

Draft Minutes of the Legal Services Board (LSB) meeting held on 20 April 2021

Date: 20 April 2021
Time: 10:30 – 11:30 (Board private session)
11:45 – 13:00 (Board meeting)

Venue: By videoconference

Present: Dr Helen Phillips Chairing the meeting
(Members) Matthew Hill Chief Executive
Catharine Seddon
Catherine Brown
Jemima Coleman
Ian Hamer
Dr Gary Kildare
Flora Page
Michael Smyth CBE QC (Hon)

In attendance: Steve Brooker Head, Policy Development and Research
Angela Latta Head, Performance and Oversight
Chris Nichols Director, Policy and Regulation
Paul Nezandonyi Head, Communications and Engagement
Steph North Corporate Governance Manager (minutes)
Holly Perry Director, Enabling Services
Danielle Viall General Counsel
Toakase Tonga Senior Legal Adviser (item 5)
Margie McCrone Regulatory Policy Manager (item 7)
Steve Violet Regulatory Policy Manager (items 4,5)

Observing the meeting: Vibeke Bjornfors Regulatory Policy Manager
Jenny Prior Corporate Services Manager

BOARD MEETING

Private session

The Board met in private session led by the Senior Independent Director to consider Board members' feedback on the Chair's performance in 2020/21.

Item 1 - Welcome and apologies

- 1.1 The Chair welcomed all those present to the meeting, in particular Dr Gary Kildare, for whom this was his first meeting as a Board member, and a recent appointee who would take up the position of Corporate Governance Manager from 14 May 2021.
- 1.2 The Chair thanked the outgoing Corporate Governance Manager for her outstanding support to the Board and its committees over the past three years, and wished her well for the future and in her new role at a healthcare regulator.
- 1.3 Apologies had been received from Stephen Gowland and the Head, Finance and IT.

Item 2 - Declarations of interests relevant to the business of the Board

- 2.1 There were no declarations of interest relevant to the business of the Board.

Item 3 – Paper (21) 19 - Chief Executive's progress report

- 3.1 The Chief Executive introduced his progress report.
- 3.2 The Board **reviewed** the Chief Executive's report, and the following points were raised in discussion:
 - *Solicitors Disciplinary Tribunal (SDT) performance report* – the Board noted that the report referenced the equality and diversity metrics of solicitors who appeared in front of the SDT, and that information about the diversity of the SDT itself would follow in the SDT's annual report;
 - The Board encouraged the executive to explore with the SDT whether there would be benefit in its seeking external advice as to how it might pursue equality, diversity and inclusion more widely across its own staff and users;
 - The executive would provide an update to the Board by correspondence in relation to agreeing the most appropriate opportunity for the Board to engage with the SDT linked to the performance report (**action**);
 - *Bridge Report* – the executive was preparing an executive summary of the report which would be shared with the Board in due course. Headline findings were that there was mixed success of delivering equality, diversity and inclusion progress based on existing initiatives and that evaluation was neither universally robust nor undertaken;
 - *Public Accounts Committee (PAC) recommendations regarding access to justice* – the executive was encouraged to consider the LSB's position in relation to the MoJ's response to concerns raised by the PAC;
 - *Office for Legal Complaints (OLC) voluntary assurance letter* – the Board discussed a point raised in the letter about the continued impact of Covid 19 on

LeO's performance and how long this was likely to remain justified in the light of the apparently improving situation nationally;

- *Non-executive Board appointments* – the Board considered a specific broadening of the pool of potential recruitment service providers to include examples with a particular expertise in diversity, in accordance with the LSB's procurement policy;
- *OLC non-executive recruitment* – the Board noted that the campaign to recruit two lay members and one non-lay member to the OLC Board was now live. Two positions would replace departing members; the third position would bring the OLC Board to its maximum complement permitted under the Legal Services Act.

3.3 Board members **noted** the CEO Report.

Item 4 – Paper (21) 20 - Covid-19: one year on

4.1 The Regulatory Policy Manager introduced the paper, which provided an update on the impact of the Covid-19 pandemic on the legal services sector and the LSB's activities and response.

- 4.2 The Board **considered** the paper and **noted** that the dashboard would be an important factor for the Ministry of Justice to consider as it assessed the court back log and whether concerns in this area raised by the Public Accounts Committee were being adequately addressed.

4.3 The Board **noted** the work carried out by the LSB over the last year and future plans.

Item 5 - Paper (21) 21 - Approval process for alterations to regulatory arrangements

5.1 The Regulatory Policy Manager introduced the paper which explained the key proposals to be set out in draft new Rules and draft new Guidance.

5.2 The Board **considered** the paper, and the following points were raised in discussion:

- The Board noted that the draft rules appeared to include detailed procedural steps, on the face of it introducing layers of complexity. The Board noted that there was merit in considering a cohesive principles-based approach. However, it was recognised that the Legal Services Act sets out the procedure;
- The Board expressed strong support for the expansion of blanket exemptions with a 14-day window to consider, noting that the 14-day window could give scope for considering a wider range of changes to be covered by such exemptions;
- It was positive to see the emphasis on consumers, and it would be helpful to see a greater emphasis on public benefit as well;
- On equality and diversity, the LSB could reasonably ask applicants to demonstrate what positive impact their proposed rules change(s) expected to see;
- Indeed, the LSB might reasonably expect all applications to enhance or promote the regulatory objectives;
- It would be important to consider what mechanism(s) the LSB could use to feedback best practice and learning within the sector;
- Pre-application engagement was used to help regulators get a sense of the direction of travel in a way which did not fetter the LSB's discretion – the Board noted this was particularly helpful given the lack of flexibility afforded by the Legal Services Act in

relation to the statutory process. The Board also noted that simplicity was key, and that flow charts and FAQs were particularly helpful for applicants;

- It would be helpful to have a discussion in the context of the planned review of the LSB's policy framework to consider the necessary breakdown between principles and rules.

5.3 The Board **noted** the key proposals and proposed next steps and **approved** in principle the proposals that would be implemented in draft rules and draft guidance, with final sign-off of the materials for consultation due to be discussed at the 8 June 2021 Board meeting.

Item 6 - Paper (21) 22 - LSB Communications and Engagement Strategy

6.1 The Head, Communications and Engagement introduced the draft Communications Strategy which supported the LSB's strategy for the sector. A golden thread to reshape legal services to better meet society's needs would run through all communications and engagement activities and bring additional focus to the LSB's work. The next stage was to curate the strategy, seeking more opportunities to shape the conversation and to make a difference to consumers. The Head, Communications and Engagement thanked the Board leads, Catharine Seddon and Michael Smyth, for their early comments on the draft strategy.

6.2 The Board considered the draft strategy and the following comments were raised in discussion:

- This was an excellent paper which captured many of the issues the Board had discussed over the last year;
- It would be helpful to review the draft strategy with a view to reflecting the 'new normal' rather than a 'return to normal' in 2022;
- It was surprising to note the number of people across all levels of society who were unable to access justice;
- Lawyers were a key audience for the LSB, and should remain a focus for communications activity;
- The Board strongly endorsed the focus on open and two-way engagement. The executive could helpfully consider different methods of engagement, the effectiveness of each, and through which method best practice could be shared.

6.3 The Board **agreed** the communications and engagement strategy for 2021-24, with thanks to the Head, Communications and Engagement and colleagues across the organisation for their hard work in developing the strategy.

Item 7 – Update on response to well-led review - oral update

7.1 The Head, Performance and Oversight provided an update on the Faculty Office well-led review, which would shortly be considered by the sub-group of Board members who made up the Challenge Panel. The Board noted that the Faculty Office had engaged positively with the review from the outset.

7.2 The Regulatory Policy Manager provided an update on the Bar Standards Board well-led review findings report, for which the BSB's response had recently been received.

7.3 The Board **noted** the updates on the well-led reviews.

Items by consent

Item 8 - Paper (21) 23 - Finance Report to 30 March 2021

8.1 The Board **noted** the Finance Report, with congratulations to the Head, Finance and IT for expenditure for the year to 31 March 2021 coming in at £3.914m against an approved budget of £3.923m for the same period.

Item 9 - Minutes of the previous meeting – 18 March 2021

9.1 The Board **approved** the minutes as drafted.

Item 10 – Board action tracker

10.1 The Board **noted** the action tracker.

Item 11 – Papers circulated out of committee since the last meeting

11.1 The Board noted three papers that had been circulated out of committee since the last meeting:

- Q4 2020/21 Performance Report
- Paper (21) 17 - Recommendation to appoint a new member to RNC
- Paper (21) 18 - Recommendation to appoint a new member to ARAC

Item 12 - Forward Look

12.1 The Board **noted** the draft agenda for the June Board meeting.

Item 13 – Reflections

13.1 The Board and attendees reflected on the meeting.

Item 14 – AOB

14.1 There was no other business and the meeting closed.

SN 20/04/21

Signed as an accurate record of the meeting

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Date

DRAFT