

FOR IMMEDIATE RELEASE

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LSB PUBLISHES ANNUAL REPORT FOR 2012/13

DELIVERING IMPROVEMENTS FOR ALL AT HEART OF PROGRAMME

The Legal Services Board – the independent body overseeing the regulation of lawyers in England and Wales – has published its Annual Report and Accounts for the year 2012/13. The document was laid before Parliament earlier today, 11 June 2013.

The report covers the third full year of the post Legal Services Act 2007 regulatory regime – which stripped away lawyers’ outdated self-regulation and put independence, liberalisation and a public and consumer interest focus at the heart of regulators’ objectives.

The annual report describes how the LSB delivered the priorities set out in its 2012/13 Business Plan and its statutory objectives highlighting:

- the positive endorsement of the LSB’s role, form and functions by the Ministry of Justice’s first Triennial Review
- the outcome of regulatory competence assessments for each of the regulators allowed to regulate reserved legal activities
- calls for action by regulators to improve outcomes for consumers of immigration advisors and lawyers offering will-writing services.

The report also looks forward, in particular to LSB work interrogating whether unnecessary cost and complexity are added to the legal services market by regulators and legislators – or by risk averse firms exercising excessive caution. The outcomes of this work will feed into the Government’s call for evidence on legal services regulation.

The report also outlines the significant contribution made by the LSB to understanding the legal services market from the perspective of providers and consumers alike including the largest ever survey of solicitor firm activity.

David Edmonds, Chairman of the Legal Services Board said:

“This has been the year we have seen emerging evidence of the LSB’s impact. Almost 200 alternative business structures are in place, innovation is gathering pace across the market and regulators are committing themselves to challenging programmes of change. Importantly, policy developments are increasingly underpinned by hard evidence of where business and individual consumers alike are seeing both excellence and problems in their legal services.

“It demonstrates why, in this sector and at this point in its development, an independent body to oversee frontline regulation is needed.

“We are happy to reflect on how to further reduce cost and complexity in regulation. Winding the clock back to a pre-Legal Services Act world of unfettered, unaccountable professional self-regulation is not, I believe, an option. The LSB will persist in challenging barriers to entry and regulatory frameworks which, in design and operation, confused the public and consumer interest with professional self-interest. This approach will continue to be vital in ensuring that legal services regulation keeps pace with the needs of the wider economy and best practice.”

Justice Minister, Helen Grant MP said:

“It is crucial in any industry that bad practice is kept out and that customers know they are dealing with someone they can trust - and the legal sector is no different.

“Proportionate and well-targeted regulation plays an important role in protecting consumers, underpinning the law and enabling firms to efficiently meet clients’ needs.

“The LSB is championing these objectives and continuing to challenge approved regulators to raise standards as they modernise their approaches. This was recognised by MoJ’s 2012 Triennial Review of LSB, which reported that it was well-governed, delivering its remit and helping to reinforce the worldwide reputation of the legal sector in England and Wales.”

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

Notes for editors:

1. The Annual Report can be found [here](#).
2. The LSB operates at nil cost to the public purse and its expenditure in 2012/13 was £4.27m against a budget of £4.50m resulting in an under spend of £0.23m. 100% of this under spend will be used to reduce the levy for the approved regulators for the coming year.
3. It highlights the efficiency of the organisation with just 31 members of staff (as at 31 March 2013) and an average annual sickness absence levels at approximately 3.4 days per person.
4. The Legal Services Act ("The Act") created the Legal Services Board as a new regulator with responsibility for overseeing the regulation of legal services in England and Wales. The new regulatory regime became active on 1 January 2010. The LSB oversees eight approved regulators, which in turn regulate individual lawyers.
5. The LSB is today also publishing a new paper '[Overseeing regulation: the LSB's approach to its role](#)', which explains how the LSB approaches its statutory responsibilities.
6. In addition, the Institute of Chartered Accountants of Scotland and the Association of Chartered Certified Accountants are listed as approved regulators in relation only to reserved probate activities.
7. As at 1 April 2012, the legal profession comprised 119,641 solicitors, 15,309 barristers, 7,947 chartered legal executives and 4,198 other individuals operating in other areas of the legal profession such as conveyancing. The sector is currently valued at £25.49 billion per annum (total turnover in 2010).