

**EXPLANATORY MEMORANDUM TO
THE LEGAL SERVICES ACT 2007 (LEVY) RULES 2010**

2010 No. 213

1. This explanatory memorandum has been prepared by the Legal Services Board and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

2.1 The purpose of this instrument is to make rules governing the imposition of a levy by the Legal Services Board (“LSB”) on leviable bodies. When this instrument comes into force, the leviable bodies for the purpose of this instrument will be the approved regulators set out in Schedule 4 to the Legal Services Act 2007 (“the 2007 Act”) at the point at which the Act gained Royal Assent. The Regulator in relation to claims management will not be levied in these rules. References to “leviable bodies” in the instrument are therefore references to these approved regulators only.

2.2 The rules are required by section 173 of the 2007 Act and provide for a levy to meet (a) the expenditure incurred by the LSB, the Office for Legal Complaints (“OLC”) and the Lord Chancellor in the establishment of the LSB and OLC, and (b) the ongoing costs associated with the carrying on of the LSB’s regulatory functions in the period from January 1st to March 31st 2010. LSB and OLC expenditure for subsequent periods will be levied separately and the rules for those levies will be addressed in subsequent instruments.

2.3. As the levy will meet the running costs of the LSB in the period from January to March 2010, it is important that the rules come into force before the end of that period. It is therefore intended that this instrument will come into force on 15th March 2010; the LSB having gained its full regulatory powers on 1st January 2010.

2.4 In summary, this instrument:

2.3.1 provides for the recovery of costs relating to the establishment of the LSB; establishment of the OLC and ongoing operating costs of the LSB for the period from January 1st to March 31st 2010.

2.3.2 establishes a principle under which the costs are to be apportioned amongst the leviable bodies

2.3.3 provides further detail as to the payment of the levy, including delayed and part-payment and interest payable on late payment.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None

4. Legislative Context

4.1 The *Legal Services Act 2007 (Commencement No 1 and Transitory Provisions) Order 2008* commenced provisions in the 2007 Act which established the LSB and the OLC and provided for the appointment of board members and staff. The *Legal Services Act 2007 (Commencement No 3 and Transitory Provisions) Order 2008* commenced further powers under the 2007 Act allowing the LSB to set up and maintain a Consumer Panel and make rules about the exercise of the representative and regulatory functions of approved regulators and the exercise of its own regulatory powers. That order also commenced the majority of sections

173, 174 and 175, which establish the regime under which a levy is to be imposed on leviable bodies to cover the cost of the new regulatory regime.

4.2 This instrument is made under sections 173(1), 174, 204(2) and 204(3) of the 2007 Act. Section 173(1) requires the LSB, by order, to make rules providing for the imposition of a levy on leviable bodies corresponding to the leviable expenditure of the LSB, OLC and Lord Chancellor. Section 173(3) requires the LSB, before making the levy rules, to be satisfied that the apportionment of the levy as between the leviable bodies will be in accordance with fair principles, and 173(4) ensures that the rules can only be made with the consent of the Lord Chancellor. The LSB adhered to Cabinet Office guidance on consultation in making its rules and a full consultation was carried out for these levy rules.

4.3 The [Legal Services Act 2007 \(Commencement No 6, Transitory and Transitional and Saving Provisions\) Order 2009](#) commenced the remaining powers of the LSB as oversight regulator to the legal profession, including designation of new regulators, approval of regulatory arrangements and enforcement powers. As such, the LSB assumed its full regulatory functions, including the recovery of the expenditure associated with the carrying on of its regulatory functions and those of the OLC, both in respect of the establishment of those bodies, and in respect of the ongoing operational expenditure of the LSB.

4.4 Further levy rules will be issued in respect of subsequent financial years, which are also likely to include the running costs of the OLC.

5. Territorial Extent and Application

5.1 This instrument applies to England and Wales only.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

• *What is being done and why*

7.1 The 2007 Act reforms the way in which legal services are regulated in England and Wales. The aims of the Act are to simplify the existing regulatory framework by establishing an oversight regulator, the LSB, and to improve consumer confidence and the way in which complaints are dealt with by establishing an independent complaints handling body, the OLC.

7.2 The Act also prescribes the principle that the costs of oversight regulation and complaints handling will be met by the profession itself, with the expenditure of the LSB and OLC being met by a levy on the approved regulators. Section 173(1) of the Act therefore requires the LSB to make rules providing for the imposition of a levy on leviable bodies to raise an amount to cover the expenditure of the LSB, the OLC and the Lord Chancellor incurred in connection with the establishment of the LSB and OLC and in connection with the ongoing functions of those bodies under the Act. The levy will not cover certain amounts set out in section 175 such as fees that the 2007 Act specifies must be paid to the LSB or OLC in specified circumstances and sums received from penalties as these will be collected separately.

7.3 Rule 3 of the levy rules distinguishes three types of cost to be recovered in this levy period, with rule 3(2) prescribing the establishment cost of the LSB, rule 3(3) prescribing the establishment costs of the OLC and rule 3(4) prescribing the ongoing expenditure of the LSB for the period from January 1st to March 31st 2010. As the OLC is not yet fully operational, all expenditure associated with it (i.e. the full leviable expenditure of the Lord Chancellor and OLC) is considered as an establishment cost. The establishment and running expenditures of the LSB are

determined by the point at which the expenditure was incurred, with rule 3(4) ensuring that all expenditure incurred from 1st January 2010 when the LSB became fully operational until the end of the financial year specified in paragraph 25(6) of Schedule 1 of the 2007 Act being considered as part of the running costs, while expenditure incurred before the LSB became fully operational being considered as establishment cost.

7.4 Rules 4, 5, 6 and 7 establish the apportionment of the above expenditures among the leviable bodies.

Costs in connection with the establishment of the LSB

7.5 Rule 5 defines the proportion each leviable body must pay towards the total establishment cost of the LSB (as defined in rule 3(2)) as being the proportion which the number of persons regulated by the leviable body authorised at 1st April 2009 bears to the total number of regulated persons in the legal profession at that time. Basing the numbers of regulated persons at 1st April 2009 ensures that the levy will be apportioned among all those in the regime at that stage. It is for this reason that those new approved regulators added to Schedule 4 after the date that the 2007 Act came into force have been excluded from the definition of “leviable body” in the instrument. These new approved regulators obviously did not regulate persons in respect of reserved legal activities as at 1st April 2009 and indeed it is not anticipated that they will be in a position to do so until sometime after the end of March 2010.

Costs in connection with the establishment of the OLC

7.6 Rule 6 defines the proportion each leviable body must pay towards the total establishment cost of the OLC (as defined in rule 3(3)) as being the proportion of service complaints received by that body in the three years ending on 31st December 2008 against the total number of service complaints received by all leviable bodies during that time.

Costs in connection with the operation of the LSB

7.7 Rule 7 applies the proportion established in rule 5 (number of persons regulated by that leviable body against the total of regulated persons) to the payment of the running costs of the LSB (as defined in rule 3(4), i.e. expenditure incurred during the period starting on 1st January 2010 when the LSB became fully operational and ending with the financial year in March 2010). As with the establishment costs of the LSB, the ongoing running costs will not be levied on bodies who had no regulated persons in respect of reserved legal activities as at 1st April 2009.

7.8 Each leviable body must pay to the LSB the sum of their proportion of these three costs. Apportioning the costs in this way ensures that levy payments relating to the costs of the LSB are based on the size, by number of regulated persons, of the approved regulator which should reflect both the proportion of resources incurred by the LSB in overseeing those bodies and also the ability of the bodies to pay that amount. Basing the apportionment of costs relating to the OLC on the number of complaints is also aimed at reflecting more accurately the resource that it is anticipated will be incurred in complaints handling in that area, with the OLC having to dedicate greater resources where a larger number of complaints are made.

7.9 In accordance with section 174, the levy rules also make further provisions as to the payment of the levy, including the date on which the levy is to be paid, provision as to part payment of the levy and interest payable where the levy is not paid in full at the specified time. Rule 10 also sets out certain conditions for delaying part of the payment of the levy, including the requirement that at least 34% of the levy liability relating to the establishment costs of the LSB and OLC must be paid by the date specified by the LSB.

7.10 Rule 11 is the specific provision which deals with the amount of interest due on any late payment. The rule provides that the interest rate should be that specified in section 17(1) of the

Judgement Acts 1838. This is currently 8%. The LSB requires an interest provision of sufficient deterrent to ensure that the leviable bodies pay on time. A late payment by a leviable body could impact on the LSB's ability to meet its own liabilities. Any interest charge will be paid into the Consolidated Fund.

- ***Consolidation***

7.11 This instrument makes rules as required under the 2007 Act. There are no issues relating to consolidation.

8. Consultation outcome

8.1 The LSB has carried out a full consultation on the levy rules. It published an initial consultation document on 9th April 2009, which ran for 12 weeks and consulted a range of bodies including regulators and other interested parties. This document consulted on the policy surrounding the Rules but not on the Rules themselves.

8.2 13 responses were received to the initial consultation. These included responses from all of the approved regulators, other than the Association of Law Costs Draftsmen. The proposals in the consultation document were generally supported by the majority of respondents. The main concern raised was in relation to the proposal to split the recovery of costs over three years with 70% payable in the first year, 20% in the second year and 10% in the third year.

8.3 Having considered this concern the LSB amended its policy to provide for a minimum split, for establishment costs, of 34% in the first year, 33% in the second year and 33% in the final year with flexibility for approved regulators to agree a payment profile in advance of this should they so wish. The full amount of the Board's operating costs for January to March 2010 will be payable by 31st March 2010.

8.4 Following the initial consultation, the LSB on 11th September 2009 issued its decision document and consultation on the form of the statutory instrument to constitute the Rules. This consultation ran for 4 weeks reflecting the fact that the policy surrounding the statutory instrument had already been consulted upon and that a draft of the statutory instrument had already been informally shared with key stakeholders.

8.5 6 responses were received to this second consultation. All respondents generally supported the form of statutory instrument, though varying levels of concern were raised about the decision to exclude the two new approved regulators, the Association of Certified Chartered Accountants and the Institute of Chartered Accountants of Scotland, from this initial levy. Despite these concerns, the LSB believes it is correct in its decision to exclude these two bodies because, as referred to above, though both these bodies are now designated as approved regulators, neither of them currently regulates any authorised persons and it is not anticipated that they will be in a position to do so until sometime after the end of March 2010.

9. Guidance

9.1 The LSB has not issued any general guidance in connection with the levy rules. However, the LSB will be entering into detailed memoranda of understanding with each of the leviable bodies which will deal with the practical payment mechanics and the procedure for interaction between the LSB and the leviable body.

10. Impact

10.1 An impact assessment was prepared in respect of the imposition of a levy, which was included as part of the consultation. A copy of the Impact Assessment is attached to this memorandum.

11. Regulating small business

11.1 This instrument prescribes the mechanism under which the levy is to be apportioned among the leviable bodies. Under section 51 of the 2007 Act, a permitted purpose for which a practising fee may be payable by a person includes the payment of a levy imposed on an approved regulator. The effect of this is that the levy imposed under 173 may be met by practising fees charged on individuals and bodies.

11.2 However, the principle behind this was established and considered under the 2007 Act, and in developing those wider, the regulation of small businesses was considered in detail. Section 7 of the full RIA sets out the Small Firms Impact Test, in particular relating to the Board and ABS. In developing the Impact Test, the Small Business Service and Federation of Small Businesses were consulted and were content with the approach.

12. Monitoring & review

12.1 The levy rules relate to the apportionment of leviable expenditure for the establishment of the LSB and OLC and operating costs of the LSB until the end of March 2010. The apportionment of LSB running costs beyond March 2010 and the apportionment of OLC running costs will be dealt with in separate rules. *It is anticipated that they will be consulted on before the summer of 2010 and made before the end of 2010.*

13. Contact

Edwin Josephs at the Legal Services Board (Tel: 020 7271 0084 or Email: edwin.josephs@legalservicesboard.org.uk) can answer any queries regarding this instrument.

Summary: Intervention & Options

Agency: Legal Services Board ("LSB")	Title: Impact Assessment of the statutory instrument (to be made under Section 173 and 174 of the Legal Services Act 2007) for the apportionment of the levy
Stage: decision	Version: 1
Related Publications: You should refer to the following related documents: <ul style="list-style-type: none">• Sections 173 and 174 of the Legal Services Act 2007 (the "LSA")• Consultation Paper – "The Levy: funding legal services regulation. Consultation on proposed rules to be made under Sections 173 and 174 of the Legal Services Act 2007"• Responses to Consultation Paper• Decision Paper – "The Levy: funding legal services"• Responses to Decision Paper	

Available to view or download at: <http://www.legalservicesboard.org.uk>

Contact for enquiries: Edwin Josephs

Telephone: 020 7271 0084

What is the problem under consideration? Why is government intervention necessary?

Sections 173 and 174 of the LSA require the LSB to make rules in relation to the apportionment of the levy on Approved Regulators for both the establishment and ongoing costs of the LSB and the Office for Legal Complaints ("OLC"). The levy and the fact that the profession will meet the costs of the two organisations is something that Parliament has agreed to, based on the regulatory impact assessment produced at the time the LSA was passed into law.

What are the policy objectives and the intended effects?

The policy objectives and intended effects are to provide for the apportionment, in accordance with "fair principles", of all leviable expenditure for the establishment of the LSB and the OLC and the running costs of the LSB until March 2010.

What policy options have been considered? Please justify any preferred option.

The options that we have focussed on in the Consultation Paper and the Decision Paper deal with how the LSB will apportion the costs between the different Approved Regulators. The base case assumes a levy of costs, as 'do nothing' is not a viable option in this case. The LSA requires the LSB to apportion the levy between the Approved Regulators.

The IA examines the LSB's preferred option for apportionment as set in section 4 of the Decision Paper. In short this involves:

- apportioning the LSB's implementation and running costs by reference to the number of Authorised Persons regulated by each Approved Regulator; and
- apportioning the OLC's implementation costs by reference to the number of complaints Approved Regulators have received against Authorised Persons that they deal with.

When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

Due to its short term application, the proposed policy will not be reviewed. The current proposals only relate to the apportionment of leviable expenditure for the establishment of the LSB and OLC and running costs of the LSB until March 2010. The apportionment of LSB running costs beyond March 2010 and the apportionment of OLC running costs will be dealt with in a separate consultation which will be issued in 2010.

Sign-off For SELECT STAGE Impact Assessments:

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed on behalf of the Legal Services Board by:

David Edmonds

Chair of the Legal Services Board

.....Date: 1 March 2010

Summary: Analysis & Evidence

Policy Option: Option 3 for LSB implementation and running costs and Option 2 for OLC implementation costs	Description: The apportionment of the LSB's running and implementation costs by reference to the number of Authorised Persons regulated by each Approved Regulator and the apportionment of the OLC's implementation costs by reference to the number of complaints Approved Regulators have received against Authorised Persons that they deal with (see section 4 of the Decision Paper for full details).
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COSTS	ANNUAL COSTS		Description and scale of key monetised costs by 'main affected groups'
	One-off (Transition)	Yrs	
	£ NIL		
	Average Annual Cost (excluding one-off)		
	£ NIL	Total Cost (PV)	£ NIL
<p>Other key non-monetised costs by 'main affected groups' The 8 current Approved Regulators will pay the levy. These are the Law Society, the Bar Council, the Council for Licensed Conveyancers, the Institute of Legal Executives, the Institute of Trade Mark Attorneys, the Faculty Office and the Association of Law Costs Draftsmen (see section 4 of the Decision Paper for more details).</p>			

BENEFITS	ANNUAL BENEFITS		Description and scale of key monetised benefits by 'main affected groups'
	One-off	Yrs	
	£ NIL		
	Average Annual Benefit (excluding one-off)		
	£ NIL	Total Benefit (PV)	£ NIL
<p>Other key non-monetised benefits by 'main affected groups' For the LSB, this methodology provides a simple and fair methodology for levy for implementation and running costs. The methodology is transparent and clear. For the OLC, the methodology involves a minimum amount of data collection and is proportionate. It provides incentives for approved regulators to deal with complaints in-house.</p>			

Key Assumptions/Sensitivities/Risks N/A

Price Base Year N/A	Time Period Years N/A	Net Benefit Range (NPV) £ NIL	NET BENEFIT (NPV Best estimate) £ NIL
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[Guidance on the following sections can be found by following this link on the BIS website](#)

What is the geographic coverage of the policy/option?	England & Wales
On what date will the policy be implemented?	It is anticipated that the LSB will take on its full powers on 01.01.2010 and the rules will apply from then
Which organisation(s) will enforce the policy?	The LSB
What is the total annual cost of enforcement for these organisations?	£ NIL
Does enforcement comply with Hampton principles?	Yes

Will implementation go beyond minimum EU requirements?		Yes. EU requirements do not require the regulatory framework set out in the LSA		
What is the value of the proposed offsetting measure per year?		£ NIL		
What is the value of changes in greenhouse gas emissions?		£ NIL		
Will the proposal have a significant impact on competition?		No		
Annual cost (£-£) per organisation (excluding one-off)	Micro See note below	Small See note below	Medium See note below	Large See note below
Are any of these organisations exempt?	No	No	No	No
Impact on Admin Burdens Baseline (2005 Prices)		(Increase - Decrease)		
Increase of	£ NIL	Decrease of	£ NIL	Net Impact £ NIL

Key

Annual costs and benefits: Constant Prices

(Net) Present Value

NOTE:

The cost per Authorised Person of the LSB's implementation and January to March 2010 running costs is expected to be around £20.28. This covers all types of Approved Regulator. The cost of implementing the OLC will be borne by those regulated by the Law Society (around £45.33 per Authorised Person), the Bar Council (around £10.79 per Authorised Person) and the Council for Licensed Conveyancers (around £75.20 per Authorised Person). See section 4 of the Decision Paper for more detail about these calculations.

Evidence Base (for summary sheets)

Introduction and Background

1. Sections 173 and 174 of the LSA require the LSB to make rules in relation to the levy on Approved Regulators for both the establishment and ongoing costs of the LSB and OLC.
2. Those directly impacted by the levy will be the current Approved Regulators and those in future who choose to be Approved Regulators either to solely regulate Authorised Persons or to also be Licensing Authorities for Alternative Business Structures.

Scope of the Impact Assessment

3. The scope of this Impact Assessment is very narrow. The decision to levy the Approved Regulators has already been dealt with in consultation documents, independent reviews, White Papers and parliamentary debates. The LSA requires the LSB to apportion the levy between Approved Regulators. This Impact Assessment deals solely with the apportionment mechanic.

Scope of the proposals

4. Please refer to section 4 of the Decision Paper for details of the proposal.

Stakeholder groups and Organisations in the scope of the proposal

5. The 8 current Approved Regulators will pay the levy. These are the Law Society, the Bar Council, the Council for Licensed Conveyancers, the Institute of Legal Executives, the Institute of Trade Mark Attorneys, the Faculty Office and the Association of Law Costs Draftsmen (see section 4 of the Decision Paper for more details).

Policy Rationale for Proposals

6. The LSA requires the LSB to make rules providing for the imposition of a levy (see Sections 173 and 174).

Cost Benefit Analysis

BASE CASE / OPTION 0 (“Do Nothing”)

7. The options that we have focussed on in the Consultation Paper and the Decision Paper deal with how the LSB will apportion the costs between the different Approved Regulators. The LSA requires the LSB to apportion the levy between the Approved Regulators. Therefore the base is to implement a levy. This impact assessment therefore only looks at the fairness of different methodologies. The base case is the same as the options, so there are no monetisable costs or benefits of different options.

OPTION 1 – Implementation and running costs for the LSB

Description

8. Apportion costs relating to the LSB in accordance with the regulatory risk posed by each of the Approved Regulators.

Costs

9. In order to adopt an approach based on regulatory risk, the LSB would need to quantify the likely detriment – in terms of both degree of severity and breadth of impact – if things went wrong in the regulation of a specific profession and/or activity. This would involve gaining a detailed understanding of the different types of regulated activities which members of a particular profession participate in and how they are currently regulated. An objective assessment of how well different Approved Regulators are performing in carrying out these duties would also be needed.
10. It would take considerable time and a high degree of work by Approved Regulators to identify the data needed to allow apportionment on this basis. This would put a regulatory burden on them and the people they regulate. The cost of the LSB undertaking the research needed to verify the information given by Approved Regulators to determine regulatory risk in a way that could be considered objective to all Approved Regulators would also be considerable.

Benefits

11. At first glance, this would seem one of the fairest ways to apportion the levy. However, as noted above, there are a number of disadvantages in terms of creating a methodology to measure regulatory risk. Therefore there is no guarantee that this is the fairest option.

OPTION 2 – Implementation and running costs for the LSB

Description

12. Apportion costs relating to the LSB in accordance with the volume of activity for the LSB generated by each Approved Regulator.

Costs

13. The LSB would only be able to do this with any accuracy on a retrospective basis, so that the previous year's work drives the next year's apportionment. This makes it difficult to use for initial implementation and running costs.

Benefits

14. This method would fit the principle that "the polluter pays". This may be simpler to measure than option one and is 'fair' in the sense that those Approved Regulators creating more work for the LSB pay more.

15. OPTION 3 – Implementation and running costs for the LSB

Description

16. Apportion costs relating to the LSB based on the number of members of a profession who hold practising certificates or who are otherwise registered to carry out reserved legal activities with an Approved Regulator.

Costs

17. Method doesn't reflect "polluter pays" principle but in the short-term it provides an objective, robust and fair approach.

Benefits

18. The option reflects the fact that, as an oversight regulator, the LSB interacts with the profession as a whole and has considerable duties to that profession that are not directed to specific regulators.
19. This is a simple approach that requires a minimum amount of data collection for both the Approved Regulators and the LSB. Using this method the LSB can clearly define the costs for each Approved Regulator from the outset, which will enable them to adjust practising fees and their internal processes as part of their normal business planning cycles. The levy would not need to be retrospective.
20. The approach meets the definition of fair principles as it is transparent and clear to all regulators, as we are following a clear methodology which does not place extensive regulatory burdens on the Approved Regulators in terms of data collection. In terms of proportionality, it takes account of the relative sizes of the regulators and uses a consistent methodology between them.

Options for the OLC

OPTION 1 – Implementation costs for the OLC

Description

21. Apportion costs relating to the OLC based on the number of members of a profession who hold practising certificates or who are otherwise registered to carry out reserved legal activities with an Approved Regulator.

Costs

22. The approach takes no account of the relative number of complaints that are currently generated and the reasons behind the creation of the OLC. This does not reflect a proportionate or targeted response.

Benefits

23. This is a simple approach that requires a minimum amount of data collection in the first year for both the Approved Regulators the LSB and OLC.

OPTION 2 – Implementation costs for the OLC

Description

24. Apportion costs relating to the OLC based on the number of complaints Approved Regulators have received about Authorised Persons for a rolling three-year period. The LSB would not propose to charge those bodies whose members generate less than 0.1% of complaints numbers in total.

Costs

25. Not all Approved Regulators whose members generate complaints are levied (bodies whose members generate less than 0.1% of complaints are excluded –see above). This could be argued to be against the “polluter pays” principle. However, given that the number of these complaints is so small it would seem disproportionate in terms of administrative expense alone to levy these bodies.

Benefits

26. This is a simple approach that requires a minimum amount of data collection for Approved Regulators, since they already hold data on the number of complaints against Authorised Persons that they deal with.
27. This approach is proportionate and targeted as those responsible for the majority of complaints will be responsible for the costs of the setting-up of the new complaints handling mechanism. It provides incentives to Approved Regulators to encourage firms or Authorised Persons to deal with complaints better in-house and therefore reduce the cost burden associated with the OLC. It is also a consistent mechanism that is proportionate, as it reflects the way complaints are handled at the point of implementation.

SUMMARY OF OPTIONS

28. The LSB prefers Option 3 for apportioning the LSB implementation and running costs and Option 2 for apportioning the OLC implementation costs
29. Section 4 of the Decision Paper sets out in full the LSB's preferred policy position and its reasons for it.

1. Enforcement and Implementation

The policy adopted will be implemented by a statutory instrument which can only be made with the consent of the Lord Chancellor.

The LSB will enter into individual Memoranda of Understanding with each of the Approved Regulators. These documents will deal with the detailed mechanics for collecting the levy.

2. Specific Impact Tests

Extensive Impact Assessments were carried out in the process of the Legal Services Bill's progress through Parliament¹. The LSA requires the LSB to make rules for the imposition of a levy, ensuring that the apportionment of it between leviable bodies is based on fair principles. The LSB's proposals for the apportionment and collection mechanism contain no specific impacts beyond those inherent in the imposition of the levy itself, a decision which has already been made by Parliament.

Rural proofing

The LSB's policy on the apportionment of the levy is not expected to have a specific impact over and above that of the imposition of the levy itself.

Environmental tests

The LSB's policy on the apportionment of the levy is not expected to have a specific impact over and above that of the imposition of the levy itself.

Competition Assessment

The LSB's policy on the apportionment of the levy is not expected to have a specific impact over and above that of the imposition of the levy itself.

Sustainable Development

The LSB's policy on the apportionment of the levy is not expected to have a specific impact over and above that of the imposition of the levy itself.

Small Firms Impact Test

The LSB's policy on the apportionment of the levy is not expected to have a specific impact over and above that of the imposition of the levy itself.

Legal Aid and Justice Impact Test (MoJ specific and included in the IA template)

The LSB's policy on the apportionment of the levy is not expected to have a specific impact over and above that of the imposition of the levy itself.

Human Rights

The LSB's policy on the apportionment of the levy is not expected to have a specific impact over and above that of the imposition of the levy itself.

Freedom of Expression Audit (an MoJ Specific Impact Test)

¹ <http://www.official-documents.gov.uk/document/cm68/6839/6839.pdf>

The LSB's policy on the apportionment of the levy is not expected to have a specific impact over and above that of the imposition of the levy itself.

Privacy Impact Test (an MoJ Specific Impact Test)

The LSB's policy on the apportionment of the levy is not expected to have a specific impact over and above that of the imposition of the levy itself.

EIA

The LSB's policy on the apportionment of the levy is not expected to have a specific impact over and above that of the imposition of the levy itself.

Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	No	No
Small Firms Impact Test	No	No
Legal Aid	No	No
Sustainable Development	No	No
Carbon Assessment	No	No
Other Environment	No	No
Health Impact Assessment	No	No
Race Equality	No	No
Disability Equality	No	No
Gender Equality	No	No
Human Rights	No	No
Rural Proofing	No	No

As mentioned above, the LSB's proposals for the collection mechanic contain no specific impacts beyond those inherent in the imposition of the levy itself, a decision which has already been made by Parliament.

Annexes

None