

Meeting: Legal Services Board, 19 July 2022

Item: Paper (22) 38 - CEO Progress Report – July 2022

Introduced by: Matthew Hill, Chief Executive

Status: Official

Introduction

This paper updates Board Members on key developments across the organisation since the 7 June 2022 Board meeting.

Recommendation

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

Annexes

Annex A – OLC Voluntary Assurance Letter

Annex B – News round up

Annex C – Small Business Legal Needs Letter

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 – July 2022

Ministry of Justice (MoJ) matters

Appointment matters

LSB Board members

1. We understand the Chair recruitment is awaiting Ministerial clearance before progressing to panel interviews in October. The recruitment for the lay and non-lay Board member vacancies is expected to open before summer recess and will run for six weeks until September.
2. We have written to Ministers in relation to proposals for both OLC and LSCLP re-appointments and an update on the latest position will be provided orally at the meeting.

Colleague and organisation matters

Staffing

3. Two new colleagues are scheduled to join the LSB on 18 July – a Comms and Engagement Manager to provide maternity cover for the current postholder for a period of up to a year, and a Regulatory Policy Manager to replace the recently promoted Head, Strategy and Policy.

Governance

External Board Evaluation

4. The procurement exercise has been completed. We had a very strong field. Four organisations were invited to make presentations. The contract has now been awarded. It is expected that the service provider will observe the September or October Board meeting as part of the evaluation.

SDT

5. I undertook at a previous meeting to convene a tripartite discussion with the SRA and SDT to explore improvements to collection of EDI data and to forecasting. I met both organisations in July and am pleased to report that positive initiatives are now being taken on both fronts. On EDI, SRA and SDT have agreed a process for gaining consent to share the diversity data held in the MySRA database.. Over time this should allow the SRA and SDT to understand the extent to which differential outcomes to disciplinary processes might be associated with demographic characteristics. It is acknowledged that this is likely to take some time to come through the system. The SRA and

SDT are exploring additional interim measures that might provide some short term improvements.

Office for Legal Complaints

6. The OLC Chair's latest voluntary assurance letter dated 16 June 2022 is attached at Annex A.
7. The OLC has submitted an application to LSB for changes to its Scheme Rules, which requires the Board's consent. This is dealt with elsewhere on the agenda.
8. An OLC/LSB CEO meeting is due to take place on 18 July.

Legal

9. We received on 5 July 2022 order dated 26 April 2022, confirming the award of costs in the matter of the unsuccessful judicial review claim against us. Despite regular contact with the court office there was some delay in LSB receiving a copy of the order. The claimant has now made an application for permission to appeal the costs order to the Court of Appeal. We will provide you with further updates as the matter progresses.

Regulatory developments

News round-up

10. The news round-up is attached at Annex B.

Research

11. Working with the SRA, we have prepared a data request to insurers for data on professional indemnity insurance (PII) premiums and claims for the last ten years. A short survey on PII is due to SRA firms this month. Informal interviews with brokers and insurers on how the PII market operates are underway and we have started liaison with the Financial Conduct Authority, which is conducting its own review of the PII market.
12. The deadline for submitting bids for the use of technology and innovation survey was on Friday 1 July and for the counter inclusive practices research was Wednesday 6 July. We are assessing the bids for these projects.

Statutory decisions

13. Since my last update the LSB has approved three applications, one from the ACCA to effect its withdrawal from legal services regulation, another from the CLC in relation to its PII arrangements and a third from the BSB to withdraw the Bar Course Aptitude Test (BCAT).

14. The statutory decisions team has also led on the LSB's assessment of the OLC Scheme Rules application and the LSB recommendation to the Lord Chancellor to approve the cancellation of the ACCA designation as an approved regulator. Both applications are presented as standalone papers for Board consideration.

Empowering consumers

15. The next meeting of the Market Transparency Co-ordination and Oversight Group (MTCOG) will be held on 21 July. In advance of the meeting, regulators are due to provide us with analysis on what actions they need to take to meet the expectations in the new statement of policy.

Regulatory Performance

Regulatory performance review

16. The stakeholder consultation event, which was well-attended, was held on 9 June. We published a note of this meeting.

17. The consultation closed on 1 July. So far we have responses from most of the regulatory bodies and some of the approved regulators and the PSA. Short extensions have been granted to other regulatory bodies, approved regulators and the LSCP. The team has begun reviewing the responses.

18. We are preparing a process document to be used in the event of a referral of a dispute under rule 14 of the Internal Governance Rules. It aims to provide a fair and transparent procedure based on written notification of dispute, gathering of evidence and assessment by the LSB. We will publish when finalised.

Regulatory performance updates

19. Reviews of follow-up action responses for BSB, CLC, FO and ICAEW are being finalised. CILEx Regulation has submitted its update on WL2.

Technology

20. We continue to support the LawtechUK Sandbox, which opened for applications on 26 June, through our involvement in the Regulatory Response Unit. The Sandbox will run until the end of the year.
21. We are scoping a proof of concept study on a collated source of regulatory information (emanating from the CMA's recommendation for a 'single digital register'). We are also considering possible proposals for the third round of the Regulators Pioneer Fund (RPF), which we expect to open at the end of July.

Diversity and inclusion

22. We took a paper to the June Judicial Diversity Forum meeting setting out emerging propositions from our new working group. This included a suggested approach to defining success based on the extent to which an individual's background and/or demographics are a "predictor of success" in various stages of the process leading to judicial appointment (including career progression to senior legal positions). We also proposed four focus areas around which to align work in the short term which reflect key barriers across the profession. The propositions received broad endorsement from the JDF.
23. We have gone out to tender for qualitative research on professionals' lived experienced of counter-inclusive practices, continuing our work to better understand the nature and impact of these practices and aid the development of regulatory solutions.

Curating the Strategy

24. The microsite platform was launched on 25 May 2022 and includes content encompassing blogs, research and data dashboards linked to the nine challenges of the strategy. We have received contributions from regulators as well as other stakeholders, such as consumer support groups, membership organisations and legal charities.
25. An updated plan for senior-level stakeholder engagement is being developed to sustain long-term momentum against the strategy, as well as a content plan for the rest of the year to keep the microsite refreshed and up to date.
26. We have received a response letter from Under-Secretary of State for Justice, James Cartlidge, on the small business legal needs report and key asks (see Annex A), in which he acknowledged the user insight that the research provides about legal need and set out some of the work that BEIS and MoJ

were currently doing to address some of the areas identified in the key asks. We are considering next steps for stakeholder engagement on this work.

SRA internal fining powers

27. Board members will recall that in June the Deputy Prime Minister had consulted the LSB on whether to increase the SRA's internal fining powers from £2,000 to £25,000, in line with proposals upon which the SRA had itself consulted on publicly. The MoJ has now laid the statutory instrument required to effect this change, consistent with the LSB's recommendation.

Criminal Legal Aid

28. The MoJ closed its consultation on policy proposals relevant to the criminal legal aid independent review on 7 June. On 30 June, the Government confirmed its intention to increase fees, in line with its proposals, by the end of September 2022.

Communications and engagement

Conference update

29. Our inaugural annual conference for the sector is taking place on 13 October 2022. Organised jointly with the Legal Services Consumer Panel, it will include a keynote address from Master of the Rolls, Sir Geoffrey Vos.

30. There will also be panel debates currently with the following titles:

- Has the legal sector lost its way on ethics?
- As guardians of legal rights, ethics and the rule of law, why isn't our sector leading the way on EDI?
- How do we deliver legal services that a diverse society both needs and deserves?

31. We have shared the programme with members of the sounding board to capture feedback and help shape the agenda and speakers. We are continuing to approach and confirm speakers for the programme.

32. To date, we have issued over 300 invitations for people to attend the event in person or virtually.

33. The event is open to people across the sector with a role to play in reshaping legal services to better meet society's needs. In-person places are limited. Anyone wishing to attend should email press@legalservicesboard.org.uk.

Consumer vulnerability research event

34. The event on 5 July was chaired by LSB Director of Policy, Chris Nichols, and included the following speakers:

- A representative from Community Research, who conducted the research
- Professor Stephen Mayson
- Sarah Chambers, Chair of the LSCP
- The Director of Policy at the SRA

35. The event attracted a wide range of participants and generated some interesting discussion on the implications of the research and how we can collaborate as a sector to embed inclusive design principles in the way that legal services are delivered.

Meeting schedule (7 June – 17 July) Since the last Board meeting there have been 20 external senior meetings:

08-Jun	Solicitors Regulation Authority	Chief Executive
09-Jun	Council of Licensed Conveyancers	Chief Executive
13-Jun	Bar Council	Chair and Chief Executive
14-Jun	Mr Justice Fancourt	Chair
14-Jun	CILEx Regulation	Chair and Chief Executive
15-Jun	CILEx Regulation	Chief Executive
15-Jun	ICAEW	Chief Executive
20-Jun	Faculty Office	Chair and Chief Executive
20-Jun	CILEx Reg	Chair and Chief Executive
21-Jun	Can't Buy My Silence	Chief Executive
22-Jun	Judicial Diversity Forum (JDF)	Chair and Chief Executive
22-Jun	Bar Standards Board	Chief Executive
23-Jun	Independent review & legal services for New Zealand	Chair and Chief Executive
27-Jun	Bar Standards Board	Chief Executive
29-Jun	All Chairs meeting (regulatory bodies)	Chair and Chief Executive
01-Jul	IPREG	Director, Regulation and Policy
08-Jul	Justice	Chief Executive
12-Jul	Solicitors Regulation Authority	Chair and Chief Executive

12-Jul	Legal Services Consumer Panel	Chair and Chief Executive
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