

Draft Business Plan 2024/25

A consultation on the LSB's draft business plan for 2024/25

This consultation will close on **12 February 2024**

This Consultation Paper will be of particular interest to:

Approved Legal Regulators

Providers of Legal Services

Legal Representative Bodies

Legal Advisory Organisations

Other Third Sector Organisations

Consumer Groups

Law Schools/Universities

Legal Academics

Members of the Legal Profession

Accountancy Bodies

Potential New Entrants to the ABS Market

Think Tanks

Political Parties

Government Departments

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Executive Summary

1. 2024/25 will see us enter the fourth year of our 10-year strategy to reshape legal services to better meet society's needs. The strategy, published in March 2021, outlines a series of nine challenges that need to be addressed to improve outcomes for legal services users and the public, under three themes: fairer outcomes, stronger confidence, and better services.
2. The strategy includes challenges to dismantle barriers to a diverse and inclusive profession at all levels; ensure high quality legal services and strong professional ethics; and empower consumers to obtain high quality and affordable services. These challenges are complex and can only be overcome through collaborative efforts. So, while our focus is on the role that regulation can play to improve outcomes for legal services users and the public, we also invite others to play their part, for example, sector leaders.
3. All of our work is underpinned by the eight¹ regulatory objectives laid out in the Legal Services Act 2007 (the Act), which we and the regulators we oversee have a duty to promote. The Act sets out our functions, which include a range of powers and duties, and it is through our business plan that we set out the activities we will carry out to deliver these functions.
4. Through our activities in the first three years of the strategy, we have delivered several key priorities to ensure the regulatory framework is and remains fit for purpose, including developing a revised regulatory performance framework and new rules and guidance for practising fees and alterations to regulatory arrangements; setting out new expectations for regulators on ongoing competence and empowering consumers; and progressing work to improve access to justice through technology and innovation and raise the standards of legal services through improved complaints handling.
5. We consider this to be good progress in delivering fairer outcomes, stronger confidence and better services, but there is more work to be done to embed change that delivers meaningful, long-lasting improvements for legal services users and the public. So, in 2024/25, we will place a particular focus on strengthening our direct regulatory oversight of regulators' performance and seeking assurance that they are well-led with an effective approach to, and delivery of, regulation for the public.
6. This will require the increased resource we are proposing. Broadly, it will include stepping up our ongoing monitoring and increasing our capacity to carry out

¹ A new ninth regulatory objective has been enacted but not yet commenced at the time of this consultation and is reflected in our proposals being consulted on in anticipation of it coming into force. Section 209 of the Economic Crime and Corporate Transparency Act 2023, yet to come into force, introduces the ninth regulatory objective – *to promote the prevention and detection of economic crime* – into the Act.

reviews and investigations, to support regulators to deliver their obligations effectively; as well as building a better understanding of risk and detriment across the sector through an enhanced market surveillance and horizon scanning approach. This reflects the importance we attach to regulatory performance and to our ability to detect and respond to detriment and harm to users of legal services wherever it may occur. It also recognises feedback from last year's business plan consultation about the need to focus on regulators' performance, given that well performing regulators are central to trust and confidence in legal services.

7. Specifically, we expect to carry out significant additional work to respond to matters arising in the current (2023/24) business year, for example an independent, objective review of the events leading up to the SRA's intervention into Axiom Ince, as well as following up our investigation into CILEX/CRL disputes to assess whether the agreed undertakings have been met.
8. We will continue to carry out our statutory decision-making when regulators propose changes to their regulatory arrangements (e.g. we may be asked to consider a proposal by CILEX to redelegate its regulatory functions); apply for approval of practising certificate fees (PCFs); and where consent and approval is sought for the OLC and SDT's budgets and rules. Through this work we reflect the principle that regulators should place the regulatory objectives at the heart of their regulatory decision-making and that legal services users and the public can and should expect transparency and accountability in how regulation is funded in their interest.
9. We will also continue key policy work programmes that are underway in 2023/24, including maximising the impact of regulation in creating a more diverse legal sector (our equality, diversity and inclusion (EDI) work); ensuring that regulation supports high standards of professional ethical conduct, including supporting the new regulatory objective by ensuring regulators are taking appropriate action to detect and prevent economic crime in their regulated communities (our professional ethics and the rule of law (PERL) work); and considering the role for regulation in improving access to justice and reducing unmet legal need. Other carry over policy commitments from 2023/24 are set out in paragraph 27.
10. Our proposed annual budget for 2024/25 is £5.329m. This would represent an increase of 13.9% (£650k) on last year's budget (£4.679m). When adjusted for inflation (CPI 6.7% as at September 2023) it is a real terms increase of 7.2%.
11. We have critically assessed our proposed activities for 2024/25, and will continue to deploy our resources in a way that maximises efficiency. We will also continue to identify innovative ways of working, including exploring the deployment of artificial intelligence (AI) for administrative and process-based tasks to allow us to extract maximum value and productivity from the resources we have. Our

proposed budget reflects the increased resources required to meet the scale of the challenges facing the sector and we consider that all our planned work will deliver positive impacts for legal service users and the public. This is particularly important given the ongoing economic conditions and consequent impacts on the legal sector.

Background

12. The LSB is the independent body responsible for overseeing the regulation of legal services in England and Wales. We are independent of both government and the profession. We are funded by a levy on the approved regulators. We operate within a statutory framework set out in the Act, which describes our functions and our powers. The Act sets out eight regulatory objectives,² which we share with the approved regulators and regulatory bodies that we oversee. We also oversee the Office for Legal Complaints (OLC), and we have certain functions in relation to the Solicitors Disciplinary Tribunal (SDT).

Progress against the Reshaping Legal Services strategy

13. Since the launch of the 'Reshaping Legal Services' strategy in 2021, we have made progress on the following activities contained in our business plans for 2021/22, 2022/23, and 2023/24:

- **considering applications for changes to regulatory arrangements** in line with new Rules and Guidance, and practising certificate fee (PCF) applications in line with our new Practising Fee Rules, 2021. Since April 2021, we have made 41 decisions on applications from regulators on a range of regulatory arrangements, approved 24 PCF applications, and issued 21 Exemption Directions. Some decisions, like the SRA fining powers, were complex and substantial.
- We have assessed the **regulators' performance**, and developed a **revised regulatory performance framework**, which was implemented on 1 January 2023. We are completing our first assessment under the new framework and will publish our report in January 2024.
- **Empowering consumers**: we issued a statutory statement of policy on consumer empowerment in 2022 and established the Market Transparency Coordination and Oversight Group (MTCOG) to oversee

² The eight regulatory objectives are: protecting and promoting the public interest; supporting the constitutional principle of the rule of law; improving access to justice; protecting and promoting the interests of consumers; promoting competition in the provision of services; encouraging an independent, strong, diverse and effective legal profession; increasing public understanding of the citizen's legal rights and duties; promoting and maintaining adherence to the professional principles. A ninth regulatory objective, *promoting the prevention and detection of economic crime*, will be inserted into s1 of the Act in an amendment made under s209 of the Economic Crime and Corporate Transparency Act 2023, which is yet to come into force.

regulators' progress. We assessed regulators' progress against our expectations in the statement in our 2023 Regulatory Performance Assessments (to be published in January 2024), and regulators have committed to meeting the outcomes in the statement by September 2024.

- **Regulatory information service:** in 2023 we carried out work to determine feasibility and support the development of a tool that achieves the functionality of a 'single digital register' of regulated providers, as recommended by the CMA, which is being taken forward by the regulators.
- **Ongoing competence:** we issued a statement of policy on regulators' arrangements to ensure professionals' ongoing competence in 2022, with compliance due by January 2024. We asked regulators to update on progress against meeting our expectations in the statement in the 2023 Regulatory Performance Assessments (to be published in January 2024).
- **Legal needs:** we published our latest Small Businesses Legal Needs Survey in 2022 and have engaged with stakeholders to encourage the development of a strategy to support small businesses and improve their access to the services they need. This year, we have commissioned another wave of the Individual Legal Needs Survey, in collaboration with The Law Society (TLS), to understand levels of unmet legal needs of individual consumers (findings will be available in early 2024).
- **Equality, diversity and inclusion:** we issued a joint statement with all of the regulators, SDT and Bar Tribunal Adjudication Service (BTAS) to tackle counter-inclusive misconduct through disciplinary processes in 2022. We have published a qualitative study on the lived experiences of legal professionals encountering counter-inclusive practices in 2023, and we are now commissioning a think piece on how regulators can use a 'systems change' approach to achieve a more diverse legal profession.
- **Technology and innovation:** this year we have consulted on guidance to promote technology and innovation to improve access to legal services. We will return to our Board in early 2024 once we have considered the consultation responses. We have continued to engage with a broad range of stakeholders, including the Regulatory Response Unit of Lawtech UK and regulators on the government's AI proposals.
- **Scope of regulation:** we published research into the unregulated sector to understand the extent and scale of activities and what potential benefits and harm this poses to legal services users and the public in 2022. We also conducted a first-principles analysis of the current reserved legal activities in 2023.

- **Financial protections:** in partnership with the SRA, we published econometric research on the cost of professional indemnity insurance for law firms, and factors driving differences in premiums in 2023. This is informing our work to understand appropriate financial protections for legal services users.
- **“Curating the strategy”:** we launched our microsite to showcase the sector’s progress in meeting the challenges in the strategy and have hosted our first annual conference bringing together a wide range of people who have a role to play in ensuring legal services work better for consumers and the public. We have monitored and evaluated progress through quarterly performance reports available on the microsite.
- **Investigation and targeted reviews:** we conducted and published a report of our investigation into disputes and disagreements between the Chartered Institute of Legal Executives (CILEX) and CILEx Regulation Limited (CRL) concerning the delegation of regulatory functions, financial matters and consultation, and received voluntary undertakings from CILEX and CRL to fulfil the report’s recommendations in 2023. We undertook and published reports of our targeted reviews of the Bar Standards Board (BSB) and Faculty Office (FO) of their leadership and governance under the well-led standard of our performance framework in 2021.
- **Market surveillance and horizon scanning:** this year we have begun to enhance our market surveillance capability, so that we can better anticipate and respond to future developments by detecting detriment and harm in their early stages, before they manifest as issues for a significant number of people.
- **Review of first-tier complaints processes:** this year we consulted on new draft Requirements, Guidance and Policy aimed at ensuring that users of legal services have access to fairer and more effective complaint procedures if dissatisfied with the quality of legal service received, and to ensure regulators and those they regulate learn from complaints to improve services and raise standards in the sector. We will return to our Board in early 2024 once we have considered the consultation responses.
- **Professional ethics and the rule of law (PERL):** we are developing our evidence base to better understand the range and type of conduct of legal professionals that is inconsistent with upholding the rule of law and their professional ethical obligations, informed by our Call for Evidence on the misuse of Non-Disclosure Agreements (NDAs), and a literature review we commissioned examining how the rule of law and professional ethical duties may be breached in legal practice. This year we have responded to proposals to strengthen the sector’s response to preventing economic

crime and joined the government's taskforce to address the use of Strategic Lawsuits Against Public Participation (SLAPPs).

- **Access to justice:** this year we have begun scoping options to improve access to the publicly funded justice system through regulation and are partnering with the Legal Services Consumer Panel (LSCP) to carry out research exploring regulatory levers that can help reduce unmet legal need.
- **Review of regulators' enforcement and disciplinary processes:** we have undertaken an internal analysis of regulators' current disciplinary and enforcement processes and how they work in practice in 2023. This is supporting our work to consider whether the tools available to regulators are sufficient to tackle serious misconduct.

Draft business plan 2024/25

14. We have included a draft business plan for 2024/25. This sets out the work we plan to complete as we enter the fourth year of the 'Reshaping Legal Services' strategy.

Strengthening our direct regulatory oversight and surveillance capabilities

15. Under the Act, we have a wide range of functions, including duties and powers, that we exercise to oversee the regulators and hold them to account. This includes our statutory decision-making on changes to regulators' regulatory arrangements, designation applications and PCF applications, as well as monitoring and assessing regulators' performance.

16. This direct regulatory oversight enables us to drive change that secures public confidence in legal services and improves regulation in the interest of legal services users and the public. For example, one aim of our consideration of PCF applications is to ensure increased transparency about regulators' programmes of regulatory activity, enabling those who pay the practising fee to drive accountability for its expenditure including on purpose, benefits, costs and value of regulation, to help ensure ongoing improvement in standards across the sector and ultimately benefit legal services users and the public. In all of our statutory decision-making of regulators' regulatory arrangements, we ensure regulators are focused on complying with and promoting the regulatory objectives and making changes that are in the public interest.

17. In 2022/23, we received 19 applications from regulators for approval of alterations to a range of regulatory arrangements and made 15 decisions by end of March 2023. We made decisions on the remaining applications in line with statutory timeframes set out in the Act in the 2023/24 business year. One

application from Intellectual Property Regulation Board (IPReg) proposed to implement a new core regulatory framework. Another from the Institute of Chartered Accountants in England and Wales (ICAEW) proposed to significantly amend its disciplinary framework. It is positive to see regulators modernising their regulatory frameworks for those they authorise to better meet the needs of the legal services users and public they serve.

18. We carried out a thorough investigation into CILEX and CRL between October 2022 to April 2023, following which we published a detailed report of our investigation on disputes and disagreements between them concerning the delegation of regulatory functions, financial matters and consultation. The report included our determinations, findings and recommendations and as a result CILEX and CRL agreed voluntary undertakings to fulfil the recommendations. We will continue to support them in the implementation of their undertakings and more widely, compliance with the report's findings and recommendations.
19. The CILEX/CRL investigation, and the recent well-led targeted reviews of the BSB and FO (2021), have provided important in-depth oversight as to how regulators are discharging their statutory duties and regulating in the public interest and interests of consumers. While the CILEX/CRL investigation provided important and necessary clarity and precedent on re-delegation of regulatory functions and expectations of the behaviours of approved regulators and their regulatory bodies, it was resource intensive and time sensitive. This put not insignificant pressure on, and challenge to, the LSB's resources alongside other priority work commitments, as well as day to day business as usual activity. We have also experienced similar resource pressures previously with the Well-led reviews of the BSB and FO.
20. Going forward, we therefore propose to build our resilience through increased capacity and capability to carry out these types of investigations and reviews on a regular basis as part of our oversight function. We also recognise the importance stakeholders place in our regulatory oversight (reflecting on feedback received on our last business plan) and have taken this into consideration in our proposals to strengthen it.
21. Embedding this type of investigative capability will ensure that we have an up-to-date knowledge and understanding of regulators to enable us to be proactive in our regulatory approach in terms of identifying risk, seeking assurance through oversight, tackling concerns and, where necessary, taking formal action. Enhancing our oversight function in this way will help us to respond more promptly and dynamically to issues in the public interest and protect and promote the regulatory objectives effectively. One current example is our intention to commission an independent and objective review of the events leading up to the SRA's intervention into Axiom Ince earlier this year.

22. In 2023/24, we developed and implemented a revised performance framework that places the regulatory objectives at its heart and requires regulators to provide assurance that they are well-led and effective in their approach to, and delivery of, regulation for the public. We seek this assurance through ongoing monitoring and the annual performance assessment. Our most recent performance assessment, from December 2023, has highlighted several areas where regulators need to improve their performance. We will be publishing a new assessment of the regulators in January 2024 and expect this to indicate areas where further assurance from regulators is required, particularly under the well-led and effective approach to regulation standards.
23. We therefore propose to step up our oversight and ongoing monitoring to seek assurance that the expectations in our existing policies are met., for example, to confirm that regulators meet the outcomes in our consumer empowerment statement of policy by September 2024, as indicated, and that our ongoing competence expectations are met by January 2024. This will also apply to expectations on technology and innovation, and improved consumer complaints processes (subject to the outcomes of recently closed consultations); as well as on EDI, PERL and disciplinary and enforcement once we develop our policies in these areas.
24. Further, we will continue to develop and enhance our market surveillance and horizon scanning approach, so we have improved intelligence to best support us to detect detriment and harm in their early stages. This will support our oversight of regulators' performance, policy development and strategy delivery, as well as provide a source of evidence for stakeholders to inform their own work.

Continuing workstreams in 2024/25

25. Our direct regulatory oversight above underpins all of our work, including our policy development and strategy delivery.
26. Where issues relate to the delivery of the regulatory objectives, we will continue to play a role in discussions on wider public policy matters. Some of the challenges we identified in the strategy have only increased in recent years; for example, access to justice remains a significant and growing concern. Across our work programme, we will reflect on how we can best use our powers, whether using regulatory levers, undertaking research or exercising our convening role, to help address the challenges identified in the strategy.
27. Our planned work in 2024/25 will continue current policy workstreams to deliver fairer outcomes, stronger confidence and better services, building on the strong progress we have made in 2023/24:
- Considering the role of regulation in improving **access to justice** informed by research, stakeholder engagement and analysis. This includes

considering the findings from research undertaken with the LSCP that explores how regulatory levers can be used to address unmet legal need. We will also consider how tools such as civil litigation funding might help to address current access to justice challenges.

- Reviewing whether the **disciplinary and enforcement tools** available to regulators are sufficient to tackle serious misconduct. This review includes consideration of proposals around enhanced information gathering and financial penalties and if developed and proceeded with, subject to statutory process and consultation, a potential recommendation to the Lord Chancellor under section 69 of the Act. We also aim to develop principles to underpin effective disciplinary and enforcement processes among the regulators that build public confidence, deliver fairness for professionals and uphold proper standards of conduct and competence.
- Establishing how regulation can best support the **rule of law** and high standards of **professional ethics** in the legal services sector, reflective of the trust placed in legal professionals and the role they play in society. Informed by our evidence base, we will work collaboratively with stakeholders to address any gaps in the current regulatory framework and provide clear expectations for regulators on professional ethical conduct and upholding the rule of law for the professions they regulate. This includes our work to support the implementation of the new regulatory objective to promote the prevention and detection of economic crime.
- Developing new policy on **equality, diversity and inclusion**, guided by evidence and research which provides clear, updated expectations that aim to maximise the impact of regulation in removing barriers to a more equal, diverse and inclusive legal sector to better reflect and serve society.
- Progressing our **technology and innovation** work to foster responsible innovation that increases access to legal services. Our guidance on using technology and innovation to improve access to legal services, which we anticipate finalising in early 2024, will be monitored and assessed through our regulatory performance assessments in 2024. We will also remain proactive in responding to the application of AI across the legal sector, including through our market surveillance and horizon scanning analysis. We will ensure regulation secures the benefits of AI for legal services users and the public. For example, our guidance on technology and innovation to improve access to legal services already promotes the use of technology to help address unmet legal need. Equally, we will continue to be proactive in mitigating any risks to legal services users and the sector with due regard to data security, transparency, accountability, governance and redress.

- We will continue to work in collaboration with regulators and support them to develop a **regulatory information service** with the functionality of a single digital register, so that consumers have access to information that supports them in accessing legal services.
- Maintaining momentum and progress on the ‘Reshaping Legal Services’ strategy within the sector through our **curating the strategy** project, including the Reshaping Legal Services microsite and our next annual conference.
- Making the case for a strategic approach to **consumer vulnerability**. We will build our understanding of both regulators and providers’ current arrangements to support consumers in vulnerable circumstances and look to best practice beyond the sector. We then intend to develop a set of high-level principles focusing on the importance of inclusive design that ensures everyone with a legal need can access services.
- Evaluating the operation and effectiveness of the **Internal Governance Rules (IGR)**. Our IGR and accompanying guidance establish the appropriate relationship and governance arrangements between the approved regulators and regulatory bodies. These rules and guidance were issued in 2019 and fully implemented in 2020, and we committed to an evaluation three years after implementation. We plan to evaluate the operation and effectiveness of the IGR through information gathering and engagement with both approved regulators and regulatory bodies.
- Reviewing the scope and use of the **LSB’s current enforcement policy**. It was last reviewed in 2017 and it is important that it remains aligned with the LSB’s current approach to regulation. We will identify possible changes to ensure that our use of enforcement powers aligns to existing expectations set out in LSB rules, guidance and policy statements.
- Evaluating the **Education and Training Guidance**. We will consider if changes are necessary, particularly noting implications of our ongoing competence, PERL and EDI work programmes.

28. In addition to seeking to deliver our final business plan, during 2024/25 we will continue to remain responsive to the needs of the legal sector and prioritise or re-prioritise our work accordingly. We have been agile and done so in 2023/24, for example, responding to proposals to strengthen the sector’s response to preventing economic crime.

Q1 – Do you agree with our proposed workstreams for the 2024/25 business plan?

Q2 – Are there any areas missing from our proposed business plan 2024/25 that you consider should be included?

Research

29. Our research and evidence-gathering capability continues to be extensive and impactful. For example, the Individual Legal Needs Survey we commission periodically (most recently this year, findings are due early 2024) is an authoritative source of data on access to justice for individuals, including on levels of met and unmet legal needs and is well used and recognised in the sector. Our research and evidence-gathering will continue to underpin our policy and regulatory work in 2024/25. Our proposed work will focus on the following areas:

- **Research:** We plan on building our evidence base in 2024/25, including:
 - Publishing a series of reports drawing on the findings from the Individual Legal Needs Survey, focused on specific issues. This could include analysis on legal capability, vulnerability, service satisfaction, market transparency, use of technology to deliver legal services, and consumer segmentation.
 - Commissioning research on how the rule of law and professional ethics should be upheld across the legal services sector.
 - Research on equality, diversity and inclusion regarding further barriers to progression and retention in the profession.
 - Commissioning our next wave of Prices Research, which will support our work on consumer empowerment and provide up to date evidence on the transparency of price and quality information available to legal service users in the market.
 - Begin scoping for our next wave of Small Business Legal Needs research.
- **Public Panel:** In 2020/21, we established a public panel as a research tool to be used by the LSB, the LSCP and other stakeholders to enable us to engage more directly with members of the public, and so that we can ensure the public are at the heart of our policy development process. For example, TLS used the Public Panel in 2023 for its research on access to justice and the LSCP intends to use it next year. We will continue to support those who wish to use the Public Panel in 2024/25.

- **Datasets:** We will use our existing datasets to generate insights. We will also continue to develop and iterate our interactive dashboards, including our dashboards on the health of the market and diversity.

30. We will seek to integrate our proposed enhanced market surveillance function with our ongoing research programme. Building on our existing datasets and identifying new sources of information is already underway and we are engaging with stakeholders on this.

Q3 – Do you have any comments on our proposed research programme?

Q4 - Is there anything missing from our proposed research programme that you think we should focus on?

Enabling services

31. All our work is underpinned by our internal enabling services teams. These teams deliver essential functions, including delivering governance and assurance mechanisms, ensuring that we work to sound project management principles, enabling our people to have the right tools and skills to work effectively, and ensuring that we communicate and engage with stakeholders effectively.

32. Our work continues to be underpinned by our internal, enabling services teams. This includes:

- **Governance and Assurance:** including public appointments, supporting the new Chair, regularly reviewing our governance policies and procedures to ensure that they are fit-for-purpose and proportionate, annual evaluation of our Board, risk management and performance reporting.
- **People and facilities:** including recruitment, retention, performance management, and investing in our people capability with initiatives on Learning & Development, diversity, well-being and ways of working. In 2024/25, we will undertake preparatory work in advance of the lease ending on our office space in September 2025. Government policy means we are unable to continue our current very cost-effective lease in central London. Alternative premises will almost certainly incur additional one off and ongoing costs.
- **Communications and engagement,** including delivering a programme of stakeholder engagement to support our business plan.
- **IT, finance and procurement,** including providing timely and robust support and advice to ensure value for money is achieved, ensuring that

complete, accurate and timely financial information is available for internal and external stakeholders, and providing our staff with the technology to perform their roles effectively in a secure IT environment.

- **Legal**, including providing timely and robust support and advice across all workstreams and relevant business areas, mitigating risks and responding to challenges.

Behaviours

33. Our delivery approach is enabled by four 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.

Draft budget

34. Our proposed annual budget for 2024/25 is £5.329m. This would represent an increase of 13.9% (£650k), on our 2023/24 budget (£4.679m). This equates to an increase of 7.2% after inflation (6.7% CPI, September 2023)³, and would add £3.40 onto the practising fees paid by authorised persons.⁴

35. Our proposed budget reflects the resources we need to meet the scale of the challenges facing the legal sector, as identified in the State of Legal Services 2020 report⁵. At a time when legal need is likely to grow given the economic challenges in wider society, it remains vital that we ensure legal services users and the public can secure fairer outcomes, stronger confidence and better services.

³ This is in line with figures from the Office of National Statistics (ONS). See: ONS, 'Consumer price inflation, UK: September 2023' <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/september2023>

⁴ Based on the number of practising persons, 191,161 as at April 2023

⁵ LSB, 'State of Legal Services 2020 report' (November 2020) <https://legalservicesboard.org.uk/state-of-legal-services-report-2020>

36. We have appraised our proposed workstreams rigorously and consider that each of the activities we have included in the draft business plan for 2024/25 are clearly within our statutory remit, will make a meaningful contribution to legal services users, society and the wider sector, as well as promoting the regulatory objectives.

37. We have undertaken a rigorous exercise to develop detailed projections of our 2024/25 proposed costs, which is forecasted to increase to support the strengthening of our direct regulatory oversight. These reflect the increase in headcount needed to achieve our planned business activities, and changes to business operations in the high inflationary environment of recent times. The budget takes into account efficiencies to be delivered from extending our office lease for a further 12 months and we are committed to investigate further opportunities for efficiency savings, including through more cost-effective and innovative ways of working such as deploying AI for routine, process-based tasks. We have also conducted a benchmarking exercise to identify the likely costs of research next year in the context of inflation.

Q5 – Do you agree with our proposed budget for 2024/25?

Q6 – Are there any other factors regarding the proposed budget for 2024/25 that you believe we should consider?

Equality Act assessment

38. Advancing equality, diversity and inclusion in the legal sector is a key strategic priority for the LSB. As part of this, the LSB has taken account of its obligations under the Equality Act 2010.⁶ Some of the work proposed in this consultation (for example, our work on EDI and consumer vulnerability) are intended to impact positively on individuals with protected characteristics to varying degrees.

39. We will actively consider those impacts across all of our work in line with our Public Sector Equality Duty as we go through the process of carrying out those activities. Equally, we will consider those impacts carefully when carrying out our statutory decisions work.

40. We welcome any comments respondents may have on any equality issues they believe arise from our proposed business plan. We also welcome any comments

⁶ Public Sector Equality Duty: public authorities have to consider all individuals when carrying out their day-to-day work – in shaping policy, in delivering services and in relation to their own employees. It also requires that public authorities have due regard to the need to: eliminate discrimination, advance equality of opportunity, and foster good relations between different people when carrying out their activities. The LSB is a public authority listed in Schedule 19 of the Equality Act 2010.

and suggestions on wider issues and interventions that we should have regard to in relation to diversity and inclusion.

Q7 – Do you have any comments regarding equality issues which, in your view, may arise from our proposed business plan for 2024/25?

Q8 – Are there any wider equality issues and interventions that you wish to make us aware of?

Next Steps

41. This consultation will close on 12 February 2024. During the consultation, we will host a stakeholder event to provide an opportunity for stakeholders to discuss the draft business plan, and to ask any further questions.

42. Once the consultation has closed, we will consider the feedback received and make any relevant amendments to the business plan. We will publish our responses to the consultation, alongside the final business plan, by the end of March 2024.

Questions

Q1 – Do you agree with our proposed workstreams for the 2024/25 business plan?

Q2 – Are there any areas missing from our proposed business plan 2024/25 that you consider should be included?

Q3 – Do you have any comments on our proposed research programme?

Q4 – Is there anything missing from our proposed research programme that you think we should focus on?

Q5 – Do you agree with our proposed budget for 2024/25?

Q6 – Are there any other factors regarding the proposed budget for 2024/25 that you believe we should consider?

Q7 – Do you have any comments regarding equality issues which, in your view, may arise from our proposed business plan for 2024/25?

Q8 – Are there any wider equality issues and interventions that you wish to make us aware of?

How to Respond

43. We welcome views and comments on all aspects of our draft business plan 2024/25 by 5pm on 12 February 2024.

44. We would prefer to receive responses electronically (in MS Word format or PDF).

45. Responses should be sent to:

E-mail: consultations@legalservicesboard.org.uk

46. We intend to publish all responses to this consultation on our website, unless a respondent explicitly requests that a specific part of their response, or its entirety, should be kept confidential. We will record the identity of the respondent and the fact that they have submitted a confidential response in our summary of responses.

47. If you want to discuss any aspect of this consultation, or need advice on how to respond, please contact the LSB by telephone (020 7271 0050) or via the above email address.

Complaints

48. Complaints or queries about the LSB's consultation process should be directed to the Consultation Co-ordinator, at the following address:

Consultation Co-ordinator
Legal Services Board
3rd Floor, The Rookery
2 Dyott Street
London
WC1A 1DE

Or by e-mail to: consultations@legalservicesboard.org.uk