

# Draft Business Plan 2014/15

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**Summary of consultation responses received and the  
LSB's response to them**

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## **Acronyms used**

BC - Bar Council

BSB - Bar Standards Board

CILEx - Chartered Institute of Legal Executives

IPS - ILEX Professional Standards Ltd

CLLS - City of London Law Society

CLSB - Cost Lawyers Standards Board

LSB – Legal Services Board

OLC – Office for Legal Complaints

SRA - Solicitors Regulation Authority

TLS – The Law Society

## Introduction

1. On 5 December 2013, the Board published its draft Business Plan for 2014/15. The document was news released and sent by email to regulators and representative bodies, consumer and citizen groups, professional groups, other regulators, the judiciary and a variety of other interested parties. A pre-consultation event was held before the draft Plan was published, which was attended by a range of stakeholders from across the sector. The outcomes of the workshop informed the content of the draft Plan. The consultation closed on 31 January 2014.
2. This paper summarises the responses received to consultation and the Board's response.

## The responses

3. The pre-consultation workshop was attended by 18 individuals from 16 organisations. Attendees were given an overview of our thinking up to that date and were asked to give their views on the work proposed. They were also asked to highlight what they thought were the current main risks to their part of the sector.
4. During the formal consultation, we asked for views on all aspects of the draft Plan and we received 11 responses, some after the deadline for responses had passed. This year responses primarily focused on specific aspects of the Plan rather than the role of the LSB more generally.
5. All respondents have consented to having their responses published on our website and these have been published alongside this consultation response document. **Annex A** lists the 10 respondents and 16 organisations represented at the workshops.
6. We are grateful for each organisation that took time to attend our workshop, consider our proposals and/or to respond. The Board considered all of the responses carefully and they provided an important contribution to the decision-making process on the final Business Plan for 2014/15.
7. In considering the responses, we have taken into account that the number we received is small and that they are primarily from bodies who either have an interest in representing professional interests or who are subject to the Board's oversight.

## Summary of responses

8. Alongside commentary on some specific aspects of the LSB's proposed work programme, and some references to omissions, the broad thrust of responses were concerns about our proposed thematic reviews and the approach that we intended to take for both the interim regulatory performance review planned for 2014/15 and also the full review in 2015/16.
9. Since we developed our draft Plan we have been able to put more detailed thought and planning into these areas of work, in particular how will prioritise the thematic reviews and how we plan to carry out the regulatory reviews in 2014/15. This progress is reflected in the final Plan.

## General themes

### Blueprint for regulatory reform

10. This year, the Plan outlines a programme of work that is informed, in part, by the proposals we put forward in our [Blueprint for Regulatory Reform](#). This work encompasses activity in both the regulator performance and oversight and strategy development and research work areas and in general, respondents were supportive of the range of work that we propose. TLS and IPS both urged caution in respect of this work, however, asserting that the Blueprint represents only one view of the future of regulation and that it is therefore essential that if we do take forward any of its ideas that it should be only after a full consultation. They urged that we must be careful not to stray too far from our obligations in the Legal Services Act 2007 (the Act).
11. TLS also highlighted the use of the term 'quick wins' in our description of the work that we have identified can be accomplished within the current framework and suggested that a clearer description of what these are should be provided.

## Response

12. We recognise that the Blueprint for Regulatory Reform represents one view of the future of legal services regulation however we strongly believe that the work outlined in our plan fully reflects the objectives of the Act. If we are able to make changes to the framework that are shown to be in the public and consumer interest and which will increase access to justice then we will seek to do so and as such are comfortable that the work is fully within our current remit.
13. We are now clearer in our thinking around these areas and further scoping and prioritisation work has been completed - where they are necessary, consultations will be carried out on specific aspects. This is now reflected in the final Plan.

## Regulatory standards and performance

14. CLC, BSB, SRA and IPS all expressed a desire for the format of the 2014/15 regulatory review updates to take a proportionate approach and be mindful of the reporting mechanisms already in use by the regulators to reduce any duplication of effort on their resources.
15. On our plans to undertake a full review of the regulators' performance in 2015/16, most respondents requested information on the reviews as soon as possible, so that they can factor them into their planning whilst CILEx was fundamentally opposed to the idea unless it was evidence based.
16. TLS presented an overarching view on our approach to the regulatory standards self assessments, asserting that we should concentrate on measurable performance in key areas, assessing regulators' qualitative performance through research and monitoring regulators' performance delivering projects efficiently.
17. In the draft Plan, the Board flagged that regulatory standards assessment would also take account of best regulatory practice including the forthcoming Growth Duty. CILEx and IPS both sought greater clarity on how the Duty would work alongside the regulatory objectives, with CILEx further asserting that that 'nowhere in the Act is there an explicit requirement for the regulators to stimulate a growing market for legal services'

## Response

18. Since the publication of the draft Plan, further planning has gone into the format of regulatory standards updates and all regulators have now been contacted with advance notice of our plans and expectations. Formal notification will be issued in April. Current indications are that regulators are happy with this approach and the final Business Plan has been updated to reflect this progress.
19. As stated in the draft Plan we will begin to consider the full reviews in course of 2014/15 with a view finalising the plan in the final quarter. As with the review updates, we expect this to be at the end of a process of dialogue and collaboration with the regulators.
20. We set out our intended approach to assessing regulatory standards in our decision document [Developing Regulatory Standards](#) in 2011. Despite the progress made by the regulators in modernising their frameworks we do not believe that sufficient progress has been made to move away from this approach.
21. With regards to the Growth Duty, the Deregulation Bill, if enacted, will introduce an obligation on non-economic regulators to have regard to the desirability of promoting economic growth when exercising regulatory functions. The Government has confirmed that all current and future legal regulators will be

covered by this duty. The LSB supports this decision. The Better Regulation Delivery Office has published draft guidance on the growth duty;<sup>1</sup> this will be finalised and become statutory once the Bill is enacted and the growth duty comes into force. We therefore expect regulators to be considering now how they will implement the growth duty.

## Regulatory reform

22. Most of the respondents commented on our plans to focus on a number of areas relating to regulatory costs as well as conducting a series of thematic reviews on issues identified during our work on regulatory performance. In the main, the comments were supportive of the work: however, they also requested more information about the rationale for each piece of work, how we intend to prioritise them and whether there will be any resource implication on the regulators.

23. TLS commented that they do not see the value on the review of permitted purposes and wished to have further clarification of what the work would involve because the draft plan seemed to imply that the initial assessment of the costs imposed by the practicing certificate fee may lead to a full review of the permitted purposes rule.

24. IPS suggested that, in the context of the work on the costs of regulation, the LSB should take the opportunity to review the basis for all reserved legal activities and the CLC suggested that we undertake a review of compensation arrangements, including a scoping study of a centralised compensation fund.

## Response

25. Since the publication of the draft Business Plan a careful prioritisation exercise has been completed in which we have identified three thematic reviews for completion during 2014/15 and others we will conduct should additional resource become available (an explanation of how the exercises were completed is shown at **Annex B**). The reviews that will be undertaken are:

- the extent to which it may be possible to revise Schedule 13 to the Act to make the ownership tests for ABS more targeted and proportionate. This review is already underway and a timetable for completing the work is provided in the business plan.
- the extent to which restrictions on forms of practice are consistent with section 15 of the Act about when an entity needs to be authorised to provide reserved legal services to members of the public. This section of the Act requires firms or individuals to be authorised if they provide

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<sup>1</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/274552/14-554-growth-duty-draft-guidance.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/274552/14-554-growth-duty-draft-guidance.pdf)

reserved legal activity to the public or section of the public; unregulated services can therefore be provided without the requirement for authorisation. However, some existing regulatory arrangements impose additional restrictions, particularly on what are often called “in house” lawyers. It may be that these unnecessarily prevent membership organisations, charities and local authorities from providing legal advice at an affordable price.

- the extent to which regulation (for example the SRA’s Separate Business Rule) unnecessarily prevents legal services providers from structuring their businesses, offering different types of legal and non-legal services and rewarding their employees in ways that they want to commercially. During our monitoring of SRA performance of the ABS authorisation process in 2013/14, we noticed that its separate business rule is often cited as an issue. Those applications that involve consideration of the separate business rule often take the SRA longer than average to reach a decision. Navigating the complexities of the rule appears to be proving difficult for some ABS applicants, adding to their overall cost. Additionally, there does not appear to be a clear, evidence-based rationale for the SRA’s distinction between “prohibited” and “permitted” separate businesses. For instance, a solicitor is permitted to be connected to a financial services firm regulated by the FCA but not to an immigration advisory firm regulated by the Office of the Immigration Services Commissioner.

26. If additional resources become available during the year or specific problems arise, we may also undertake the following reviews:

- how regulators identify and deal with firms in financial difficulty, including alternatives to intervention and the role and effectiveness of supervision. Concern has been expressed about the financial viability of some firms and whether regulators’ supervision is effective at managing this type of risk. When regulators intervene in a firm, there can be serious consequences for those who own and work in it, including the cost of the intervention itself. It may be that alternative approaches provide sufficient consumer protection at lower cost.
- the extent to which regulation is consistent with the requirements in section 52 of the Act to prevent regulatory conflicts and section 54 of the Act to prevent unnecessary duplication of regulatory provisions made by an external body. We will consider undertaking this work if specific issues between regulators arise. Currently we do not have any evidence that regulators are acting inappropriately in the event of conflicts. In addition, issues regarding unnecessary duplication of regulation may be covered in our wider work on regulatory costs.



- regulators' approaches to consumer engagement, including data gathering and analysis. The regulatory standards exercise in 2012 showed that a number of approved regulators struggled with consumer engagement. During the 2014/15 exercise, regulators will be expected to identify what they have done to improve consumer engagement. If issues are still apparent, we will consider undertaking this review to help identify and share best practice.

27. The reviews we have decided not to prioritise this financial year are:

- Establishing a single set of compensation arrangements. Our view is that this issue primarily concerns the CLC and the SRA and it may be more appropriate for those two regulators to explore the matter. The CLC's proposal that the LSB conduct a full review of compensation arrangements is in line with the Consumer Panel's recent recommendation that centralised consumer protection arrangements across all regulated legal advice providers should be fully scoped. In our response, although recognising the advantages that a centralised scheme could bring, we stated that we believe that this is an issue that regulators could work together to develop if they wished to do so. That remains our position.
- The barriers to firms moving between legal regulators. We may review this in future if we are provided with more evidence that regulatory requirements are positively preventing this and it is having an impact on one or more of the regulatory objectives. We do see scope for early dialogue and between CLC, IPS and SRA on the specific issue of run-off cover for firms who remain in business but become differently regulated.

28. In response to TLS's comments on the permitted purposes work, there is no intention at this point that this work will lead to a full review of the permitted purposes rule. However if an outcome of either the Ministry of Justice's call for evidence exercise or our own work on the costs of regulation is to identify unnecessary costs and complexity within the framework then further work may be required to achieve a practical solution to the problem. We will, in any event, be seeking to ensure greater transparency to the regulated community about all permitted purposes spend and greater assurance that funds collected through the PCF process are properly applied as between regulatory and other permitted purposes.

29. The LSB will not be taking forward IPS's suggestion to review the basis for all reserved legal activity. Potential work arising from a full review of reserved legal activity will require primary legislation to put in place, whilst the work that we have proposed in the draft plan has been carefully selected to allow us to consider work that we believe may impose unnecessary burdens but will not require

legislation to change. Whilst we await the outcome of the Ministry of Justice's simplification review, we believe that this will be the most effective approach to pursue.

### **Liberalising the legal workforce**

30. Both the BC and CLC commented on our plans to consider issuing statutory guidance for education and training. The BC requested clarity that the guidance would be targeted to the individual needs of specific regulated communities, whilst the CLC suggested that the LSB should take an active facilitative role in the implementation so that the sector does adopt the coherent approach that is expected.

#### **Response**

31. With regards to the comments from BC and CLC, the aims of the education and training guidance is to provide outcomes focused objectives, so that the regulators can develop their own tailored standards within a coherent framework. Now that the final guidance has been published, the final plan has now been updated to clarify the approach that will be taken to seeing how regulators use the guidance.

### **Improving the consumer experience**

32. Comments around this area of work focused on the issue of data sharing between regulators and consumer engagement. On the issue of data sharing CLC suggested that the LSB should play a more facilitative role in bringing the sector together to agree a way forward that will allow quality information to be shared.

33. BSB and IPS both raised the issue of consumer engagement as an area that is generally acknowledged to be difficult for regulators and felt that it would be beneficial for the LSB or LSCP produced more advice and provided support in this area. This could be done, suggested BSB, by gathering examples of good practice from across the legal sector and other industries and disseminating to the regulators and presented the LSB with an opportunity to 'maximise its central position'.

#### **Response**

34. We have noted the comments around consumer engagement however do not agree that there is a greater role for the LSB to play than has already been proposed. During 2013/14 we have been working with the Legal Ombudsman and regulators to improve data sharing where this is not happening and have outlined work that continues this approach, specifically around how regulators are using complaints data to identify whether any patterns of behaviour are emerging

and using research completed at the end of 2013/14 to analyse ways in which regulators might improve effective transparency for consumers.

35. Given the differing needs of the specific groups, we believe that the regulators are best placed to engage and understand their own consumers and we require them to demonstrate how they consider consumers as part of the regulatory standards work. To support this we have undertaken various research projects that provide evidence of consumer behaviour and are currently piloting our own Consumer Toolkit which brings together a number of sources to assist us with our own Consumer analyses'. When the pilot is complete that we will consider how best to make this available to regulators.

## Research

36. The SRA, BSB, CILEx and TLS all commented on the proposed research for 2014/15. SRA focused on specific projects and highlighted the legal services benchmarking survey as a particular priority for them. The other respondents raised concerns about duplication of research as well as requested much more clarity about why each piece of research is needed and what will be done with the findings.

## Response

37. We continue to dispute the accusation of duplication in respect of the research that we undertake, and are yet to see evidence that this is the case. Although it is certainly the case that regulators are now conducting more research of their own, the research that the LSB carries out is selected to fill specific gaps, develop wider debate, ensure effective policy evaluation and to further develop a firm evidence base to support our own individual policy developments.
38. Each piece of research in this year's plan is proposed to support one or more workstreams, and throughout the document we have endeavoured to show how the work will be used. This has been updated in the final Plan and further detail about the objectives of the research has been provided where possible.

## Individual observations on the draft Plan

39. CLLS referred back to the 2013/14 Business Plan and the work proposed around general legal advice and mapping the unregulated market. They had been particularly interested in this work as it would have considered some of the concerns that they had about regulatory burden and pointed. Due to the decision by the Lord Chancellor not to make will writing a reserved legal activity the Board decided not to proceed with this work. However, our [Blueprint for reforming legal services regulation](#) covered these issues extensively and proposed actions to simplify the framework, some of which are included in our plan, including the

extension of access to the Legal Ombudsman for all legal services irrespective of their reserved or unreserved status.

40. The Tonbridge and Tunbridge Wells Law Society were concerned that, when read in conjunction the work on 'Liberalising the legal workforce' and 'education and training the LSB is wishing to 'impose its views regarding professional competence on the professions on the spurious basis of increasing diversity'. We have no intention to impose any views regarding professional competence. We expect regulators to use the education and training guidance as one of a number of tools to manage risk and support the delivery of the regulatory objectives including to encourage an independent, strong, diverse and effective legal profession.
41. CILEx noted that we used the term 'liberalising' for the first time in the draft Plan and they requested more detail on the thinking behind its use because the term does not appear in the act and they urged that we should be 'wary of using terms that are out of kilter with the Act'. We were surprised that this was raised as an issue and would argue that, in fact, the term epitomises the aims of the Act; to reform and modernise the legal services marketplace so that innovative practice can be utilised in the interests of consumers and improving access to justice.
42. The LSB has proposed a reduction of £150,000 in its budget for 2014/15.
43. The BC, BSB and CLSB each requested a breakdown of the budget against each of the activity headings.
44. The BSB and CLSB requested that more narrative be provided in the plan to explain the changes in the budget and any capital expenditure.

## **Response**

45. The table over page shows our proposed budget for 2014/15 and shows where the reductions from 2013/14 are delivered. We are proposing a budget of £4,298k to deliver our Business Plan for the year ahead. This is a reduction of nearly 4.5% in cash terms from the 2013/14 budget.
46. A small number of respondents noted the proposed budget reduction. TLS in particular welcomed this but observed that it amounted to a saving of less than £1 per regulated individual.

	2014/15	2013/14	(Reduction) / Increase
Staff	2,422	2,585	(163)
Accommodation	424	610	(186)
Research and Professional Services	250	250	-
IT/Facilities/Finance	245	245	-
LSB Board	200	194	6
Consumer Panel	204	41	163
Office Costs	126	101	25
Depreciation	30	90	(60)
Governance and Support Services	132	72	60
Legal Reference/Support	108	84	24
<b>TOTAL excl OLC Board</b>	<b>4,141</b>	<b>4,272</b>	<b>(131)</b>
OLC Board	157	176	(19)
<b>Total inc OLC Board</b>	<b>4,298</b>	<b>4,448</b>	<b>(150)</b>

47. The BSB, BC and CLSB requested a breakdown against each activity heading and that more narrative be provided to explain the changes in budget and any capital expenditure.

48. The reasons for the main changes in budget headings are as follows:

- Staffing – we have moved all staffing costs associated with the Consumer Panel to the Consumer Panel budget heading so that the true costs of the Panel are more clearly reflected. The cost of pay increases in 2014/15 will be accommodated within the current cash envelope
- Accommodation – savings result from our move to One Kemble Street where we are taking 35% less space and where rental costs are lower than they were at Victoria House with additional benefit arising due to our move occurring before a rental increase
- LSB Board – increase arises due to anticipated additional expenses for out of London Board members. Fees paid to Members will remain at rate first paid in 2008.

- Consumer Panel – all associated staffing costs have moved from the main LSB staffing budget heading to this
- Office costs – the proposed increase is related to planned website improvements and new arrangements for telephony and photocopying facilities
- Depreciation –we had intended to replace its ICT infrastructure on a rolling basis from 2012/13 but delayed this decision. We are still using PCs, which were purchased in 2008 and running windows XP, which Microsoft will stop supporting from 8 April this year. Although this has resulted in lower depreciation charges in 2013/14 there is now an urgent need to refresh the infrastructure (hence the capital budget), which once again will be spread as depreciation charges over the next 5 years. As a public body the LSB is able to secure IT equipment at the same rate as if it was one of the large Departments e.g. Ministry of Defence and these savings in purchase costs will accrue directly to levy payers through lower depreciation charges.
- Governance and support services - This includes internal and external audit, fees and, most importantly, the cost of appointments. In 2014/15, the LSB will need to make five OLC appointments (although two of these may be reappointments) and consider arrangements for the Consumer Panel Chair.
- Legal reference and support - This is based on subscriptions to legal databases and support as well as external legal advice sought by the in-house team either for capacity or legal opinion reasons. We have become considerably more adept at managing the latter and ensuring appropriate value for money from these purchases, but pressure here will remain.
- OLC Board - These are the fees that are paid to the OLC's Chair and Board and also include travel expenses. This budget heading has decreased to take account of the reduced number of days required for the incoming Chair. There have been no increases in the fees paid to members.

49. We remain of the view that it is not feasible to allocate costs to activity, bearing in mind that the matrix nature of LSB working and the likelihood that any such allocation would be almost wholly arbitrary and of little real value.

### **Next steps**

50. The Business Plan for 2014/15 has now been updated to reflect the comments and decisions above and has been published on the LSB's website.

## **Annex A**

### **List of respondents**

(in alphabetical order)

Bar Council

Bar Standards Board

Chartered Institute of Legal Executives

City of London Law Society

Cost Lawyers Standards Board

Council of Legal Conveyancers

ILEX Professional Standards Ltd

Law Society

Mr Peter Adams

Solicitors Regulation Authority

Tonbridge and Tunbridge Wells Law Society

### **List of workshop attendees**

Black Solicitors Network

Bar Council

Bar Standards Board

Bar Tribunals Service

BSI British Standards

Cost Lawyers Standards Board

ILEX Professional Standards

Institute of Professional Willwriters

Intellectual Property Regulation Board

Jomati

Law Society

Legal Action Group

Solicitors Regulation Authority

The City of London Law Society

The Notaries Society

The Office of the Immigration Services Commissioner



## Annex B – Thematic review prioritisation exercise

1. The draft business plan suggested a number of thematic reviews that we may undertake during 2014/15 in order to explore aspects of legal regulation that have concerned the LSB. We also sought suggestions of possible thematic reviews from respondents to the consultation (we were provided with two suggestions: one on barriers to switching between regulators and another on the issues regarding the operation of a single compensation fund). Using the template provided at **Appendix 1** we undertook a prioritisation exercise of the list of potential thematic reviews. We also considered the comments made in response to the draft business plan. The results of this prioritisation exercise are reflected in the revised business plan.
2. The prioritisation exercise concluded that three of the proposals had a greater priority and so should be undertaken during 2014/15. Three of the others were judged as meriting work but were not a priority for resource at present, however, if specific issues arise regarding each issue or resource becomes available they may be undertaken during 2014/15. Finally three were judged as not an immediate priority and / or should be reconsidered following the completion of other projects. For instance it may be appropriate to consider a project on data gathering once the LSB's cost of regulation project concludes. A table showing the priority of each thematic review is shown over page.

<b>To be undertaken during 2014/15</b>	<b>To be undertaken if specific issues arise or resource become available</b>	<b>For reconsideration pending the completion of relevant projects / or not a priority</b>
<ul style="list-style-type: none"> <li>The extent to which restrictions on forms of practice are consistent with section 15 of the Act about when an entity needs to be authorised to provide reserved legal services to members of the public</li> </ul>	<ul style="list-style-type: none"> <li>How regulators identify and deal with firms in financial difficulty, including alternatives to intervention and issues concerning regulatory barriers to exit.</li> <li>Regulators' approaches to consumer engagement</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<ul style="list-style-type: none"> <li>The extent to which it may be possible to revise Schedule 13 to the Act to make the ownership tests for ABS more targeted and proportionate</li> </ul>	<ul style="list-style-type: none"> <li>The extent to which regulation is consistent with the requirements in section 52 of the Act to prevent regulatory conflicts and section 54 of the Act to prevent unnecessary duplication of regulatory provisions made by an external body</li> </ul>	<ul style="list-style-type: none"> <li>The barriers to firms moving between legal regulators.</li> </ul>
<ul style="list-style-type: none"> <li>The extent to which regulation (for example the SRA's Separate Business Rule) unnecessarily prevents legal services providers from structuring their businesses, offering different types of legal and non-legal services and rewarding their employees in ways that they want to commercially</li> </ul>		<ul style="list-style-type: none"> <li>Centralised common compensation arrangements</li> <li>Regulators' approaches to data gathering and analysis</li> </ul>

## APPENDIX 1: Thematic review prioritisation template

<b>WHAT IS THE THEME?</b>	Add details
<b>BRIEF DESCRIPTION OF ISSUE</b>	Add details
<b>BRIEF OVERVIEW OF PROPOSED WORK</b>	Add details
<b>BEST FORM FOR REVIEW</b>	Data review / research / inspection / other
<b>FOCUS ON ONE OR MORE THAN ONE AR?</b>	

<b>RELEVANT REGULATORY OBJECTIVES<sup>2</sup></b>			
Protecting & promoting the public interest		Promoting competition in the legal sector	
Supporting the constitutional principle of the rule of law		Encouraging an independent, strong, diverse & effective legal profession	
Improving access to justice		Increasing public understanding of citizens legal rights and duties	
Protecting & promoting the interests of consumers		Promoting & maintaining adherence to the professional principles	
<b>DESCRIBE WHY THEY ARE RELEVANT:</b>			
<b>ANY SPECIFIC BETTER REGULATION CONCERNS?</b>	YES / NO (Brief detail if YES)		
<b>GROWTH DUTY ISSUES?</b>	YES / NO (Brief detail if YES)		
<b>CREDIBLE ALTERNATIVE TO REGULATION?</b>	YES / NO (Brief detail if YES)		
<b>SPECIFIC LEGAL RISKS CONCERNING THIS ISSUE?</b>	YES / NO (Brief detail if YES)		
<b>POSSIBLE CONTRAVENTION OF A STATUTORY REQUIREMENT?</b>	YES / NO (Brief detail if YES)		
<b>DOES THE LSB HAVE A LEGAL REMIT TO ACT?</b>	YES / NO (Brief detail if YES)		
<b>WHAT TYPE OF CONSUMER IS AFFECTED?<sup>3</sup></b>		<b>ESTIMATED NUMBER / SCALE OF IMPACT<sup>4</sup></b>	
Legal aid consumer			
Private consumer			
SMEs & charities			
Large business & government			
Government sole purchaser			
<b>SPECIFIC CONSUMER CONCERNS?</b>			
<b>WHAT PROVIDERS ARE AFFECTED?</b>			
<b>IN WHAT TYPE OF ACTIVITY?<sup>5</sup></b>		<b>ESTIMATED SIZE OF MARKET / SCALE OF ACTIVITIES<sup>6</sup></b>	
Research / advice (transactional)			
Trial activities			
Advice on potentially litigious matters			
Representation			
<b>WHAT LEGAL PROBLEM IS THE CONSUMER TRYING TO SOLVE?<sup>7</sup></b>			
Crime – prosecution	Property, construction & planning	Intellectual property rights	
Crime – defence	Employment	Corporate finance	
Injury	Immigration	Other business affairs	
Wills, trusts & probate	Consumer problems	Public & administrative law	
Conveyancing	Welfare & benefits	Other	
Family	Other rights		

<sup>2</sup> See LSB regulatory objectives document -

[http://www.legalservicesboard.org.uk/news\\_publications/publications/pdf/regulatory\\_objectives.pdf](http://www.legalservicesboard.org.uk/news_publications/publications/pdf/regulatory_objectives.pdf)

<sup>3</sup> See Oxera framework summary for explanation: <https://research.legalservicesboard.org.uk/wp-content/media/Summary-Oxera-June-12.pdf> and in full here <https://research.legalservicesboard.org.uk/wp-content/media/A-framework-to-monitor-the-legal-services-sector.pdf>

<sup>4</sup> See LSB market analysis (<https://research.legalservicesboard.org.uk/analysis/demand/individual-consumer-needs/>)

<sup>5</sup> See Oxera (ibid)

<sup>6</sup> See LSB market analysis (Ibid)

<sup>7</sup> See Oxera (ibid)

<b>WHAT IS THE ESTIMATED VALUE OF THE AFFECTED MARKETS?<sup>8</sup></b>		£ x	
<b>EXPLAIN THE IMPACT? :</b>			
<b>RELEVANCE TO GROWTH DUTY?</b>			
<b>CONSUMER PRINCIPLES:<sup>9</sup></b>			
<b>Access</b>	<i>Can people get the goods and services they need or want?</i>	<b>Choice</b>	<i>Can consumers choose from a range of services and providers?</i>
<b>Quality/Safety</b>	<i>Are services being widely delivered to high standards?</i>	<b>Information</b>	<i>Are consumers rights simple to understand and easy to find?</i>
<b>Fairness</b>	<i>Are risks to consumer vulnerability being identified?</i>	<b>Representation</b>	<i>Are there good mechanisms for consumers to have a say in how services are delivered?</i>
<b>Redress</b>	<i>Do market rules protect consumers against poor practice?</i>		
<b>IS THIS THEME STRATEGICALLY SIGNIFICANT?<sup>10</sup></b>			
<ul style="list-style-type: none"> <li>- Does the theme affect innovation</li> <li>- Deliver better outcomes</li> <li>- Build LSB credibility</li> </ul>			
<b>WHAT IS THE RISK OF NOT ACTING?</b>			
<b>IS THERE A TIME-RELATED REASON TO ACT?:</b>			
<ul style="list-style-type: none"> <li>- Has work been delayed unnecessarily?</li> <li>- Are there legislative deadlines?</li> </ul>			
<b>WHAT ARE THE RESOURCE IMPLICATIONS? :</b>			
<ul style="list-style-type: none"> <li>- Is action proportionate</li> <li>- Period resources needed</li> <li>- Savings created</li> </ul>			
<b>OTHER FACTORS (FOR EXAMPLE ARE THERE ALTERNATIVES TO REGULATION)</b>			
<b>RECOMMENDATION</b>			
<b>CONCLUSION (TO BE ADDED FOLLOWING DISCUSSION WITH COLLEAGUES – PLEASE INCLUDE DATE OF DISCUSSION AND ATTENDEES)</b>			

Need to be clear that these is a proposition, not a final decision  
Be clear that we should only intervene if we can improve outcomes  
Be clear that factors are not exhaustive and will be kept under review  
Not a mechanical approach, need to exercise some judgment on evidence available

<sup>8</sup> See LSB evaluation of changes in competition in different legal markets - <https://research.legalservicesboard.org.uk/wp-content/media/Changes-in-competition-in-market-segments-ANNEX.pdf>

<sup>9</sup> See Legal Services Consumer Panel document (to be published) <http://www.legalservicesconsumerpanel.org.uk/index.html> and LSB consumer toolkit (to be published): [20130829 guidance consumer toolkitV3.docx](20130829_guidance_consumer_toolkitV3.docx) (Click here to edit)

<sup>10</sup> See LSB strategic plan

[http://www.legalservicesboard.org.uk/news\\_publications/publications/pdf/business\\_plan\\_201213\\_final.pdf](http://www.legalservicesboard.org.uk/news_publications/publications/pdf/business_plan_201213_final.pdf) and Business Plan (in draft) [http://www.legalservicesboard.org.uk/what\\_we\\_do/consultations/open/pdf/lspb\\_2014\\_15\\_business\\_plan.pdf](http://www.legalservicesboard.org.uk/what_we_do/consultations/open/pdf/lspb_2014_15_business_plan.pdf)