



Meeting: Legal Services Board, 18 March 2021

Item: Paper (21) 09 - CEO Progress Report – March 2021

Introduced by: Matthew Hill, Chief Executive

Status: Official

Introduction

This paper updates Board Members on key developments across the organisation since the 19 January 2021 Board meeting.

Recommendation

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

Annexes

Annex A – OLC Vountary Assurance letter for January 2021

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
None		

CEO Progress Report – March 2021

Ministry of Justice (MoJ) matters

Appointment matters

LSB Board members

1. The Lord Chancellor has approved the appointment of a new lay member of the LSB Board, whose first term of appointment will run from 1 April 2021 to 31 March 2025.

Legal Services Consumer Panel

2. Panel member Owen Derbyshire has stepped down from the Legal Services Consumer Panel at the end of March. Recruitment for his successor is in the planning phase.

Office for Legal Complaints

3. An update will be provided in relation to OLC Board members as part of the report of the Remuneration and Nominations Committee update elsewhere on the agenda.

Colleague and organisation matters

Staffing

4. Two new colleagues have joined the LSB as Regulatory Policy Associates. The Corporate Governance Manager will be leaving the LSB at the end of May and recruitment for their successor is underway.

Governance

Office for Legal Complaints

5. The OLC's voluntary assurance letter following its January meeting is at **Annex A**.
6. The OLC's budget is considered elsewhere on the agenda.
7. We have held induction meetings with the Legal Ombudsman's new Chief Ombudsman and Chief Operating Officer who both started in January.

Regulatory developments

News round-up

8. The news round-up is included at **Annex B**. It is proposed that we discontinue the table of statistics at the end since it does not reflect the breadth of the State of Legal Services 2020 report and new data only becomes available infrequently. Instead, we propose providing the Board with a fuller digest of research data twice a year. The first tranche might be in September when the Board typically holds its strategy session.

Strategy and business plan

9. The strategy and business plan is covered elsewhere on the agenda. Since the Board meeting in January we held two successful consultation events: a webinar attended by 135 stakeholders and a roundtable attended by 30 stakeholders.

Research

10. The following work was completed since the last meeting:
- Research with the LSB's Public Panel on quality indicators was published alongside the discussion paper on this topic.
 - In line with our business plan commitment, Professor Pascoe Pleasence, supported by Catrina Denvir (Associate Professor at Monash University), completed a review and update of the small business legal needs survey.
 - The literature review on the effectiveness of PLE initiatives has been published.
11. The following work is ongoing:
- Ongoing competence – the citizen jury-style phase of our research with the Public Panel has completed and the follow-up quantitative phase has begun. A draft of Hook Tangaza's desk review of practice in international jurisdictions has been received.
 - Diversity – Bridge Group were appointed to conduct a literature review of legal services regulatory interventions that promote diversity and inclusion
 - Technology and small businesses - the team continues to support the joint project with Lawtech UK; the research phase is complete and the parties are now developing the findings into 'calls for action'
 - Legal expenses insurance – fieldwork with the LSB's Public Panel has been completed and a draft report is due before the end of March
 - Consumer segmentation – this work continues and will shortly share our approach with regulatory bodies and others with expertise in this area.
12. In addition, the Covid-19 dashboard was updated to support a new blog in February and to support Justice Week in March.
13. This is a significant amount of activity, but all workstreams are on track to complete or reach agreed milestones before the end of the financial year.

Statutory decisions

14. Since my last report, the LSB has approved an application from the SRA in relation to Higher Rights of Advocacy. The LSB has also approved a PCF application from the Bar Council / BSB.
15. An application from ICAEW to amend its Disciplinary Bye-Laws (DBLs) has been part-approved. We refused amendments that proposed embedding a Code of Conduct for Complainants into the DBLs. The refusal was on the basis that we did not consider the proposed arrangements to be enforceable and were concerned about the likely "chilling effect" that the proposed arrangements would have on potential complainants. The Code of Conduct for Complainants had not been the subject of any consultation or consumer engagement or testing. We concluded that these alterations were prejudicial to the regulatory objectives, namely, protecting and

promoting the public interest and protecting and promoting the interests of consumers. The full decision can be found [here](#).

16. At the time of writing, the LSB is considering an application from the SRA in relation to proposed reforms to its Compensation Fund. The initial decision period has been extended and a decision will be made by 14 April 2021.

Legal

17. Judicial review update (R (Clarke) v Legal Services Board CO/3745/2020): we received the order of the Administrative Court on 2 March 2020. The Claimant's application for permission to apply for judicial review was refused, it was also was certified as entirely without merit and may not be renewed to an oral hearing. The Claimant was also ordered to pay the LSB costs of preparing the Acknowledgment of Service.

Regulatory Performance

18. Further to our annual performance assessment report published in December 2020, several regulators (BSB, CLSB, FO, ICAEW and IPReg) are due to provide updates on progress on meeting not-met outcomes by 31 March 2021.
19. The reviews of the BSB and Faculty Office under the 'well-led' standard of the LSB's performance framework are ongoing. On the BSB review, a challenge panel of the LSB Board members provided a critical review of the analysis and this was followed by a full Board discussion of the interim findings report at the February Board meeting. The interim findings report was sent to the BSB for review in early March. The FO review is progressing and the team is working towards presenting the draft report to the Board challenge panel.

Ongoing competence update

20. Following our 2020 call for evidence, a report summarising the evidence we received and emerging conclusions we identified was published in February 2021. We are now developing policy proposals, which will be discussed with the LSB Board in June 2021. We are also looking forward to receiving the public panel research outputs set out in the research section of this update.

Diversity

21. Our work to publish the extent and impact of diversity and inclusion regulatory initiatives is well advanced with the Bridge Group gathering evidence during February. We have been engaging with stakeholders to maintain the focus on increasing diversity and inclusion in the sector. We joined a panel at the Leigh Day event discussing the implications of the SRA research into disproportionate outcomes in the disciplinary processes experienced by BAME practitioners. Our workshop in March with regulators explored the extent and limitations of the regulatory levers they use to encourage diversity and inclusion in the profession. The Judicial Diversity Forum officials' group met on 4 March and has agreed on high-level principles of design and evaluation of interventions and initiatives carried out by members in future.

Communications and stakeholder engagement

Communications and engagement strategy

22. Following the Board's strategy session on 23 February 2021, the Head, Communications and Engagement, has had further discussions with Board members. The strategy will be presented to the Board at its April meeting to discuss and agree.

Stakeholder relationship management system

23. Our stakeholder relationship management system, Vuelio, is now embedded in day to day operations. There has been an enhanced focus on training following the review survey in 2020 and all staff have received training, and drop in sessions continue to offer one to one support. Policy colleagues are engaging with the distribution/mail out feature and building it into their project communications, to increase our reach to stakeholders .
24. We have reviewed and updated our business continuity processes to use Vuelio to contact staff and Board in the event our email servers are unavailable. This is an unplanned benefit of the stakeholder relationship management system.
25. The February stakeholder email newsletter was sent to an increasing list of opt-in subscribers using the relationship management system.

'Out of London' Board meetings

26. Invitations have been sent for the first Board engagement event of 2021, a strategy session with Welsh stakeholders ahead of the Board meeting on 20 April 2021. The session will be a platform for Welsh practitioners, academics and advice centres, and others with an interest in legal services regulation to discuss the challenges facing the legal services sector and how we might collaborate to address them. share their thoughts and experiences on the strategy and will enhance our understanding of any difference of perspectives.

External events

27. Senior Leadership Team members spoke at three external conferences since the last Board meeting:
- On 11 February 2021, the Head, Policy Development and Research spoke at the Ministry of Justice's Policy Profession Conference Week event.
 - On 3 March 2021, the Head, Performance and Oversight spoke at a Leigh Day event on diversity, entitled 'The quest for regulatory equality: disproportionality in the regulation of Global Majority lawyers – where are we now and what comes next?'
 - On 16 March 2021, the Director, Regulation and Policy spoke at Access All Areas 2021. They took part in a session entitled 'Compliance Expert Panel: Speaking to the regulators'.

Meeting schedule (19 January to 18 March)

28. Since the last Board meeting, there have been 47 senior external meetings, including 17 with approved regulators/regulatory bodies, plus the State of Legal Services roundtable event, which was attended by 30 external delegates.

20-Jan	TLS	Chief Executive
20-Jan	SRA	Chief Executive
20-Jan	CLSB	Board member
25-Jan	NatCen	Chief Executive
26-Jan	Legal Ombudsman	Chief Executive
26-Jan	SRA	Chair and Chief Executive
26-Jan	ICAEW Regulatory Board	Chair
26-Jan	Mishcon de Reya	Chair
26-Jan	Society of Licensed Conveyancers	Chair
26-Jan	Young Citizens	Chair
27-Jan	Draft Strategy and Business Plan Consultation Roundtable	Chief Executive
28-Jan	Independent Monitoring Authority for the Citizens' Rights Agreements	Chair
28-Jan	Judicial Diversity Forum	Chief Executive
29-Jan	BSB	Chief Executive
29-Jan	50 UK Regulatory Authorities	Chief Executive
01-Feb	GMC	Chief Executive
02-Feb	MoJ	Chief Executive
02-Feb	OLC	Chief Executive
02-Feb	CLC	Chair and Chief Executive
09-Feb	Meeting of the Chairs	Chair
09-Feb	Chancery Bar Association	Chair
09-Feb	HMCPSI	Chair
09-Feb	Legal Ombudsman	Chair
09-Feb	Legal Ombudsman	Chair
09-Feb	SRA/TLS	Chief Executive
10-Feb	Legal Ombudsman	Chief Executive
10-Feb	Bar Council	Chief Executive
10-Feb	CLC	Chief Executive
11-Feb	BSB	Chief Executive
12-Feb	Legal Ombudsman	Chief Executive
22-Feb	SRA	Chair
22-Feb	Legal Ombudsman	Chief Executive
22-Feb	CII	Chief Executive
24-Feb	Clerksroom	Chief Executive
24-Feb	SRA	Chief Executive

26-Feb	AI Sustainability Centre	Chief Executive
01-Mar	CLC	Chief Executive
02-Mar	CLSB	Chair
02-Mar	Independent Criminal Legal Aid Review	Chair and Chief Executive
02-Mar	Shadow Solicitor General	Chair and Chief Executive
04-Mar	Judicial Diversity Forum	Chief Executive
09-Mar	OLC	Chair and Chief Executive
09-Mar	MoJ	Chief Executive
09-Mar	Government Legal Department	Chair
10-Mar	OLC	Chief Executive
16-Mar	LSCP	Chair and Chief Executive
17-Mar	Cilex Reg	Chief Executive