

Meeting: Legal Services Board, 22 March 2022

Item: Paper (22) 10 - CEO Progress Report – March 2022

Introduced by: Matthew Hill, Chief Executive

Status: Official

Introduction

This paper updates Board Members on key developments across the organisation since the 25 January 2022 Board meeting.

Recommendation

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

Annexes

Annex A – News round up

Annex B – SDT Performance Summary

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 – March 2022

Ministry of Justice (MoJ) matters

Appointment matters

LSB Board members

1. Interviews for the new non-lay (lawyer) member were held on 23 November 2021 and 24 January 2022. We are awaiting confirmation from MoJ officials that the submission recommending the candidate to be appointed has been submitted to the Lord Chancellor.
2. Business cases for the re-appointment of two lay members of the Board from April 2023 have been submitted to the Lord Chancellor, and planning is underway with MoJ officials regarding the launch of the recruitment for a new LSB Chair from April 2023, and the appointment of one non-lay member (from April 2023) and one non-lay member (September 2023).
3. A paper making a recommendation to the Board regarding a new Senior Independent Director from April 2023 is elsewhere on the agenda.

Legal Services Consumer Panel

4. The Lord Chancellor approved the appointment of Dr Daniel Newman on 4 March 2022, following interviews held in June 2021. Dr Newman takes up a three-year appointment on the Panel from 14 March 2022.

Colleague and organisation matters

Staffing

5. The Regulatory Policy Associate joined on 21 February, and the new Research Analyst started on 2 March. We have launched the recruitment of a new Head, Strategy and Policy following the current postholder's appointment to a more senior role at a healthcare regulator. Interviews will take place on 1 and 5 April.
6. An all-colleague away day is being held on 16 March, where we will be exploring the challenges and opportunities of hybrid working.

Governance

Office for Legal Complaints

7. OLC's budget application is elsewhere on the agenda.

8. The OLC Chair's voluntary assurance letter following the OLC's January meeting was previously circulated to the Board and is published on the LSB's website.
9. The OLC has issued a consultation on proposed changes to its Scheme Rules. The Board's consent to any changes to the Scheme Rules is required and we currently expect proposals to be considered at its June 2022 meeting.
10. The Ministry of Justice convened a meeting on 4 March with OLC and LSB on outsourcing options and discussions continue.

Solicitors Disciplinary Tribunal (SDT)

11. Alison Kellett has started her term as SDT President and we had an introductory meeting on 14 March.
12. The SDT has provided its annual performance statistics for 2021. A summary is provided in Annex B and the full report is available in VBR. Overall, the SDT is largely meeting its KPIs, but the cost per court has continued to increase. This year's data includes new metrics on EDI and customer satisfaction.

Legal

13. There have been no developments in the outstanding matter of the award of the LSB's costs in the matter of the unsuccessful Clarke judicial review claim against us.
14. The Board has been kept updated regarding a letter before action and subsequent correspondence in which the LSB is an Interested Party. At the time of writing the proceedings have paused whilst the direct parties consider alternative resolution of the matter.

Regulatory developments

News round-up

15. The news round-up is attached at **Annex A**.

Research

16. We have taken delivery of the Public Panel research on people in vulnerable circumstances and a briefing session by Community Research is being arranged for the Board. The research materials are planned for publication before the March Board meeting.

17. The Small Business Legal Needs survey report is nearing finalisation and we expect to publish the results in April. An online dashboard has been created to present key findings to users and enable them to interrogate the data. Our communications plans also include a webinar. Alongside the research, we will publish a 'key asks' document making the case for a legal support strategy for small businesses, which has been developed following a roundtable discussion with key stakeholders including the Small Business Commissioner and Federation of Small Businesses.
18. Three other research reports are due for delivery by the end of March: Public Panel research on consumer attitudes towards risk (with a focus on professional indemnity insurance); Public Panel research on social acceptability of technology in legal services (including a sample of solicitors in partnership with the SRA); and an analysis of Financial Ombudsman case decisions on legal expenses insurance (led by two consultants – Dr Chris Gill and Sarah O'Neill).
19. The initial two-year contract to operate the Public Panel expires in May. In our view, the Public Panel has been a highly successful addition to our research toolkit and is valued by many of the sector's stakeholders. An invitation-to-tender has been issued to recommission the Public Panel for a further two years.

Statutory decisions

20. Since my last update the LSB has issued one decision notice approving alterations to regulatory arrangements. The decision was in relation to an application from CILEx Regulation to amendments to rules to replace the EU Requirements Relating to Mutual Recognition of Professional Qualifications.
21. The LSB has refused an application from the Association of Chartered Certified Accountants (ACCA) in relation to amendments to remove regulatory arrangements to regulate probate. Board members will recall that the reason for refusal was that the ACCA had not been able to provide assurance to the LSB that persons it had authorised to carry on the reserved legal activity of probate activities had either ceased to do so or had transferred to another approved regulator. We expect to receive a revised application from ACCA shortly.
22. The LSB has issued one Exemption direction. This was an application from CILEx Regulation for amendments to member grades.

23. The LSB has issued one PCF approval decision since the last update. This was an application from the Bar Council on behalf of the Bar Council and the Bar Standards Board.

Ongoing competence

24. Our consultation on the draft statement of policy, in which we set out our proposed outcomes that regulators should meet to ensure the ongoing competence of those they regulate, closed on 7 March. At the time of writing, we had received over 30 submissions, which will be published. During the consultation period, we have engaged with a range of stakeholders and will take their feedback into account along with the submissions when finalising the statement of policy. This includes an event for practitioners hosted by the LSB on 9 March; a summary note from the discussion will also be published.

Regulatory Performance

Regulatory performance review

25. Following a discussion of the revised framework documents at its Board's meeting on 1 March, the Board requested some changes to be made and a further revised version of the framework documents to be discussed by the Board at this meeting.

Regulatory performance updates

26. A response to follow-up actions arising from the 2021 annual performance update report was received from IPReg at the end of January. A response to follow-up actions was received from CLC at the end of February. Both of these responses are currently under review. A further response from CLC and responses from the BSB are due by the end of March. Deadlines for other follow-up actions, including those deriving from the FO and BSB reviews, have been set for later in 2022.

Professional Indemnity Insurance

27. Following a presentation to the Board at its 1 March 2022 meeting, the team are preparing a paper for the Board meeting in April on the project scope, plan and the work completed so far. The team will continue to engage with stakeholders and explore opportunities for joint working, and are continuing to gather data from PII insurers active in solicitors market.

Technology

28. The joint statement on digital ID tools, which we supported as part of our role on the Regulatory Response Unit, is in the final stages and is due to be published in March. We also contributed to the Legal Data Vision, which LawtechUK published on 3 March 2022.
29. We are continuing to work with regulators as part of the Task and Finish Group to support consistent and accessible regulatory information for consumers, in line with the CMA's recommendations on a "single digital register". We will report to MTCOG on our progress at its May meeting.

Diversity and inclusion

30. Having now received feedback from all interested parties, we are finalising the joint statement on tackling counter-inclusive misconduct ready for the final agreement of signatories. We hope to publish the statement in the coming month.
31. Our work with the Judicial Diversity Forum continues through the study by the Bridge Group to help develop a theory of change framework for the design and evaluation of diversity interventions and initiatives and we hope to publish the report in April.
32. We will be circulating our scoping paper to start the conversation with – regulatory bodies, approved regulators and others to identify and then find ways to address counter-inclusive practices in legal services.

Curating the Strategy

33. Our planned microsite will track and document the sector's progress against the challenges set out in the strategy as they happen, through stakeholder events, research and data, a podcast series and periodic blogs from people across the sector. External and internal user testing has been completed, and the designers are now moving on to site development. The design phase will be completed by the end of March. We are developing content for the site with stakeholders, and it will go live in Q1.

Russia sanctions

34. The Board has been updated separately on progress in relation to supporting the legal regulatory community in playing a full role in making the sanctions regime work as effectively as possible. We have now convened a roundtable with all of the regulators, the Office for Financial Sanctions Implementation, OPBAS and the MoJ involved. At this meeting, all parties agreed to the proposition that we as a regulatory community have an important role to play to help ensure the effectiveness of the sanctions regime as it applies to legal services. We focused

on the licensing scheme for receiving legal fees from sanctioned individuals. There was initial discussion on raising awareness, information sharing, monitoring and enforcement. We are writing to regulators to follow up on this and to prepare for the next roundtable, where we will aim to agree an action plan on raising awareness and formulate a strategy on compliance and enforcement.

Communications and engagement

Reshaping legal services inaugural conference – October 2022

35. Depending on the draft budget approval, we plan to confirm the venue and promote the in person and web-streamed conference to our stakeholders in April. We are developing a theme and proposed agenda to meet the objective to maintain momentum and appeal to a wide audience who can help us deliver on the aims of the strategy.

Board engagement: Wales discussion event – 25 April 2022

36. The first Board engagement event of the year has been arranged for Monday 25 April 2022 (3.30pm-5.00pm). The topic of the online Wales discussion event is 'Reshaping legal services - one year on'. This is an opportunity to discuss the progress being made against the challenges set out in the strategy for the sector, focusing on citizens and people who need legal services in Wales.
37. Welsh translation services have been arranged, and invitations sent. The event is open to anyone interested in legal services in Wales, including regulators, lawyers and legal services professionals, consumer groups, academics, students and those in the third sector. Anyone wishing to attend should email press@legalservicesboard.org.uk.

External events

38. On 8 February 2022, the Director, Regulation and Policy spoke at a Westminster Legal Policy Forum event about legal education. He discussed our work on ongoing competence with the audience of professionals from across the sector.

Meeting schedule (26 January – 22 March)

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

27-Jan	Bar Standards Board	Chief Executive
02-Feb	ICAEW	Chief Executive
15-Feb	Council of the Inns of Court	Chief Executive

22-Feb	Bar Standards Board	Chair and Chief Executive
24-Feb	Lawyers with Disabilities Division	Chief Executive
03-Mar	The Law Society	Chief Executive
09-Mar	Society of Legal Scholars	Michael Smyth
10-Mar	Office of Legal Complaints	Chair and Chief Executive
14-Mar	Solicitors Disciplinary Tribunal	Chair and Chief Executive
14-Mar	CILEx Regulation	Chair and Chief Executive
15-Mar	Solicitors Regulation Authority	Chair and Chief Executive
14-Mar	Bar Council	Chair and Chief Executive