

Regulatory Information Review - Literature Review Research Specification

The Legal Services Board (LSB) is currently undertaking a review of published information in the legal services market to support the identification of knowledge gaps. To date we have reviewed over 300 reports, articles, and surveys on the legal services market, but are now looking to take this work a stage further.

This is part of the work of the LSB's Regulatory Information Review, a review of a range of information on the legal services market which will publish its findings in May 2011.

This literature review would ideally suit two social science Ph.D. students, looking to increase their knowledge of the legal services market, and contribute to the development of a comprehensive knowledge base of the legal services market in England & Wales.

Whilst this research follows the pattern of a normal literature review - bringing together substantive sources of existing research and summarising the key points in a structured way – we want to ensure that the outputs from this work remain dynamic and sustainable throughout the lifetime of the LSBs reform programme. In order to maximise the value of this work the literature must be classified into the LSB's Knowledge Bank, as opposed to a standard static document.

Specifically this research will involve:

- Reading a series of 350 reports, articles, and surveys on the legal services market. These will be provided by the LSB. These documents have been collated from over 65 different websites that provide information and analysis on the legal services market in England & Wales.
- Classifying each document against the LSB knowledge needs. These knowledge needs are expressed as a series of questions, broken down into Supply and Demand with 6 different themes in each area. A full list of these knowledge questions can be found in the appendix below.
- Entering this information on the LSB's Knowledge Bank. The Knowledge Bank is a spreadsheet for recording the classification of information against the LSB's Knowledge needs.

Training on how to use the Knowledge Bank will be provided by the LSB at the beginning of the research, with periodic reviews to ensure consistency of interpretation of the published sources. Given the nature of this work, the literature review will largely need to be undertaken on site at the LSB's office in London.

The main challenge in undertaking this work is to absorb and classify substantial amounts of information and record this in such a way that allows other individuals to enhance their understanding, and quickly utilise a range of information sources. Whilst the Knowledge Bank provides the framework to do this, clarity of expression is key, so as to ensure the information resource is concise, succinct and relevant for all legal services stakeholders.

Applicant Evaluation Criteria

All research projects commissioned by the LSB are subject to our standard terms of contract. Tenders will be evaluated on basis of candidate experience in conducting literature reviews.

Duration

The research should commence in December 2010. The budget for this literature review is £2,900 and the research should be completed no later than 28th January 2010

Legal Services Board Contact Details

For further information, and to express an interest in undertaking this research please contact Alex Roy (020 7271 0060, alex.roy@legalservicesboard.org.uk) or Robert Cross (020 7271 0091, robert.cross@legalservicesboard.org.uk).

Applications must be submitted by 5.p.m Friday 17th December.

Appendix

List of LSB Knowledge Needs:

Supply

A. Static market analysis - A snapshot of the makeup of suppliers in the legal services market.

1. What does supply consist of who's in it/who does what? How does the total market value breakdown? (reserved & unreserved)
2. What are "high street" services? How big is this market?
3. Market Segmentation - What are sensible ways of dividing up the providers?
4. Can we have a breakdown of work that is reserved/unreserved?
5. How do we define small, medium, and large legal service providers?
6. What types of management structure and business models exist in the market?
7. What is the breakdown of firms in terms of informal partnerships, franchises and legal/non legal entities?
8. What is the diversity of providers by size/profitability?
9. Can we have providers by type and volume of work?
10. Can we have a geographical distribution of services?
11. What is the number of lawyers by service type?
12. What types of work are undertaken by different law firm staff?
13. How does the medium of service delivery e.g. F2F, phone, internet breakdown across legal services?
14. What are the gaps in legal services provision by area/type/social demographic?

B. Dynamic analysis of the market - Elasticity of supply, substitution, barriers to entry & exit, and change.

1. What are the entry & exit barriers for reserved/unreserved activities and regulatory activities?
2. What is the elasticity of supply by product?
3. What are the barriers to changing services offered?
4. Why does the supply side segment the way it does?
5. What form does supply side substitution take?
6. What are the most common areas for transfer between different types of law?
7. What factors determine whether a provider expands into/withdraws from an area of legal services?
8. What is the impact of new regulatory arrangements (complaints, oversight) on the market?
9. How have the types of services changed after the introduction of the LSA 2007?
10. How has the number of small firms in the market changed after the introduction of the LSA 2007?
11. What have been the drivers of market changes?
12. What is the likely take up of ABS as a structure?
13. What is the take up of LDPs and MDPs?
14. What use of Legal Process Outsourcing and international outsourcing are firms making?

C. Market financials- Legal Service provider profits and costs.

1. What is the level of profitability of law firms?
2. What is the turnover of law firms by size?
3. Who are the most/least profitable consumers?
4. What are the most profitable/least profitable types of legal services?
5. What are the staff costs at law firms?
6. What are the costs imposed by regulation by type of activity?

D. Charging- How fees are set and what they are.

1. How do providers set a fee? Profit required back, service required?
2. What effect does transparency of billing have on price of legal service?
3. Can we have the range of charging methods (by different areas of law, type of fee earner, profitability)?

E. Competition - Competition within legal services.

1. What does a competitive legal market look like?
2. What parts – if any – of the legal market are competitive? Does it display monopsony characteristics?
3. How do legal service providers compete for work?

Demand

A. Understanding consumers - Who consumers of legal services are, and their legal needs.

1. What are the characteristics of consumers by legal need, e.g. Diversity, knowledge etc?
2. What is the number of consumers with different needs?
3. What is the level of consumer knowledge of their legal needs?
4. Is there unmet need for legal service? If so what is it and why is this need not being serviced by the market?
5. What is the number of consumers who fail to find a lawyer in their local area?
6. What is the geographical distribution of need?
7. Can we have a breakdown of which types of consumers go to which types of service provider?
8. What is the normal 'service journey' for consumers of legal services?
9. How do consumers choose the type of service they use? Do they choose a lawyer who reflects a similar background to them?
10. What is the importance of signifiers of quality in peoples' purchasing decisions e.g. Professional title (sol. vs. conveyancer, ISO standard, regulator, brand name)?
11. What quality of advice measures are available (both proxy measures and actual measures)? How useful are they and for who?
12. What is the range of the actual quality of legal advice across the entire legal services sector?

B. Understanding service - What consumers understand by good service.

1. What do consumers want from the legal services market?
2. What is competent service? What is excellent service?

3. How far can consumers become informed about the legal services market? Is this determined by frequency of use?
4. How do consumers understand reserved and unreserved activities?
5. How much value is placed by consumers on their lawyer having insurance?
6. What is consumers' understanding of what a 'regulated' profession offers by way of consumer protection?
7. What do consumers understand about referral fees?
8. Which established brands would people trust to provide legal services?

C. Service Preferences - What consumers want from a legal service.

1. Would consumers buy services from a lawyer found on an aggregator site like 'confused.com'?
2. Who are the intermediaries for legal advice?
3. How do consumers prefer to have legal advice delivered?
4. Is there a consumer willingness to "one-stop-shop" for all of the legal, finance, accounts etc. services?
5. What does consumer demand look like for different service models?
6. What type of legal services would consumers be prepared to buy from online advice tools and what conditions would need to be fulfilled to make them happy to use these tools?

D. Cost of services - What it costs to access legal services.

1. What are the costs of services (by type of lawyer, market segment, geographically)?
2. How much does an average basket of legal services cost and how does this vary over time?
3. Have there been any changes in the cost of legal services over time? What have been the drivers for these changes?

E. Elasticity of Demand - How price sensitive consumers of legal services are.

1. What is the elasticity of demand by medium of service delivery?
2. How does a consumer get to know what is a fair price?
3. What are the switching costs for consumers?
4. Do consumers ever switch mid case and what is the competitive effect?
5. What elements of service are consumers prepared to trade for price?
6. Who pays for the legal service and how sophisticated are they? Is expensive seen as better?
7. How much is the value of the untapped market for legal advice?