

Meeting: Legal Services Board, 25 January 2022

Item: Paper (22) 01 - CEO Progress Report – January 2022

Introduced by: Matthew Hill, Chief Executive

Status: Official

Introduction

This paper updates Board Members on key developments across the organisation since the 30 November 2021 Board meeting.

Recommendation

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

Annexes

Annex A – News round up

Annex B – Letter to BSB

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 – January 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. As two candidates were unavailable, there will be further interviews on 24 January. The Chair will be able to provide an oral report at the meeting if needed.

Office for Legal Complaints

2. Elisabeth Bellamy has been re-appointed as a non-lay member of the OLC Board from 1 March 2022 to 28 February 2023.

Legal Services Consumer Panel

3. David Abbott has been re-appointed as a member of the Legal Services Consumer Panel from 1 April 2022 to 31 March 2025 following the Minister's approval of the re-appointment.

Colleague and organisation matters

Staffing

4. The Corporate Projects Manager joined on 4 January as maternity leave cover, and the Communications and Engagement Associate started on 10 January. We will shortly be commencing the recruitment of a replacement Research Associate, following the current postholder's appointment to a more senior role outside the LSB.
5. Following the all-colleague engagement survey undertaken in autumn 2021, focus group meetings are taking place throughout January to hear colleagues' views on what we can do to maintain the positive attitudes displayed, and to address the areas where we can do even better. A more detailed update will be presented to the RNC meeting taking place on 1 February 2022.

Governance

Office for Legal Complaints

6. The OLC Chair's voluntary assurance letter covering the December Board meeting was circulated previously and has been published on our website.

7. A Board-to-Board meeting with OLC took place on 11 January and the executive team has clarified expectations on a costed 'waterfall' showing the impact of different steps to improve performance with counterparts.
8. There has been dialogue between teams on the timing of the OLC's planned scheme rules proposals and outsourcing of complaints. Productive dialogue has also continued with Ministry of Justice officials on future redress models.

Solicitors Disciplinary Tribunal (SDT)

9. Ed Nally's term as President ends on 2 February 2022. His successor has been elected, although at the time of writing has not yet been announced.

Legal

10. 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.
11. The Board will recall that we received notification of a complaint to the ICO (on 27 October 2021). This complaint has since been withdrawn by the complainant, this was confirmed by the ICO on 7 January 2022.
12. In December 2021 we received correspondence from a member of the public in relation to an application for a judicial review of a SRA decision. The member of the public invited the LSB to join the proceedings as an interested party. We concluded that the matter was not one for the LSB and accordingly we have informed the member of the public that we will not be applying to join the proceedings. The Board will note that we plan to look more closely at disciplinary and enforcement issues across all regulators as part of our business plan for 2022/3.

Regulatory developments

News round-up

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

BEIS Consultation: Reforming the framework for Better Regulation

14. The response to the consultation has not yet been published.

Research

15. The team has shared the emerging findings of the small business legal needs survey with a small group of expert stakeholders to help us interpret the data and identify key themes of a legal support strategy for small businesses.
16. Community Research has submitted a draft report on the Public Panel consumer vulnerability research. The qualitative stages of the Public Panel projects on consumers and risk (to inform future work on professional indemnity insurance) and the social acceptability of technology have been completed and these now move into the quantitative phase.
17. The in-house work mapping the unregulated sector continues at pace. Surveys of the members of the two main will-writing bodies have been completed. We have concluded a data sharing agreement with Citizens Advice that gives us access to case materials for this project.

Statutory decisions

18. Since my last update the LSB has issued two decision notices approving alterations to regulatory arrangements. The first was in relation to an application from CILEx Regulation for the extension of its transparency requirements to immigration law services. The second was in relation to an application from the Faculty Office for amendments relating to Continuing Professional Education (CPE).
19. The LSB has issued two Exemption directions. The first was an application from CILEx Regulation for amendments to compensation fund contributions. The second was an application from ICAEW for amendments to its regulatory appointments process (Exemption Direction).
20. The LSB has also issued two PCF approval decisions since the last update. The first application was from IPReg and the second was from CILEx Regulation.
21. At the time of writing the LSB is currently considering:
 - An application from ACCA to give effect to its proposed decision to withdraw from legal services regulation and
 - An application from ACCA made under section 45(3) of the Act, for the LSB to make a recommendation to the Lord Chancellor that an Order be made cancelling ACCA's designation as an approved regulator in relation to its only reserved legal activity, probate activities.

Regulatory Performance

Regulatory performance review

22. Following the presentation to the Board at its 30 November 2021 meeting, the team has developed proposals for a revised set of standards and outcomes and has received comments on these with SLT and Board members. The revised framework documents are scheduled to be discussed by Board at its meeting on 1 March 2022, prior to consultation.

Regulatory performance updates

23. The annual performance update report was published on 22 December 2021. A separate discussion of the report's findings is on the agenda for this meeting. Responses to immediate follow-up actions are expected from IPReg by the end of January, and from the CLC by the end of February. Deadlines for further follow-up actions, including those deriving from the FO and BSB reviews, have been set for later in 2022.

“Simplify” cyber incident

24. Colleagues met with the CLC in December to understand more about the Simplify cyber incident that was reported in the legal press in November 2021 and to seek assurance about the steps that CLC was taking to protect consumers that had been affected. We understand that systems and normal levels of service have now been restored across the Simplify group. CLC is undertaking a lessons learnt exercise and we will ensure that any relevant learning is made available to the wider sector.

Absolute Barrister insolvency

25. We have written to the BSB to seek further assurance in relation to its response to the insolvency of Absolute Barrister, which was a company which connected direct access barristers with lay clients (see letter at Annex B).

Statement of Policy on consumer empowerment

26. We received 21 responses to the consultation. These are being analysed and we anticipate seeking Board approval for the consultation response document and final statement of policy at the 22 March meeting.
27. The Market Transparency Co-ordination and Oversight Group (MTCOG) meets again on 24 January. Items for discussion include evaluation, public legal education, an update from the subgroup working on proposals for a regulatory

information service ('single digital register') and responses to the LSB's consultation.

Professional Indemnity Insurance

28. We have written to all PII insurers active in the solicitors market to seek data and have liaised with the International Underwriters Association on this matter.

Technology

29. We are progressing work with regulators to develop policy proposals on the scope, design and implementation of a solution that will help to improve access to regulatory information.
30. We continue to progress with our technology and innovation project, including finalising research on the 'social acceptability' of technology, and working with other regulators and the LawtechUK team on guidance around the use of digital ID tools. Board will receive an update on the technology and innovation project, including how we propose to use our regulatory levers to foster innovation, at this meeting.

Diversity and inclusion

31. A paper is included for discussion at this meeting.

Curating the Strategy

32. We are progressing with our plans for a new microsite, which will showcase stories, research and evidence of the sector's progress against the challenges set out in the consumer-focused strategy as they happen.
33. Developing content for the microsite and curating the strategy more broadly are also underway, including stakeholder events, a podcast series and periodic blogs from people across the sector.

Communications and engagement

Website refresh

34. Following a competitive tender, we have appointed a developer to partner with to refresh our website and ensure it supports our engagement activities and enables us to better communicate our work and impact.

Reshaping legal services inaugural conference – October 2022

35. The annual regulatory body all-Chairs meeting is planned for April 2022. We will use this session to discuss the inaugural annual conference for the sector, proposed for Autumn this year. The conference will bring together the wide range of people across the legal services sector with a role to play in reshaping legal services to better meet the needs of society.
36. We have approached the MoJ to discuss the possibility of a Minister speaking at the conference. We will then confirm the date for the event and begin to promote it.
37. We have looked at a range of potential venues and have a preferred choice. We have also developed an initial list of the people and organisations we plan to invite, and prepared an outline agenda. A key focus of the event will be giving people an opportunity to show how they are making a difference for people who need legal services, as well as provide an opportunity for stakeholders to collaborate and identify ways to work together.

Board engagement events

38. Following a review of the 2021 programme of Board engagement events, the 2022 programme of events aims to continue our commitment to engaging with stakeholders across the sector with a role to play in delivering our consumer-focused strategy.
39. We propose to host one in-person event each year outside of London and two online events. The online events will have a thematic focus, but we will invite people from specific regions to join. This will allow us to reach those we do not regularly engage in England and Wales.
40. The schedule also considers the conference planned for October 2022 in London as a large-scale engagement event for the Board and LSB more widely.
41. The events will be connected to the scheduled board meetings and renamed as '*Board engagement events*.' It is expected that three to four Board members would attend each event, with each Board member attending at least one per calendar year.

Date	Focus	Location	Invitee areas
25 April 2022	Progress on <i>reshaping legal services</i>	Online – Wales – 1 year on	Wales
6/7 June 2022 (<i>potential breakfast event</i>)		In person - Yorkshire and the Humber	Leeds/Sheffield/Hull
28 November 2022	Progress on reshaping legal services post conference	Online	East Midlands <i>Nottingham/Derby/Leicester</i>

Meeting schedule (1 December – 25 January)

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

02-Dec	Ministry of Justice	Chief Executive
08-Dec	Bar Council	Chief Executive
13-Dec	Solicitors Regulation Authority	Chair and Chief Executive
14-Dec	ICAEW (reg)	Chair and Chief Executive
14-Dec	Legal Ombudsman	Chair
16-Dec	Legal Ombudsman	Chief Executive
10-Jan	Office of Legal Complaints - ARAC	Chief Executive
11-Jan	Office of Legal Complaints	Chair and Chief Executive
12-Jan	IPREG	Chief Executive
13-Jan	Law Superstore	Chief Executive
14-Jan	Bar Standards Board	Chief Executive
14-Jan	ACCA/CLR	Chief Executive
18-Jan	Legal Services Consumer Panel	Chair and Chief Executive
19-Jan	Legal Ombudsman	Chair
20-Jan	The Law Society	Chief Executive
24-Jan	Market Transparency Co-ordination and Oversight Group	Chief Executive