

To:	Legal Services Board		
Date of Meeting:	29 November 2018	Item:	Paper (18) 59

Title:	Chief Executive's progress report – November 2018		
Workstream(s):	All		
Author:	Neil Buckley, Chief Executive		
Introduced by:			
Status:	Official		

Summary:

This paper updates Board Members on key developments across the organisation since the 24 October meeting. The Board's attention is drawn, in particular, to the following matters on which updates are provided:

- Appointments – the latest developments in relation to the Board Member, OLC Board Member, and Legal Services Consumer Panel Member recruitment;
- Office move – the latest position with regard to the Cabinet Office business case;
- Our membership of the regulatory taskforce that sits under the Law Tech Panel set up by the Ministry of Justice.

Annexes:

Annex A: Horizon-scanning report

Annex B: Summary of findings - technology and innovation report

Recommendation:

The Board is invited to **note** this report.

Risks and mitigations

Financial: N/A

Legal: N/A

Reputational: N/A

Resource: N/A

Consultation	Yes	No	Who / why?
Board Members:		✓	Routine report
Consumer Panel:		✓	Routine report
Others:	N/A		

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Para 1 – second and third sentences	Section 41: information provided to the Board on the understanding that it would be kept confidential	
Para 4 – name in second bullet point	Section 40: Personal information	
Para 5	Section 36(2)(b)(i): information likely to inhibit the free and frank provision of advice Section 43: Information relates to the commercial interests of any person / organisation	
Para 6 Para's 22 and 23	Section 42: Information subject to legal professional privilege	

CHIEF EXECUTIVE'S PROGRESS REPORT – NOVEMBER 2018

Ministry of Justice (MoJ) matters

Appointment matters

LSB Board members

1. Applications for two lay member positions closed at midday on 12 November.

[REDACTED]
[REDACTED] . [REDACTED]
[REDACTED] .

The LSB Chair is a member of the recruiting panel.

OLC Board members

2. The shortlisting meeting for two positions took place on 19 November, with final panel interviews scheduled on 3 and 6 December. Marina Gibbs is chairing the recruiting panel on the Board's behalf and will be able to provide further details if Board Members have any questions.

LSCP members

3. A longlisting meeting took place on 14 November, with shortlisting scheduled on 13 December, and interviews for three new Panel members to take place on 10 and 11 January. Jemima Coleman is chairing the recruiting panel on the Board's behalf and will be able to provide further details if Board Members have any questions.

Other sponsorship matters

Colleague and organisation matters

4. Since the last update to the Board:
 - We launched the Financial Controller recruitment, which closed on 12 November. We had just over 30 applications and interviews take place on 21 November – an oral update will be provided at the meeting;
 - [REDACTED] joined us on 24 October on a short-term basis to provide technical assistance in the assessment of various options as we decide on whether and how to change our IT service and infrastructure.

Governance

[REDACTED]

5. [REDACTED]
[REDACTED]
6. [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Office for Legal Complaints

7. On 12 November I took part in a six-way meeting, alongside Helen and Marina. The discussion mainly focused on performance, but also covered the OLC's budget application, appointments, business plans and implications of our decision on the SRA's Looking to the Future rule changes application.

Regulatory developments

Horizon scanning

8. The horizon scanning report can be found at **Annex A**.

Technology

9. We have accepted an invitation to be a member of the regulatory taskforce that sits under the Law Tech Panel set up by MoJ. The objective of the taskforce is to explore and make recommendations for an effective approach to regulation. It will work towards considering the options for an optimal regulatory environment which can best enable innovation and efficiencies in LawTech, as well as enhance the value proposition of UK-based legal services and UK jurisdictions.

10. We have received feedback on our bid to the Regulators' Pioneer Fund. Innovate UK considered that our bid matched the Government's agenda and could be a beneficial and cost-effective project. However, its view was that the bid was not focused enough on supporting innovators bringing specific technological applications to market. This feedback is consistent with the nature of the successful bids.
11. In consultation with Marina as board lead, the team has agreed a revised approach to delivering the technology project. We will commission a series of papers from academics and experts on a range of topics, which will be published on the LSB's website. We will hold a mixture of live events and recorded interviews to explore the topics further, which we will put on our YouTube site. Following completion of the papers, interviews and events, we will produce a paper compiling the evidence and suggesting approaches to technology regulation. Outputs will be published in three main tranches between March 2019 and January 2020.

Independent review of legal services regulation led by Professor Stephen Mayson

12. Helen and I met with Professor Mayson on 20 November. The Mayson Review is covered elsewhere on the agenda and I will report orally on key discussion points.

EU Exit

13. At the time of writing, the Government is putting forward a draft agreement with the EU to Parliament. As this is a developing situation, an oral update may be appropriate at the meeting. We have been engaging with Michael Smyth as the Board lead for EU exit. Outlined below are two scenarios around 'no deal' and 'deal' and the implications for the LSB.

Implications and actions for LSB if there is no deal between the government and EU

14. If the UK leaves the EU without an agreement by 29 March 2019 the Lawyers' Services Directive and Lawyers' Establishment Directive will no longer apply to the UK and there will be no system of reciprocal arrangements under which European Economic Area (EEA) lawyers (including UK nationals holding European Economic Area qualifications) can provide services and establish on a permanent basis. If there is no deal, this will require alterations to relevant regulatory arrangements to reflect the new legal position and these changes would need to be in place to take effect immediately after 29 March 2019.

15. The LSB will have a statutory role in approving any consequent regulatory changes in short order. We have prepared a draft one-off exemption direction, the effect of which would be that the approved regulators would not need to submit rule changes relating to the MRPQ consequences of EU Exit and other consequential amendments clearly related to EU Exit. Approved regulators will need to check with the LSB as to whether a particular change falls within the exemption directive. A draft will be shared with relevant regulators. We have issued such blanket directions previously, for example in relation to IGR changes in 2010.

Implications and actions for LSB if there is a deal between the government and EU

16. If there is a deal, there may still be implications for the MRPQ and other regulatory areas which could require changes to regulatory arrangements, but there will be a longer transitional period for these.
17. We will be updating the LSB EU Exit part of our website once we know the outcome of negotiations (such as the MRPQ Technical Note) and stating the LSB's current position.

Research

18. The main developments since the last Board meeting are as follows:
- The technology and innovation report is scheduled to be published on 29 November and launched at the Legal Futures innovation conference also taking place on 29 November. A summary of the findings is attached at **Annex B**.
 - The questionnaire for the individual legal needs survey is in development.
 - We are in discussions with EHRC about providing bespoke analysis to assist with their statutory inquiry on legal aid for victims of discrimination.

UK Regulators Network (UKRN) and the Budget

The Government's budget statement in October committed UKRN to the delivery of a cross-sector project aimed at improving outcomes for vulnerable consumers and to publishing a plan in spring 2019 outlining how it will improve collaboration between regulators. UKRN is discussing its response to this statement and is in the process of identifying other potential topics for joint working as it develops its 2019/20 work programme. This is an

interesting development which shows the government's continued interest in more cooperation and collaboration amongst the sector regulators.

Statutory decisions

19. The following statutory decisions have been made since the last CEO Report:
- Approval of SRA changes to its regulatory arrangements relating to its Looking to the Future proposals.
 - Approval of CILEx Regulation alterations to improve price and service transparency.
 - Exemption direction issued to the BSB in respect of changes in its regulatory arrangements to reflect regulatory powers contained in a modifications Order which became statute in October 2018.
20. In addition, the LSB received a PCF application from IPReg which has also been approved.
21. The LSB is also currently assessing three rule change applications - two from IPReg - one in relation to service of documents and notice of suspensions, and the other on practitioner regulation lapses. We are also assessing an application from the Costs Lawyer Standards Board in respect of costs lawyers making cold calls to potential clients. We expect to make decisions on these after the date of the Board meeting.

Legal issues

[REDACTED]

22. [REDACTED]
[REDACTED]
[REDACTED]

23. [REDACTED]
[REDACTED]
[REDACTED]

Communications and external engagement

24. In November, communications activities have continued at a steady rate. Chris Nichols, interim Policy Director, spoke at the Westminster Legal Policy Forum event on *the future of the legal education and training framework* on 8 November. On the morning of 29 November Rob Cross will launch our innovation research at the Legal Futures *annual innovation conference*. The

LSB will open the conference with a run down on the key findings of the research and will then participate in a panel discussion on the issue of innovation.

25. The LSB Chair took part in an interview with the Solicitors' Journal on the 20 November. The interview, scheduled to be published in late January/early February, will be printed in the Journal's relaunch as a monthly publication. It is expected that there will be higher than normal interest among the profession. An article was provided to Barrister Magazine on the BSB's standard of proof decision and to Modern Law magazine on the IGR consultation.

26. A number of decisions/consultations were published including the aforementioned IGR consultation, a CILEx Reg Section 80 consultation and the decision on the SRA's looking to the future rule changes.

27. The table below lists all of my and the Chair's meetings held since the last Board meeting, as well as meetings planned up until the next Board meeting in January. Copies of the meeting notes are available on request.

LSB Stakeholder Engagement: 25 October – 23 January		
Date	LSB	With:
25 Oct	Chair, Jeremy Mayhew	Lucy Frazer QC MP
29 Oct	Chief Executive	CEO, CITMA
30 Oct	Chair & Chief Executive	Chair and CEO, SRA
6 Nov		
6 Nov	Chief Executive	CEO, CILEx Regulation
7 Nov	Board	LSB CONSUMER PANEL BOARD TO BOARD
9 Nov	Chief Executive	CEO, SRA
12 Nov	Chair & Chief Executive	Lord Keen
12 Nov	Chair & Chief Executive	Chair and CEO, Faculty Office
12 Nov	Chair & Chief Executive	Chair & CEO, Bar Council
12 Nov	Chair & Chief Executive	OLC, 6-way
13 Nov	Chief Executive	CEOs, ICAEW
14 Nov	Chief Executive	CEO, SRA
15 Nov	Chief Executive	CEO, CILEx Regulation
19 Nov	Chief Executive	CEO, CILEx
20 Nov	Chair	Chair, OLC

20 Nov	Chair	Interview with Jean-Yves Gilg, Solicitors Journal
20 Nov	Chair & Chief Executive	Desmond Browne, James Wakefield, Council of the Inns of Court
20 Nov	Chair & Chief Executive	Stephen Mayson
20 Nov	Chair & Chief Executive	Chair and CEO, TLS
23 Nov	Chair & Chief Executive	Chair and CEO, IPReg
23 Nov	Chair	Chair, IPReg
29 Nov	Chair, Chief Executive, interim Policy Director	Counsel General, Welsh Government
03 Dec	Chief Executive	CEO, TLS
04 Dec	Chief Executive	CEO, BSB
07 Dec	Chief Executive	CEO, SRA
11 Dec	Chief Executive	CEO, OLC
14 Dec	Chief Executive	3-CEOs meeting (LSB, TLS and SRA)
17 Dec	Chair & Chief Executive	President & CEO, TLS
17 Dec	Chair and Chief Executive	Lord Chief Justice
08 Jan	Chair & Chief Executive	Chair and CEO, SRA
08 Jan	Chair & Chief Executive	Annabel Burns, MoJ
16 Jan	Chief Executive	CEO, ICAEW
18 Jan	Chair & Chief Executive	Chairs & CEOs meeting
23 Jan	Board	CILEx Reg Board to Board meeting