

Meeting: Legal Services Board, 30 November 2021

Item: Paper (21) 57 - CEO Progress Report – November 2021

Introduced by: Matthew Hill, Chief Executive

Status: Official

Introduction

This paper updates Board Members on key developments across the organisation since the 26 October Board meeting.

Recommendation

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

Annexes

Annex A – OLC Voluntary Assurance letter

Annex B – News round up

Risks and mitigations	
Financial:	N/A
Legal:	N/A
Comms and engagement:	N/A
Resource:	N/A
Equality and diversity:	N/A

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

CEO Progress Report – November 2021

Ministry of Justice (MoJ) matters

Appointment matters

LSB Board members

1. Following the sift meeting held on 27 September 2021, interviews for the new non-lay (lawyer) member were scheduled to be held on 23 November. The Chair will be able to provide an oral report at the meeting.

Office for Legal Complaints

2. A case for the re-appointment of one non-lay (lawyer) member of the OLC was submitted to the Board in October for consideration by correspondence. Following the Board's approval, a letter was drafted for the Chair to submit to Ministers, informing them of the Board's intended re-appointment of the OLC member concerned. This will be sent shortly.

Legal Services Consumer Panel

3. A case for the re-appointment of one member of the LSCP was submitted to the Board in October for consideration by correspondence. Following the Board's approval, a letter was drafted for the Chair to submit to Ministers, requesting approval of the Board's recommendation to re-appoint the LSCP member concerned. This will be sent shortly.
4. We are waiting to hear from the Lord Chancellor's office in respect of the recommendation to appoint one new member of the LSCP following interviews held in June 2021.

Colleague and organisation matters

Staffing

5. We welcomed our new Executive Assistant on 25 October, who will be undertaking the role for a fixed term for maternity leave cover.
6. We conducted interviews for a new Regulatory Policy Associate on 4 November and made two appointments (both individuals will be working part time). The first appointee starts in early December and the second in mid-February.

Governance

Office for Legal Complaints

7. The OLC Chair's voluntary assurance letter covering the October Board meeting is at **Annex A**. Much of the material is replicated in the business plan and budget materials covered elsewhere on the agenda.
8. The second MoJ/OLC/LSB workshop on future models of redress was held on 8 November and there has been regular contact between teams over recent weeks.

Solicitors Disciplinary Tribunal (SDT)

9. A decision letter confirming the Board's approval of the SDT's 2022 budget was sent on 29 October 2021.
10. The SDT commenced a recruitment campaign for up to 15 Solicitor Members and up to 10 Lay Members to join the Tribunal.

Legal

11. There have been no developments in the outstanding costs matter in the Clarke judicial review.
12. On 27 October we received notification of a complaint to the ICO by Mr Ian Gillam. It is under consideration by the ICO and we are awaiting a request to make our submissions. The Board will be updated as soon as there are any developments in this matter.

Regulatory developments

News round-up

13. The news round-up is attached at **Annex B**.

BEIS Consultation: Reforming the framework for Better Regulation

14. BEIS reported that it received over 200 responses to its consultation. It is currently preparing to submit advice to Ministers and hopes to issue its response in December.

Strategy and business plan

15. A draft business plan and budget for 2022/23 is elsewhere on the agenda ahead of public consultation beginning in December.

Research

16. On 4 November the Board received a presentation on the emerging findings of the small business legal needs survey. The process ahead of publication in the new year involves further statistical analysis, report writing and engaging with stakeholders in the small business community. Joint research with Lawtech UK to better understand the experience of SMEs in using lawtech has been published.

17. A series of Public Panel projects are in progress. On the consumer vulnerability project, Community Research has completed a literature review and fieldwork is underway. The projects on social acceptability of technology and consumer attitudes towards risk (relating to professional indemnity insurance) are at an advanced stage of design and fieldwork will commence soon.

18. On 23 November we published the findings of a mystery shopping exercise which gathered information on legal expenses insurance offered alongside home buildings and contents insurance on the UK's four largest price comparison websites. Alongside this we published a document setting out the following three 'key asks' of the sector based on our work to date:

- Raise public awareness and understanding of legal expenses insurance
- Incentivise insurers to improve the coverage and quality on products
- Build trust through greater transparency and improve satisfaction with products

Statutory decisions

19. Since my last update the LSB has issued five decision notices. The first was in relation to an application from CILEx Regulation for the removal of its Quality Assurance Scheme for Advocates (QASA) and replacing it with additional competency requirements. The second was in relation to an application from IPReg in relation to their compensation arrangements. The third was in relation to an application from CRL for it to authorise and regulate persons previously authorised by ACCA to carry out probate activities. The fourth was in relation to an application from the SRA for it to make amendments to minimum terms and conditions for PII on cyber risks. The fifth was in relation to an application from ICAEW for amendments to probate regulations on transparency requirements. This is a positive move for market transparency, with another sector of the market introducing mandatory rules.

20. The LSB has issued two PCF decisions since the last update, both in respect of CLC. Both of these decisions were made direct by the Board. As Board members will recall, the first application was refused due to concerns about the potential impact of the proposed approach to recovering the costs for the OLC levy and the second resubmitted PCF application was subsequently approved.

21. At the time of writing the LSB is currently considering:

- PCF applications from IPReg and CILEx Regulation.
- An application from the FO for amendments relating to Continuing Professional Education.
- An application from ACCA in relation to cancellation of designation.
- An application from CILEx Regulation for amendments to compensation fund contributions (Exemption Direction).
- An application from ICAEW for amendments to its regulatory appointments process (Exemption Direction).

Regulatory Performance

Well-led reviews

22. There has been some press coverage of the publication of the FO report. The coverage noted our findings and that the FO has responded positively.

Regulatory performance review

23. The review team has gathered views about the current framework from within the LSB and is currently having informal discussions with LSCP and the Regulatory Bodies to obtain their initial views. Research on other regulators' frameworks is also underway. A paper is presented to the 30 November Board meeting setting out our emerging thinking.

Regulatory performance updates

24. The annual performance assessment process is underway. Targeted information requests were sent to all regulatory bodies and responses have been received. Relationship managers are preparing their assessments for review and moderation by the senior team. We will publish our report in December. We will share this with the Board, for information, prior to publication.

Policy statement on Consumer empowerment

25. The consultation closes on 8 December and we continue to engage with stakeholders.

Technology

26. On 21 October 2021, we published new joint research with LawtechUK which revealed a gap in the market for lawtech firms to better support small to medium businesses (SMEs) deal with legal issues and reduce their unmet need. We also published a blog by our Regulatory Policy Manager, on addressing the legal needs of SMEs through technology and collaboration.

Diversity and inclusion

27. The new Lord Chancellor attended the Judicial Diversity Forum (JDF) on 22 November. The agenda items are: JDF action plan; progress on initiatives from 2020/21; priorities for 2021/22 and the future approach of the JDF. The MoJ commissioned evaluation of the Pre-Application Judicial Education Programme (PAJE) that seeks to better understand the barriers in the appointments process is due to be discussed.
28. The Bridge Group has commenced work that we commissioned to support the JDF in designing a common monitoring and evaluation framework. From November 2021 the Bridge Group will engage with and collect each JDF partners' views and experiences on the outcomes and impact of each partner's diversity and inclusion initiatives in the JDF action plan.
29. We have developed a principles-based sector-wide statement on the seriousness of counter-inclusive misconduct and the importance of disciplinary sanctions as one means (among others) of tackling it. We have had indications of support from regulators and Tribunals and have circulated a draft statement for comment. We hope to have agreement from all relevant partners to commit to the applying the principles and that the statement will be published in early 2022.

External events

30. On 4 November 2021, the Chair spoke at the Danish Consumer and Competition Authority's conference on competition in the legal profession. The event took place in Copenhagen, with the Chair joining via Zoom. She was invited to speak about reforms to legal services regulation in England and Wales in a session about competition in the legal profession. This followed the publication of a market study by the Danish Competition Council on competition in the legal profession in January 2021.
31. On 18 November 2021, the Regulatory Policy Manager who leads our technology work attended an Association of Consumer Support Organisations (ACSO) and

Modern Insurance Magazine roundtable. The focus was on technology and how it is affecting access to civil justice. The discussion covered how technology can improve claims processes and considered customer behaviours and protecting customer data.

32. On 19 November 2021, the Head, Policy and Research, spoke at an OECD workshop on regulatory barriers to competition in professional services.

33. On 23 November 2021, the Regulatory Policy Manager who leads our technology work took part in a technology event with stakeholders from across the sector – ‘Ask the experts: Legal services regulation’. LawtechUK organised the event.

34. The next online Board engagement session is planned for 29 November, focusing on the East of England.

Meeting schedule (27 October – 30 November)

35. Since the last Board meeting there have been the following external senior meetings:

27-Oct	The Law Society	Chair and Chief Executive
28-Oct	Ministry of Justice	Chief Executive
29-Oct	Bar Standards Board	Chief Executive
04-Nov	Ministry of Justice	Chief Executive
09-Nov	Solicitors Regulation Authority	Chair and Chief Executive
09-Nov	Bar Council	Chair and Chief Executive
09-Nov	CILEx Reg	Chair and Chief Executive
10-Nov	Legal Services Consumer Panel	Chair and Chief Executive
22-Nov	Judicial Diversity Forum	Chair and Chief Executive
24-Nov	CILEX	Chief Executive