

Legal Services Board CONSULTATION ON

Legal Services Board ("LSB") Business Plan and Budget 2023/24 A response by CILEx Regulation Limited

1 February 2024

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Introduction

CRL is a regulatory body that falls under the oversight of the LSB. As such, we note that the draft Plan focuses on continuing to deliver on the Regulatory Objectives, against which our own activity is aligned. Indeed, we recently published our own Corporate Plan for 2024 that is aligned with the delivery of the LSB's priorities. We recognise that the LSB has considerable power and influence and is positioned to drive real change in the consumer interest.

This response has been agreed by our Board of Directors.

Consultation question responses:

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

Response: these seem consistent and aligned to the LSB's responsibilities as an oversight regulator.

We welcome the planned review of the Internal Governance Rules (IGRs) and we look forward to contributing input as a stakeholder to this process.

Our general view is that the IGRs need to be clarified in places and amended to strengthen and underline the regulatory bodies' position of independence. Alternatively, this could be achieved through legislative change with the LSB recommending amendment of the 2007 Act.

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

Response: the important areas seem to have been covered.

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

Response: We welcome the work being done by the LSB but would ask that further efforts be made to coordinate and provide leadership, when there is individual activity being undertaken within the sector and there is a greater scope for achieving better outcomes through collaboration and avoiding wasted duplication. This would include the LSB commissioning its own research but only where this provides useful, additional learning and insights.

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

Response: No. The need for joined up working across regulators is emphasised, with the LSB being best placed to provide this action centred leadership and promote collaboration.

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

Response: We feel that there are legitimate questions about the size of LSB budget increases, which represents a 13.9% increase at a time when some regulatory bodies have not increased their own budget, which might mean funding being taken away from frontline regulation.

Even when making allowances for cost-of-living increases, it is noted that the increase is significant, being approximately 9% above current inflation rates.

To understand the size of this increase, it would be helpful to have a breakdown of the apportionment of budget to each of the planned activities (i.e. a costed corporate plan).

As an alternative to increasing the budget, our Board considered that the LSB should consider a reappraisal and reprioritising of the proposed work streams to identify areas of lower priority activity that could be deferred.

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

Response: The plans underpinning the costs of the SDT, LSCP and Legal Ombudsman need to be included.

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

Response: No

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

Response: No

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