



LEGAL SERVICES  
**BOARD**

# DRAFT BUSINESS PLAN 2023/24

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December 2022

# Three strategic themes, and nine challenges for the legal services sector



# Eight regulatory objectives that underpin our work

The eight regulatory objectives in the Legal Services Act 2007 underpin our plans. We share these with the organisations that we oversee and we consider how best to promote them in all of our work.



**RO1**

Protecting and promoting the public interest



**RO2**

Supporting the constitutional principle of the rule of law



**RO3**

Improving access to justice



**RO4**

Protecting and promoting the interests of consumers



**RO5**

Promoting competition in the provision of services



**RO6**

Encouraging an independent, strong, diverse and effective legal profession



**RO7**

Increasing public understanding of the citizen's legal rights and duties



**RO8**

Promoting and maintaining adherence to the professional principles

# LSB activities 2023/24 and the regulatory objectives

All of our workstreams promote the regulatory objectives and are underpinned by our statutory functions – Regulatory Performance and Statutory Decisions, OLC oversight and SDT oversight.

	Workstream	RO1	RO2	RO3	RO4	RO5	RO6	RO7	RO8
Ongoing and carryover commitments	Curating the strategy	✓	✓	✓	✓	✓	✓	✓	✓
	Disciplinary and enforcement processes	✓			✓		✓		✓
	Equality, diversity and inclusion	✓		✓	✓		✓		✓
	Financial protection arrangements	✓		✓	✓				
	Review of education and training guidance	✓	✓		✓		✓		✓
	Review of first tier complaints rules and guidance			✓	✓	✓		✓	
	Rule of law and professional ethics	✓	✓	✓	✓		✓		✓
	Technology and innovation			✓	✓	✓	✓		✓
New workstreams	People in vulnerable circumstances	✓	✓	✓	✓			✓	
	Evaluation of IGRs	✓	✓		✓		✓		
	Market surveillance	✓			✓		✓		✓
	Review of LSB enforcement policy	✓	✓	✓	✓				✓

# LSB activities 2023/24 and the strategic themes

All of our workstreams are underpinned by our statutory functions - Regulatory Performance and Statutory Decisions, OLC oversight and SDT oversight

	Workstream	Fairer outcomes	Stronger confidence	Better services
Ongoing and carryover commitments	Curating the strategy	✓	✓	✓
	Disciplinary and enforcement processes	✓	✓	
	Equality, diversity and inclusion	✓	✓	✓
	Financial protection arrangements		✓	
	Review of education and training guidance	✓	✓	✓
	Review of first tier complaints rules and guidance		✓	✓
	Rule of law and professional ethics	✓	✓	
	Technology and innovation	✓	✓	✓
New workstreams	Consumer vulnerability	✓	✓	✓
	Evaluation of IGRs		✓	
	Market surveillance	✓	✓	✓
	Review of LSB enforcement policy	✓	✓	

# Continuing workstreams

Workstream	Key activities in 2023/24
Equality, diversity and inclusion	Better understand current regulatory interventions on EDI, including to address counter-inclusive practices. Consult on a statement of policy which sets clear expectations of regulators' progress. Convene roundtables with key stakeholders on priority themes to maintain the momentum created by our conference.
Rule of law and professional ethics	Ensure that regulation provides a sufficiently strong connection between the legal profession, individual lawyers and legal businesses and their professional ethical obligations, and their underlying public purpose to uphold the rule of law.
Disciplinary and enforcement processes	Develop clear principles to underpin effective disciplinary and enforcement processes to ensure outcomes that build public confidence, deliver fairness for professionals and uphold proper standards of conduct and competence. Undertake thematic reviews in line with evidence to determine effectiveness of current approaches.
Technology and innovation	Use our regulatory levers to foster responsible innovation that increases access to legal services. Develop and consult on new statutory guidance promoting technology for access. Continue to engage and collaborate with others through cross-sector initiatives including the Regulatory Response Unit.

# Continuing workstreams

Workstream	Key activities in 2023/24
Financial protection (PII and compensation funds)	Helping establish the right balance between protecting consumers when things go wrong, and the costs of that protection and associated impact on access to justice. Developing toolkit for regulators to ensure their financial protection arrangements are fit for purpose.
Review of LSB education and training guidance	Consult on changes to LSB guidance, ensuring that education and training is focused on fostering the professionalism, competence and ethical practice that is essential to public confidence and reflects our expectations on ongoing competence.
Review of first tier complaints rules and guidance	Consult on changes to LSB guidance, ensuring that our regulatory arrangements ensure that first-tier complaints handling is effective and consumers have access to appropriate redress when things go wrong.
Curating the Strategy	Maintaining momentum on the sector-wide 'Reshaping Legal Services' strategy, including tracking progress against its nine challenges, documenting the impact of change through a dedicated microsite, and organising the annual conference.

# Continuing work

Workstream	Key activities in 2023/24
Regulatory performance	Continue to monitor regulators' performance and conduct thematic reviews as appropriate in line with performance assessments.
	Embed the revised regulatory performance framework and conduct the first performance assessments under the revised framework.
	Manage the implementation of statements of policy on consumer empowerment and ongoing competence.
Statutory decisions	Continue to discharge our approval and decision-making powers.
OLC oversight	Continue to hold the OLC to account, to ensure that it delivers at an appropriate cost and achieves sustained performance improvement.
SDT oversight	Continue to discharge our statutory functions regarding the Solicitors Disciplinary Tribunal.



# New workstreams 2023/24

Workstream	Key activities in 2023/24
Consumer Vulnerability	Make the case for a strategic approach to vulnerability and user design in legal services, and seek consensus with regulators on principles for best practice.
Evaluation of IGR	Evaluate the operation and effectiveness of the Internal Governance Rules implemented in 2019.
Market surveillance	Develop understanding of key market developments. Review our existing datasets and identify new sources to inform policy-making. Undertake enhanced horizon scanning to identify relevant incidents and risks to the sector.
Review of LSB enforcement policy	Review and update our statement of policy on taking enforcement action. Ensure that the policy aligns with our regulatory approach.

# Market intelligence 2023/24

Workstream	Key activities in 2023/24
<b>Datasets</b> <i>Exploiting our existing datasets to generate insight</i>	Maintain and further develop our interactive dashboards on the health of the market, and ensure our survey findings are accessible.
	Use existing datasets to inform policy development through new analysis.
<b>Public Panel</b> <i>LSB's standing panel of the general public</i>	Maintain Public Panel to support research commissioned by LSB and other regulators.
	Test the public's expectations around professional ethics.
<b>Research</b> <i>Gathering fresh insight to inform policy development</i>	Conduct Individual Legal Needs Survey (in collaboration with the Law Society).
	Conduct research on what is required by legal professionals to uphold the rule of law and the conduct that may undermine it.
	Conduct research on EDI and barriers to progression and retention.

# Enabling Services 2023/24

Enablers	Key activities in 2023/24
<b>Governance and assurance</b> <i>Public appointments; Policies and procedures; Risk; Performance</i>	Support new Chair. Appoint / reappoint members to the Legal Services Consumer Panel and the Office for Legal Complaints where member terms expire. Work with the Ministry of Justice to appoint and reappoint members to the LSB where member terms expire.
	Review our governance manual, risk management strategy, and business continuity plan to ensure that they remain fit for purpose.
	Manage risks in line with our risk management strategy.
	Report on performance quarterly on our website, including progress against delivery of our business plan.
<b>People</b> <i>Learning and Development (L&amp;D); Diversity; Ways of working; Facilities</i>	Invest in our people capability linked to the delivery of our business plan activities and individual L&D needs.
	Continue to implement our diversity strategy and evaluate the actions taken in 2022/23.
	Support our people to work effectively, including by supporting hybrid working, considering the best utilisation of our office, and monitoring wellbeing.
	Prepare for lease end on office space in November 2024. Secure premises fit for purpose for future needs.
<b>Communications and engagement</b>	Deliver a programme of stakeholder engagement to support the business plan, including supporting the delivery of actions arising from our inaugural Reshaping Legal Service Conference and delivering the second event in October 2023. We will also deliver on our commitment to engaging in Wales and the regions, including in-person and virtual stakeholder events throughout the year.
<b>Legal</b>	Provide timely and robust support and advice across all workstreams and relevant business areas, mitigating risks and responding to challenges.
<b>Finance</b>	Ensure that our business plan objectives are achieved by providing our internal and external customers with complete, accurate and timely financial information.
<b>IT</b>	Provide our people with the technology to perform their roles in the most effective manner while ensuring value for money for the organisation.

# LSB budget 2023/24

LSB Revenue Expenditure Budget		2022-23	2023-24
<b>LSB Full Time Equivalent</b>		33.5	<b>35.3</b>
LSB Colleague costs	£000s	£2,639	<b>£2,906</b>
LSB Board costs	£000s	£200	<b>£201</b>
Consumer Panel	£000s	£194	<b>£199</b>
OLC	£000s	£132	<b>£157</b>
<b>PAY BUDGET</b>	<b>£000s</b>	<b>£3,165</b>	<b>£3,463</b>
LSB Research	£000s	£194	<b>£232</b>
Consumer Panel			
Research	£000s	£55	<b>£74</b>
Legal	£000s	£47	<b>£52</b>
Recruitment	£000s	£40	<b>£55</b>
Training and development	£000s	£61	<b>£68</b>
Accommodation	£000s	£147	<b>£144</b>
External audit	£000s	£28	<b>£30</b>
Depreciation	£000s	£213	<b>£199</b>
Other non pay budgets	£000s	£337	<b>£362</b>
<b>NON PAY BUDGET</b>	<b>£000s</b>	<b>£1,122</b>	<b>£1,216</b>
<b>TOTAL BUDGET</b>		<b>£4,287</b>	<b>£4,679</b>

- Budget of £4.679m - a £392k (9.1%) increase on the 2022/23 budget. This equates to a decrease of 2.0% after inflation (Oct 2022 CPI 11.1%).
- When adjusted for inflation, the Budget is £84k (2.0%) lower than 2022/23 budget, and £119k (3.0%) lower than the 2017/18 budget.
- Expenditure is funded through a statutory levy on approved regulators in the legal sector.
- Improved resource planning and financial reporting ensures that we continue to make effective use of our resources and plan accordingly.

# LSB Behaviours



## Lead

We set the agenda, and through our convening power, we bring different people together to push for change.



## Innovate

We are creative in our approach to ensuring regulation evolves and benefits everyone in society.



## Transform

We use evidence to inform our work and to show its impact, because we are committed to making a difference for consumers.



## Communicate

We value openness, listen, share knowledge and promote the regulatory objectives