



LEGAL SERVICES
BOARD

Business plan 2019/20

April 2019

Foreword

I am grateful to everyone who responded to the consultation on our draft business plan. The quantity and quality of the responses we received was really pleasing to see and your thoughts will guide us in our work.



Three new five-year policy objectives lie at the heart of the business plan, relating to ongoing competence, public legal education and technology. These are defining issues that go to the heart of our vision for legal services that everyone can access and trust. This vision cannot fully be realised unless we ask the difficult questions, debate and discuss the issues, and identify the right solutions. These are issues that the sector needs to address collectively. Our role as oversight regulator means we are uniquely well placed to bring people together to make progress in these areas.

In pursuing these new policy objectives, we will not lose sight of other key workstreams that will contribute towards our existing strategic objectives. Our continued commitment to increased transparency will help consumers access legal services more easily, while work to finalise and implement the revised internal governance rules will ensure that regulation is independent, effective and in the public interest. Our statutory functions continue to underpin all our work; next year we will begin our ongoing monitoring of regulators through our regulatory performance framework and consider applications for changes to regulatory arrangements.

I was grateful for the positive response to our call for joint working. This year we plan to engage with a wider range of bodies than before to benefit from fresh insights, and to work in partnership to help bring about change.

I look forward to working with you in the year ahead.

Dr Helen Phillips
Chair

The LSB's strategy and new five-year policy objectives

The LSB's strategic objectives 2018-21

Promoting the public interest through ensuring independent, effective and proportionate regulation

Making it easier for all consumers to access the services they need and get redress

Increasing innovation, growth and the diversity of services and providers

5 year policy objectives: Key markers of our success

The regulators have appropriate frameworks for continuing assurance of professional competence throughout the careers of the people they regulate

The LSB is perceived as being at the forefront of enhancing public legal education

Access to legal services is increased through the promotion of responsible technological innovation that carries public trust

Summary of work packages for 2019/20

Promoting the public interest through ensuring independent, effective and proportionate regulation

Making it easier for all consumers to access the services they need and get redress

Increasing innovation, growth and the diversity of services and providers

5-year policy objectives – laying the foundations

- Ongoing competence

- Public legal education

- Technology

Other key workstreams

- Regulatory performance
- Internal Governance Rules
- Review of PCF processes including non-regulatory permitted purposes
- Enforcement

- Consumer transparency
- Individual legal needs survey

- Responding to EU exit
- Market evaluation exercise

Discharging our statutory duties

1) Promoting the public interest, through ensuring independent, effective and proportionate regulation

Ongoing competence

Conduct a thematic review of how regulators ensure that the people they regulate remain competent throughout their careers.

Regulatory performance

Embed our revised regulatory performance framework and follow up on progress with actions in other areas of LSB's work.

Internal Governance Rules review outcomes

Implement the revised Internal Governance Rules.

Review of PCF including non-regulatory permitted purposes

Conduct a review of the PCF approval process, including a targeted review of the regulators' approach to the non-regulatory permitted purposes in s51 of the Act.

Enforcement

Engage with regulatory bodies outside of the legal sector, eg the medical and financial services sectors, to identify any developments in regulatory enforcement that we can learn from.

2) Making it easier for all consumers to access the services they need and get redress

Public legal education

Map the PLE landscape and engage with possible partners to explore how the LSB can help improve access to justice by building legal capability.

Use existing research and data, and where necessary originate our own research, to identify key gaps in public knowledge and to establish a baseline of legal capability to allow impact monitoring in future years.

Increasing consumer transparency

Continue to monitor and engage with the regulators on progress implementing action plans produced following the Competition and Markets Authority's 2016 market study.

Individual legal needs survey

Complete the individual legal needs survey in partnership with the Law Society.

3) Increasing innovation, growth and the diversity of services and providers

Regulatory approaches to technology

Continue the work we recently started to commission a collection of papers and provide opportunities for discussion and debate, to consider the regulatory implications of developments in technology in legal services.

Promote wider use of regulatory sandboxes in the sector.

Responding to the regulatory consequences of EU exit

We will continue to liaise closely with the legal services regulators and the Ministry of Justice as the UK leaves the European Union, to ensure as smooth a transition as possible for the public, for consumers and for legal services providers.

Market evaluation exercise

Publish our triennial assessment of whether the market outcomes associated with the regulatory objectives in the Legal Services Act are being achieved over the longer-term, and where more progress needs to be made.

Market intelligence

The focus of our research in 2019/20 will be to support our proposed strategic objective of making it easier for all consumers to access the services they need and get redress. This will include completing our major survey of individual legal needs in partnership with the Law Society and exploring options to establish a baseline of legal capability as part of our new strand of work on public legal education.

We will also publish our next triennial market evaluation before the end of 2019.

As we have in recent years, we will generally commission market research companies to undertake the evidence gathering and carry out the majority of the analysis and report writing work ourselves. We will focus on publicising and sharing the results of our research, to ensure this evidence can inform policy making and enable lessons to be learnt.

We have recently enhanced our research webpages to provide a repository of key official statistics, published regulatory data and our research findings. By bringing these key facts and figures together in one place, our aim is to provide a useful reference resource for stakeholders and the media. We will build on this in 2019/20.

Discharging our statutory duties

Considering requests for changes to regulatory arrangements

We will consider individual applications for changes to regulatory arrangements. During 2019/2020 this is likely to include SRA applications relating to financial protection arrangements as well as the BSB's proposed market transparency reforms.

We will begin a review of our processes for statutory decisions.

Designating new regulators

Designations allow new firms to enter the market and existing firms to expand the services that they offer and thus improve choices for consumers. We will consider any designation applications we receive according to our established procedures.

Approving practising certificate fees

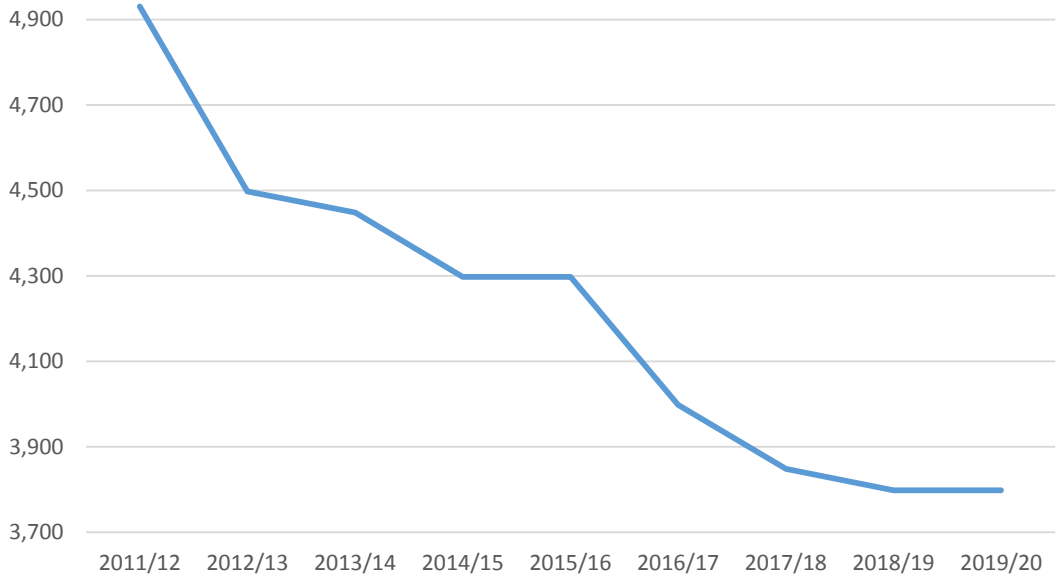
Through the approval of PCFs we will maintain our focus on the level and transparency of regulators' costs.

Undertaking our statutory responsibilities in relation to the OLC

We will continue to hold the OLC to account to make sure that the Legal Ombudsman is delivered at an appropriate cost and achieves sustained performance improvement.

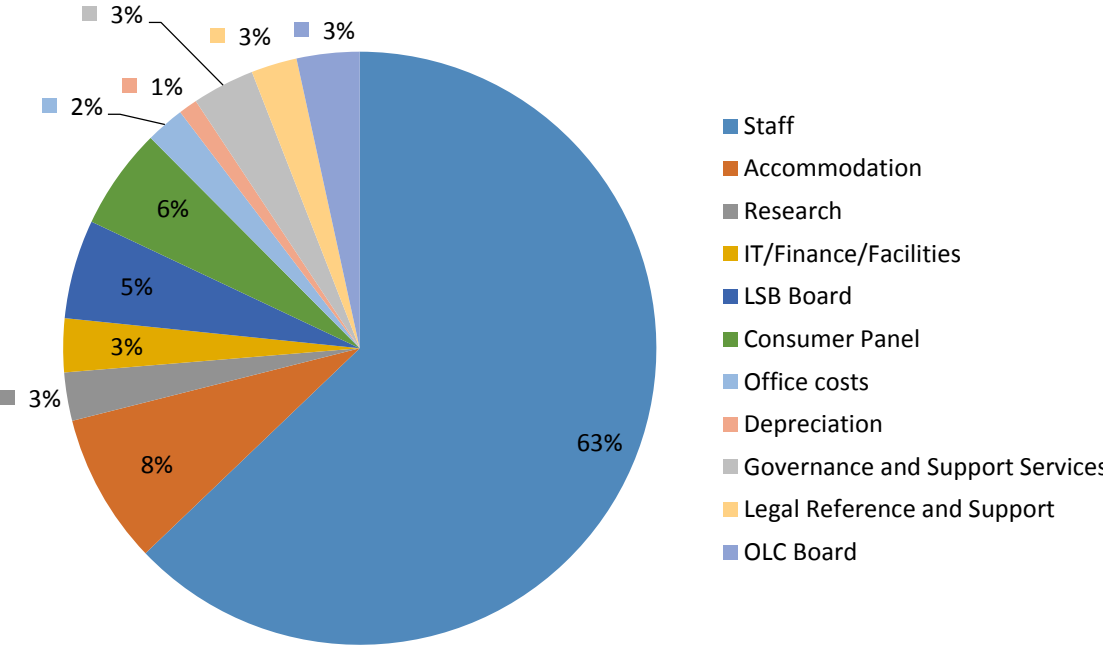
Financing our work in 2019/20

Level of annual budget



- Budget of **£3.798m**
- Budget reduced by almost **23%** since inception
- Committed to using our resources as efficiently and as effectively as we can
- Do not budget for the cost of any litigation
- Costs are financed 100% through statutory levy on approved regulators

Analysis of LSB Costs for 2019/20



- The LSB pays the salaries and expenses of OLC Board and Consumer Panel members
- Public servants, not civil servants
- Relatively small and specialised staff team

Activity schedule

Projects continuing on from 2018/19

Project	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Regulatory performance	Review information returns	Update Board		
Internal Governance Rules review outcomes	Publish IGR documents			
Technology and regulation	Publications	Publications and event	Publications and event	Final publication
Legal needs survey	Analysis	Publication		
Consumer transparency	Ongoing monitoring			

Activity schedule

New projects for 2019/20

Project	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Ongoing competence	Scoping	Evidence gathering		Analysis
Public legal education	Scoping		Legal needs survey analysis	
Technology - sandboxes		Scoping	Analysis	Publication
Review of PCF processes including non-regulatory permitted purposes (NPP)	PCF process element to start		NPP element to start	
Enforcement			Evidence gathering	
Responding to EU exit	Ongoing in response to external developments			
Market evaluation exercise	Analysis	Analysis	Publication	

Further information on the timing of these projects will be made available on our website once scoped.