

Guidance for legal services regulators on encouraging a diverse workforce (February 2017)

The provision of guidance

1. Section 162 of the Legal Services Act 2007 (the Act) allows the Legal Services Board (the LSB) to give guidance:
 - About the operation of the Act and any order made under it
 - About the operation of any rules made by the Board under the Act
 - About any matter relating to the functions of the LSB
 - For the purpose of meeting the regulatory objectives
 - About the content of licensing rules
 - About any other matters about which it appears to the LSB to be desirable to give guidance
2. Guidance under section 162 may consist of such information and advice as we consider is appropriate. We will have regard to the extent to which an approved regulator has taken into account guidance when exercising its functions.
3. This guidance replaces that published by the Board in July 2011. It may be updated from time to time.

Purpose of this document

4. This document sets out our guidance to regulators on their regulatory arrangements and other activities for encouraging a diverse workforce. It is aimed at existing regulators and those applying for designation as an approved regulator or licensing authority.
5. We consider a diverse workforce a key aspect of developing a legal sector that best serves consumers and supports innovation. As such, we expect all regulators to be considering diversity through all regulatory activity, and as part of achieving a high performing legal sector. This guidance sets out the outcomes we expect the regulators to be able to display to stakeholders to prove that their work on diversity is evidence-based and effective.
6. We consider the information provided here gives sufficient clarity as to the outcomes we expect the regulators to achieve. We envisage that this guidance will allow regulators more freedom to develop suitable, targeted approaches in their respective communities. This guidance will allow regulators to demonstrate a better understanding of the regulated community as a whole, and provide opportunity for collaborative working both across regulators and with other legal sector stakeholders.
7. The LSB will also use this document to set out the characteristics we expect regulators to focus on. This list is:

- Age
 - Caring responsibilities
 - Disability
 - Gender (reassignment and identity)
 - Marriage and civil partnership
 - Pregnancy and maternity
 - Race
 - Religion or belief
 - Sex
 - Sexual orientation
 - Socio-economic background
8. Regulators have flexibility to develop their own diversity data collection approach, and should review their collection method to ensure it collects the best possible data by the most appropriate method, particularly with respect to sensitive characteristics. However, the regulator should maintain the ability to report on trends across characteristics since 2011.

Our approach

9. Under section 3 of the Act, it is our duty to promote the regulatory objectives and to have regard to the Better Regulation Principles.
10. One of the regulatory objectives relates to encouraging an independent, strong, diverse and effective legal sector workforce. This objective specifically mentions the importance of encouraging a diverse workforce. This is reinforced by the references to a strong and effective workforce, as the workforce will be at its strongest and most effective if it harnesses the broadest range of talent from across the diversity of society.

Performance assessment

11. We have publicly committed to a performance assessment to assess regulator work on encouraging a diverse workforce.¹ We intend to use these outcomes to form the basis of this assessment.
12. The first formal assessment will commence in August 2018, and will initially take place annually. The LSB will keep the frequency of regulator performance assessments on diversity under continuous review.

Outcomes

13. By August 2018, we expect regulators to have appropriate activities in place to encourage a diverse workforce that deliver the following outcomes:
- 1) The regulator continues to build a clear and thorough understanding of the diversity profile of its regulated community (beginning at entry), how this changes over time and where greater diversity in the workforce needs to be encouraged;

¹ http://www.legalservicesboard.org.uk/about_us/board_meetings/2015/PDF/15_17_LSBs_Leadership_Role_On_Diversity.pdf

- 2) The regulator uses data, evidence and intelligence about the diversity of the workforce to inform development of, and evaluate the effectiveness of, its regulatory arrangements, operational processes and other activities;
 - 3) The regulator collaborates with others to encourage a diverse workforce, including sharing good practice, data collection, and other relevant activities;
 - 4) The regulator accounts to its stakeholders for its understanding, its achievements and plans to encourage a diverse workforce.
14. Beneath each outcome below, we provide examples of evidence that a regulator might use to demonstrate achievement of the outcomes. Regulators should not feel restricted by these, and should be confident in providing alternative evidence should it display success in this area.

Timetable

15. We will monitor the progress that regulators have made in August 2018. Thereafter, we envisage on-going monitoring of regulators' performance on encouraging a diverse workforce to be carried out through a formal performance assessment.
16. We will contact regulators six months after publication for an update on the work being done by that point to inform the scope of the formal review that will take place after 18 months.

Outcomes

Outcome 1: *The regulator continues to build a clear and thorough understanding of the diversity profile of its regulated community (beginning at entry), how this changes over time and where greater diversity in the workforce needs to be encouraged*

Evidence of progress/ achievement could include...	<ul style="list-style-type: none"> • Data collection, trends analysis since 2011 and publication • Best practice in research design (including question design across all characteristics) • Well networked in sector • Awareness and understanding of other initiatives in the sector – what works and what doesn't
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Outcome 2: *The regulator uses data, evidence and intelligence about the diversity of the workforce to inform development of, and evaluate the effectiveness of, its regulatory arrangements, operational processes and other activities*

Evidence of progress/ achievement could include...	<ul style="list-style-type: none"> • Analysis of data collected • Impact assessments in policy development • Sharing good practice examples from supervision etc.
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Outcome 3: *The regulator collaborates with others to encourage a diverse workforce, including sharing good practice, data collection, and other relevant activities*

Evidence of progress/ achievement could include...	<ul style="list-style-type: none"> • Understanding of work being done to address diversity issues in regulated community by others, for instance by representative bodies, by employers and firms, or education and training providers • Working with stakeholders – other regulators, professional bodies and groups, firms and employers – to build and educate the workforce on the business case for diversity • How regulator data is being used to inform others' work – being transparent with the data it collects
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Outcome 4: *The regulator accounts to its stakeholders for its understanding, its achievements and plans to encourage a diverse workforce*

Evidence of progress/ achievement could include...	<ul style="list-style-type: none"> • From time to time, the regulator states publically what it knows about the diversity of the workforce and the actions it is taking, both directly and indirectly, to encourage a diverse workforce (for instance in its annual report or on a section on its website) • Publishes details of its firm-led diversity initiatives/activities • If nothing is proactively provided, this outcome could be demonstrated in response to a request from the LSB
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