

## **LSB PUBLISHES DRAFT 2011/12 BUSINESS PLAN**

The Legal Services Board has today published its draft Business Plan for 2011/12, setting out its priorities for next steps in the delivery of the reform programme for legal services.

The draft Plan, which is published for consultation, sets out the final stages of a three-year planning cycle designed to embed the reforms envisaged by the Legal Services Act 2007 – the most wide-ranging set of changes for the delivery of legal services in England and Wales in recent decades.

Progress to date has involved major institutional change in the legal services sector. Examples of modernisation have included the creation of a new Legal Ombudsman to provide independent redress to clients, as well as the implementation of Internal Governance Rules to embed independent regulation across the frontline regulators.

As a route to opening up the market, the licensing framework for Alternative Business Structures (ABS) has stimulated thinking about new forms of legal business. This is complemented by moves towards outcomes-focused regulation, backed by a more effective approach to risk assessment, which the work proposed in the draft Plan seeks to accelerate.

During the period covered by the draft Plan published today, the LSB expects the initial stages of the reform programme to be completed so that attention can shift to preparing the ground for the next phase of reform. This will see the development of a rigorous approach to defining the scope of regulation, as well as a focus on quality and workforce issues.

Major milestones for activity set out in the draft Business Plan for 2011/12 include:

- Completing preparations for ABS – with the emergence of fully operational Licensing Authorities in the sector and the first new ABS able to open for business on 6 October 2011;

- Reviewing and risk-rating Approved Regulators' governance arrangements – ensuring that the systems, processes and culture of regulation embed independence and are capable of commanding public confidence;
- Creating an overarching rationale for when regulatory intervention is required – with an early focus on the most appropriate approach to regulating will-writing services.

The Board is also inviting views on proposals for specific policy enquiries across areas including the following:

- The conclusion of an investigation into referral fees;
- An examination of the conveyancing market;
- A review of the effectiveness of approved regulators' arrangements for discipline, enforcements and appeals;
- A project focusing on the smaller approved regulators; and
- Delivery of the Board's new responsibilities for overseeing immigration advice.

The LSB also wishes to hear from consumer bodies about areas where they believe the Board should commission advice from its Consumer Panel. The draft Plan indicates that the Board is minded to ask the Panel to review appropriate consumer protection arrangements amongst not-for-profit providers.

Anyone with an interest in legal services regulation is invited to comment on the proposals by the close of business on **Tuesday 8 March 2011**.

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

*The early stages of the reform programme have focused on institutional change, ensuring that the regulators are able to command public confidence and that the market is structured to support innovation and competition. This draft Business Plan sets out the final stages of that three-year process. Now that the bulk of the structures are in place and the right approach to regulatory rules is starting to bed down, the focus is shifting to the next phase of delivery. This will involve using the new structures as a vehicle for ensuring quality, identifying gaps in the market and protecting the consumer interest.*

*So our aim this year is both to conclude that first phase and lay the foundations for a new agenda for 2012-15 onwards. We welcome all comments on the proposals we have set out for this crucial transition year.*

**For more information please contact Craig Jones, Media and Public Affairs Manager on [craig.jones@legalservicesboard.org.uk](mailto:craig.jones@legalservicesboard.org.uk) or by calling 020 7271 0068 or 07702 428210.**

**Notes for editors:**

1. The draft 2011/12 Business Plan can be found at [http://www.legalservicesboard.org.uk/what\\_we\\_do/consultations/open/index.htm](http://www.legalservicesboard.org.uk/what_we_do/consultations/open/index.htm)
2. The Legal Services Act ('The Act') provides for the creation of the Legal Services Board as the oversight regulator for legal services in England and Wales. The new regulatory regime enacted by the Act became fully active on 1 January 2010.
3. The legal profession currently consists of some 16,455 barristers, 112,246 solicitors and 12,200 individuals authorised to operate in other aspects of the legal profession such as conveyancing. The sector has been valued at £25.97 billion per annum. In total the legal sector employed 323,000 individuals in 2008. [ONS]
4. Section one of the Act defines the following regulatory objectives that guide the work of the Legal Services Board and its partners the Approved Regulators:
  - Protecting and promoting the public interest;
  - Supporting the constitutional principle of the rule of law;
  - Improving access to justice;
  - Protecting and promoting the interests of consumers of legal services;
  - Promoting competition in the provision of legal services;
  - Encouraging an independent, strong, diverse and effective legal profession;
  - Increasing public understanding of the citizen's legal rights and duties;
  - Promoting and maintaining adherence to the professional principles;
5. The LSB oversees eight "Approved Regulators", which in turn regulate individual lawyers and organisations. The eight approved regulators, designated under Part 1 of Schedule 4 of the 2007 Act, are the Law Society, the Bar Council, the Master of the Faculties, the Institute of Legal Executives, the Council for Licensed Conveyancers, the Chartered Institute of Patent Attorneys, the Institute of Trade Mark Attorneys and the Association of Law Costs Draftsmen.

In addition the Institute of Chartered Accountants in Scotland and the Association of Chartered Certified Accountants are listed as Approved Regulators in relation only to reserved probate activities.