

QUARTERLY PROJECT HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: Breaking down regulatory barriers

As the traditional boundaries between different legal professions and business models disappear, regulation must keep pace with market developments. Work here is designed to ensure that unnecessary regulation that can stifle positive change is removed, thereby delivering the benefits of competition, growth and innovation. Through our work, we hope to achieve more choice for consumers and less unmet need; a greater range of business models in the sector, with increasingly diverse service provision and an increased ability for service providers to be agile and respond to changing patterns of demand: and a smaller number of streamlined and simplified regulatory arrangements.

LINK TO REGULATORY OBJECTIVES: RO1, RO3, RO5, RO6

PROJECT HEADLINES

Milestones achieved in Q4 16/17 reporting period:

Regulatory costs:

- The CEO Forum reviewed proposals in light of discussion at the working group
- The March Board considered the approved regulators' responses to the principles of cost transparency. They agreed to continue with a voluntary approach to this subject
- This project, as it appears in the 16/17 Business Plan, is now complete.

Legislative change

- All work regarding the CMA recommendations will subsumed into 2017/18 projects and so this project, as it appears on the Business Plan, will be closed
- Work on this project may recommence on the publication of any consultation on independence by the MoJ.

Barriers to investment

- ABS survey closed on 17 February; 201 responses received
- Survey of investors completed including three interviews with investors
- Analysis of ABS and other contextual data has been undertaken
- Draft report completed.

Key activities for Q1 17/18 reporting period:

- Barriers to investment: Final report to be published in Q1 of 2017/18.

PROGRESS AGAINST 16/17 BUSINESS PLAN MILESTONES

PROJECT	BUSINESS PLAN MILESTONE	STATUS
Improving scrutiny of regulatory costs and identifying opportunities for savings	Publish report to 2015/16 cost of regulation project	Complete
Identifying ways in which legislation needs to change to keep pace with the legal services sector	Engage with CMA and government consultation	Complete/ on hold: CMA recommendations to form part of 17/18 projects. Government consultation not issued.

Making sure that regulation does not unnecessarily deter entry, innovation and investment	Publish report	To be published in Q1 17/18
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RISKS (new or raised):

Risk	Impact	Likelihood	Overall	Action taken
There are no new or raised risks this quarter.				

OVERALL STATUS:

4	
3	
2	
1	The overall status of this work stream is good. The 2016/17 projects are largely on track/completed. The only area of significant change is the engagement with the MoJ's consultation on independence as this has not been published.

QUARTERLY PROJECT HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: Unmet legal need

Legal services must be affordable and accessible, consumers must be able to make informed choices to take advantage of the range of services that a more dynamic market will offer, and appropriate protections for consumers and the public interest must be secured. We want consumers to be able to meet their legal needs conveniently, affordably and effectively, and we want to improve the extent to which need for legal services is met. We want small businesses to be able to grow by being able to access the legal services they need at a price they can afford. We aim to improve our – and service providers’ – understanding of the consumer’s journey through the legal services landscape, and how we can target our activity in this area (whether by type of consumer, area of law or legal activity) to have the most beneficial effect for consumers.

LINK TO REGULATORY OBJECTIVES: RO1, RO3, RO4, RO7

PROJECT HEADLINES

Milestones achieved in Q4 16/17 reporting period:

Responding to emerging market risks:

- Commissioned analysis of relevant LSB research data from the research team
- Completed analysis of relevant LSB research data

Vulnerable consumers:

- Research report first draft completed.

Key activities for Q1 17/18 reporting period:

- Emerging market risks: review research analysis and consider how the analysis can be best used; decide on next steps.
- Vulnerable consumers: final report due to go to Board in April with an overview of findings and an update on work to supports its publication

PROGRESS AGAINST 16/17 BUSINESS PLAN MILESTONES

PROJECT	BUSINESS PLAN MILESTONE	STATUS
Encouraging market entry by comparison websites by unlocking regulatory data and helping consumers choose and use legal services	Respond to Panel advice	Complete
	Reassess after CMA interim report	Complete (project subsumed into CMA workstream)
Responding to emerging market risks	Publish report	Re-scoped: Project has moved to a watching brief status in light of work being undertaken by regulators
Understanding how vulnerable consumers access legal services	Publish report	To be published in Q1 17/18

RISKS (new or raised):

Risk	Impact	Likelihood	Overall	Action taken
There are no new or raised risks this quarter.				

OVERALL STATUS:	
4	
3	
2	
1	The overall status of this work stream is good. All projects are on track for revised timetables.

QUARTERLY PROJECT HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: Performance, evaluation and oversight

The Act gives us a range of responsibilities that we fulfil through our programme of performance, evaluation and oversight activities. These range from approving new designations and requests for changes to regulatory arrangements to monitoring the performance of approved regulators in delivering the requirements of the Act and evaluating the Act's impact. We also oversee the OLC's performance in administering the Legal Ombudsman scheme, approve the OLC's budget and consent to their Scheme Rules. In 2015/16, the LSB will also deliver its new functions as competent authority for the OLC in line with The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 if called upon.

LINK TO REGULATORY OBJECTIVES: RO1, RO2, RO6, RO8

PROJECT HEADLINES

Milestones achieved in Q4 16/17 reporting period:

Regulatory performance:

- Intelligence logs set up for each of the regulators
- SLT tested the performance management dataset and framework before the regulators doing the same.
- This project, as it appears on the 16/17 Business Plan, is now complete, however further work has been identified and will continue into 2017/18.

Diversity:

- Board signed off decision document and revised guidance
- Decision document and revised guidance published in February
- This project, as it appears on the 16/17 Business Plan, is now complete.

Changing shape of legal regulation:

- Final report was presented to the January Board who review the project findings and agreed to the proposed next steps
- A work plan for the monitoring work has been developed and approved
- This project, as it appears on the 16/17 Business Plan, is now complete.

Key activities for Q1 17/18 reporting period:

- Regulatory performance: further development of the risk assessment framework and process for carrying out regulatory performance work.
- Changing shape of legal regulation: issue section 55 notices to entity approved regulators

PROGRESS AGAINST 16/17 BUSINESS PLAN MILESTONES

PROJECT	BUSINESS PLAN MILESTONE	STATUS
Holding regulators to account for their performance	Publish report and action plans	Complete
	Review project for further work	Complete
Diversity – the role of regulators in driving improvement	Publish consultation	Complete
	Publish consultation response and implement outcome	Complete
Identifying the benefits and risks associated with the changing shape of legal services regulation	Internal review of emerging findings	Complete

RISKS (new or raised):

Risk	Impact	Likelihood	Overall	Action taken
There are no new or raised risks this quarter.				

OVERALL STATUS:

4	
3	
2	The overall status of this work stream is good although there has been some delay in progressing the Regulatory Performance project due to resourcing issues. This project has already met its published Business Plan milestones but is currently delayed against its latest project timetable. This issue is being monitored and was discussed at the January SLT meeting.
1	

QUARTERLY HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: External relations

Communications and public affairs

LINK TO REGULATORY OBJECTIVES: All

PROJECT HEADLINES

Key achievements of Q4 16/17 reporting period:

- Representatives of the LSB spoke at a number of events in Q4 including:
 - *Westminster Legal Policy Forum* innovation event, and
 - *A European Policy Forum* Brexit roundtable.
- We published our diversity consultation guidance and report and submitted an article outlining the revised guidance to *Modern Law magazine*.
- We forwarded the winter edition of the LSB News newsletter to our political stakeholders.
- Our 2017/18 business plan was consulted on and published.
- Our Chief Executive met with representatives of the Devon and Somerset Law Society in Exeter.

Key activities for Q1 17/18 reporting period:

- Representatives of the LSB are scheduled to speak at a number of events in Q1 including:
 - ARK SRA compliance conference
 - Two Legal Practice Management conference
 - Symphony Legal conference, and
 - Manchester Law Society annual regulation conference.
- The LSB will publish its response to the CMA legal services market report.
- We will publish a number of pieces of research including on:
 - Vulnerable consumers (dementia and mental health) and legal services
 - Barriers to investment in legal services, and
 - Prices paid for legal services.
- We will distribute the Spring/summer edition of the LSB News newsletter.
- We are scheduled to publish our annual report.
- A number of meetings between the Chief Executive and stakeholders (regional law societies etc.) are scheduled.

RISKS (new or raised):

There are no new or raised risks this quarter.

OVERALL STATUS:

4	
3	
2	
1	The overall status of our communications work stream is good. We continue to deliver a full programme of speeches and presentations to a variety of stakeholders and pro-actively identify opportunities for engagement with the widest variety of stakeholders.

QUARTERLY HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: Finance and funding mechanism (Levy)

Finance

LINK TO REGULATORY OBJECTIVES: n/a

PROJECT HEADLINES

Milestones achieved in Q4 16/17 reporting period:

- Provided monthly financial report for monitoring of LSB's spending position to the Board, Executive Group and budget holders
- Updated proposed budget for 2017/18 following public consultation and MoJ comments for consideration by Audit, Risk and Assurance Committee meeting as a 'finance Committee' for the Board including associated appendices and comparisons
- Provided all regular returns and responses to commissions from MoJ within deadlines
- Produced all required analyses and reports required by NAO for interim audit of 2016/17 financial statements
- Participated in internal audit of finance systems and controls
- Updated and issued Memoranda of Understanding for all approved regulators and issued payment notices and collected all amounts due
- Q3 consolidation accounts model for MoJ corporate finance team

Key activities for Q1 17/18 reporting period:

- Provide monthly financial report for monitoring of LSB's spending position to the Board, Executive Directors and budget holders
- Finalise 2017/18 budget analysis for MoJ corporate finance and LSB budget holders
- Prepare all necessary documentation and analyses for year-end audit by NAO
- Produce the 2016/17 statutory Annual Report and Accounts
- Q4 financial consolidation for MoJ finance team
- Collect levy information in order to be able to calculate estimates for the levy for 2017/18 for all approved regulators

RISKS (new or raised):

There are no new or raised risks this quarter.

OVERALL STATUS:

4	
3	
2	
1	The status of this work stream is good. Spending is in line with forecasts and the Board receives regular monthly finance reports irrespective of whether there is a formal meeting and has the opportunity to comment and raise issues. Monthly reports are sent to MoJ finance within their reporting timeframes.

QUARTERLY HIGHLIGHT REPORT

PROGRAMME/POLICY AREA: Risk

Ensuring that a system of risk management is maintained to inform decisions on financial and operational planning. All projects are risk assessed and measures taken to mitigate or exploit are integral to planning, approval and operational activities

LINK TO REGULATORY OBJECTIVES: See individual work streams

PROJECT HEADLINES

Milestones achieved in Q4 16/17 reporting period:

- Regular review of risk at SLT meetings
- Review of risk register by ARAC (March)
- Internal audit on risk carried out

Key activities for Q1 17/18 reporting period:

- Regular review of risk at SLT meetings
- Review of risk register by ARAC (May)
- Six-monthly review of risk register by Board (May)

RISKS (new or raised):

There are no new or raised risks this quarter.

OVERALL STATUS:

4	
3	
2	
1	The LSB continues to proactively assess and manage its risks at both the corporate and project level. Introducing inherent risk measures, even on a pilot basis, will make the risk management procedure even more robust. Internal audit has rated our risk process as green.