LSB 2025-26 Q1 Performance Report

Direct regulatory oversight and surveillance

Oversight and regulatory performance: We commenced a review of our oversight function in Q1. We will present the findings from our analysis, including a range of options to refocus our oversight of regulators, to our Board at its July meeting. We issued binding directions to the Solicitors Regulation Authority (SRA) on 27 May, in respect of the SRA's acts and omissions in discharging its regulatory functions in connection with the findings of the Axiom Ince review report.

Statutory decisions: See page 3 for more information on statutory decisions.

Regulatory review: The team has continued to draft its first report on the thematic review of Council of Licensed Conveyancers' disciplinary and enforcement processes.

Enhanced market surveillance and horizon scanning: During Q1 we developed a draft proposal for a 'Futures' workshop on the ageing population and implications for legal services and regulation. This proposal has been shared with a range of stakeholders for comment and input, including regulatory bodies/approved regulators and the MoJ. We have subsequently established a steering group with key stakeholders to shape the format and structure of the workshop.

Priority policy projects

Professional Ethics and the Rule of Law (PERL): Our consultation on professional ethics and the rule of law closed on 29 May, and we are currently in the process of analysing over 60 responses. We are working towards final review and approval by our Board later in the financial year. We also held our fourth PERL roundtable in May.

Equality, diversity and inclusion: In Q1 we continued to develop our draft policy proposals focused on advancing equality, encouraging diversity and promoting a healthy and inclusive culture in the legal profession. As part of this we have also continued with our comprehensive approach to engagement, holding workshops with key stakeholders on 13 and 22 May to gain insights into our emerging policy proposals. We will be presenting the overall direction of travel to our Board at its July meeting. We remain on track to launch the public consultation in later this year.

Access to justice: We have continued to develop our potential policy options for the LSB to take forward. We are on track to present our Theory of Change to our Board in September 2025.

Disciplinary and enforcement processes: Due to dependencies on other strands of work across the programme and our wish to extend the time allocated to increasing our knowledge of this topic area across the sector, we are exploring alternative development and improvement routes for delivery within this area of work.

Consumer protection: Our consumer protection project is in its early scoping phase, with the team carrying out a risk assessment to ascertain specific areas of need, in addition to an exploration of interdependencies with our Access to Justice project. The project is currently rated as amber due to capacity to progress at pace – however, we have recently recruited and onboarded a new Regulatory Policy Manager who will lead the project going forward; as such we anticipate this will return to green early in the next quarter. We anticipate that we will present our initial findings from our scoping work at our Board meeting in the Autumn.

Evaluation of Internal Governance Rules (IGR): We presented findings from the analysis of our request for evidence at our Board meeting in June. The Board agreed to pause substantive work on this project pending potential proceedings in connection with delegation under the IGR and the Act. We have subsequently written to regulatory bodies and approved regulators to inform them of this and will keep stakeholders up to date with developments on this as and when appropriate.

Economic crime objective: The consultation response document and final guidance was approved at our Board meeting in June. We are currently working to prepare the final suite of documents for publication (subsequently published on 22 July).

LSB strategy: We published our final 25/26 Business Plan on 17 April, which identified five priority policy areas:

- Professional ethics and the rule of law
- Equality, diversity and inclusion
- Access to justice
- Disciplinary and enforcement
- Consumer protection

The team has continued to draft the State of Legal Services report, and we have also commenced planning for our next Business Planning cycle. We are also looking ahead to our next Annual Conference, which will be held in Autumn 2026.

Datasets: We have continued to review and refresh our dashboards, including the publication of our dataset and dashboard to accompany our Price of Legal Services survey research.

Public Panel: We have recommissioned our Public Panel and have provided information on how to engage with the Panel to relevant stakeholders.

Research: We published our Prices Survey research report on 17 June. We also drafted an Invitation to Tender for our Small Business Legal Needs survey, which was subsequently published on the Crown Commercial Service (CCS) Research and Insights Marketplace in July.

Statutory decisions - background

Alterations to regulatory arrangements

Under the Legal Services Act 2007 ('the Act'), alterations to approved regulators' regulatory arrangements ('rule changes') must be approved by the LSB before coming into effect. This is one of the LSB's most frequently exercised statutory functions.

The Act prescribes an initial 28 day period for making a decision that can be extended by the LSB by up to 90 days via an extension notice or by a further year if the LSB is considering refusing an application and issues a warning notice. The LSB can only refuse an application if one of the statutory refusal criteria is met.

Under the Act, the LSB also has the power to exempt certain general or specific changes from the approval process by issuing an exemption direction. The LSB aims to publish all applications and decisions within two working days. In our consideration process, we take a risk-based approach whereby applications are assessed as lower risk or higher risk. For lower risk applications, our target is a decision in 28 days or less.

<u>Practising fees</u>
Under the Act the LSB assesses and approves practising fees.
The LSB aims to make a decision on these practising fee applications within 35 calendar days.

<u>Note:</u> The figures in the bars in picture 1 do not refer to the same datasets. The purple bar is for applications received. The black, orange and magenta bars relate to what happens after the receipt of an application. Where an application is received in the previous business year or end of a quarter but assessment is concluded in the following business year or quarter the data sets will differ. The grey bar for exemption directions is a separate category which is not covered by the other four metrics.

Statutory decisions – analysis

In Q1 we received four new applications for alterations to regulatory arrangements, and made two decisions. These decisions were made on 'lower risk' applications, and were made within our target of 28 days of less for lower risk applications. Two of the applications received were designated as 'higher risk' and were subsequently extended. We issued one exemption decision this quarter.

Our median decision time this quarter was 21 days. We met our publication deadlines for both applications and decisions this quarter.

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General Enquiries – background

General Enquiries is our inbox for receiving correspondence from the public. It is monitored by our corporate support team.

The public typically contacts us to raise issues about a regulator, lawyer, the Legal Ombudsman, or with general enquiries about legal services and legal aid.

Our target response time is 10 working days or less.

General Enquiries – analysis

We received 400 general enquiries in Q1, representing a notable increase compared with the previous quarter and a significant rise compared to the last financial year as a whole. As reported last quarter, this year-on-year growth is likely linked to the ongoing review of our data reporting and analysis methodology. Additionally, the increase in unsolicited correspondence may be attributed to the rising profile of the LSB and recent high profile events, such as our report into the SRA's handling of Axiom Ince, that have attracted national media attention.

While the overall process for handling General Enquiries remains unchanged, we have expanded our reporting to include the number of repeat enquiries and mass emails received by the LSB. This adjustment offers a more representative view of the volume of unsolicited correspondence and the resources required to process and respond where appropriate. We will continue to report on this data in future quarters to support more meaningful trend analysis in the next financial year.

Although the number of general enquiries remains high, in line with our statutory duties as an oversight regulator, there are specific circumstances under which we respond. In Q1, we responded to 65 enquiries, with approximately 17% referred to our Legal and/or Policy team due to increased complexity or risk profile. We have found that several correspondents continue to send follow-up correspondence even after receiving a clear response indicating that the LSB is unable to assist further. These are typically recorded as "LSB copied in but no reply required," and they account for a significant proportion of the enquiries reported in that correspondence category. Regardless of the categorisation, all correspondence is reviewed and triaged as appropriate.

The significant increase in unsolicited correspondence has placed additional pressure on the team's resources. As the team's capacity has remained unchanged, this has resulted in longer response times and potential delays in service delivery, particularly in meeting the target response deadline of 10 working days. In terms of the profile of correspondence received, 10% of enquiries in Q1 related to complaints about a regulatory body or approved regulator.

Freedom of Information – background

The Freedom of Information Act 2000 ('the Act') gives people a right of access to the information held by, or on behalf of, public authorities ('authorities'). This applies regardless of the age, format, origin or classification of the information, and covers for example: reports, letters, emails, notebooks and photographs.

The Act requires authorities: (1) to publish information proactively in accordance with their publication schemes; and (2) to provide within not more than 20 working days other information requested by any person ('information requests').

Freedom of Information – analysis

We received three freedom of information requests this quarter, and responded to three. We have continued to observe a declining trend in FOI requests.

Our mean and median response times for this quarter are 14 and 11 days respectively.

Communications and engagement

There continues to be a slightly downward trend in LSB website users from a median of 176 users per day in Q4 to 159 in Q1. However, we observed a peak in activity in response to the publication of our Annual Regulatory Performance Assessment at the end of Q4 - 31 March (525 users), and subsequently on 1 April (313 users).

Engagement rates for the quarter have remained steady at 64%. Engagement rates for our Reshaping Legal Services microsite have marginally declined this period (46% compared with 49% last quarter).

The Chair's blog continues to have a steady user and engagement rate. The engagement rate for our April blog was 81%, and 96% in June. In addition, the number of senior engagement meetings has remained steady when compared with previous quarters.

Our consultation on Professional Ethics and the Rule of Law has been viewed 657 times since its publication in March, and our Regulatory Performance Assessment has been viewed 492 times over the course of the same period.

Our LinkedIn engagement rate has decreased slightly this quarter to 6.7% from 11% in Q4 24/25 - however, our posts regarding our attendance at the Legal Services Consumer Panel launch event for its 'Regulatory Leadership on Access to Justice' report, and our post regarding our PERL consultation, had a wide reach.

Our continued work in relation to the Axiom Ince review, our consultation on PERL, the appointment of the Interim Chair and our Prices Survey research report attracted media coverage this quarter.

Finance – prompt payment – background

The LSB usually undertakes one payment run per week.

Prompt payment data is reported quarterly to the Ministry of Justice in line with Government guidance.

Finance – prompt payment – analysis

We processed 65 invoices in Q1. This figure demonstrates a slight decrease in volume compared to the same quarter last year (77 in Q1 24/25).

We paid 49 (75%) of these invoices within five working days. We paid 100% of invoices within 10 working days. Disputed invoices are excluded from this calculation.

On average we paid our invoices in 3.5 days in Q1, which represents a slight increase compared with recent quarters but remains within our target.

Human Resources

Our latest pulse survey continues to demonstrate that the majority (64%) of colleagues feel confident about SLT's ability to make the right decisions, manage change and ways of working. This has declined slightly over recent months but corresponds with changes at Executive level. The number of colleagues who cite that they feel connected to the rest of the LSB remains high at 94%. As a response to this, SLT has approved a project to strengthen our approach to resource profiling, pipeline management and prioritisation. This decision reflects a growing need to modernise how we manage and plan capacity across the team, prioritise our activities, produce robust management information and respond to increasing complexity across our portfolio. This work also complements the Capacity and Workload task and finish group which has been gathering wider intelligence via focus groups to inform our understanding of capacity and workload pressures across the LSB as a whole.

Sickness absence days increased in Q1 to 66 days when compared with Q4 (39 days). Note that this figure includes two instances of long-term sick leave. The sickness absence rate in Q1 was 1.7 days per colleague for this period, compared with 1 day per colleague in Q4.

One colleague resigned in Q1 and our recruitment campaign for this vacancy is now underway.

During Q1 we spent approximately £4k on training and development, leaving our remaining spend at approximately £65k for FY 2025/26.