

# Response to the LSB Strategy and Business Plan Consultation

February 2018



CILEx Regulation welcomes the opportunity to comment on the LSB's Strategy 2018-21 and Business Plan 2018-19.

We have highlighted a number of areas below where we look forward to further developing our working with the LSB. Additionally, we have emphasised a few points where we believe that the LSB should go further in its strategic requirements, although we recognise that the limitations imposed by Brexit on the Ministry of Justice's capacity to consider legislative change may affect some of the areas where we would like to see the LSB take a stronger position.

## Comments on the strategic objectives for 2018-21

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### **1. *Promoting the public interest through ensuring independent, effective and proportionate regulation***

#### **Overseeing performance**

CILEx Regulation welcomes the consultation on the Internal Governance Rules (IGR) looks forward to engaging with the LSB's new performance monitoring system.

We would further encourage an explicit focus from the LSB on promoting practical collaboration among the regulators as part of this objective.

### **2. *Making it easier for all consumers to access the services they need and get redress***

#### **Overseeing performance**

CILEx Regulation agrees that there should be a clear emphasis on working through the post-CMA action plans.

#### **Acting as an agent for change**

We welcome the continuing focus on research, particularly given the resources available to some regulators are often limited in this area. We note that the LSB is not planning to re-run the Fees Review due to cost. CILEx Regulation has previously found this piece of research very helpful and feel that continuing to run this review on a regular basis would be extremely useful as a means of assessing the impact of the CMA report recommendations as they are implemented.



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### **3. Increasing innovation, growth and the diversity of services and providers**

#### **Acting as an agent for change**

CILEx Regulation is concerned that the LSB's diversity objectives will not lead to any significant change in the legal sector. We believe that if the LSB wants to drive real change, then there is a need to set precise targets and develop transformational plans in conjunction with the regulators. Driving change will require strong leadership and regular review. The LSB should provide regulators with an enforceable framework which would empower us to hold practitioners and the profession to account in the public domain.

We welcome the LSB's acknowledgement that there is an increasing role to be played by technology in the delivery of legal services: "Improving our understanding of the regulatory risks associated with new technology and how regulators can respond to these without stifling innovation" (LSB business plan).

However, given the potential for a rapid rate of technological change, which is likely to open up new opportunities for the legal sector (such as transformational change to the shape of the legal workforce and the scope to increase access to affordable legal advice through the use of artificial intelligence), CILEx Regulation would like to see more focused strategic objectives which enable the LSB to ensure that legal regulation is fully engaged with these innovations and is able to keep pace and accommodate new developments.

Finally, we encourage the LSB to promote measures not only to stimulate competition, but also explicitly to remove barriers. The LSB has a role to play in promoting and raising awareness of the existence of competition in our sector to those who deliver essential complementary services.

## **Comments on the Business Plan 2018-19**

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### **Consumer Segmentation**

Whilst the LSB has put forward a compelling strategy, a proper segmentation analysis would cost a significant amount of money and considerable thought is therefore required to ensure the best is made of this investment.



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## Designating new regulators

We note that the business plan highlights our application for designation as a Licensing Authority made during 2017 which has a statutory deadline of August 2018.

## Conclusion

CILEx Regulation is pleased to have had the opportunity to comment on this draft strategy and business plan and we hope that the LSB will consider the points raised in our response.



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