

Meeting: Legal Services Board, 26 October 2021

Item: Paper (21) 48 - CEO Progress Report – October 2021

Introduced by: Matthew Hill, Chief Executive

Status: Official

Introduction

This paper updates Board Members on key developments across the organisation since the 21 September Board meeting.

Recommendation

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

Annexes

Annex A – News round up

Annex B – Letter to ACCA

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 – October 2021

Ministry of Justice (MoJ) matters

Appointment matters

LSB Board members

1. The sift meeting for a new non-lay (lawyer) member was held on 27 September 2021 and five candidates have been selected for final panel interviews to be held in November. The diversity breakdown is as follows: 40% (2) are BAME; 20% (1) Female; 80% (4) Male; 0% (0) declared a disability.

Office for Legal Complaints

2. A case for the re-appointment of one non-lay (lawyer) member of the OLC will be submitted to the Board shortly.

Legal Services Consumer Panel

3. A case for the re-appointment of one member of the LSCP will be submitted to the Board 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 have welcomed the following new starters to the team since my last report:
 - An Administrative Assistant joined on 20 September.
6. We look forward to the following colleagues joining in the coming weeks:
 - A Senior Legal Adviser to cover a secondment in the team, who joins on 18 October.
 - An Executive Assistant, to cover maternity leave in the team, joining in November.
7. We are currently advertising for a new Regulatory Policy Associate, the interviews for which will take place on 4 November.

8. None of the above posts are new.

Governance

Office for Legal Complaints

9. The OLC Chair sent a voluntary assurance letter on 27 September, which has been previously circulated to the Board and uploaded to our website. It is available through Virtual Boardroom in the document library.
10. As advised at the last meeting, a workshop convened by the Ministry of Justice attended by the LSB and the OLC took place on 24 September to discuss future redress models. Participants underlined their shared commitment to deliver the best possible redress system for consumers across both the regulated and unregulated sectors. Further discussions will continue over the autumn.
11. The LSB and OLC met for a scheduled quarterly meeting on 5 October. Agenda items included the performance situation and progress on the scheme rules review and other elements of the recovery plan. The discussion was in context of the Board being due to consider the OLC's draft budget for 2022/23 at its 30 November meeting.

Solicitors Disciplinary Tribunal (SDT)

12. The SDT's budget application is elsewhere on the agenda.
13. On 25 October, the SDT will launch a recruitment campaign for up to 15 Solicitor Members and up to 10 Lay Members to join the Tribunal in 2022.

Legal

Clarke judicial review update

14. At the time of writing we are still awaiting an update from the Administrative Court in respect of award of the LSB's costs in this matter. We understand that it is still yet to be considered and that the court will notify us once an order is made.

Regulatory developments

News round-up

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

BEIS Consultations

16. Following Board review and approval, we provided responses to two BEIS consultations: Reforming the framework for better regulation and Reforming competition and consumer policy. They are published on our [website¹](#).

Strategy and business plan

17. Following the Board strategy session in September, work is underway to finalise a draft business plan and budget for 2022/23. We will bring the draft business plan and budget to Board for discussion on 30 November.

Research

18. Briefs for Public Panel projects on vulnerability and social acceptability of technology have been agreed and work is underway. The SRA has agreed to partner with us on the latter project. We are also making progress in designing research on consumer attitudes towards risk, to inform future work on financial protection arrangements (PII and compensation funds).

19. Analysis of the small business legal needs survey data has begun and the research team looks forward to briefing the Board on this soon.

20. Joint research with Lawtech UK to better understand the experience of SMEs in using lawtech will be published by the end of the month.

Statutory decisions

21. Since my last update the LSB has issued one decision notice. This was in relation to an application from the CLC in relation to cyber security and its minimum terms and conditions for professional indemnity insurance.

22. The LSB has also issued three Practising Certificate Fee (PCF) decisions as follows:

- Faculty Office – an additional levy on the profession to eliminate a deficit in the FO accounts and to build a reserve over the next two years.
- CLSB – an inflationary increase of £6 per PCF.
- ICAEW – an increase of 5% in PCF.

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

¹ <https://legalservicesboard.org.uk/our-work/consultations-2/lrb-responses-to-consultations>

- an application from CILEx Regulation to provide a route for it to authorise and regulate persons previously authorised by ACCA to carry on probate activities.
- an application from CILEx Regulation for removal and replacement of the Quality Assurance Scheme for Advocates (QASA).
- an application from IPReg in relation to its compensation arrangements
- an application from the Faculty Office in relation to its Continuing Professional Education requirements.
- PCF applications from the CLC and IPReg.
- a request for exemption from CLC in relation to its annual compensation fund contributions.

24. In addition, we can confirm an expectation to present final rules and guidance relating to the process for alterations to regulatory arrangements for Board approval at the November Board session, following our consultation which was run over the summer. This was previously expected to be presented to the October Board but was moved to accommodate a significant spike in statutory decisions work.

Regulatory Performance

Well-led reviews

25. The Faculty Office review report was published on 30 September concluding the regulatory performance actions which began in 2020. As with the BSB review, we wrote to all regulatory bodies to draw their attention to this report and ask them to consider what learning they can take from it. The report was not picked up by the press.

Regulatory performance review

26. Internal scoping work for the review is underway. A paper will be presented to the 30 November Board meeting setting out emerging policy options.

Regulatory performance updates

27. The annual regulatory performance process began on 30 September with a request for specific information from each regulatory body. Progress reports are due by 29 October and we will publish our report in December.

28. Following the ACCA decision to seek cancellation of its designation as an approved regulator, the LSB has been monitoring the progress of the ACCA's plans. In June we requested that ACCA provide a self-assessment report of its practices for each of the five standards in the regulatory performance framework.

We sought this information to provide assurance that ACCA has appropriate arrangements in place for effective regulation of probate practitioners. The review of the ACCA report raised a number of concerns of which we have notified ACCA. We also warned that we may need to look further into ACCA's apparent performance shortcomings should it continue to regulate beyond 1 January 2022, in accordance with the regulatory performance framework. A copy of our letter is attached at **Annex B**.

Ongoing competence

29. On 13 October we held a discussion event on competence frameworks and tools to monitor and respond to competence concerns to support our policy development. The event was well attended with 70 attendees from a range of stakeholders including regulators, representatives from the professions, academics, regulators from other sectors and consumer groups. A note of the discussion will be circulated to all attendees and published on our website.

Policy statement on "consumer empowerment"

30. The consultation on our draft statement of policy on empowering consumers was published as planned on 15 September and closes on 8 December.

31. The third meeting of the Market Transparency Co-ordination and Oversight Group was held on 8 October. The meeting included an item led by BSB on public legal education. The group also agreed to publish agendas and minutes of its meetings on LSB's website.

Technology

32. The topic of a single digital register was discussed at the most recent meeting of the Market Transparency Coordination and Oversight Group (MTCOG) on 8 October. It was a good discussion that has helpfully informed our Board paper on the topic.

33. The LawtechUK Sandbox is now underway, and we will support this through our ongoing involvement on the Regulatory Response Unit.

Diversity and inclusion

34. I attended the Judicial Diversity Forum (JDF) Officials group meeting on 7 October, where members expressed support for commissioning the Bridge Group to develop a high level framework for design and evaluation of diversity initiatives. Helen will attend the full JDF meeting in November.

35. We are currently discussing with the regulators the best way to facilitate collaboration on diversity and inclusion following positive responses to Helen Phillip's letter to Chairs in January. We hope to build on the existing regulators' EDI group, to avoid needing to create a new forum where one already exists.

External events

36. On 30 September 2021, we attended the International Conference of Legal Regulators. The Head, Policy Development and Research moderated a session on legal capability and consumer vulnerability, and the Regulatory Policy Manager with responsibility for ongoing competence was a panellist at a session on ongoing competence.

37. On 7 October 2021, the Director, Policy and Regulation, joined a regulatory panel discussion at an event by The Access Group.

38. On 11 October 2021, the Chief Executive, spoke at the Society of Will Writers Annual Conference about the sector-wide strategy.

39. On 12 October 2021, the Director, Policy and Regulation took part in a panel on legal technology at the The British Legal Technology Forum.

40. On 19 October 2021, the Head, Policy and Research is scheduled to speak at the Law Society's Civil Litigation Section Autumn Conference on legal expenses insurance.

Meeting schedule (21 September – 26 October)

41. Since the last Board meeting there have been 14 external senior meetings:

27-Sep	CILEX	Chief Executive
28-Sep	Ministry of Justice	Chief Executive
28-Sep	Office of Legal Complaints	Chair
04-Oct	Ministry of Justice	Chief Executive
05-Oct	Office of Legal Complaints	Chair and Chief Executive
06-Oct	Judicial Diversity Forum	Chief Executive
06-Oct	Office of Legal Complaints	Chief Executive
07-Oct	Ministry of Justice	Chief Executive
08-Oct	Market Transparency Coordination and Oversight Group	Chief Executive
13-Oct	Council of Licensed Conveyancers	Chief Executive
18-Oct	CILEX	Chair and Chief Executive

19-Oct	CITMA	Chair and Chief Executive
19-Oct	Bar Standards Board	Chair and Chief Executive