

<i>Meeting</i>	OLC Board	<i>Agenda Item No.</i>	13
		<i>Paper No.</i>	89.11
<i>Date of meeting</i>	09/07/18	<i>Time required</i>	15 Minutes

<i>Title</i>	Horizon Scanning
<i>Sponsor</i>	Rob Powell – Chief Executive Officer
<i>Status</i>	OFFICIAL
<i>To be communicated to:</i>	Members and those in attendance

Executive summary
<p>Since the beginning of financial year 2018/19, the External Affairs team has been producing a horizon scan for senior members of staff to inform them of developments in legal regulation, claims management, the ombudsman landscape and beyond. Not only does this build knowledge and understanding of the external environment, but it assists with forecasting and allows us to consider policy responses well in advance of any changes in the landscape.</p> <p>The horizon scan covering April-May 2018 was previously circulated to Board to assist members in understanding the wider context and to inform their decisions. A copy can be found in Appendix 1 of this paper for information. This paper provides an update to cover developments in the month of June.</p> <p>This will become a recurring Board paper going forward, and as such, the time period covered will be adjusted to the Board cycle. The next horizon scan will be issued for Board on 12 September, covering matters arising in July and August.</p>
Recommendation/action required
Board is asked to NOTE the summary and analysis below.

UPDATE – JULY 2018

A brief update on some of the issues raised in the June horizon scan appears below.

- Following the high-profile news stories about the SRA's use of waivers, we organised a discussion with members of policy staff about the challenges for us. The SRA have agreed to share a list of those firms that have waivers allowing an authorised solicitor to work within an unregulated firm. The External Affairs team will also be collating case studies which highlight challenges of unregulated model to inform further discussion with SRA.
- We will be issuing a response to the Consumer Green Paper, which will have been circulated to Board members for approval out of committee.
- CILEx Regulation's application to license ABS entities has now been approved by the LSB. It now progresses to the Lord Chancellor for final consideration.
- Since the LSB's public censure of the Law Society, an article has appeared in the Law Society Gazette commenting on the futility of this action amid a wider 'grave crisis in legal services'. The article suggests that the limited resources of the LSB would have been better spent addressing issues directly affecting public experience of the legal system.

New issues have also arisen in June, which are covered briefly below.

- The Justice 2030 report has been published, highlighting the challenges and opportunities over the next 12 years. The document sets out four themes which MoJ believe will impact the justice system between now and 2030.
- Dr Helen Phillips was confirmed as Chair of the LSB until 31 March 2023.
- The new 20% success fee cap on PPI claims will come into effect on 10 July, and will apply to entities regulated by the Claims Management Regulator and legal service regulators alike.
- Following consultation, the SRA have now completed their Solicitors Handbook rewrite and will now submit the rules to the LSB for approval.
- The SRA's consultation on changes to Professional Indemnity Insurance minimums and access to the Compensation Fund continues, and this has recently attracted significant criticism from the Association of British Insurers. Meanwhile an increase in mandatory contributions to Compensation Fund has been announced, which has attracted some negative comment in trade media
- Deloitte has become the last of the Big Four accounting companies to be approved as an SRA-licensed ABS. The other three were licensed in 2014.
- The Council for Licensed Conveyancers have announced that they will be the first legal service regulator to introduce rule changes in line with the recommendations from the CMA report. The SRA will be close behind, with both regulators aiming to have rules in place by the end of the year.