

Meeting: Legal Services Board

Date: 20 October 2020

Item: Paper (20) 50

Title: Covid-19 sector recovery – update

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Status: Official

Introduction

1. This paper provides an update on our response and the response of our regulated community to the impacts of the Covid-19 pandemic to date.

Recommendation(s)

2. The Board is invited to:
 - **Note** the continued action, both ongoing and planned for tracking the impact of Covid-19
 - **Note** the intention for the impact of Covid-19 to be reflected as part of the CEO update for future Board meetings.

Timing

3. Our work will remain dynamic and we will respond to emerging trends and issues as they arise and as we identify them.

Background

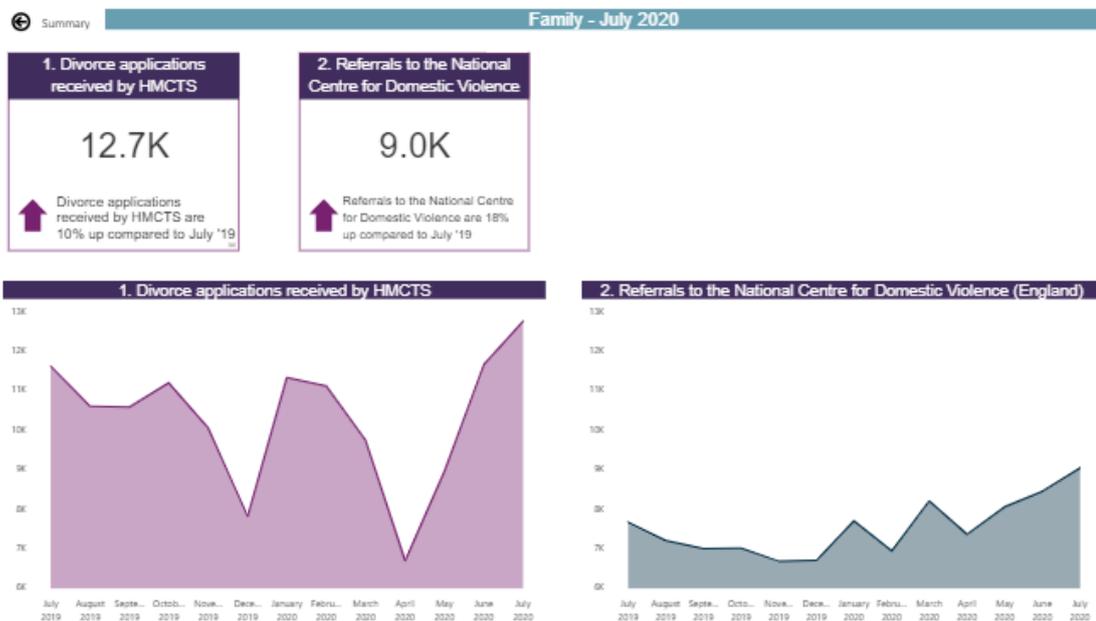
4. Covid-19 has been a standing board item since April. At the April Board meeting, the Board agreed a number of immediate and medium term actions (see [here](#) for reference). All of these actions have now been progressed.
5. One of these actions was to make use of the LSB's data hub to monitor any trends. This led to the creation of the [Covid-19 impact dashboard](#) which was initially published in early June.
6. At the 4 June meeting the Board agreed to take action to address the inconsistencies encountered in the approach to disciplinary cases across

regulators. We have since received assurance from regulators about their approaches and continue to monitor this.

7. At the 14 July meeting, the Board agreed an approach to engaging with regulators on their understanding of the impact of Covid-19 on their regulated communities and on the regulatory objectives. This work is ongoing.

Covid-19 Dashboard

8. The paper prepared for the July Board meeting confirmed an intention to publish a narrative blog on our website with initial findings from the data in the dashboard. For completeness, the narrative blog can be found [here](#).
9. Since publication of the blog, the Covid-19 dashboard has continued to be updated dynamically by our research team as and when new data becomes available. We reported to the Board at the September meeting on what the latest data was showing.
10. The newest addition to the dashboard is a page for Family law that tracks divorce applications received by HMCTS and referrals to the National Centre for Domestic Violence. Both indicators are up compared to 2019.



Practising Certificate Fee applications

11. In September's paper we stated that we were beginning to receive and assess this year's cycle of Practising Fee applications from the Approved Regulators.

12. In advance of the cycle we wrote to each of the Approved Regulators with a feedback note on last year's applications. We included an expectation that when applications were made, they should include content explaining how the impact of Covid-19 had been considered.
13. The majority of applicants received so far have included information on how the impact of Covid-19 impacted their thinking when developing proposals for this year's PCF and we have also seen most of them giving some consideration to whether Covid-19 has had any differential impacts on certain groups within their regulated communities.
14. To date most PCF applications have proposed to retain the same level of PCF and this has often been explained by reference to the uncertainty that Covid-19 is creating and concerns about the impact of increasing fees in the current economic situation.
15. In the applications we have assessed so far we are not seeing any regulators projecting significant departures from the profession. However, the regulators have quite rightly identified that it will only be at the point of renewal that the picture will become clear. We will be engaging with regulators to ensure we can track the impact on practitioner numbers as the data becomes available and will update the Covid-19 dashboard to reflect any impact we identify.

Continued impact of Covid-19 on the legal sector

16. We have continued to see impact across the legal sector since the September Board meeting.
17. A summary of some of the ongoing impacts we are witnessing across the sector can be found at **Annex A**.

Next Steps

18. Board members have been reviewing the State of the Legal Services Sector report. This report and analysis contains the best available evidence on the impact of Covid-19, based on the data in our Covid-19 impact dashboard and other additional sources. By feeding into this report, our targeted Covid-19 work is therefore informing the development of our strategy and our future work and priorities.
19. From November, we intend to report on actions relevant to Covid-19 through the CEO update, unless there are specific recommendations for the Board.

Annexes

Annex A – Updated Impact on Legal sector since September board

Risks and mitigations	
Financial:	The ongoing actions set out in this paper are all within the budget for 2020/21.
Legal:	N/A
Communications and engagement:	This is a time of unprecedented challenge for the sector and an opportunity for the LSB to demonstrate its leadership role. Failure to rise to this challenge would be detrimental to our reputation and ability to influence change for the sector.
Resource:	Immediate actions will impact resources allocated to other work. However, this is mitigated by the fact that, the Business Plan for 2020/21 is a flexible business plan that allows us to respond appropriately to the Covid-19. This can be further mitigated because a significant portion of work on responding to Covid-19 will shape the upcoming LSB's Strategy for Legal Services Regulation.

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
	N/A	