestones/outputs

| Activity | Description | Milestone/output |
|------------------------------|----------------------------------|---|
| Annual dual self-certificate | Submission of self-certificates. | <p>Q1 (11/12): Approved regulators will return self-assessment certificates</p> <p>Q2 (11/12): Self-assessments to be reviewed and approved regulators risk rated</p> <p>Q2/4 (11/12): Onwards risk-based supervision informed by a suite of intelligence across operational issues</p> |

The medium-term outcomes that this work will contribute to

77. The regulation of legal services in England and Wales will be – and be seen as – world leading in its:

- clarity of responsibilities;
- transparency of processes and costs;
- clear focus on the public interest as the starting point of all regulation;
- robust governance arrangements, which clearly separate representative and regulatory functions;
- effective compliance disciplines which demonstrate that both the letter and the spirit of separation are being met in practice.

78. In addition, we expect that approved regulators with a dual representative and regulatory function will be able to take advantage of the potential for representative arms, now no longer constrained by regulatory responsibilities, to re-focus and re-prioritise to meet their members' needs and to re-assert their role as advocates for professional excellence.

79. Crucially, with appropriate governance arrangements in place across the landscape, regulators will be able to use their machinery to target interventions appropriately in a way that addresses risk of consumer detriment.

Section 3D: Developing a changing workforce for a changing market



Workstream overview

80. The legal services market is changing rapidly and the workforce must evolve to meet changed needs. As new business models and new ways of working become widespread we need to ensure that legal services practitioners have the skills to properly serve their diverse client base. More specifically, as the oversight regulator, we need to work with approved regulators to ensure that regulatory requirements and activities:

- develop the education and training framework to ensure that it equips both the existing workforce and the workforce of the future – with a focus on ensuring quality through continual development and lifelong learning;
- promote diversity and social mobility.

Education and training

81. As the market changes, the existing education and training framework needs to evolve to meet new conditions and changed needs. We will assess how education and training requirements can be used as a regulatory tool to ensure the acquisition and maintenance of proper standards of professional and ethical competence across the legal workforce. To deliver this, we will work with approved regulators to develop a strategic assessment of the likely education and training needs of the legal workforce at all levels in 2020. The focus of this work will stretch across all stages, from non-graduate entry routes and undergraduate degree level, through to qualification, continuing professional development (CPD) and post-qualification quality assurance.

82. Issues concerning capacity and supply will also be examined, including the current mismatch between the numbers of students completing the vocational stage of training (Legal Practice Course (LPC)/Bar

Professional Training Course (BPTC)) and the number of training contracts and pupillages available across the market. Continuing the focus on entry, we will explore the expanding role played by paralegals in providing services (with or without supervision from a qualified lawyer) without regulatory requirements regarding competency standards and training.

83. A particular focus will be on defining the key principles for education and training requirements that should be part of the regulatory framework. We will use these as a point of reference when considering rule change applications that relate to education and training.
84. An important step will be to determine whether additional regulatory requirements are needed post-qualification to tackle risk of consumer detriment, particularly in the context of increasing specialisation. We will continue to work with the JAG on the development of the QAA Scheme as one initial vehicle for this work ensuring that the proposals that emerge are adequate in terms of the principles we have set for the Scheme.

Diversity and social mobility

85. We have made clear to approved regulators that our immediate priority is to build an evidence base around the composition of the workforce in order to inform targeted cross-sector policy responses. Based on findings, we will expect approved regulators to evaluate the impact of existing diversity initiatives, with a focus on identifying effectiveness, gaps and lessons that can be shared. Alongside this, we will work to promote transparency measures about workforce diversity at entity level to create more of an incentive on owners and managers to take action both to widen access and support progression and retention.

86. Our priorities will be determined by considering where we can best add value in addressing these cross-sector issues and in supporting the development of research. On the latter, we will collate cross-sector data provided by approved regulators to build a picture of the shape of the legal services workforce across the eight diversity strands, whilst also giving a clearer idea of levels of socio-economic mobility. However, our aim is not just to gather data. We expect to see robust action by approved regulators to continue to promote diversity at all levels, not just at entry stage, and to see rigorous evaluation of such initiatives.
87. Recognising the changing dynamics of the market, we will ensure LAs embed diversity and social mobility requirements in their rules concerning ABS. In carrying out this work, we will continue partnerships with other bodies across the public policy landscape that have common interest, including Government initiatives in the area of social mobility.
90. A key question facing regulators is the degree to which initial qualification requirements are sufficient to ensure competence throughout the career of a lawyer, particularly in keeping up with changed practices. An increase in specialisation across the market has tended to indicate towards additional regulatory requirements on professional development and quality assurance. More widely, ongoing training and quality assurance is an important strand of the 'regulatory toolkit' for the regulation of conduct of business.
91. In terms of professional development, regulation needs to support appropriate standards of competence at all times, as well as an understanding of ethical behaviour in order to protect consumers and ensure maintenance of professional identity and integrity. Additionally, we need to assess how best to frame existing competency measures in a way that is clear for consumers, avoids unnecessary duplication and addresses gaps. Supporting professional development does not mean supporting professional exclusivity or remote, poor value services.

Why this work matters

88. The LSB and approved regulators have a shared regulatory objective to ensure an independent, strong, diverse and effective workforce – with this work also supporting the delivery of high-quality services to a diverse client base. Section 4 of the 2007 Act gives a specific duty to the LSB to assist in the maintenance and development of standards in relation to education and training.
89. Making sure that the workforce is genuinely open to the widest pool of talent is key in guaranteeing that the lawyers of the future represent the best and brightest of each generation, not just those from traditional backgrounds. But that is not just an end in itself. Crucially, if we achieve that, we ensure that all citizens from the diverse communities in modern Britain have confidence in the rule of law and find themselves better able to access justice when they need it. Diversity in the profession is about making the law work better for a diverse society – not just about more work for more diverse lawyers.

Research /evidence

92. We are examining whether to commission further quantitative research in the field of workforce diversity to build on the qualitative research carried out during 2010/11. As part of this, a cohort study may be an appropriate vehicle for gathering new evidence. Alongside this, we will continue to collate workforce diversity data from approved regulators for analysis to provide a whole-sector picture of progress.
93. More specifically, we are examining the potential to sponsor a PhD project exploring education and training, particularly the relative contribution of different parts of the process in developing legal professionals.
94. We will be working closely with academics drawing on existing experience of surveying the diversity of the legal sector to improve our own proposals for the collection and publication of diversity data. We will also be drawing on the market supply studies to understand the changing nature of the supply

of legal services and how this is impacting on the diversity of the sector.

and training about to be launched by the SRA, BSB and IPS.

95. We have also made clear that we will address any gaps we see emerging in the review of education

Milestones/outputs

| Activity | Description | Milestone/output |
|------------------------|---|--|
| Education and training | Carry out research to support frontline regulator led Joint Review | Q1 (11/12): Publish details of research commissioned to support review led by approved regulators |
| | Seek Consumer Panel advice on robust accreditation schemes | Q2 (11/12): Receive advice |
| | Set out the key principles for education and training against which reforms can be assessed | Q4 (11/12): Publish key principles |
| | Tracking and monitoring the Joint Review led by the frontline regulators | Q1/3 (11/12): Offering support where input from oversight regulator level is appropriate, as well as testing outputs |
| Diversity | Evaluating existing initiatives | Q2 (11/12): Submissions from approved regulators assessing impact of existing initiatives |
| | | Q2 (11/12): Agree action plans with approved regulators (dependant on outcome of consultation) |
| | Increasing transparency and improving the evidence base | Q4 (11/12): Approved regulators to provide latest diversity data to LSB |
| QAA | Decisions on extension of QAA | Q1 (11/12): Framework and criteria agreed for decisions on extension |
| | Decision on rule change to enable implementation of QAA (Crime) | Q1 (11/12): Application by relevant approved regulators to change their regulatory arrangements to incorporate QAA (Crime) |
| | QAA (Crime) go-live | Q2 (11/12): Initial implementation |

The medium-term outcomes that this work will contribute to

96. Consumers will be confident that their access to justice is facilitated by a legal workforce that:
- at all levels can be transparently compared to and ever more closely matches the diversity of the population of England and Wales;
 - actively works to overcome discrimination and disadvantage in its own working practices and cultures, going above and beyond its statutory objectives;
 - is rigorous in setting, monitoring and communicating competency levels;
 - consistently modernises itself through formal continuing education requirements and a consistent culture of professional learning and improvement;
 - is transparent in its diversity and quality assurance to allow consumers to make informed choices about the type of provider that they use and allows aspirants to choose the type of provider they work for.

Section 3E: Improving access to justice: rationalising the scope of regulation



Workstream overview

97. To improve access to justice we need to better understand how demand and supply sides interact to provide services to consumers. The legal services market is poorly served in terms of data and analysis. This hampers any attempt to improve how the market works, such as through ensuring that regulation is targeted and proportionate.
98. During 2011/12, we will take significant steps towards painting a more detailed picture of the legal services market. We will be able to segment the market more effectively, research the operation of those segments and consider how regulation can help or hinder access to justice. We will do this through a series of data collection and research projects.
99. The first stage of our Regulatory Information Review will provide us with a complete overview of the data and analysis within the legal services market at present. That knowledge bank will be the first port-of-call for the LSB in considering evidence and analysis to support regulatory policy and decision-making. It will also provide us with a clearer picture of the substantial gaps in data – with our research going on to target these areas.
100. We will also start to re-examine how regulation interacts with both supply and demand sides of the market. Our objective is to ensure that regulation and market forces combine to deliver an efficient and effective sector. That is, a market that is developed through competition whilst also regulated where necessary to ensure consumer confidence and protection.
101. Alongside the supply and demand side analysis, we will also undertake an examination of regulation and reservation. Our objective will be to propose a rational and intellectually sustainable framework for assessing whether and where regulation is required. Our goal is to ensure that regulation becomes more targeted at addressing consumer detriment, whilst remaining proportionate to problems identified in the market.
102. By the time this Business Plan is finalised, we aim to have published our initial analysis of the indicators that suggest regulation is required. This will draw together two pieces of original research: firstly an analysis of the economic rationale for regulating legal services and the second establishing a set of outcomes that regulation may seek to protect for consumers. This will be supported by a collection of academic essays on legal services regulation.
103. During the course of 2011/12 we will develop this initial analysis to produce a draft set of criteria for making decisions about the scope of regulation – including for considering the circumstances in which we might look to recommend to the Lord Chancellor that the list of reserved activities be amended. An important qualification is that reservation to specific groups of lawyers is at the most extreme end of the range of regulatory tools – meaning we should look beyond this to both look at whether existing reservation continues to be justified and also establish when it is appropriate to initiate more limited interventions.
104. We will chart service and consumer segments, outlining the types of problems most likely to occur in different areas. We will also publish an analysis of the full potential range of regulatory interventions and plot which of these interventions, or combinations of interventions, we believe are the most appropriate to target the different types of problems.
105. Subsequently, we will undertake a market assessment in at least two different areas to test the emerging decision-making framework. Where we find that the current tool-kit available to us is not capable of delivering the appropriate regulation we will look for options to provide greater flexibility, including identifying the need for legislative change where appropriate. A consultation will be issued before the end of the 2011/12 setting out findings.
106. In response to concerns about consumer detriment in this area, as well as in the light of developments in Scotland, we have committed to launch a specific examination of the case for regulating will writing differently. This will help to test the wider framework, scope and appropriateness of regulation.

Why this work matters

107. The LSB is subject to a statutory requirement to consider the scope of reservation. In order to discharge this duty appropriately, we need to establish a consistent policy and intellectual framework for such decisions. Regulation of legal services is undergoing a period of substantial reform. However, the core regulatory framework that evolved prior to 2007 remains largely unchanged. This is built around the six “reserved activities” set out in the Act. These activities are reserved to certain types of authorised lawyers. Research has revealed that there is little by way of a policy basis or consistent rationale for the current system of reservation.¹¹
108. Most legal advice does not fall within the reserved activities and therefore exists outside the scope of legal services regulation. Adding a further level of complexity, regulation is extended by virtue of requirements imposed on some parts of the professions to protect professional titles – having the effect that certain types of lawyer undertaking unreserved activity become the subject of regulation. A concern has been that there is an uneven playing field due to these restrictions, alongside a tangled web of interventions that has developed over time without strategic planning.
109. The reform programme has sought to increase competition and stimulate innovation across the market in order to raise standards and widen choice for consumers. This creates a new impetus for ensuring that we have a framework for weighing regulatory decisions that reflects the modern market and a greater plurality of delivery models. The 2007 Act strives to balance permitting more diverse delivery and competition with stronger and more appropriate consumer protections. Interventions should not go beyond what is required to ensure proper protections designed to prevent consumer harm, and offer redress when the service has fallen short. This work is crucial to ensuring that such a balance is achieved.

110. These key regulatory decisions need a fuller understanding of the economics of the legal services market and a proper framework for understanding the supply and demand sides. We take the absence of comprehensive data and analysis as a sign of the lack of competitiveness in the market and consider that more robust evidence and research will support our overall objectives.

Research/evidence

111. The Consumer Panel will be reporting its findings on consumers’ experience of will writing services during Q2. The results of this work will serve the wider purpose of testing the developing regulatory decisions matrix. Additionally, we will undertake a market assessment of a reserved area during Q2. External expertise is likely to be required. We will also draw on Legal Ombudsman data concerning complaints in areas outside of their jurisdiction.
112. In developing the decision-making matrix, we will generate original research into consumers’ understanding of quality, including a study of how they choose providers.
113. We will undertake a review of regulatory tool-kits successfully used in other comparable organisations.
114. We will also draw on the review of education and training including the drivers of ethics and professional behaviour.

Milestones/outputs

| Activity | Description | Milestone/output |
|--|---|---|
| Regulatory framework | Developing a matrix for deciding whether to regulate and the appropriate regulatory framework. | Q1 (11/12): Seminar to discuss early thinking around the framework for deciding whether regulation is required, consumer outcomes and range of regulatory interventions. Q2 (11/12): Consultation on proposed framework. Q4 (11/12): Publish framework for making regulatory decisions. |
| Will writing | | Q2 (11/12): Receive Consumer Panel advice. Q3 (11/12): Potential Section 24 investigation into making will writing a reserved legal activity. Q4 (11/12): Consultation on the results of the investigation |
| Regulatory Information Review | Review of all published research and data on the legal services market | Q1 (11/12): Publication of summary report Q1 (11/12): Publication of research database |
| Completion of market supply benchmarking studies | Developing an evidence base to understand how regulatory changes have affected the supply of legal services | Q2-4 (11/12): Summary reports on market segments |

The medium-term outcomes that this work will contribute to

115. In the medium term we will have established a rational framework which can be applied to the full range of regulatory decisions that the LSB must enact. We will have reinforced our grasp of market issues through building an evidence base of economic issues that have the potential to lead to consumer detriment, backed by a greater understanding of the outcomes that consumers themselves say matter to them. By setting out for the first time an underlying rationale for regulation,

both the LSB and the approved regulators can be agile in identifying the right extent and form of regulation that is needed to protect consumers in an increasingly dynamic market.

Notes

11 <http://www.lawsociety.org.uk/documents/downloads/lb-report-accounts08.pdf> as at March 2009

Section 4: Budget and governance

Resources to deliver our Plan

116. Table 1 shows our proposed budget for 2011/12. Based on the planning assumptions we describe below, we are proposing a budget of £4,931k to deliver our draft Business Plan for the year ahead. This keeps the total budget the same as for the current year (2010/11); we have frozen pay increases for two years and have undertaken to absorb additional non-pay increases from our contractual services and general running costs. This is against a backdrop of taking on more work (see next paragraph), the increase in VAT on goods and services and the additional 1% employers' national insurance increase due from 1 April 2011.
117. As stated in paragraph 38, from 1 April 2011, we will be undertaking additional work associated with the commencement of Schedule 18 of the Act which will see the LSB take on regulatory oversight for immigration advice provided by lawyers authorised

by approved regulators – a function currently carried out by the Office of the Immigration Services Commissioner (OISC). We estimate that the cost of the work we will be required to absorb will equate to £110k per annum – this is based on the *Immigration Services Commissioner (Designated Professional Body) (Fees) Order 2010* made by the Home Office in March 2010.

118. Figures for 2012/13 and 2013/14 are highly provisional at this stage. Although we will be emerging from a two year pay freeze, we have held the figures level in cash terms. However, were the LSB to have to become a Licensing Authority or take on the functions of a failing approved regulator, costs could increase sharply. On the other hand, growing levels of competence and capability in approved regulators could see costs decrease. We are working towards the latter outcome but cannot guarantee it at this stage.

Table 1 – LSB budget for 2010/11 and predicted budget for 2011-13

| | 2011/12 Operational Budget £000 | 2012/13 Operational Budget £000 | 2013/14 Operational Budget £000 |
|----------------------------|--|--|--|
| Staff | 2,856 | 2,927 | 3,001 |
| Accommodation | 585 | 611 | 600 |
| Research | 300 | 300 | 300 |
| IT/Facilities/Finance | 251 | 233 | 220 |
| LSB Board | 210 | 205 | 200 |
| Consumer Panel | 48 | 48 | 48 |
| Office costs | 153 | 135 | 125 |
| Depreciation | 151 | 80 | 80 |
| Contracted out services | 127 | 110 | 80 |
| Legal reference/support | 84 | 90 | 80 |
| TOTAL exc OLC Board | 4,765 | 4,739 | 4,734 |
| OLC Board | 166 | 152 | 150 |
| Total inc OLC Board | 4,931 | 4,891 | 4,884 |

Budget and planning assumptions

119. Our draft Plan maintains momentum on initiatives already underway to deliver our vision for the legal services market and in doing so to implement the legal services reform programme. In maintaining momentum, our workload will not diminish over the year ahead, although the distribution of effort – and the resources that follow – will change as we move from planning to implementation to assessment of impact in areas such as independence of regulation and complaints-resolution. In addition, it is already clear that our ‘business as usual’ activity’ will not decline and may indeed increase as the professions’ regulators modernise and adjust their regulatory arrangements.
120. Whilst we have adopted processes that ‘front-load’ activity in such a way as to minimise the call on the LSB’s resources, it is beyond question that the resource investment required to manage the flow of work associated with applications for alterations to approved regulators’ regulatory arrangements, performance oversight of the OLC, and anticipated applications, is significant.
121. We know that based on the current staffing complement, approximately 85% of the planned running budget of the LSB will be made up of “fixed” costs (Board, OLC Board, staffing, accommodation, depreciation, outsourced services) and that the remaining 15% will be accounted for by research, contracted out services (internal and external audit, professional advice), and office running costs etc. This 15% of costs will be determined largely by the activities that the LSB will want to undertake in the 2011/12 year and will relate directly to the level of planned activity.
122. We are still uncertain about whether, and if so to what extent, the LSB itself will need to take on any direct regulatory or licensing activity role. Equally, any use of the LSB’s enforcement powers would generate resource requirements for the organisation.

123. In addition:

- a. We will continue to apply a freeze on overall salary-related increases for 2011/12.
- b. We will absorb the planned 1% increase for employers’ National Insurance contributions from 1 April 2011 within the existing staffing budget.
- c. We are not proposing any change to our approved staffing establishment, which remains at 34 posts.
- d. With the agreement of the Lord Chancellor, we will only appoint to one of the Board Member positions that were vacant as at 31 March 2010.
- e. We will absorb all the increases on non-pay expenditure headings and the effects of the VAT increase from 1 January 2011.

Recouping our costs

124. We are required by Part 7 of the Act, specifically Sections 173 – 175, to meet all our and the OLC’s costs through a levy on the approved regulators. The Act allows us to propose different methodologies for apportioning the running costs of the LSB from the OLC. The methodologies for recouping running costs for both the LSB and OLC were agreed in October 2010 and The Legal Services Act 2007 (Levy) (No.2) Rules 2010 is due to be laid on 31 December 2010.
125. We plan to collect the necessary information from approved regulators between now and January 2011. We will then update the existing Memoranda of Understanding and issue notices of payment in February 2011. A similar timetable will be followed in each subsequent year.

Supporting our delivery

Corporate governance

126. The LSB is accountable to Parliament through the Lord Chancellor and is sponsored by the MoJ. The relationship between the MoJ and the LSB is explained within Framework documentation which

has recently been revised to ensure it remains in line with best practice across Government.

127. The Board welcomes its duty under the Legal Services Act 2007 to have regard to generally accepted principles of good corporate governance. In accordance with this, the Board has adopted a comprehensive Governance Manual¹² which includes the Board's Code of Practice and Schemes of Matters Reserved To and Delegated From the Board alongside Terms of Reference for the Board's two Committees – Audit and Risk (ARC) and Remuneration and Nomination (RNC).
128. The ARC's remit includes: reviewing and endorsing the annual budget, Annual Report and Accounts; external audit and any issues arising from the interim and final audits; appointing the internal auditors, approving the internal audit plan and receiving internal audit reports; and overseeing risk management. The RNC's remit includes: agreeing, monitoring and reviewing the terms and conditions of service of the Chief Executive and other colleagues; agreeing, monitoring and reviewing the pension arrangements for LSB colleagues; and monitoring and reviewing the induction process for Board Members.
129. The Senior Management Team is responsible for implementing the strategy of the Board and day-to-day organisational management. The current organisation chart is at **Annex 1**.

Risk management

130. The LSB is committed to robust risk management across all of its activities whether regulatory or operational. During 2010 we reviewed our risk management framework in the light of our experience to date and we reinforced the need for collective responsibility for identifying, monitoring and mitigating risks. Risk is therefore managed at all levels in the organisation - within projects, across the work programme, at SMT, ARC and Board level through regular review.

Corporate services

131. Underpinning all of our regulatory activity is a slim corporate services function. We actively designed our organisation to rely so far as possible on low cost, out-sourced 'back-office' support and thus our IT, finance administration, telephony and facilities are all provided by the Competition Commission. Our HR advice is provided by a commercial provider. The Board has two in-house lawyers and access to a panel of general and specialist advisors, appointed through competitive tender¹³. By adopting this approach we have managed to keep in-house staffing requirements to a minimum and have secured appropriate and proportionate commercial services at competitive prices.

Measuring our performance

132. As outlined paragraph 11 we intend to evaluate our performance in delivering our 'business as usual' activities. This section describes the service standards against we will measure our performance for three areas:
- a. Regulatory decisions performance
 - b. Finance process performance
 - c. Freedom of Information and Data Protection Act requests
133. We will keep these under review as our work progresses over the year and, in particular, we will undertake "lessons learned" exercises, particularly once we have some experience of a new process, and where appropriate update our guidance.

Notes

12 http://www.legalservicesboard.org.uk/about_us/our_board/board_code_of_practice/index.htm

13 http://www.legalservicesboard.org.uk/news_publications/press_releases/2010/05_01_2010.htm

Regulatory decision performance

| | Change to regulatory arrangements | New AR designation or extending reserved legal activities | LA designation | Cancellation of designation for approved regulators* | Cancellation of designation for LAs* |
|---|--|--|-------------------------|---|---|
| We will publish applications on our website as long as we consider the applications to be complete | Within 2 days | Within 5 days** | Within 5 days** | Within 5 days** | Within 5 days** |
| We will make a decision or recommendation on the application | Within 28 days for simple | Within 130 days^ | Within 130 days^ | Within 65 days | Within 65 days |
| Where appropriate, we will publish our: <ul style="list-style-type: none"> - Advice received from mandatory consultees (and others as appropriate) - Written representations from applicants - Prepared report for any oral representations - Recommendation to the Lord Chancellor | Within 5 days | Within 5 days | Within 5 days | Within 5 days | Within 5 days |
| Where appropriate, we will publish our: <ul style="list-style-type: none"> - Decision; - Extension; - Warning; and - Refusal to consider; Notices on our website | Within 2 days | Within 2 days | Within 2 days | Within 2 days | Within 2 days |

Note: All days are working days

*This KPI only applies under sections 45(3) and 76(3) of the Legal Services Act 2007 (that is, where the approved regulator applies for cancellation, and therefore, is not as a result of an enforcement process)

**The applications will be published on our website as long as they are complete. The LSB reserves the right during this period to request further information from the applicant.

***Paragraph 26 of Part 3 of Schedule 4 to the Legal Services Act 2007 provides for a maximum decision period of 18 months from the date the applicant received a warning notice from the LSB.

^Paragraph 25 of Part 2 of Schedule 4, and paragraph 13 to part 1 of Schedule 10 of the Legal Services Act 2007 provides for a maximum decision period of 16 months.

134. We will continue to use “lessons learned” reviews to identify areas of good practice that can be used elsewhere and areas for improvements. We will actively seek feedback from approved regulators and other stakeholders, using a range of methods including one-to-one and group meetings and on-line surveys. We will report on the outcome of all lessons-learned reviews, issuing additional or new guidance where appropriate.
135. For those applications where the applicant must pay a fee, we will record the time spent assessing the application across the LSB to measure whether the work done is reflective of the fee charged.

Finance process performance

136. In our annual report and accounts, we detail our success at paying all undisputed invoices within 30 days. We have also undertaken to meet the 2008 Cabinet Office guidance for Departments and we have set a target of paying undisputed invoices within ten days of receipt. We support the Cabinet Office’s aspiration to support businesses through ensuring the public sector pays its bills swiftly.
137. We note that, from a commercial perspective, this would seem irrational as the longer an organisation retain its funds the more it can either earn in interest or reduce its borrowing. As the LSB is a Non-Departmental Public Body, we are obliged to keep all of our cash resources with the Government Banking Service and we are unable to receive any interest on these funds.

Freedom of Information and Data Protection Act requests performance

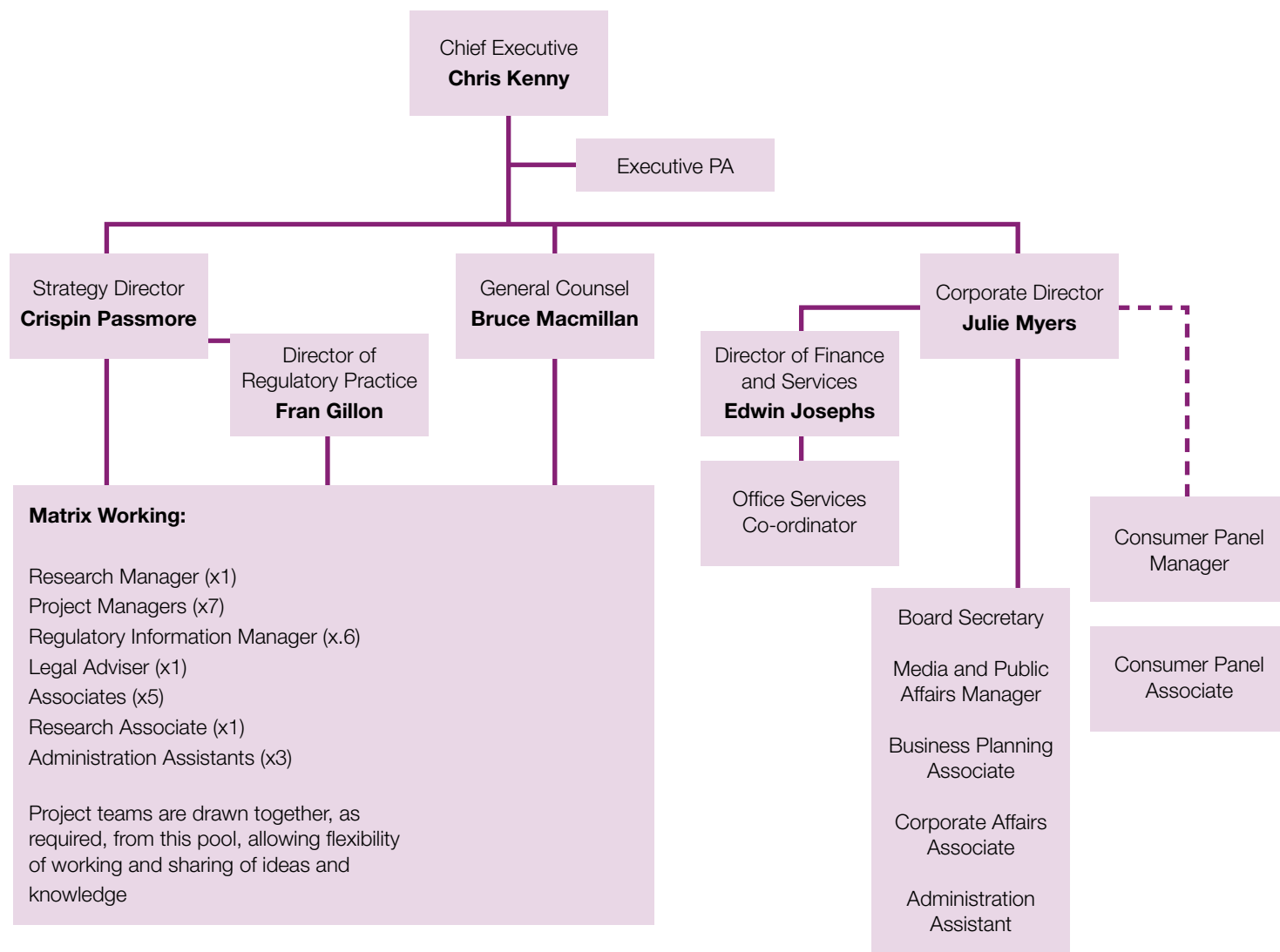
138. We will aim on average to acknowledge and to respond fully to freedom of information requests within respectively 3 and 15 working days. The statutory maximum for responding is 20 working days and our current average is 12 working days.
139. We will aim on average to acknowledge and to respond fully to data protection subject access requests within respectively 3 and 20 working days. The statutory maximum for responding is 40 calendar days.

Section 5: Responding to this consultation

140. We welcome views and comments on all aspects of our draft Business Plan by 5pm on **Tuesday 8 March 2011**.
141. We would prefer to receive responses electronically (in Microsoft Word format), but hard copy responses by post or fax are also welcome. We are also keen to engage in other ways and we would welcome contact with anyone with an interest in the work proposed in this draft Business Plan during the consultation period.
142. Responses should be sent to:
- Email: consultations@legalservicesboard.org.uk
 - Post: Michelle Jacobs,
Legal Services Board,
7th Floor,
Victoria House,
Southampton Row,
London
WC1B 4AD
 - Fax: 020 7271 0051
143. We intend to publish all responses to this consultation on our website unless a respondent explicitly requests that a specific part of the response, or its entirety, should be kept confidential. We will record the identity of the respondent and the fact that they have submitted a confidential response in our summary of responses.
144. If you want to discuss any aspect of this consultation, or need advice on how to respond, please contact the LSB by telephone (020 7271 0050) or by one the methods described above.
145. We will consider all responses to this consultation and will publish the final Business Plan for 2011/12 in April 2011.

Annex 1

Organisation structure as at 8 December 2010



Legal function

The legal function, led by the General Counsel, provides focused and effective support to the Board, to the SMT and to the LSB as a whole to ensure that all acts and decisions made by the LSB are legally sound and legal considerations are understood by the decision makers.

Finance and services

The LSB participates in a shared services arrangement with the Competition Commission to achieve maximum value for money and efficiency. This provides both resilience and efficiency in meeting the transactional processing elements of its corporate services of Finance, IT and Facilities.

Annex 2

Key milestones for the year

| Quarter 1 2011/12 April - June | Workstream | Quarter 2 2011/12 July - September | Workstream |
|--|------------|--|------------|
| Put first-tier complaints-handling consumer perceptions research out to tender | 3A | Research into consumer experiences of first-tier complaints-handling is published | 3A |
| Applications for designation as Licensing Authorities are received | 3B | Review commenced into regulatory framework for first-tier complaints | 3A |
| Order made for designation of an appellate body for ABS | 3B | Designation decisions for Licensing Authorities | 3B |
| Hold workshop event on special bodies | 3B | Orders to be made under Part 5 of the Legal Services Act 2007 | 3B |
| Commission advice from Consumer Panel on consumer protection in relation to not for profit providers | 3B | Self-assessments of approved regulators against IGRs are reviewed and approved regulators risk rated | 3C |
| Submission of self-certificates by approved regulators against IGRs | 3C | Submissions from approved regulators to impact assess existing diversity initiatives | 3D |
| Publish details of research commissioned to support approved regulators' review of education and training | 3D | Agree action plans with approved regulators on measures of transparency of workforce diversity | 3D |
| Applications received from relevant approved regulators to change their regulatory arrangements to incorporate QAA | 3D | Consumer Panel advice provided on criteria for accreditation schemes | 3D |
| Framework and criteria agreed for extension of QAA | 3D | QAA (Crime) becomes 'live' | 3D |
| Hold seminar to discuss the scope of regulation against consumer outcomes | 3E | Consult on the proposed framework for the scope of regulation | 3E |
| Publication of RIR summary report | 3E | Receive Consumer Panel advice on regulation of will writing | 3E |
| Publication of research database | 3E | | |

| Quarter 3 2011/12 October - December | Workstream | Quarter 4 2011/12 January - March | Workstream |
|---|------------|---|------------|
| Publish assessment of first-tier complaints-handling regulatory frameworks | 3A | Receive advice from the Consumer Panel on consumer protection in relation to not for profit providers | 3B |
| Designation of appellate body for ABS appeals | 3B | Development of policy relating to special bodies | 3B |
| First ABS begins trading | 3B | Commission consumer research on the changing experience of legal services in the light of first stages of opening up the market | 3B |
| Potential Section 24 investigation into making will writing a reserved activity | 3E | Receive, and begin assessing, diversity data from approved regulators | 3D |
| | | Publish key principles of reform to education and training | 3D |
| | | Publish framework for making regulatory decisions | 3E |
| | | Consultation on the results of the investigation into will writing | 3E |

Annex 3

The regulatory objectives matrix

Although, broadly speaking, most strands of our work will further, to a greater or lesser degree, each of the regulatory objectives, some strands of work will have particular relevance to specific regulatory objectives. The following matrix highlights where specific projects directly support particular regulatory objectives:

| | 2A Regulatory excellence | 3A Ensuring redress | 2B Widening access | 3C Independent regulation | 3D Workforce development | 3E Improving access to justice |
|--|---------------------------------------|----------------------------------|---------------------------------|--|---------------------------------------|--|
| The public interest | X | X | X | X | X | |
| The rule of law | | X | | X | | |
| Access to justice | | | X | | X | X |
| Consumer interest | X | X | X | X | X | X |
| Enhancing competition | | | X | X | X | X |
| Independent, strong and diverse profession | X | X | X | X | X | |
| Citizen's rights and duties | X | X | | X | | X |
| Professional principles | | X | X | | X | |



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