RULE APPROVAL PROCESS

Version 1.0 20/08/21

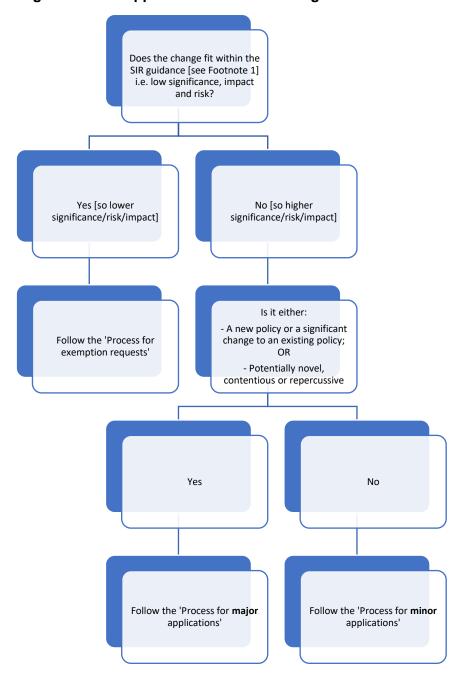
Introduction

- This document sets out the internal quality assurance process for making an application to alter regulatory arrangements or exempt direction request to the Legal Services Board.
- 2. It incorporates the new rules and guidance provided by the LSB in 2021 with the experience gained from the office in recent applications.

Background

- 3. Rule changes may arise because of a change in strategy, policy, or process at CRL or because of the identification of limitations with the existing rules and regulations (or other regulatory arrangements) currently in operation at CRL.
- 4. To change the existing regulatory arrangements, CRL must make an application to the LSB for rule change.
- 5. All rule changes must be overseen by the CRL Board [reflecting the scheme of reservation and delegation] and therefore timescales for implementation of new or revised rules must take this into account.

Choosing the correct approach for the rule change – decision tree



Examples of major rule changes: Education Standards 2021; ACCA 2021; QASA 2021 An example of a minor rule is PII changes to the MTC

Exemption request examples: practice rights handbook re in-house working/ Compensation fund annual contribution

¹ https://www.legalservicesboard.org.uk/what we do/regulation/pdf/sir framework external v1.pdf

Process for exemption requests

Step 1

•Assess the request against the LSB's SIR framework to ascertain if the change is sufficiently insignificant to allow it being submitted as an exemption request [the LSB decides if SIR applies, not CRL]

Step 2

- If you believe it meets the SIR threshold to be an exemption request, seek the LSB's informal view that they agree and would consider it as an exemption request
- •If it does not meet the SIR threshold according to the LSB, then follow the full application process below

Step 3

• Obtain the Board NED Portfolio Holder (or Board Chair) and CEO's approval to submit the change, including reviewing the application

Step 4

•Submit the exemption request using the LSB's template

Process for major applications

Step 1

- Policy change/ idea put to Board for consideration [or Portfolio Holder for smaller changes], including timeline with board meetings dates and deadlines
- •The Board may request research and other supporting evidence prior to making the decision to proceed. Gain board in principle approval with clear strategic intent if the change is significant.

- Alert LSB to Rule change intention
- Develop Rule change & create consultation documentation, put to Board for consideration with worked-up proposal, supporting evidence, identify all relevant rules & regulations that require amendment as part of the change (or draft new rules/regulations). Use tracked changes
- •Publish consultation (this should be 12 weeks unless a shorter timeframe is justifiable see App 1).

Step 3

Step 2

- Analyse consultation responses and put to Board for consideration whether to proceed with the policy change, amend the policy or to stop the changes proposed.
- •If approved, move to step 4

- •Create draft rule change application using LSB template, in accordance with LSB rules & guidance
- •Review by own Director

Step 4

- •If significant or extensive rule changes, also review by alternate Director and/or CEO
- •Submit to LSB, including coversheet, to review draft application for comments and questions
- Make any suggested changes by LSB
- Finalise rule change application and submit to CEO for sign off
- •Submit to Board for final sign off
- •If approved move to step 6

Step 5

•Complete all relevant documentation and submit to LSB for consideration

Step 6

Process for minor applications

Step 1

- Develop policy and create consultation documentation, put to Portfolio Holder & Chair for consideration
- Seek LSB view that they agree with our assessment this is minor
- Publish consultation (consider the optimal length of consultation in line with latest govt guidance see appendix

- Analyse consultation
- Create draft rule change application using LSB template
- •Review by own Director

Step 2

• Assess whether a draft should be submitted to LSB to review draft application including completion of coversheet and submit to the LSB where applicable

Step 3

- •Where draft submitted to LSB, make any suggested changes by LSB
- Finalise rule change application and submit to CEO for vetting
- •Submit to Portfolio Holder and Chair for final sign off
- •If approved move to step 4

Step 4

• Complete all relevant documentation and submit to LSB for consideration

Appendix 1: Supporting information

LSB application draft rules and guidance (including template):

Proposed Rules for Applications to Alter Regulatory Arrangements Consultation (legalservicesboard.org.uk)

Government guidance on consultations (correct on 20 August 21):

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment da ta/file/691383/Consultation Principles 1 .pdf