

Meeting: Legal Services Board

Date: 21 March 2023

Item: Paper (23) 12

Title: CEO's Progress Report

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Status: Official

Introduction: Purpose of the paper/ Issue

1. This paper updates Board Members on key developments across the organisation since the 24 January 2023 Board meeting.

Recommendation

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

Appointment matters

LSB Board

3. On 6 February, the Ministry of Justice (MoJ) [announced¹](#) the appointment of Alan Kershaw as LSB's new Chair from the 1 April 2023. Alan's induction process has begun with a number of induction meetings already having taken place, and meetings with stakeholders being scheduled.
4. At the time of writing, there was no further update from MoJ as to the status of Ministerial decisions concerning the appointment of a new non-lay member and two new lay members of the Board. To mitigate the risk of a gap in relation to the non-lay vacancy from 18 April, officials at the MoJ are in the process of making provision for Jemima Coleman's second term of office to be extended to 31 May 2023.

Office for Legal Complaints (OLC) and Legal Services Consumer Panel (LSCP)

5. The procurement for NED recruitment support has been [launched²](#) with a view to procuring one organisation to assist with the upcoming OLC

¹ <https://legalservicesboard.org.uk/news/alan-kershaw-confirmed-as-new-lsb-chair-as-dr-helen-phillips-steps-down>

² <https://www.contractsfinder.service.gov.uk/Notice/5c53b709-9dc5-4728-871c-32854effdc00>

vacancy, two upcoming LSCP vacancies and the appointment of a new LSCP Chair from Spring 2024.

Colleague and organisational matters

6. Interviews for the role of Director, Policy and Regulation were held on 6 and 7 March, and the successful candidate has accepted the role. Interviews for the role of Regulatory Policy Associate were held on 9 March 2023, and the successful candidate has accepted the role. We are also in the process of launching adverts for two roles that have become vacant in recent weeks: interim Stakeholder and Engagement Manager, and Research Analyst.

Governance

Board External Evaluation

7. The Board has agreed an action plan which the executive will work with the Board to take forward over the rest of the year.

Office for Legal Complaints

8. The latest Voluntary Assurance letter, dated 7 February 2023, can be found at Annex A. This was shared with the Board in earlier correspondence. In response, the need for the OLC to continue to focus on the Legal Ombudsman's (LeO) sustained performance improvement against targets that appropriately balance ambition with realism was noted. Further, while the OLC's control of some factors might be limited, it should continue to take steps to address its ongoing recruitment and retention challenges.
9. These points are covered in more detail the OLC's final 2023/24 Budget and Business Plan, elsewhere on the agenda, which has been submitted to the Board for approval.
10. The OLC also provided information about its plans for monitoring and evaluating the changes to the Scheme Rules, which are due to come into effect in April 2023. This includes details on its plans to collect anonymous equality, diversity and inclusion data at each stage of the process, and to track when and under what circumstances ombudsman discretion is applied in relation to cases being accepted for investigation or dismissed under the provisions of the new Scheme Rules.
11. The OLC provided assurance that this data will be used to understand adverse impacts on consumers and that it will take steps to address any emerging issues or disproportionate impacts. It also said it will publish data on a quarterly basis and has committed to carrying out a comprehensive review of the changes to the Scheme Rules once a sufficient pool of data around the impact of the changes has been gathered. Given that the impact of the changes (other than changes to time limits) will not start to be seen for at least 6-9 months as cases are progressed and taken from

the pre-assessment pool queue, the earliest this will be possible will be 2024/25.

12. Further to my previous update, the [Tripartite Operating Protocol³](https://legalservicesboard.org.uk/wp-content/uploads/2023/03/MoJ-LSB-OLC-Tripartite-Operating-Protocol-January-2023.pdf) between LSB, Ministry of Justice and OLC has been updated and published on the LSB website.

Solicitors Disciplinary Tribunal

13. I met the SDT President and interim Clerk in January 2023. At the meeting it was agreed that the LSB and SDT will develop new budget acceptance criteria for the SDT's annual budget approval process, which will enhance public transparency and accountability. The SDT is also considering how it might best use its annual performance report to demonstrate the same. Further, the SDT provided an update on its strategy development and plans to engage with external stakeholders after the Board had considered a draft strategy in February.
14. The SDT confirmed that recruitment of a new permanent Clerk to the Solicitors Disciplinary Tribunal and Chief Executive Officer of Solicitors Disciplinary Tribunal Administration Limited is underway.

Regulatory Developments

News Round Up

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

Research

16. The Use of Innovation and Technology report and data dashboard will be published before the end of March. Key findings from the "Lived Experience" research with legal professionals, which is also due to be published soon, will be presented to the Board at its next meeting.
17. We are nearing completion of work with the Public Panel (our established survey research tool) to understand how complaint handling could be improved in support of our First-Tier Complaints project. We hosted a collaborative workshop with members of the public and professionals from the regulators, law firms, LSCP, LeO, the Financial Ombudsman Service and Ofcom on 20 February 2023. We had high levels of engagement with the issues and positive feedback from all participants. This is the first time we have used co-development to support policy development and now have this tool available to us in the future.
18. Econometric analysis of professional indemnity insurance (PII) data is underway, jointly commissioned with the SRA, for the Consumer Financial Protections project. While we are confident that the data we have will be sufficient to produce robust economic analysis, we were disappointed with

³ <https://legalservicesboard.org.uk/wp-content/uploads/2023/03/MoJ-LSB-OLC-Tripartite-Operating-Protocol-January-2023.pdf>

the limited data provided directly by insurers, despite early promises, and our extensive engagement and efforts in this regard. We plan to hold a workshop at the end of March 2023 to explore which characteristics of law firms and areas of law account for most variation in PII costs. This will support the identification of policy options that encourage suitable and sustainable consumer protections.

Statutory Decisions

19. Since my last update, the LSB has approved the final Practising Fee application of the season. This was the application from the General Council of the Bar.
20. The LSB has also approved two applications for alterations to regulatory arrangements. The first was IPReg's application for a new core regulatory framework replacing the majority of its existing regulatory arrangements. The second was an application from CLSB in relation to its training rules.
21. The Board may have noted that we are now publicising our statutory decisions on our social media platforms. We expect to continue the practice to enhance the visibility of our statutory decision-making function.
22. At the time of writing the LSB is currently considering two applications to alter regulatory arrangements from the SRA:
 - a. an application in relation to reinstating an annual *keeping of the roll* exercise
 - b. an application in relation to changes relating to both fair treatment at work and fitness to practise.

Empowering Consumers

23. We attended the LSCP meeting on 1 March and updated the Panel on our work on transparency, quality indicators and empowering consumers. This included discussion of the regulators' progress in meeting the outcomes in the statement of policy.
24. We plan to convene a roundtable discussion in the next quarter with the regulators and other stakeholders to review the forthcoming findings of the regulators' joint pilot on quality indicators and digital comparison tools.

Ongoing Competence

25. At the end of January 2023, regulators submitted reports to us setting out their progress and further action plans for taking account of the ongoing competence policy statement issued in July 2022. This is an interim stage, ahead of January 2024, by when we expect regulators to meet all of the outcomes in the statement.
26. We are currently analysing the regulators' submissions and we will share our analysis of overall themes and each regulators' progress with the

Board in the spring. Following a Board discussion, we will publish the submissions and provide feedback to regulators.

Professional Ethics and Rule of Law

27. Drafting of the call for evidence on the misuse of non-disclosure agreements, which we intend to launch in April 2023, is underway.
28. A roundtable has been scheduled for the end of March 2023 to explore professional ethical behaviours that may not be consistent with upholding the constitutional principle of the rule of law. This will be attended by legal practitioners, academics, regulators and other stakeholders with an interest in professional ethics.

Regulatory Performance

Regulatory Performance Update

29. A letter from the LSB Chair to the regulators' Chairs was sent on 16 February. The letter encouraged regulators' Boards to undertake 'assurance mapping' in advance of the next performance assessment to identify the sources of assurance they would rely on to show how they demonstrate the new framework's characteristics and meet its standards.
30. Relationship managers will follow up on the Chair's letters by writing to their counterparts to ask if they have any questions about the new framework and assessment process. The lead relationship manager will start arranging an online event about the new framework which will seek to address regulator's questions.

Bar Standards Board

31. On 31 January 2023, the BSB submitted its consolidated plan to execute a programme of change to address the LSB's expectations and rebuilds confidence with the public and stakeholders. The BSB is planning the implementation of these reforms, with timescales and milestones, as part of its wider business planning processes for 2023/24. Once this is complete, the BSB will consult the LSB on its self-standing action plan before it is submitted to its Board in March.

Technology

32. We tendered for a supplier for a 'Proof of Concept' study in September 2022 as part of our work to identify how regulatory information can be made more accessible and available to consumers. As we did not receive any bids to our tender, we considered the best way of progressing our work. After directly approaching suppliers for proposals, we are now in the process of appointing a preferred supplier, and we expect the work to get underway in March 2023.
33. We are continuing to engage with the Office for Artificial Intelligence (AI) as it develops its proposals for a UK regulatory framework for AI: we

attended a working level meeting with the Office for AI on 31 January 2023, and we also responded to a further request for LSB comments on the latest iteration of its policy position.

34. We also continue to collaborate with initiatives to foster and promote the use of technology in the sector. In particular, we continue to support and provide input into the forthcoming Lawtech/RRU joint statement on AI. We attended a private LawtechUK event on supporting entrepreneurship in access to justice on 28 February 2023.
35. Following Board approval in January 2023, work is underway to progress the drafting of new statutory guidance for regulators on the promotion of the use technology to improve access to legal services.

Diversity and Inclusion

36. We reconvened our work group for the Judicial Diversity Forum Officials Group (JDFO) on 1 March and propose to focus our efforts on continuing to improve our ability to measure progress towards a diverse judiciary and addressing persistent barriers to diverse profession. We will take this proposal to the JDFO on 30 March.
37. Earlier this month, Solutions Research provided a debrief on the findings of our qualitative study looking at the barriers to getting in, being in and getting on in the profession. Participants felt the profession remains dominated by a 'white male' culture with a prevailing idea that it is a tough and competitive industry. Despite a more positive environment in relation to diversity and inclusion, participants considered that risk aversion limits real change in cultures and practices, and a lack of transparency about key processes along with a lack of visibility of positive practice or role models hinders progress. Those who had experienced counter-inclusive practices cited feeling fearful about speaking out due to potential impacts on their career.
38. This month also we issued a questionnaire to regulators to support the development of an EDI statement of policy. The questionnaire asked for information on how regulators design, agree and communicate their EDI strategies, their approaches to collecting EDI data and monitoring the diversity of the profession and their regulatory activities and approaches to evaluating impact. Responses are due in April and we will provide an analysis of their responses in our consultation on the statement of policy later this year.

Sanctions update

39. Following the meeting the LSB convened between Office of Financial Sanctions Implementation (OFSI), MoJ, Office for Professional Body AML Supervision Regulations (OPBAS) and some of the other regulators on 11 January 2023 to discuss arrangements for improving information sharing activities between them, the LSB and the regulators continue to try to progress this matter with OFSI. The *Prigozin* case, in which OFSI

approved a specific licence for payment of legal fees by a sanctioned individual to sue a journalist (a so-called strategic lawsuit against public participation (SLAPP)) has highlighted the pressing need for the sharing of information between OFSI and the regulators.

Curating the Strategy

40. We continue to receive contributions from stakeholders and LSB colleagues to the [Reshaping Legal Services microsite](https://reshapinglegalservices.org.uk/).⁴ We will soon publish the third episode of the Reshaping Legal Services podcast series, which covers Helen Phillips' reflections on progress against the strategy as outgoing Chair of the LSB.

Communications and Engagement

Annual Conference 2023/24

41. At its January 2023 meeting, the Board discussed early plans for the Annual Conference 2023/24 and agreed to delegate the decision about timing for the event to the CEO. After further reflection, the executive's steer is that the conference should be held in March 2024 to allow for input from the new Chair. We note that there may be a General Election in 2024, and our plans could be impacted if the conference happened to fall within the pre-election period when specific restrictions on communications would apply. We will monitor the news carefully and keep the timing under review. We also note that Easter Sunday is 31 March 2024, so the Easter holidays would impact attendance. To mitigate this, we would plan to hold the conference earlier in March.

Board engagement event, East Midlands

42. We hope to hold May's 'out of London' engagement event in the East Midlands in Nottingham, hopefully partnering with Nottinghamshire Law Society. It will allow stakeholders to meet the new Chair and other Board members, as well as learn more about the LSB and our work. It will also be a chance for us to hear from others about the sector's challenges and opportunities to help us consider how regulation can make a positive difference. This will be open to interested Board members, but we do not expect the whole Board to attend.

Board meeting and engagement in Wales

43. We await the Senedd's response to our application for a lunchtime reception on 13 September 2023. We have secured a sponsor – Peredur Owen Griffiths MS (Plaid Cymru), member of the Legislation, Justice and Constitution Committee – and the Counsel General and Minister for the Constitution has agreed to speak at the event. The Board meeting will take place on 12 September 2023, and we will contact Board members shortly

⁴ <https://reshapinglegalservices.org.uk/>

to make travel and hotel arrangements for the event over 12 and 13 September.

External events

44. Margie McCrone, Head, Strategy and Policy, participated in a panel discussion at the Conveyancing Association Annual Conference on 7 February 2023. She is also attending the Society of Legal Scholars, Annual President's Reception on 15 March 2023.
45. Paul Nezandonyi, Head, Communications and Engagement, attended the Faculty Office's Rule of Law lecture on 2 February 2023. The guest speaker was Sir Keith Lindblom, Senior President of Tribunals.
46. Margie McCrone, Head of Strategy and Policy, and Aisling O'Connell, Regulatory Policy Manager, were keynote speakers at a Westminster Legal Policy Forum event - 'Next steps for legal technology and innovation in legal services' - on 24 February 2023: they provided an update to the forum on the LSB's technology project and shared findings from the latest LSB technology and innovation survey.
47. On 17 March 2023, Sally Al-Saleem, Regulatory Policy Manager, is scheduled to speak at the Law Society's Risk and Compliance Annual Conference.
48. Meeting Schedule (21 February 2023 – 20 March 2023):

20 February	Foreign Policy Centre	Chief Executive
23 February	Ministry of Justice	Chief Executive
23 February	The Bar Council	Chair & Chief Executive
24 February	Westminster Legal Policy Forum Conference	Head, Strategy and Policy & Regulatory Policy Manager
27 February	Stephanie Boyce	Chair
1 March	Judicial Diversity Forum Officials Work Group Meeting	Chief Executive
2 March	Master of the Faculties event on rule of law	Head, Communications and Engagement
3 March	Bar Council	Chief Executive
7 March	National Audit Office	Chief Executive
8 March	Legally Disabled	Chief Executive
10 March	Elisabeth Davies (Office for Legal Complaints)	Chair Designate
13 March	SRA	Chief Executive
13 March	Sarah Chambers (Legal Services Consumer Panel)	Chair Designate
15 March	Society of Legal Scholars Annual President's Reception 2023	Head, Strategy and Policy
17 March	Risk and Compliance Annual Conference - The Law Society	Regulatory Policy Manager

20 March	Legal Ombudsman	Chair
20 March	The Law Society	Chair & Chief Executive
20 March	SRA	Chair & Chief Executive

Risks and mitigations	
Financial:	N/a
Legal:	N/a
Communications and engagement:	N/a
Equality and diversity:	N/a
Resource:	N/a
Environmental	N/a

Annexes

Annex A – OLC February Voluntary Assurance Letter

Annex B – News Round Up

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
N/A	None	N/A