

Cost of regulation stakeholder reference group

22 September 2014

Background and objectives

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Background

2010

2011

2012

2013

2014

2015

**LSB
regulatory
information
review**

**MoJ Triennial
Review**

**LSB
business
plan**

**MoJ review
of regulatory
framework**

**LSB
business
plan**

Objectives

Test hypothesis legal services regulation is unnecessarily expensive

High level exploration of the cost of the regulators and LSB

Assessment of total regulatory costs authorised persons face to be able to practise

Identify any common areas where providers may be able to reduce compliance costs

Gather evidence for policy makers and regulators to base future work on

Objectives

Future work

- Intention for this to be the first in a series of projects e.g. consideration of benefits of regulation

Independent expertise

Gained from:

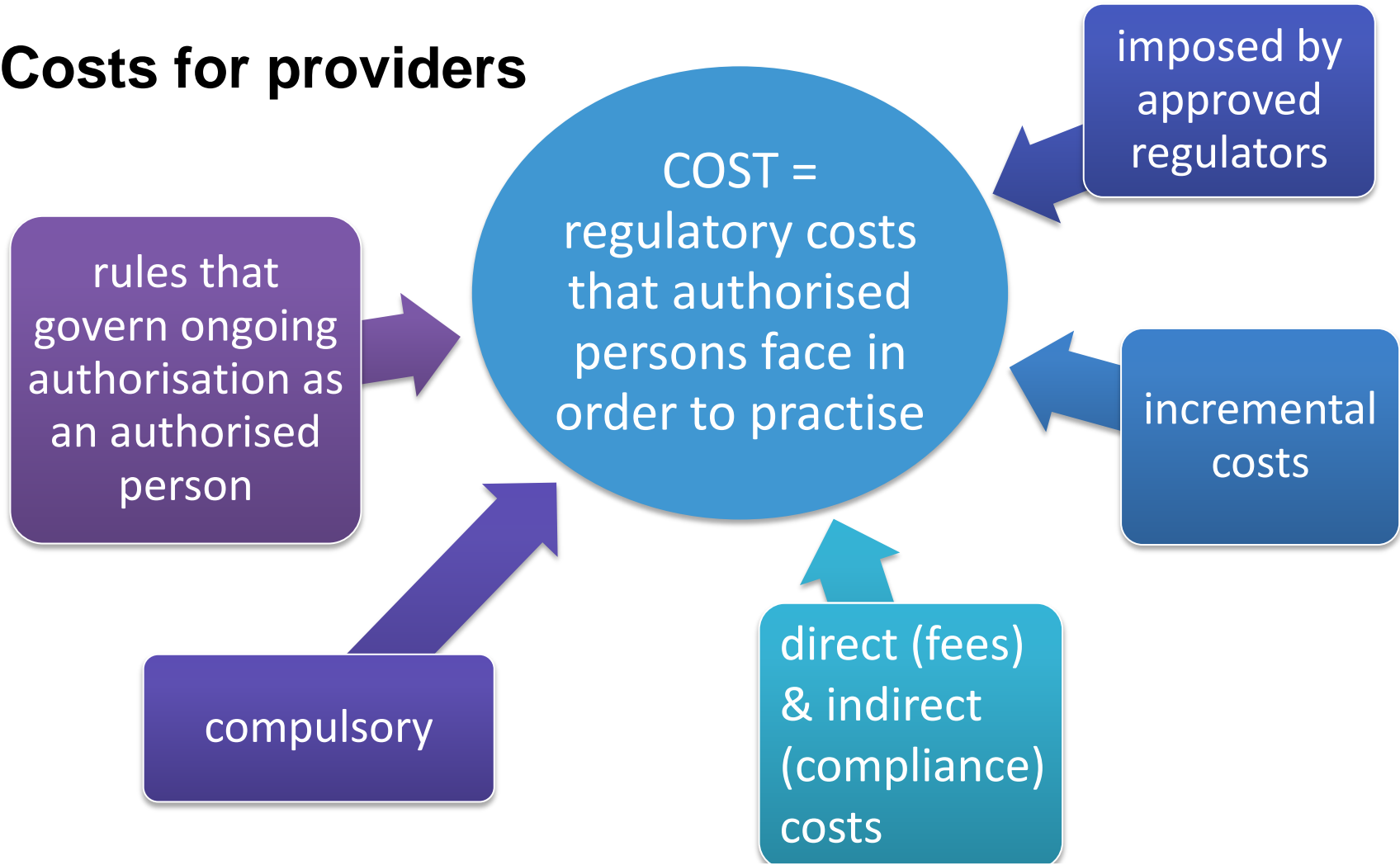
- Professor Stephen Mayson and Dr Chris Decker
- Research strategy group
- External research company
- Stakeholder reference group
- Wider group being kept informed

Work streams

Olivia Marley, Regulatory Associate
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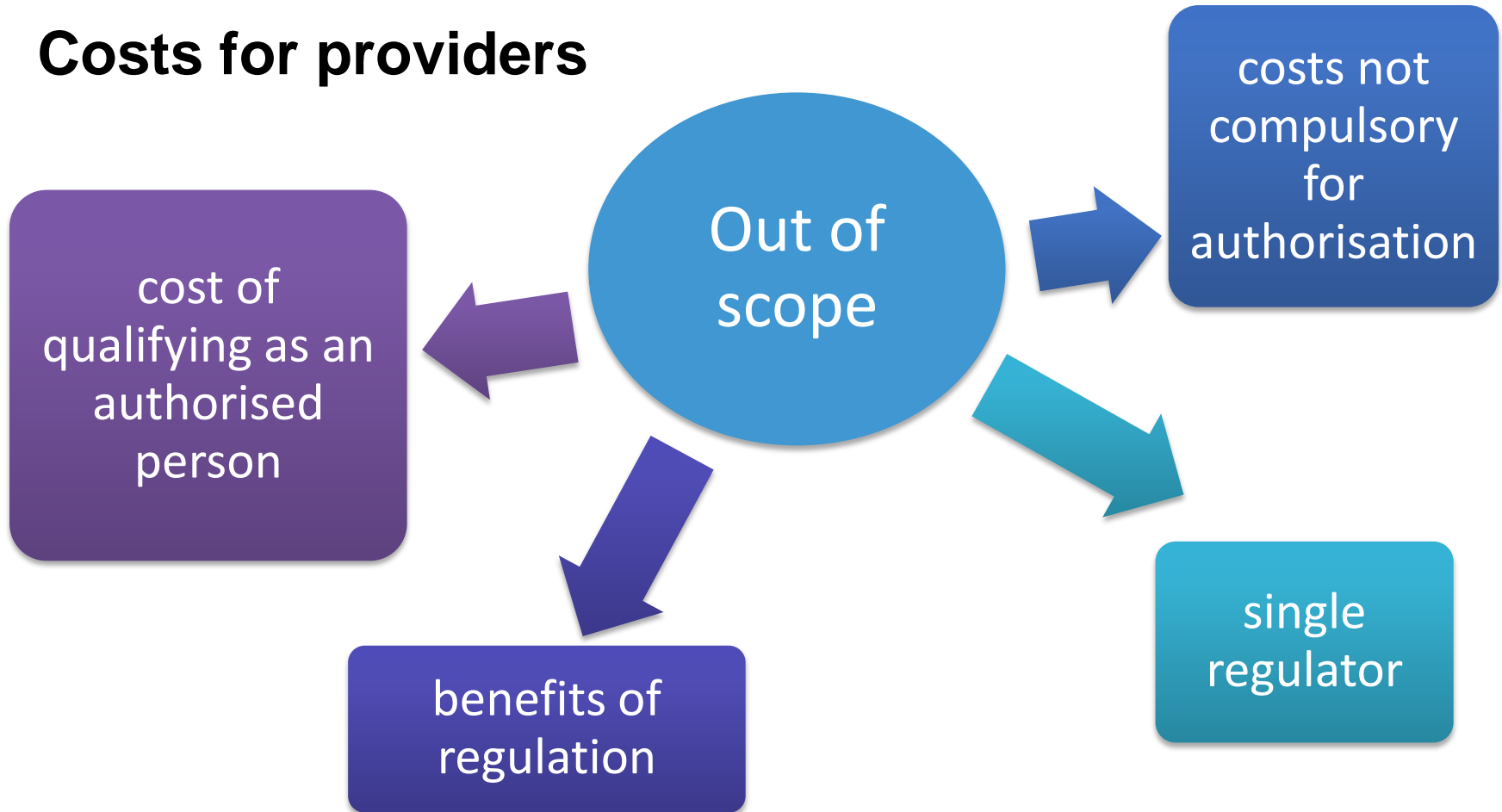
Work streams

Costs for providers



Work streams

Costs for providers



Work streams

Regulators' costs

- High level exploration of the cost of the approved regulators and LSB
- Still under development
- Building on existing data on PCF
- Comparison to suitable benchmarks

Outline of external scrutiny role

Professor Stephen Mayson
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Questions/ comments

Research approach

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Research: the challenges

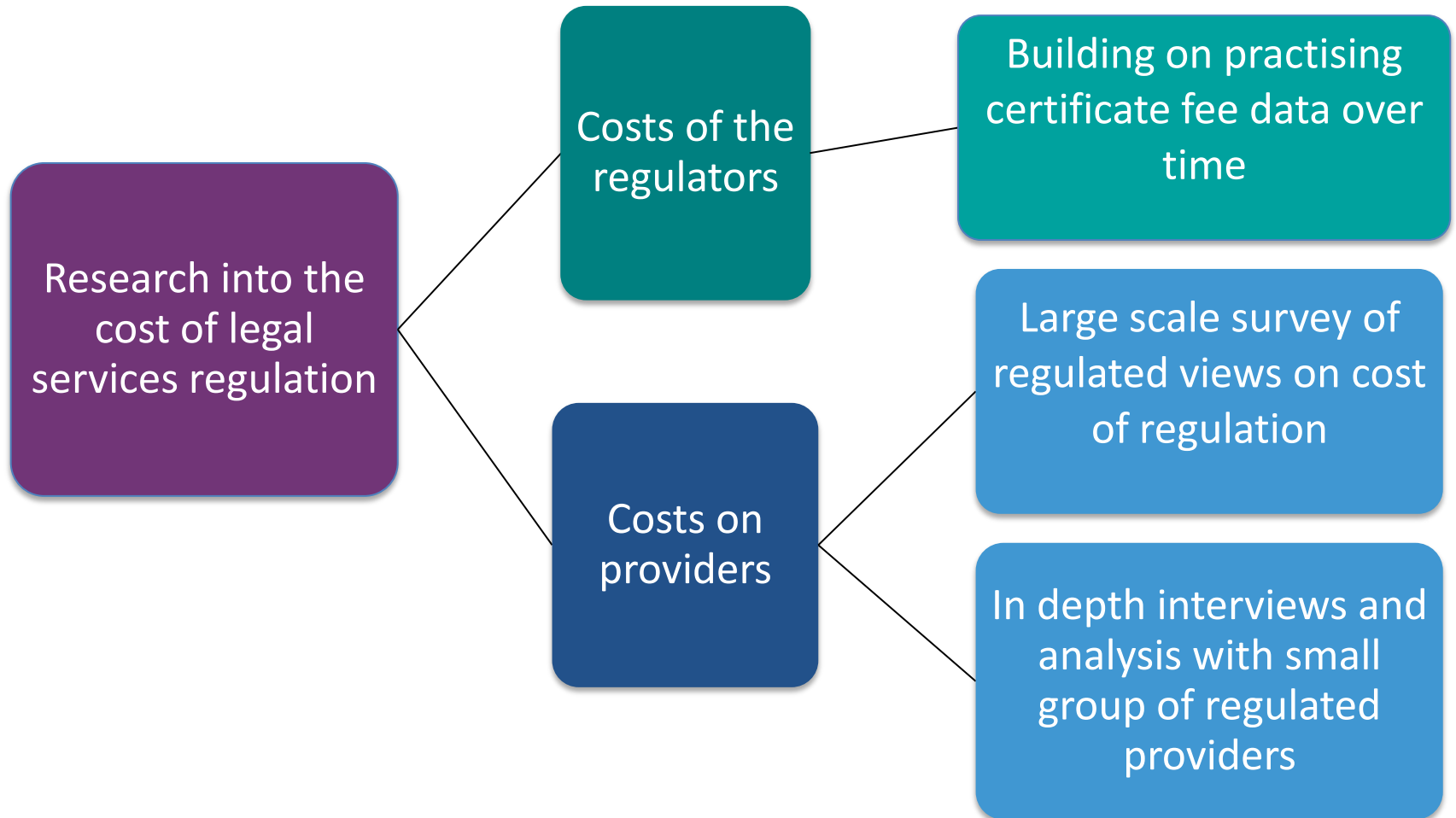
Theory: what the research must test

- **What cost?** Annual fees, or time spent, or behaviours mandated?
- **What regulation?** Legal services regulation? HMRC regulation? Court process requirements?
- **What legal services regulation?** Form filling? Insurance requirement?

Practical constraints

- Funding
- Complexity of regulatory framework
- Lack of data
- Levels of cooperation and engagement
- Representativeness
- Capturing a changing picture

Research: the approach



Building on PCF data over time

This will entail

- Updating and building on agreed data collection methodology used in PCF process in 2011/12
- Detailing approved regulator income and expenditure figures (PCF and non-PCF)
- Also detailing LSB income and expenditure

Current status

- In house analysis of data started

Large scale survey

This will entail

- Online survey open to all members of the profession
- Gathering views on regulation and awareness of cost
- Promoting survey as an opportunity to ‘have your say’
- Generating group to participate in, and shape focus of, in-depth work
- Aiming to launch survey 1st October and run for 6 weeks
- Publication of results March 2015

Current status

- Survey shared with Research Strategy Group for comment
- Survey piloted with small group of volunteers
- Reviewing survey post pilot

In depth interviews and analysis

This will entail

- Independent research company appointed by November
- Data gathered from a sample of firms and individuals
- Costing different activities and developing measures of costs
- Analysing differences in costs of compliance (eg by different consumer groups served)
- Aim for 300 participants (depending on responses to survey)
- Aim for publication June 2015

Current status

- Research specification currently being drafted

Next steps

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Next steps

Timetable

- Discussions with regulators regarding costs: October-November 2014
- Online survey: October-November 2014
- Publish results of online survey: March 2015
- In depth data collection: January-May 2015
- Publish results of in depth study: June 2015

Upcoming meetings

- February/ March 2015
- May/ June 2015

Questions/ comments

http://www.legalservicesboard.org.uk/Projects/Reviewing_the_cost_of_regulation/index.htm

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