

## ANNEX B

### ANALYSIS AGAINST LEGAL SERVICES BOARD SIGNIFICANCE, IMPACT AND RISK (SIR) FRAMEWORK

#### Significance

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| <p>1. Would the change require approval under the previous Ministry of Justice / Legal Service Consultative Panel system?</p> <p>This includes “changes relating to qualification regulations and rules of conduct relating to the rights of audience and rights to conduct litigation”. Potential impacts on rights of audience and fit with court rules has been a primary concern when considering any change in the past.</p> | <p>The Society does not consider that the changes would require this approval.</p>                                                                                                                                                        |
| <p>2. Is there a direct impact on or synergy with the Regulatory Objectives as detailed in Part 1 of the Act?</p> <p>All of the Regulatory Objectives are equally important but areas that we will particularly be considering when determining significance include:</p>                                                                                                                                                         | <p>Yes, in so far as the changes alter the Society’s governance arrangements which are in place to ensure compliance with the IGRs. However, the alteration is minor and not of great significance to the wider Regulatory Objectives</p> |
| <p>a. Impacts on competition in the provision of services, either increasing or restricting.</p>                                                                                                                                                                                                                                                                                                                                  | <p>The Society does not consider the proposed changes will have a direct impact on competition.</p>                                                                                                                                       |
| <p>b. Protecting and promoting the interests of consumers. As two of the areas highlighted as being of key concern to consumers we are likely to consider as being of particular significance:</p>                                                                                                                                                                                                                                | <p>The Society does not consider the proposed changes will have a direct impact on consumer protection.</p>                                                                                                                               |
| <p>i. alterations to how complaints are dealt with; and</p>                                                                                                                                                                                                                                                                                                                                                                       | <p>See comment above.</p>                                                                                                                                                                                                                 |
| <p>ii. arrangements relating to financial protection including the handling of client money (account rules), indemnification and compensation.</p>                                                                                                                                                                                                                                                                                | <p>See comment above.</p>                                                                                                                                                                                                                 |

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| c. Encouraging an independent, strong, diverse and effective legal profession. Changes likely to impact on equalities and diversity will be of particular interest. Changes to core training and qualification and training requirements will also be deemed significant.                                                                                                                              | The Society does not consider the proposed changes will have a direct impact on regulated persons, core training or qualification requirements.                                                                                                                                                                                                                                      |
| 3. Is the change consistent with the Better Regulation Principles? Has consideration been given to the need to move to outcome and principle based regulation?                                                                                                                                                                                                                                         | Yes. The changes to the Society's Assurance Protocol are transparent, proportionate and consistent in line with the IGRs.                                                                                                                                                                                                                                                            |
| 4. Will the change require a statutory instrument and / or parliamentary time in order to be completed?                                                                                                                                                                                                                                                                                                | No.                                                                                                                                                                                                                                                                                                                                                                                  |
| 5. Has there been activity in relation to changing the regulatory arrangement in the past two years, for example an application made under the previous system, change considered by internal Board, consultation with regulated community or others? If so did the advice received, responses to consultation, or decision made raise any issues, either positive or otherwise indicate significance? | Yes – the LSB directed on 9 July 2020 that the alterations by the Law Society to its regulatory arrangements be treated as exempt alterations for the purposes of paragraph 19(2)(c) to Schedule 4. These included the creation of a new Assurance Protocol governing residual assurance arrangements between the Law Society and the SRA which is being altered by the application. |
| 6. How much interest in the alteration is there within the Justice system and therefore how much is the confidence of those with an interest in the Justice system likely to be impacted by the alteration?                                                                                                                                                                                            | The decision of the SRA not to register as a charity is in the public domain and the Society is not aware of any concern or adverse response.                                                                                                                                                                                                                                        |

## Impact

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| 7. The number and proportion of people (consumers, procurers, regulated community) that will be affected by the alteration?         | It is not expected that the changes will have a specific direct impact on any of these groups. |
| 8. Is there an anticipated impact on the ability of members to practise, operate effectively, make a profit, and earn a livelihood? | No direct impact.                                                                              |

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| 9. Will the change affect the ability of or requirements for prospective members to enter and/or operate effectively within the regulated community?                                                                                | No direct impact.                                                                                                                                                                    |
| 10. Is there any crossover and / or conflict with other bodies regulating the same area or person? Are there differences in standards (standards must be comparable not necessarily the same)?                                      | There is no direct impact on the standards applying to regulated persons, or any conflict with other approved regulators, who are also required to certify compliance with the IGRs. |
| 11. The number of alterations included within the application.                                                                                                                                                                      | The alterations include minor changes to the protocol dealing with one issue relating to the provision of assurance.                                                                 |
| 12. What are the integrated consumer protection and competition impacts? Will the proposed alteration result in the addition of regulation or the removal of regulation (as opposed to a neutral amendment to existing regulation)? | It is not expected that the changes will result in addition or removal to regulation.                                                                                                |

## Risk

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| 13. Previous track record of the AR in competently making changes that have been fully consulted on and the impacts fully assessed.                                                                                                        | Previous changes to the Society's assurance arrangements have been made in consultation with the SRA and the LSB as required. The Society has followed the same approach for these alterations.           |
| 14. How transparent and robust are the internal processes that the AR will follow in making changes? In particular does the process incorporate appropriate consultation and use of impact assessments (please see paragraph 13)?          | The proposed alterations have been developed in consultation with the SRA and have been approved by the SRA Board and the Society's Board.                                                                |
| 15. Is there a high level of good quality data and evidence to support / justify the making the change? If not are there robust plans to obtain this information and for it to inform the change and enable actual impacts to be assessed. | The changes are being made to ensure the Society continues to have clear and accurate powers to intervene into the activities of the SRA in appropriately limited circumstances consistent with the IGRs. |

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| 16. How many would be impacted how quickly (immediacy of impact)?                                                                                                                                                                                                                                                                                              | It is not expected that the changes will have a specific direct impact on any of these groups.                                                                                                                                                                                                                                                           |
| 17.If the change did not go ahead, what would the impact be?                                                                                                                                                                                                                                                                                                   | The Assurance Protocol would be out of date and inaccurate. It would not accurately reflect that SRA Ltd is no longer seeking charitable status or that there is no longer a requirement for the Society to intervene in the exercise of regulatory functions in the event that the SRA ceases to operate due to intervention by the Charity Commission. |
| 18.How and when does the AR plan to assess the impact of the change following its introduction? What action would be taken if the benefits were not realised? Has consideration been given to whether there is need to include a defined sunset clause?                                                                                                        | No ongoing assessment should be required given the limited circumstances in which the alteration would become operative.                                                                                                                                                                                                                                 |
| 19.Has there been activity in relation to changing the regulatory arrangement in the past two years (see paragraph 5)? Has any other AR made a similar change or undertaken activity relating to a similar regulatory arrangement in the past and was there any detrimental outcome or did the change process identify the potential for a detrimental impact? | See paragraph 5 above.<br><br>The Society is aware that other approved regulators made changes to their regulatory arrangements to conform to the IGRs.                                                                                                                                                                                                  |
| 20.If the change introduces regulation, does the AR have the capability of identifying breaches and providing / ensuring appropriate remedy and / or enforcement (see paragraph 12)?                                                                                                                                                                           | The change does not have the effect of introducing regulation.                                                                                                                                                                                                                                                                                           |