

**Meeting:** Legal Services Board

**Date:** 19 January 2021

**Item:** Paper (21) 04

**Title:** Quality Indicators

**Author:** Steve Brooker, Head, Policy Development and Research  
Robin Geddes, Regulatory Policy Manager

**Status:** Official

### **Purpose of the paper**

1. The paper sets out the executive's recent work on quality indicators and seeks agreement on plans to seek stakeholder feedback on policy options.
2. The paper should be read in conjunction with the separate paper on the CMA review elsewhere on the agenda (see Paper (21) 03).

### **Recommendation:**

3. The Board is invited to:
  - **Note** progress on quality indicators since the September Board meeting
  - **Note** the Public Panel research on quality indicators
  - **Discuss** the draft discussion paper on quality indicators for public consultation
  - **Delegate authority** to the Chair and Chief Executive to approve the finalised paper for publication

### **Background**

4. The Board agreed in April 2020 that, using powers under section 49 of the Legal Services Act, we should publish a statutory policy statement that would set out our expectations of what the regulators should be doing to improve consumer engagement in the market.
5. The policy statement will include expectations around quality indicators, and during 2020 the Board increased its focus in this area. The Board reviewed

progress in September 2020, and since then, the executive has been developing policy proposals and undertaking research with LSB's Public Panel.

6. We consider that our work in this area will promote the regulatory objectives, in particular: protecting and promoting the interests of consumers; and promoting competition in the provision of services.

## Progress

7. Since the September 2020 Board meeting, the executive has identified a range of policy options to improve transparency of the quality of legal services through the provision of quality indicators.
8. The CMA has made fresh recommendations around quality indicators, including a recommendation that the LSB should take the lead in coordinating action by the regulatory bodies in this area. Acknowledging the LSB's ongoing work, the CMA decided against making firm proposals in this area.
9. We shared our emerging thinking with the CMA over autumn 2020 so there is close alignment between our policy development and the options set out in its report. We have also shared our thinking with the LSCP on an ongoing basis, and hosted a roundtable with the regulatory bodies, CMA, the Legal Ombudsman and the LSCP.
10. In developing our policy work, we are keen to gather stakeholder responses on key issues and options for intervention. We have set out our latest thinking in a draft discussion paper, see **Annex A**. We intend to publish this paper and use responses to inform the quality dimension of the statutory statement of policy.
11. The discussion paper sets out our current views on what information on quality consumers find helpful, the best channels for getting this information to them, and potential options for propagating these. The paper sets out two routes to achieving our vision for change – broadly, market-led solutions likely to lead to wider variety of approaches, and regulator-led solutions involving greater standardisation.
12. This paper has been informed by research with the LSB's Public Panel, which has recently concluded. The findings support some of our hypotheses set out in the discussion paper, including that there is no single type of information on quality that is universally preferred, although consumer feedback and star ratings are valuable to consumers making choices. There was also support for a single digital register. The executive summary of the report is at **Annex B**.

## Next steps

13. We ask the Board to approve the draft discussion paper for publication, subject to final minor changes, with delegated authority to the Chair and Chief Executive for approval of publication of the final document shortly.

14. We propose to consult on the discussion paper for a period of eight weeks. We will publish the Public Panel research alongside the discussion paper.
15. These steps should enable us to bring a draft statutory statement of policy with associated consultation paper, as well as a response to our quality indicators discussion paper, to the Board meeting on 8 June.

## Annexes

Annex A – Draft discussion paper on quality indicators

Annex B – Public Panel research report on quality indicators – executive summary

| <b>Risks and mitigations</b>   |  |
|--------------------------------|--|
| <b>Financial:</b>              | N/A  |
| <b>Legal:</b>                  | N/A  |
| <b>Comms and engagement:</b>   | Some policy options are likely to be controversial. The proposal to publish a discussion paper in advance of consulting on a draft statement of policy takes account of this and will enable us to understand different perspectives. In addition to encouraging written responses, we will convene discussions with stakeholders. |
| <b>Equality and diversity:</b> | The State of Legal Services 2020 report highlighted worse outcomes in relation to consumer engagement for some groups, which can expect to benefit from interventions by LSB. Specific interventions may need to be adapted with these groups in mind.   |
| <b>Resource:</b>               | The statement of policy is factored into resourcing plans for 2020-21 and 2021-22.   |

| <b>Freedom of Information Act 2000 (Fol)</b> |                                  |                |
|--|----------------------------------|----------------|
| <b>Para ref</b>                              | <b>Fol exemption and summary</b> | <b>Expires</b> |
| Annexes A, B                                 | s22 – future publication         | N/A            |