



Meeting: Legal Services Board, 22 October 2019

Item: Paper (19) 45 - CEO Progress Report - October 2019

Author / Introduced by: Matthew Hill, Chief Executive

Status: Official

Introduction

This paper updates Board Members on key developments across the organisation since the 18 September 2019 meeting.

Recommendation

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

Annexes

Annex A: OLC voluntary assurance letter September 2019

Annex B: Horizon scanning report

Annex C: LSB letter to BSB re Legal Choices funding

Risks and mitigations	
Financial:	N/A
Legal:	N/A
Reputational:	N/A
Resource:	N/A

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
N/A	N/A	N/A

CEO Progress Report - October 2019

Ministry of Justice (MoJ) matters

Appointment matters

LSB Board members

1. Ian Hamer took up position as a Board member on 1 October 2019. Recruitment for two non-lay and one lay member is due to launch imminently, and will be managed by the Ministry of Justice. All three appointments will take effect on 1 April 2020.

LSCP members

2. Paul Crook took up position as a Panel member on 1 October 2019. Recruitment is underway for a new Member to take up position on 1 April 2020. The closing date for applications is 23 October 2019 with interviews to be held on 6 December 2019.

OLC Board members

3. The OLC Chair has announced her intention not to seek a second term of appointment. Recruitment for a new Chair is due to launch imminently.

Colleague and organisation matters

4. A new member of staff at Associate level joined us on 14 October. The Corporate Affairs Associate tendered his resignation earlier this month and will leave the LSB before the end of 2019 to take up a promotion with a private sector organisation unconnected to the legal sector. His departure offers an opportunity to reconsider the skills and capability the LSB requires as it seeks to broaden and deepen its engagement with stakeholders and partners in line with the communications strategy..

Governance

Office move

5. The fit out works at the Rookery are nearly complete and we are on track to move into the new offices on Monday 11 November 2019.
6. In terms of exiting from One Kemble Street, we remain in negotiations with the landlords regarding the disposal of the furniture not coming with us. We will be holding a final organisation-wide clear out day towards the end of October.

7. Installation of the 100MBPs ethernet fibre line at the Rookery is now complete (with a failover solution to provide a second line for resilience to be installed in due course).
8. We have been working with Microsoft (since Microsoft Teams will be the communications tool over which the LSB's telephony will operate in the new offices) and the LSB's current telephony provider to ensure our existing telephone numbers transfer over to the new service. However, there has been a process delay and, if this is not resolved before the 11 November move in date, there is a high risk that new telephone numbers will need to be issued. The project team will work with the Communications team to ensure this is communicated effectively.

IT transformation

9. The transformation stream of the project is now due for completion by 4 November. The migration of current Office applications from 2013 to Office 365 in the cloud will take place in the week prior – leaving a one week window before we upgrade to faster network speeds at the Rookery. The timeline is to ensure that the risk of any impact on network performance is minimised.
10. Remote desktop services, a secure solution that allows colleagues to access their LSB desktop when working away from the office, was rolled out to all staff in early October. Following a recommendation from ARAC, the solution has enhanced security with the addition of multi-factor authentication (MFA), whereby a system-generated code is accessed from a mobile device and must be provided to gain LSB network access.
11. The new LSB and Consumer Panel websites are required to meet accessibility standards. As part of the compliance process, an accessibility audit was undertaken for both new websites in line with Government guidance. Since the audit, improvements to accessibility have been made and a list of remaining issues are outlined in the accessibility statements published on each website.
12. The Microsoft SharePoint application will be rolled out across the LSB network, and data will be migrated from the existing Wisdom file management system to SharePoint before the project completion date. Testing has been successful and LSB teams have been working on the design of future state folder structures to support more efficient and consistent data management in SharePoint relative to Wisdom. Post go-live, teams will be tasked with transferring migrated Wisdom files from the existing file structure into the new folder structures while ensuring consistency with the LSB retention and disposal policy.

Office for Legal Complaints

13. The OLC's latest voluntary assurance letter is at **Annex A**.
14. I attended the OLC's ARAC meeting on 7 October. I will attend the performance part of the MoJ's Business Assurance Meeting with the OLC on 15 October. Along with David Eveleigh, I will attend the OLC's Board meeting on 24 October.
15. The team has been working closely alongside MoJ officials and the OLC to secure further improvements to the OLC's roadmap. There is still further improvement required before we can consider this document is fit-for-purpose.
16. Following consultation with David Eveleigh, the team has sent draft budget principles to the OLC. The Board's is due to consider the OLC's draft budget in November.

Regulatory developments

Horizon scanning

17. The latest report is attached at **Annex B**.

Legal Choices

18. Since the Board's last meeting, the funding of Legal Choices was discussed at the CEOs meeting and this was followed by a series of discussions with the key players. The BSB Board reconsidered the issue in light of these discussions but ultimately confirmed its position to no longer fund Legal Choices.
19. BSB has written to us setting out alternative plans on consumer information provision at a very high level. We have replied to set out our concerns about the diminution in commitment represented by the BSB's actions and to obtain more specific plans, including on financial commitment. The latest round of correspondence is attached at **Annex C**.

EU Exit

20. There has been frequent and helpful dialogue between LSB colleagues and MoJ officials regarding our and the frontline regulators' readiness for EU Exit. We are coordinating our efforts in this regard closely with the MoJ.
21. Since the last Board meeting, we have written twice to the MoJ with updates on our work with the frontline regulators on their planning for EU Exit. Our first letter focused on the information that the frontline regulators provided to us on their business continuity plans, their preparations in the event of a no deal exit

and the EU-exit related changes they have made (with our oversight) to their regulatory arrangements. In our second letter, we confirmed that we had no material reason not to rely on the broad reassurance on readiness that the frontline regulators had provided.

22. The Government published its 'No-deal Readiness Report' on 8 October 2019. The report outlines what the Government is doing to get ready for EU Exit on 31 October. We have reviewed the legal services chapter of the report. It is high level and largely reiterates the key messages about what firms and practitioners need to do to prepare that were contained in pre-existing material, such as the Government's Technical Notices. We do not consider that further LSB action is required in response to the report.

Research

23. The report on the Individual Legal Needs Survey (ILNS) is close to finalisation and respective communications teams are working together to seek to maximise publicity, including the production of advance highlights on social media in the run up to publication.

A preview of the findings relating to public legal education (PLE) - highlighting how people with lower levels of legal capability have increased difficulties accessing justice, and where PLE may be able to help - will be presented to the All Party Parliamentary Group (APPG) on PLE on 29 October. TLS will also attend and speak about their PLE work. We have arranged for Jane Malcolm (Executive Director, SRA) and Sarah Chambers (Chair, Legal Services Consumer Panel) to also speak at the APPG, giving the regulatory body and consumer perspectives, respectively. The PLE team will liaise with the APPG organiser to check all relevant stakeholders, including CILEx, are invited to attend meeting.

24. The tender for the prices survey, to be co-funded with the CMA and MoJ has been issued. We expect to appoint a contractor in early November.

PLE Update

25. The details of the project are now firming up through development and approval of the Project Initiation Document. A preview of the ILNS findings relating to PLE was presented at the Solicitor General's PLE Committee on 14 October.
26. Planning is underway for the LSB (including Board Member(s)) to take part in Justice Week 2020 (for which the overall theme is PLE) to highlight the publication of our findings on PLE from the ILNS, to build contacts within the PLE community and to continue to share the LSB's thinking on the use of its

regulatory role to secure the promotion of PLE. The team will be meeting the Bar Council (one of the three AR 'owners' of Justice Week alongside TLS and CILex) on 25 October to further discuss LSB participation.

Statutory decisions

27. Since my last report, the LSB has approved two rule change applications:

- a. from the CLC to approve a reduction to its Compensation Fund contributions for the coming year.
- b. from the SRA to remove the Quality Assurance Scheme for Advocates regulations from its regulatory arrangements.

28. The LSB has also issued exemption directions in respect of applications from:

- SRA to correct minor drafting errors in the Standards and Regulations which the LSB approved in November 2018
- ACCA to make minor amendments to various sections of its rulebook.
- CILEx regulation to approve it maintaining its current Compensation Arrangements for the coming year

29. In addition the BSB has withdrawn its application for the approval of amendments relating to the BSB's rules regarding professional indemnity insurance provided by the Bar Mutual Indemnity Fund.

30. The LSB has approved PCF applications as follows:

- an application from the Faculty Office to change the methodology for charging its PCF (resulting in 4 charging tiers based upon income)
- an application from CLC to reduce its PCF for entities by 20% and to keep other fees steady
- an application from IPReg to increase its PCF by 2.3%
- an application from CILEx Regulation to keep its PCF steady.

31. At the time of writing, there were no live statutory decision applications for alterations to regulatory arrangements being considered.

32. At the time of writing, there was one live PCF application being considered:

- an application from CLSB for a 10% increase to its PCF, the first such increase in many years.

33. At the time of writing, there were also two exemption direction applications under consideration:

- a. an application from CLC to amend its Appointment Regulations
- b. an application from the BSB to correct errors made in the recently approved Enforcement Decision Regulations.

Regulatory Performance

34. *CLSB* - We reported last month that the sustainability of the CLSB was a concern. The current position is more optimistic given the appointment of the new Chief Executive and the positive steps that have been and are being taken to address the weaknesses identified in the transitional performance assessment. Nevertheless, the challenges remain significant. We continue to monitor the issues closely. The LSB Chair and Chief Executive will attend the CLSB October Board meeting.

Legal issues

ICO complaint

35. The complainant appealed the decision of the ICO dated 20 August 2019. We await sight of the papers from both parties and will consider what further involvement, if any, is required by the LSB.

Communications and external engagement

Media update

36. We have increased our media activity and are proactively seeking opportunities to discuss, explain and promote our role and our work to stakeholders.
37. Looking forward, we have secured opinion pieces for the Chair in *Legal Futures*, the *Solicitors Journal* and the *Lawyer* over the next three months. The pieces will cover PLE, ongoing competence, the technology project and diversity. We will use these as opportunities to highlight the work of the LSB and to further establish the Chair and the organisation as leaders in the sector.
38. We issued a brief reactive statement upon publication of Stephen Mayson's interim report on the Independent Review of Legal Services Regulation. The statement was picked up and used by the majority of publications that covered the release of the report, including the *Law Society Gazette*, *Solicitors Journal*, and *New Law Journal*.

Communications update on the technology project

39. Two further podcasts have been produced by the team and released since the Board was last updated. Both have been promoted in the press and shared widely on social media. *Legal Futures* produced an in-depth analysis of the first piece.

Possible General Election

40. If a General Election is called, we may need to comply with publicity restrictions during the pre-election period (purdah). We will review our communications activity against any guidance issued by the Civil Service.

Understanding stakeholders and measuring the impact of our communications

41. A paper on the stakeholder survey has been brought to this Board meeting for consideration. Our intention is to take the survey live after the Board meeting, and feedback on the findings to the February Board meeting.

Newsletters

42. The first of our new monthly newsletters was sent in mid-October. Content included features on the latest technology project releases, the Internal Governance Rules, the Solicitors Disciplinary Tribunal's adoption of the civil standard of proof and the Legal Services Consumer Panel member recruitment campaign. This new monthly newsletter replaces the previous quarterly newsletter, and will be targeted primarily at LSB stakeholders, rather than parliamentarians.

Stakeholder engagement

43. I have continued my initial introductory meetings with a range of stakeholders, outlined below.

Date	LSB	With
23/9	CEO	CEO, ICAEW
23/9	CEO	CEO, SRA
24/9	CEO	CEO, CLSB
24/9	CEO	Annabel Burns, MoJ
24/9	CEO	CEO, CLC
25/9	CEO	CEO, ACL
26/9	Chair & CEO	Chair & CEO, BSB
27/9	CEO	Small Business Commissioner
27/9	CEO	CEO, OLC
1/10	CEO	Opening of the Legal Year
4/10	CEO	CEO, ACCA
4/10	CEO	Lord Chief Justice, Regulatory liaison judges Fancourt & Yip

7/10	CEO	OLC ARAC
8/10	CEO	CEO, SRA
9/10	CEO, Board members	Launch of the Mayson Report
10/10	Chair & CEO	Group Chair & CEO, CILEx
10/10	CEO	Judicial Diversity Forum (Officials)
10/10	CEO	CEO, CLSB (Telecon)
10/10	CEO	CEO, CLC
10/10	Chair	Mark Sweeney, MoJ
15/10	Chair & CEO	Chair & CEO, Bar Council
15/10	CEO	CEO, BSB
15/10	BOARD	CLC Board
16/10	CEO, Head of Finance and Head of Corporate Services	MoJ Business Assurance Meeting