



Business Plan 2015/16

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Foreword by Chief Executive

I am delighted to present this Business Plan for the first year of our new three-year strategy.

It is organised around the three outcomes – all of equal importance – that our strategy aims to achieve. These are *breaking down the regulatory barriers to competition, growth and innovation; enabling need for legal services to be met more effectively; and ensuring that the regulators and the Legal Ombudsman are operating effectively and that there is a shared understanding of the legal services market.*

The scope and detail of the Business Plan is ambitious and reflects both the feedback we received from our consultation exercise and our view on where our work can make most difference. It reflects our role: to *hold to account* the regulators for the different branches of the legal profession; and to *encourage change* in pursuit of a modern and effective legal services sector.

You can expect us to remain a transparent organisation and one that is keen to work with all those who can make a constructive contribution to our strategy. You can also expect us to respond flexibly to new priorities as they emerge within the year.

We will further improve our efficiency and influence. We will deliver this Business Plan whilst freezing our budget in cash terms from 2014/15.

Our proposed annual budget equates to around £26¹ per year for each authorised person, which is down 24% from over £34 since 2009/10.

Since my arrival in February 2015 I have been struck by how everyone I have met has shared a common ambition: to make the legal services market work better for consumers, the public and practitioners. There will no doubt be some disagreements over the precise way this should be achieved, but we start with a solid foundation from which we can collectively tackle the challenges and uncertainties that lie ahead – from changing consumer expectations, the pace of technology adoption, new business models, and the climate for public expenditure.

If we are to tackle the significant unmet legal need we continue to see among consumers and small businesses, we must encourage new solutions and innovation, whilst safeguarding standards and the constitutional principle of the rule of law. More than ever this will require collective leadership from all of us who share a passion about the future of the legal services sector. This Business Plan demonstrates that the LSB is ambitious about playing its full part in this process.



Richard Moriarty
Chief Executive

¹ This figure is calculated by dividing the LSB's operational budget for 2014/15 (£4,298k) by the number of persons authorised to undertake legal services as at 1 April 2014. This information can be found on our website here: http://www.legalservicesboard.org.uk/can_we_help/faqs/index.htm

Business Plan for 2015/16

1. This Business Plan outlines the work the LSB intends to undertake in the first year of its 2015 – 18 strategy. It is organised around the three outcomes the strategy wants to achieve:
 - Breaking down the regulatory barriers to competition, growth and innovation (“breaking down regulatory barriers”)
 - Enabling need for legal services to be met more effectively (“unmet legal need”)
 - Ensuring that the regulators and the Legal Ombudsman are operating effectively and that there is a shared understanding of the legal services market (“performance, evaluation and oversight”)
2. The Plan is underpinned by the regulatory objectives. As set out in *The regulatory objectives*,² we balance these competing and complementary objectives on a case by case basis informed by the particular circumstances of the issue being addressed. In our judgement, that is the right way to approach them – they are not ranked or in any sort of hierarchy.
3. We may need to respond flexibly to new developments and new priorities in the course of the year. For example, this could arise if there is further work in collaboration with other regulators following the July 2014 Ministerial Summit, or from investigations we carry out.
4. We also seek the advice of the Legal Services Consumer Panel to inform our work. The two commissions we will give the Consumer Panel in 2015/16 are:
 - What kind of information could regulators collect from firms to aid consumers?
 - Which areas of law should be priorities for the LSB's work on enabling the demand for legal services to be met? The LSB would expect the Panel's advice on this to influence, in particular, our projects on understanding affordability, supporting increased accessibility, and helping consumers make informed choices. The Panel, could, however, consider both narrower and broader issues consistent with where it believes the priorities to lie, and its available resources.

² http://www.legalservicesboard.org.uk/news_publications/publications/pdf/regulatory_objectives.pdf

Our equality objectives

5. Commitment to equality and diversity will continue to be thread throughout our work. We shall maintain our equality objectives broadly as they are into 2015/16.

Objective 1: Through our regulatory oversight role, encourage and work with the approved regulators to promote equality and diversity, including developing a diverse workforce across the legal sector at all levels by:

- assessing regulators' implementation plans to gather and evaluate diversity data
- reviewing and monitoring the progress made by regulators in delivering their implementation plans
- continuing to engage with approved regulators and others on how best to enhance a more diverse workforce across the legal sector.³

Objective 2: Ensure our decisions take account of all relevant equality and diversity information by:

- factoring equalities and diversity elements into our research, whether on workforce or consumer issues
- undertaking equality analysis where appropriate when developing our programme and policies for consultation⁴
- engaging with diversity groups and organisations
- continuing to encourage the Legal Services Consumer Panel to develop a wide range of contacts and to incorporate diversity and equality into its consideration of consumer issues.

Objective 3: To ensure that the LSB's own practices and policies, including its internal staff and external stakeholder engagement focus on equality and diversity issues, are examples of the approach we promote to others. We will do this by:

- ensuring that our publications are available in a variety of formats on request
- monitoring and publishing the diversity profile of our staff and responding to the results (bearing in mind the size of the organisation)
- when tendering for services, work with firms who can demonstrate that they have a commitment to equality and diversity
- applying recruitment processes that are in line with our Equality Duty.

³ <https://research.legalservicesboard.org.uk/wp-content/media/A-framework-to-monitor-the-legal-services-sector.pdf>

⁴ <https://research.legalservicesboard.org.uk/wp-content/media/Review-of-published-evidence-on-the-equality-of-pay-in-legal-services-Final.pdf>

Work programme 2015/16

Breaking down regulatory barriers

What we are seeking to achieve

6. 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.
7. Once work is complete, it may lead to proposals for reform or specific action to bring about change.

What we will do

In the table below, the phrase *undertake scoping exercise* may include a number of activities, for example: developing lines of enquiry, considering deliverables and resource requirements, and exploring how evidence gathering may proceed.

Work package	Outputs and Milestones			
Reviewing and removing regulatory obligations				
Complete work begun in 2014/15 to review regulatory restrictions that go beyond section 15 of the Act.	Q1	Q2	Q3	Q4
	Publish response document to discussion paper	Report to Board with report and recommendations		
Build on work from 2014/15 and analyse the impact of ending the different transitional periods provided in the Act and make recommendations to do so if appropriate	Q1	Q2	Q3	Q4
	Board paper			

Build on discussions in 2014/15 about the regulation of special bodies/non-commercial bodies, to identify whether regulatory arrangements or cultural issues in regulators are impeding the development of the services that these bodies want to provide.	Q1	Q2	Q3	Q4
			Undertake scoping exercise	
The cost of regulation project will continue into 2015/16 and will continue to feed into other work in this theme.	Q1	Q2	Q3	Q4
	Benchmarking of regulators' costs		Report to the Board	
		Publish "In depth" research report	Undertake scoping exercise for any further work	
Thematic review of restrictions on choice of insurer: We will analyse regulatory requirements that restrict individual and entity choice of insurer. We will aim to identify the potential positive or negative cost of such restrictions and the impact of removing them. We will also consider whether the restrictions identified are consistent with general competition law, the regulatory objectives and better regulation principles.	Q1	Q2	Q3	Q4
		Undertake scoping exercise		
Thematic review of approved regulators' treatment of under-spend of practising certificate fees: In the context of permitted purposes under section 51 of the Act and reducing regulatory burdens (including costs) for practitioners, we will look at those regulators that have representative and regulatory functions and analyse whether the treatment of any under-spend of practising certificate fees (PCF) by the regulator is consistent with accounting best practice and the requirements of section 51. This work links to our work on the cost of regulation and will seek to identify the amounts of money involved since section 51 came into force and make recommendations for action if changes or improvements are necessary.	Q1	Q2	Q3	Q4
		Undertake scoping exercise		

Reviewing the LSB's statutory decision making process				
Review processes for handling our statutory decision making responsibilities to ensure that they are delivered within the statutory timescales and that they do not unnecessarily impede the regulatory changes that the approved regulators wish to introduce. Our aim will be to achieve simplification and improved timeliness where possible, bearing in mind the fundamental need to gather the relevant information for each application to enable a prompt decision.	Q1	Q2	Q3	Q4
			Undertake assessment of current processes including recommendations for change	Publish consultation (if necessary)
Developing options for legislative change				
We will take forward work initiated following the July 2014 Ministerial summit and work in collaboration with the regulators, to develop options for legislative change . This work will include: <ul style="list-style-type: none"> Identify, communicate and celebrate, in partnership with the regulators, deregulatory achievements and show how these have been balanced with ensuring adequate consumer protection. Identification of specific key changes to the Act which would help to reduce regulatory burdens and streamline regulatory processes as well as developing, explaining and communicating options for a new legislative framework beyond the Act. We will also promote knowledge sharing and learning around financial protection arrangements with a view to developing common proposals across regulators where possible. 	Q1	Q2	Q3	Q4
	Publish report on deregulatory achievements Publish report on potential clausal changes and options for a new legislative framework beyond the act Publish shared resource report on alternatives to handling client money			
Research				
Research in conjunction with the SRA on innovation in provision of legal services to explore what is driving innovation in this market, how innovative changes serve the needs of consumers and understand the barriers to innovation (regulatory and non-regulatory)	Q1	Q2	Q3	Q4
	Publish report			

Unmet legal need

What we are seeking to achieve

8. 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.

What we will do

In the table below, the phrase *undertake scoping exercise* may include a number of activities, for example: developing lines of enquiry, considering deliverables and resource requirements, and exploring how evidence gathering may proceed.

Work package	Outputs and Milestones			
Understanding consumer choices and decisions across the regulated and unregulated sector				
We will undertake activities to understand the different legal needs of different types of consumers including vulnerable consumers, how they choose to deal with their problems and the reasons why.	Q1	Q2	Q3	Q4
	Individual consumers survey			Publish report on legal needs of consumers
Publish report on small businesses legal needs survey				
We will develop our understanding of different types of providers (regulated and unregulated). For unregulated providers this will involve initial research into, eg the services on offer, the benefits and risks that go with them. Our objective is to understand the full range of choices available to consumers.	Q1	Q2	Q3	Q4
	Undertake scoping exercise	Undertake analysis of powers in section 163 of the Act (voluntary arrangements)	Undertake research into unregulated providers of legal services	Publish research report on unregulated providers of legal services

We will complete our joint research with the Legal Services Consumer Panel into the impact of unbundled services on consumers at the beginning of 2015/16. We will analyse the findings and consider whether there are any implications for consumer choice that we should take forward.	Q1	Q2	Q3	Q4
	Publish research report			
Understanding and helping to improve affordability				
Develop an understanding of what 'affordable' legal services means for different types of consumer and different legal activities (whether regulated or unregulated). We will aim to identify what barriers (eg, regulatory, cultural and behavioural) exist to making legal services more affordable. If necessary we will make recommendations for change.	Q1	Q2	Q3	Q4
		Undertake scoping exercise	Evidence gathering into what 'affordability' means for legal services (possibly including a challenger event to understand barriers preventing potential entrants – who may be able to offer more affordable services - coming into the market)	Publish report
Supporting increased accessibility of legal services				
We will explore innovations in related sectors that have made accessing services simpler and less daunting for consumers.	Q1	Q2	Q3	Q4
	Evidence gathering		Publish report on innovations in other sectors (eg, health and financial services)	Publish accessibility report encompassing findings on legal needs survey
Helping consumers make informed choices				
We will further our understanding of open data and markets and how this could develop in legal services and will look at the role of intermediaries and choice tools in helping consumers solve problems and make choices across both the regulated and unregulated market. This may include looking across other sectors to see what regulators have done to protect and empower	Q1	Q2	Q3	Q4
	Evidence gathering and analysis of current data and tools available in legal sector		Review arrangements in other sectors Undertake research into quality and price information.	Publish report and recommendations

consumers so they can stimulate competition and growth.				
Thematic review of section 112: We will review the effectiveness of the current requirements under section 112 of the Act about informing consumers of their right to complain and, if needed, gather evidence and consult on and implement changes to the rules made by the LSB. This will take into account requirements of the EU ADR Directive as transposed into the UK.	Q1	Q2	Q3	Q4
	Undertake scoping exercise			
Protecting consumers and the public interest				
Increase our knowledge of trading behaviour risk and how this manifests itself currently in the legal services sector, and how it might manifest itself differently in the future in light of market changes.	Q1	Q2	Q3	Q4
			Undertake a scoping exercise Engagement with appropriate external bodies	
We will begin work – in partnership with the Legal Ombudsman as necessary – to explore the scope for expansion of redress to cover unregulated legal services without expanding the scope of regulation by adding to the list of reserved legal activities	Q1	Q2	Q3	Q4
	<i>Joint scoping exercise TBA</i>			
We will continue proactively to champion the regulators' work on diversity , and seek to share and support developments in this area across the legal sector.	Q1	Q2	Q3	Q4
	Continuing engagement			

Performance, evaluation and oversight

What we are seeking to achieve

9. 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.
10. We monitor regulators' performance and their capacity to deliver the requirements of the Act. We consider that best regulatory practice for legal services regulation consists of four regulatory standards⁵ and that the effective delivery of these standards will contribute to growth in the sector and the economy more generally. Ensuring independence in regulation is maintained is a key part of this work.
11. Approving new designations and changes to regulatory arrangements is a key part of our oversight role. We also have a statutory responsibility to approve the Practising Certificate Fee (PCF) of each regulator and approve the annual budget of the Solicitors' Disciplinary Tribunal (SDT). By approving new entrant regulators and designations we will allow more firms to start to provide or to expand their services and thus improve choice for consumers. We also encourage the approved regulators, in making changes to their handbooks and rules, to be more outcomes focused and to keep regulatory burdens to a minimum.
12. The Legal Ombudsman has a vital role in the legal services market. The Legal Ombudsman scheme is an essential channel to redress for consumers when things go wrong. It should contribute to giving consumers confidence to use regulated legal services in the knowledge that an independent, fair and effective route to redress is available where service falls short. Our role in ensuring the performance of the OLC as it administers the Legal Ombudsman scheme is therefore an active and ongoing responsibility. We hold the OLC to account to ensure that it administers a Legal Ombudsman scheme that is efficient, delivered at an appropriate cost, and which meets the needs of consumers and lawyers who are the subject of complaint. We also encourage effective joint working across the sector so that the information that the Legal Ombudsman holds can inform operational work, policy development and improvements to delivery of legal services.

⁵ *Developing regulatory standards*, LSB, 2011, http://www.legalservicesboard.org.uk/what_we_do/consultations/closed/pdf/20111214_regulatory_standard_v11.pdf

What we will do

In the table below, the phrase *undertake scoping exercise* may include a number of activities, for example: developing lines of enquiry, considering deliverables and resource requirements, and exploring how evidence gathering may proceed.

Work Package	Outputs and Milestones			
Deliver our statutory activities, including our statutory decision-making functions				
We will consider applications from regulators	Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> To extend the range of reserved legal activities that they can regulate For approval of changes to regulatory arrangements and practising certificate fees 	Work to continue throughout the year			
Review compliance with the LSB's internal governance rules	Q1	Q2	Q3	Q4
		Undertake review of appointment processes for Chairs of regulatory governing bodies		
Review and approve Solicitors Disciplinary Tribunal budget	Q1	Q2	Q3	Q4
			Consider application from SDT	
Discharging our regulatory oversight function				
During 2015/16, we will conduct a complete review of the regulatory standards of all the approved regulators. This will include the latest regulatory developments, including the Deregulation Bill's growth duty and the LSB's quality standards. The assessment will be based on a range of evidence, including a survey of individual experiences of dealing with the regulators, and a targeted self-assessment by the regulators	Q1	Q2	Q3	Q4
	Approved regulators complete data return		Approved regulators submit self-assessments to the LSB	Report to the Board and recommendations
	Undertake a survey of stakeholders' experience of contact with regulators			

Overseeing the Office for Legal Complaints				
<p>Holding the OLC to account for their administration of the Legal Ombudsman scheme.</p> <p>In 2015/16, members of the LSB and OLC Board will continue to meet on a quarterly basis to review the way in which the OLC is overseeing performance and we expect to work closely with the OLC and Legal Ombudsman as they develop their new framework for measuring performance.</p> <p>We will also review our governance protocols with the OLC including reviewing our Memorandum of Understanding (MoU). Audit and Risk Assurance Committee Chairs will meet to ensure that mutual risks are managed effectively and any risks that each organisation presents to the other are also understood and mitigated.</p>	Q1	Q2	Q3	Q4
	Quarterly OLC performance meeting	Quarterly OLC performance meeting	Quarterly OLC performance meeting	Quarterly OLC performance meeting
	Scope review of MoU	Agree revised MoU with OLC	Audit, Risk and Assurance Committee (ARAC) Chair meeting	
Develop necessary protocols to deliver our competent authority function in relation to the OLC	Q1	Q2	Q3	Q4
	Undertake scoping exercise	Implement protocols		
We will fulfil our statutory responsibilities to receive the OLC's Annual Report and Accounts and approve its annual budget	Q1	Q2	Q3	Q4
	Receive Annual Report and Accounts			Approve the OLC budget 2016/17
Evaluation				
<p>Market evaluation: updating the 2012 baseline survey. This research project seeks to assess how the legal services market is changing following on from the introduction of the Legal Services Act 2007 reforms. This seeks to assess whether the market outcomes associated with the regulatory objectives have been</p>	Q1	Q2	Q3	Q4
	Scoping activity including reviewing continued relevance of all aspects of the 2011 evaluation framework	Evidence gathering and analysis		Publish report

<p>achieved over the longer term, where progress is limited, and what the issues might be.</p> <p>The market evaluation will update the 2012 benchmarking report and subsequent analysis, drawing on the findings of research commissioned by the LSB and others, and new data releases over the past three years.</p>			
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Research planned for 2015/16

13. Delivering our plan relies on a targeted programme of research to ensure we have a robust evidence base to inform our decision-making. Our research programme consists of work carried out in the context of a specific project and also cross-cutting pieces that will help us understand changes in the sector and the impact of regulatory developments.
14. During 2015/16, we will continue to consult our Research Strategy Group (RSG) to identify gaps in evidence and develop our research plan for the year ahead to support the programme of work. The RSG is an essential resource that informs our understanding of the research plans of approved regulators and others so as to avoid duplication. Alongside primary research, we will continue to use our evaluation framework⁶ to monitor the impacts of regulation on the legal services market and in 2015/16 will complete a full market evaluation.
15. We are always keen to work collaboratively with others to pursue our research agenda. We will seek to build links with new partners (for example through the Civil Justice Research Forum), continue to share detailed research plans at the Regulators Research Forum and engage directly with the academic community, for example where resources allow through presentations at conferences.
16. During 2015/16, and as we have done in previous years, we will revise our research plan to support new needs, or where other organisations take forward initiatives that might also answer our research questions so that carrying out separate research ourselves is no longer necessary. Further throughout the year we will continue to take a pragmatic approach to any opportunities to work with other funders to address longer term research needs.

⁶ *Evaluation Framework*, LSB, 2011, http://www.legalservicesboard.org.uk/news_publications/publications/pdf/evaluation_framework_april_2011.pdf

Title	Description
Removing and reviewing obligations	
Research into impacts of restricting the choice of insurer	Empirical research to support proposed thematic review.
Cost of legal services regulation – exploring specific areas	Following on from the 2014/15 cost of regulation research, a quantitative examination of the cost of specific areas of regulation.
Benefits of legal services regulation	A companion piece to the 2014/15 cost of regulation research work. This work will explore the benefits of specific areas of regulation so that they can be taken into account in future policy making.
Understanding consumer choices	
Large scale survey of individuals' legal needs jointly funded with The Law Society and the Legal Education Foundation	Survey of consumers who have had a legal problem over the 2012 – 2015 period, how they responded, and why they did so.
Research into unregulated providers of legal services	Research to develop our understanding of the unregulated legal sector, including the size, scope, and customers of this part of the legal sector.
Helping consumers make informed choices	
Availability of quality and price information	Analysis of accessibility of this information for legal services, and its impact on consumers' decisions to use legal services, and to choose between providers.
Protecting consumers and the public interest	
Trading behaviour risks	Scoping research to establish how we may examine the current nature of 'bad' trading behaviours in the legal sector and other sectors with a view to transfer of learnings to the legal sector, and to identify future evidence needs.
Legal services affordability study	Gathering evidence on what 'affordability' means for different groups of consumers and different types of legal activity.
Evaluation	
Evaluation: updating the 2012 baseline ⁷	This research will assess progress towards the delivery of the outcomes associated with the regulatory objectives, over the past three years.

⁷ *Market Impacts of the Legal Services Act 2007 – Baseline Report Final 2012* – <https://research.legalservicesboard.org.uk/wp-content/media/Impacts-of-the-LSA-2012-Final-baseline-report.pdf> and <https://research.legalservicesboard.org.uk/reports/measuring-the-impacts-of-reform/>

Delivering our Business Plan

Budget

17. The table below shows our proposed budget for 2015/16, the first year of our three-year Strategy. We are freezing our budget in cash terms at the same level as 2014/15. This represents a real term reduction. Our proposed annual budget equates to around £26 per year⁸ for each authorised person, which is down 24% in cash terms from over £34 since 2009/10.

LSB budget for 2015/16

	Operational budget 2015/16 £000
Staff	2,422
Accommodation	424
Research and professional services	250
IT/facilities/finance	245
LSB Board	200
Legal Services Consumer Panel	204
Office costs	111
Depreciation	45
Governance and support services	132
Legal reference/support	108
TOTAL excl OLC Board	4,141
OLC Board	157
Total inc OLC Board	4,298

⁸ This figure is calculated by dividing the LSB's operational budget for 2014/15 (£4,298k) by the number of persons authorised to undertake legal services as at 1 April 2014. This information can be found at http://www.legalservicesboard.org.uk/can_we_help/faqs/index.htm

Budget assumptions

18. Based on the current staffing complement, approximately 86% of the planned running budget of the LSB will be made up of 'fixed' costs in the short-term (Board, OLC Board, staffing, accommodation, depreciation and outsourced services). The remaining 14% will be accounted for by the research, professional services and office running costs needed to support the LSB's work programme for 2015/16. The largest non-staffing item is for accommodation services and we are in a period of formal rent review with the landlord.
19. Our own costs will be scrutinised in the cost of regulation project being carried out over the remaining part of the 2014/15 and the 2015/16 financial year. We are aware that we will need to be prepared to take on board any findings from this work when setting our 2016/17 budget and beyond together with any other factors that will be prevalent at that time.
20. Costs will continue to be recouped through the statutory levy on approved regulators and any underspend will continue be used to reduce the levy for subsequent years.
21. We have made a public commitment to driving efficiency savings and securing value for money in our work and to date we have consistently beaten these aspirations.

Risk and information management

22. We are committed to robust risk management across all of our activities whether regulatory or operational. Risk is managed at all levels in the organisation: within projects; across the work programme; at senior management, Audit and Risk Assurance Committee (ARAC) and Board level through regular review. Corporate risk management is focused on the actual risks facing the LSB at any one moment that we have the power to influence, whilst ensuring that we understand the general environment of risk in which we operate.
23. One area where we work hard to avoid both regulatory and operational risk arising is information management. As a knowledge driven organisation we rely on good corporate knowledge; all of our work is underpinned by the evidence we gather, the information we hold and the decisions we make. This information must be managed well to ensure we make sound decisions and are able to fulfil our statutory obligations under both freedom of information and data protection legislation.
24. We will continue to comply with our statutory responsibilities under data protection and freedom of information legislation and ensure that our internal policies accurately reflect any changes in legislation. We will also meet both the letter and the spirit of the transparency agenda, seeking to meet requirements at the lowest cost whilst achieving the maximum impact.

Corporate services

25. 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 facilities will be provided by the Office for Rail Regulation and our IT and telephony support is provided by Co-operative Systems. Our human resource advice is provided by a commercial provider. We have two in-house lawyers and access to a panel of general and specialist legal advisors, appointed through a competitive tender process, which was refreshed in 2013/14. 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. We keep these arrangements under continuous review to ensure that they remain the most appropriate way of securing value for money and manage individual contracts robustly.

Finance process performance

26. In our annual report and accounts, we report 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.

Freedom of Information and Data Protection Act requests

27. We aim to acknowledge and to respond fully to freedom of information requests within 3 and 15 working days, respectively, on average. The statutory maximum for responding is 20 working days and our current average is seven working days.

28. We aim to acknowledge and to respond fully to subject access requests within respectively 3 and 20 working days on average. The statutory maximum for responding is 40 calendar days.

Our statutory performance targets

	Change to regulatory arrangement	New approved regulator designation or additional reserved legal activities	Licensing authority designation	Cancellation of designation for approved regulators*	Cancellation of designation for licensing authorities*
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 applications*** Within 3 months for complex applications***	Within 130 days^	Within 130 days^	Within 65 days	Within 65 days
Where appropriate, we will publish advice from mandatory consultees and any representations on that advice	Within 5 days	Within 5 days	Within 5 days	Within 5 days	Within 5 days
We will publish recommendations 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 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, except for decisions or recommendations on regulatory arrangements, which are in calendar 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 15 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.