



Meeting: Legal Services Board
Date: 06 June 2023
Item: Paper (23) 32
Title: CEO's Progress Report
Author: Matthew Hill, Chief Executive
Status: Official

Introduction: Purpose of the paper/ Issue

1. This paper updates Board Members on key developments across the organisation since the 25 April 2023 Board meeting.

Recommendation

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

Appointment matters

LSB Board

3. Two new Board members have been appointed from the 1 June 2023 - Clare Brown (non-lay) and Kate Briscoe (lay). A further lay member, Lizzie Peers, has been appointed from the 1 October 2023.

Office for Legal Complaints (OLC)

4. An external partner has been appointed to undertake the recruitment of one OLC Board Member (lay) and will hold a workshop with the recruiting panel and key members of the executive shortly to inform the person specification. The campaign launch is planned for July 2023.

Legal Services Consumer Panel (LSCP)

5. An external partner has been appointed to undertake the recruitment for a new LSCP Chair and two new members. The recruiting panel is being established, and the recruitment will go live over the summer.

Colleague and organisational matters

6. Our interim Communications and Engagement Manager joined us on 19 April, and a replacement in the Research Analyst position joined us on 24

April. The new Director, Regulation and Policy, Richard Orpin takes up post on 12 June.

7. In terms of other staffing developments, we received a Regulatory Policy Manager's resignation in May (to take up a promotion elsewhere) and have advertised this role internally in the first instance.

Governance

Office for Legal Complaints

8. The latest Voluntary Assurance letter, dated 10 May 2023, can be found at Annex A. The letter is broadly positive about LeO's performance and notes record performance in respect of case closures in March. The letter queries whether it is now timely for the LSB and OLC to review the format and content of the Voluntary Assurance letters, noting that LeO's focus is now shifting to sustaining its performance improvement and developing its new strategy. A Board-to-Board meeting between LSB and OLC has been scheduled for 24 July 2023.

Solicitors Disciplinary Tribunal (SDT)

9. On 20 April, the LSB Chair held an introductory meeting with the SDT President and Solicitor Vice President. The SDT set out its early thinking on future SDT strategic priorities and plans to engage with internal and external stakeholders on these.
10. The SDT also noted that subject to completing the final paperwork, it had secured new premises close to its existing premises with an anticipated move in date in Autumn 2023. We are expecting the SDT's draft budget imminently.

Regulatory Developments

News Round Up

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

Research

12. The econometric analysis of variation in professional indemnity insurance (PII) premiums, carried out by Frontier Economics for the LSB and SRA, is nearly complete and the final report will be available soon. More information about this work is included under the financial protection arrangements for consumers update below.
13. Planning for the Individual Legal Needs Survey continues, with a review of the previous survey questionnaire and drafting of the invitation to tender for fieldwork in the autumn underway.

Statutory Decisions

14. Since my last update the LSB has approved an application from the SRA in relation to post six-year consumer protection (the solicitors indemnity fund).
15. At the time of writing the LSB is currently considering two further applications to alter regulatory arrangements from the SRA:
 - a. an application in relation to its financial penalties processes
 - b. an application to update its Police Station Representatives Accreditation Scheme (PSRAS).
16. We have also completed a Summary analysis of the first year of applications received under the LSB Applications to Alter Regulatory Arrangements Rules 2021. The analysis can be found at Annex C to this report.

CRL/CILEX Investigation

17. Following publication of the LSB's investigation report into disputes and disagreements between CILEX and CRL (18 April), we have written to the parties setting out how we propose to monitor implementation of the recommendations through monthly tri-partite meetings (Annex D). The first such meeting is scheduled to take place 31 May.

Regulatory Performance

Regulatory Performance Review

18. The closedown report was completed and discussed by SLT at our June strategy meeting.

Regulatory Performance Update

19. An online event was held with regulators on 10 May to discuss our approach to the 2023 performance assessment and answer any questions regulators had. The presentation and note of the meeting were circulated to all regulators afterwards. A Word version of the sourcebook was also sent to all regulators to assist them in preparing their assurance mapping.
20. Relationship Managers are drafting information requests for each regulator to be sent in early June. The Legal Services Consumer Panel will review the information requests prior to their issue to provide consumer-focused insight. Regulators will have six weeks to respond to the information requests.

Solicitors Regulation Authority

21. Following discussions with the SRA about its enforcement processes, we have written to the SRA (Annex E) requesting that it provide us with an action plan by 30 June 2023 to address issues it has identified with its case handling.

Bar Standards Board

22. On 31 January 2023, the BSB submitted its consolidated plan to execute a programme of change to address the LSB's expectations and rebuild confidence with the public and stakeholders. The BSB consulted the LSB on its self-standing action plan before setting out how it would implement these reforms, with timescales and milestones, in its business plan for 2023/24. In response to LSB feedback, the BSB will provide an update prior to our June Board, which will include clearer scoping of its proposals, more clarity on how it will evaluate the impact of the actions in its plan and how it will publicly report on progress.

Well-led reviews

23. We have written to the BSB and Faculty Office (Annex F) to confirm that we are now content that they have both completed all the actions set out in their respective Well-led review Action Plans, and we will no longer be formally monitoring their implementation. We will continue to monitor both the BSB and FO's performance against the new Well-led standard through relationship management and our annual performance assessments, and in the BSB's case, through the implementation of its Transformational Plan.

Technology

24. Following receipt of the final report from PA Consulting evaluating options for a regulatory information service, we are engaging with regulators on next steps. Board is expected to discuss the report, and potential next steps, at its July meeting.
25. Elsewhere on the agenda, the Board will be considering draft statutory guidance on promoting the use of technology and innovation for access to justice.
26. We continue to collaborate with sector-wide initiatives, including with LawtechUK as they transition to new leadership under a consortium formed by CodeBase and Legal Geek. The first Regulatory Response Unit (RRU) meeting under the new consortium has been scheduled for 14 June.

Diversity and Inclusion

27. We launched our call for evidence on the misuse of NDAs in early May and have already received over 30 queries/submissions – largely testimony from individuals with direct experience of signing an NDA that involved potential misconduct.

28. We have now published our qualitative study on the experiences of 30 legal professionals from underrepresented groups trying to get into, feel part of and succeed in the legal profession. News coverage has highlighted concerns about the profession paying "lip service" to diversity and that the billable hours model is holding back inclusion. We are hosting an event in collaboration with Clifford Chance on 21 June 2023 to discuss the implications of the findings for the sector. The focus will be on how the sector uses the research to drive positive action.
29. We are currently analysing responses from our March EDI Questionnaire to regulators, highlighting the strengths and weaknesses of existing approaches and how this could inform our upcoming statement of policy on EDI.

Financial protection arrangements for consumers

30. In January 2023, the LSB and SRA jointly commissioned Frontier Economics to analyse the factors that drive variation in PII premiums, drawing on data gathered by the LSB and SRA. The aim of this work is to consider the significance of insurance premiums in overall expenditure and pricing decisions, and regulatory actions, which may allay concerns about worsening outcomes for consumers. We intend to report to July Board on its findings and next steps.
31. The Board will recall that in a previous update (March 2023), I noted that we were disappointed with the limited data provided directly by insurers to support this research, despite early promises, and our extensive engagement and efforts in this regard. We have exchanged correspondence with the International Underwriters Association (IUA), seeking to address concerns IUA raised and offering further opportunities to take part. A copy of the correspondence is at Annex G.

Sanctions update

32. On 1 June, OFSI will be meeting with LSB and MoJ to facilitate better information sharing with the regulators long term.
33. OFSI has renewed the Legal Services General Licence until 28 October 2023. The professional legal fees caps and expenses caps of the General Licence have been reset. Users will be able to make use of the two legal fees caps for work undertaken prior to and after designation (£500,000 inc. VAT) which combined amount to £1m, and the expenses caps (5% of legal fees, up to £25,000). The licence will not permit professional legal fees and expenses for cases involving defamation or malicious falsehood. Decisions on specific licence applications submitted for this category of cases will be considered on a case-by-case basis.

Curating the Strategy

34. We continue to receive contributions to the microsite, including a recent blog about the role of legal technology in supporting families going through

divorce from Amicable, and the facilitation of access to justice through legal advice forums from LegalBeagles.

Legal

35. The Board will recall that we received on 7 October 2022 a suite of claim forms to the County Court Business Centre, Online Civil Money Claims. One of the claim forms was made against the LSB in the amount of £70 and sought for the LSB to respond to regulatory compliance concerns relating to a law firm. The LSB sought an order to strike out the application, which was successfully obtained on 6 January 2023 on the basis that there were no reasonable grounds for bringing the claim. The matter is now concluded.

Communications and Engagement

LSB events

36. On 25 May 2023, the Chair, Chief Executive and Board member Catherine Brown visited NLS Legal in Nottingham. Sarah Chambers, Chair of the LSCP, was also in attendance. NLS Legal offers legal services across a range of practice areas to those who cannot afford or otherwise access legal advice and assistance. Their qualified and experienced lawyers are assisted in providing advice and representation by Nottingham Law School students. Later in the afternoon, the LSB group met stakeholders from the East Midlands region at an LSB engagement event in Nottingham. This was an opportunity to meet and listen to people outside of London and discuss their views and experience of the legal services sector.
37. We are finalising plans for the Board meeting in Cardiff on 12 September 2023 and will share further details with the Board shortly. The Senedd has confirmed hosting our lunchtime engagement event on 13 September 2023. Peredur Owen Griffiths MS is sponsoring the event, and the Counsel General and Minister for the Constitution has agreed to speak. We are developing plans for the Board to engage with local stakeholders on the morning of 13 September 2023.

External events

38. The CEO participated in a Wilton Park conference called 'Driving Dirty Money out of the UK: Beyond Economic Crime Plan 2'. In association with the Joffe Charitable Trust and the Open Society Foundations, the event brought together senior decision-makers from the key sectors involved in tackling economic crime in the UK to identify practical ways of progressing activity in the coming years and look ahead to the next generation of reforms.
39. Other meetings attended by Head, Strategy and Policy include The Law Society access to justice advisory group (27 April 2023); Fair Civil Justice

Council (10 May 2023) and the International Conference of Legal regulators planning committee meeting (17 May 2023).

Meeting Schedule (26 April 2023 – 5 June 2023)

26-Apr	Ministry of Justice	Chair and Chief Executive
26-Apr	Lawyers In Local Government	Chair and Chief Executive
26-Apr	Judicial Appointments Commission	Chair and Chief Executive
27-Apr	Council of Licensed Conveyancers	Chair and Chief Executive
27-Apr	Association of Welsh Lawyers	Head, Strategy and Policy
10-May	Legal Services Consumer Panel	Chief Executive
11-May	City of London Solicitors Company	Chief Executive
15-May	The Bar Council	Chair and Chief Executive
17-May	Wilton Park “Economic Crime”	Chief Executive
24-May	Chartered Institute of Legal Executives	Chair and Chief Executive
1-Jun	Society of Licensed Conveyancers	Chair and Chief Executive
2-Jun	Chartered Institute of Trademark Attorneys	Chair and Chief Executive
2-Jun	The Law Society	Chair and Chief Executive
5-Jun	Owen Griffiths MS - meeting arranged to discuss our event at the Senedd in September.	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 Voluntary Assurance Letter
 Annex B – News Round-Up
 Annex C – Summary analysis of the first year of applications
 Annex D – Letter to CILEX and CRL 10 May 2023
 Annex E – SRA Enforcement Letter
 Annex F – BSB/FO Well Lead Letter
 Annex G - Correspondence with the IUA

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
n/a	n/a	n/a