



Meeting: Legal Services Board, 20 October 2020

Item: Paper (20) 46 - CEO Progress Report – October 2020

Introduced by: Matthew Hill, Chief Executive

Status: Official

Introduction

This paper updates Board Members on key developments across the organisation since the 15 September 2020 Board meeting.

Recommendation

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

Annex

Annex A – OLC voluntary assurance letter September 2020

Annex B – LSB response to consultation on a revised draft appointments protocol for SDT members

Annex C – News round-up

Risks and mitigations	
Financial:	N/A
Legal:	N/A
Comms and engagement:	N/A
Resource:	N/A

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Annex A	Para 8 b i and ii	N/A

CEO Progress Report – October 2020

Ministry of Justice (MoJ) matters

Appointment matters

LSB Board members

1. One lay member, Marina Gibbs, comes to the end of her second term on 31 March 2021. Reappointment is not possible. There is a live recruitment campaign to appoint Marina's successor. A sift meeting took place on 2 October, with interviews to follow on 11 November 2020.

LSCP members

2. Three LSCP members are eligible for second terms of appointment in spring 2021. Cases for reappointment were considered by both RNC and the LSB Board and a submission is with the Lord Chancellor for approval.

OLC Board members

3. Two OLC Board members are eligible for second terms of appointment in spring 2021 cases for reappointment were considered by both RNC and the LSB Board and a submission is with the Lord Chancellor for approval.

Colleague and organisation matters

Staffing

4. A new Head, Finance and IT joined us on 28 September. We said goodbye to the outgoing Head, Finance and IT on 9 October, with thanks for her dedication and hard work.

Pay remit

5. The case for a pay settlement has been agreed by MoJ and our Remuneration and Nomination Committee (RNC). We have also taken the opportunity to address a small number of long-standing pay anomalies. Payment will be backdated to 1 July 2020.

Governance

Office for Legal Complaints

6. The voluntary assurance letter following the OLC's September meeting is at **Annex A**. The OLC also met on 5 October to discuss its draft budget application for 2021-22.
7. On 12 October, the OLC Chair met with a group of LSB Board members and executive colleagues to discuss the outcomes of the 5 October OLC Board meeting. The OLC's draft budget application is due for consideration by the LSB Board in December.

8. The OLC has advised that it will make an application for an in-year budget variation for the current financial year. We are discussing the process for this with the OLC.
9. We expect to receive the first iteration of the common dataset on 15 October.
10. The revised tripartite operating protocol has been finalised and signed.
11. The OLC ran an induction session for LSB Board member and OLC lead, Flora Page, on 2 October 2020.

Regulatory developments

Solicitors Disciplinary Tribunal (SDT)

12. The SDT's budget application is covered elsewhere on the agenda of this meeting.
13. The Chair responded to the consultation by the Master of the Rolls on a revised draft appointments protocol for SDT members. A copy of the response is attached at **Annex B**.

News round-up

14. The news round-up is at **Annex C**.

Research

15. Our first research report to inform the strategy development using our new Public Panel was published on 25 September 2020 to coincide with the strategic stakeholder event.
16. We are scoping the design of research to test proposals on quality indicators. This research will also use the Public Panel and is being taken forward with advice from the Legal Services Consumer Panel.
17. A public legal education literature review has been delivered and is being prepared for publication.

Consumer engagement update

18. We [submitted a response](#) to the Competition and Markets Authority's (CMA) call for inputs as part of its review of the impact of its 2016 market study. I am grateful to Board members for their comments on an earlier draft.
19. Good progress has been made on identifying possible solutions on quality indicators.
20. I attended a meeting of the Legal Choices Governance Board on 22 September and will report back on the latest developments at the Board meeting.

Technology project update

21. The Lawtech Sandbox project has begun, with good progress on defining its scope and the role of the Regulatory Response Unit (RRU). We will continue to support this project.
22. We are considering conducting joint qualitative research funded by and with TechNation to better understand the experience of small to medium-sized organisations in using technology to address legal issues.
23. We are planning to publish the findings from the first phase of the technology project and our plans for the next phase of work at the end of October.

Statutory decisions

24. Since my last report, the LSB has granted two exemptions. One from the SRA to extend the Solicitors Indemnity Fund by a further year and an annual request from the CLC to set the level of Compensation Fund contributions for the coming year.
25. In addition, the LSB has approved PCF applications from CLC, the Faculty Office and the CLSB.
26. At the time of writing, the LSB is continuing its consideration of four further applications: the SRA has submitted its application for the SQE; CILEx Regulation has submitted an application proposing changes to the pathway for attainment of Practice Rights by CILEx Fellows, a second application proposing changes to its exemption policy, and a third application for exemption to make minor amendments to its practice rights handbooks.
27. Finally, the LSB is also considering a PCF application from ICAEW.

Regulatory Performance

28. Our reviews of the BSB's and FO's performance against the well-led standard of the performance framework are now underway following initiation meetings on 10 and 17 September, respectively. We also issued information requests to them under s55 of the LSA 2007 on 14 (BSB) and 24 September (FO). The BSB's deadline for response is 19 October, while the FO's is 22 October. While awaiting responses to the information requests, the review teams are carrying out desk research and arranging interviews with relevant persons at the BSB and FO. The FO review team attended the FO's Advisory Board meeting on 23 September.
29. Ahead of its annual assessment of the regulatory bodies' performance against the regulatory outcomes, which will take place in November, the regulatory performance team has sent information requests to the regulatory bodies. These requests will cover the regulatory bodies' performance against both 'not-met' and 'met' outcomes. We are also including the approved regulators in this process because, since the implementation of the IGRs, they are responsible for meeting the new outcome WL7.
30. In the meantime, we have also published an update as to the CLSB's progress in meeting the regulatory outcomes. We now consider that the CLSB meets all

outcomes except RA3, RA4, WL2 and WL4. We have set a deadline of 31 March 2021 for CLSB to update its progress against meeting these outstanding outcomes.

Practising certificate fee consultation

31. On 30 July 2020, we launched the consultation on our plans to increase transparency around how regulators spend practising certificate fee (PCF) income. We published new draft PCF Rules that make it clearer how PCF income can be used (for what permitted purposes) and outlined the criteria and supporting material that approved regulators must provide to the LSB before the LSB decides to approve a PCF application. Two stakeholder events took place on 18 and 20 August 2020, which were attended by representatives from all approved regulators and their regulatory bodies. The closing date for formal responses to the consultation is 8 October. At the time of writing no formal responses had been received.

Communications and stakeholder engagement

Stakeholder relationship management system

32. The enquiries team has begun a three-month trial using our customer relationship management system for logging and reporting public enquiries.

33. We are surveying colleagues on their experiences with the system later this month to identify any training gaps ahead of a formal implementation review in April 2021.

Online stakeholder engagement

34. The stakeholder engagement portion of the strategy development ended with the online summit for senior stakeholders on 24 September 2020. We hosted 45 external guests and 10 Board members and LSB colleague. The LSB Chair chaired a panel of Andrea Coomber (JUSTICE), Crispin Passmore (Passmore Consulting), Julia Salasky (Legl) and Natasha Shotunde (Black Barristers Network), which discussed emerging themes around fairness, confidence and innovation.

35. The event was well-received with 91% of those who provided feedback reporting the event was 'good' or 'very good'. The summit demonstrated our convening power with leading voices in legal services.

Stakeholder perceptions survey

36. We have received the final draft of the stakeholder perceptions research report. We are grateful to those who shared their views with us. We are using the insights to build on the progress we have made increasing our levels of stakeholder engagement this year. The Board is due to consider an updated communication and engagement strategy in March 2021.

External events

37. Before the Covid-19 pandemic, alongside this meeting the Board planned to visit Liverpool as part of its programme of regional engagement. This event will now take place virtually. We are hosting an online event on the impact and recovery from

Covid-19 in the legal services sector on 19 October 2020. The event is aimed at practitioners and legal service providers in Liverpool. Board members will play an active part in the event as breakout facilitators.

Meeting schedule (15 September to 20 October)

38. Since the last board meeting there have been 22 external meetings, including 10 with approved regulators/ regulatory bodies:

16-Sep	Legal Services Consumer Panel meeting	Chief Executive
23-Sep	Legal Choices Governance Board	Chief Executive
23-Sep	Chair of BTAS strategic advisory board and the CEO of the Council of the Inns of Court (jointly)	Chief Executive
24-Sep	Senior Stakeholder Summit	Chair and Chief Executive
24-Sep	JAC	Chief Executive
25-Sep	Paul Bennett of Bennett Briegal LLP	Chief Executive
28-Sep	Legal Aid Agency	Chief Executive
29-Sep	CLC	Chair
29-Sep	Faculty Office	Chair
29-Sep	SRA	Chair
30 Sep	OISC	Chief Executive
05-Oct	CLSB	Chief Executive
12-Oct	OLC	Chief Executive
13-Oct	SRA	Chair and Chief Executive
13-Oct	LSCP	Chair and Chief Executive
13-Oct	CILEx	Chair and Chief Executive
13-Oct	Cilex Reg	Chair and Chief Executive
14-Oct	MoJ: Clare Hayes	Chief Executive
14-Oct	Sheila Kumar, Howard Dellar (Legal Choices)	Chief Executive
15-Oct	Judicial Diversity Forum officials meeting	Chief Executive
15-Oct	TLS	Chair and Chief Executive
19-Oct	Liverpool stakeholder event	Board