



Meeting: Legal Services Board
Date: 17 October 2023
Item: Paper (23) 54
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 12 September Board meeting.

Recommendation

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

Appointment matters

LSB Board

3. Lizzie Peers joined the Board on 1 October, and onboarding is well underway.
4. We have been informed by officials at MoJ that the submission concerning reappointments is currently with Ministers and is awaiting response. Following this, the Lady Chief Justice will be consulted.
5. The deadline for applications to the Board apprentice scheme was extended to the 9 October. We have been informed that of those who have applied so far, several have chosen the LSB as one of their preferred host Boards. The Chair and a member of the executive will be attending an engagement event on the 13 November in Birmingham to meet Board apprentice applicants.

OLC Board

6. Individuals have now been shortlisted for the upcoming vacancy, with interviews taking place later in October. Gary Kildare will be chairing the interview panel on the Board's behalf and Flora Page is also on the panel together with the Chair of the OLC and an independent member. A recommendation is expected to be made to the Board in early November via correspondence.

LSCP

7. A recommendation to Board is being made under separate cover on the appointment of two new LSCP members following interviews held on 12 and 22 September.
8. The recruitment panel is continuing its work on the recruitment of a new chair for LSCP with a recommendation expected to be made in mid-late November.

Colleague and organisational matters

9. We have appointed two replacement regulatory policy managers following the departure of one colleague at the end of September, and a further colleague who is leaving at the end of October. In addition, the interviews for the regulatory policy manager (EDI) are taking place in October. Two replacement regulatory policy associates joined us in September.
10. The LSB's biennial all-colleague survey was launched on 2 October and will be open for two weeks. We are aiming for a 100% response rate. The survey is being run by an external agency to ensure confidentiality, and once the report and results are available, these will be shared with Board and with RNC for a more detailed discussion.
11. The autumn all-colleague away day is being held in central London on 12 October and the key themes for the event are the LSB's organisational strengths profile, and the opportunities that AI might present to the LSB as an organisation.

Office for Legal Complaints

12. The Legal Ombudsman (LeO) hosted members of the LSB Board and executive at its offices in Birmingham on 28 September. This was a good opportunity to discuss LeO's developing strategy and how it will play an important role in raising standards in the profession through its insight and impact work.

Solicitors Disciplinary Tribunal

13. We received the SDT's budget submission on 8 September, for LSB consideration at the October Board meeting. We welcome that the SDT's submission reflects the acceptance criteria we have agreed regarding transparency, accountability and value for money.

Regulatory Developments

News Round Up

14. The news round up is attached as Annex A

Research

15. The Individual Legal Needs survey questionnaire will soon be out in the field; we have agreed with The Law Society, our partner in this research, to increase the

number of responses from adults in Wales to provide more information about the needs of Welsh consumers.

16. As noted below, we have gone out to tender for a supplier to profile the diversity of the judicial talent pipeline to support work to improve equality, diversity and inclusion in the judiciary.
17. We shared the main insights from our Use of Technology and Innovation Survey via a webinar on 19 September, which was chaired by LSB Board member Kate Briscoe. We are now planning a webinar to share the findings from our recently published joint research with the SRA on drivers of differences in professional indemnity insurance premiums.

Statutory Decisions

18. Since my last update, the LSB has approved the first two practising fee applications of the year. The first being a joint application from TLS and the SRA seeking a 7.3% increase to the individual practising fee. The second an application from the Faculty Office for an 8% increase in its basic practising fee while removing the levy it has had in place for the past two years to clear a historic deficit and build a reserve.
19. We are currently considering three further practising fee applications. The first application is from IPReg seeking an 8% increase to practising fees. The second is an application from the CLSB seeking an 3% increase to its practising fee.
20. We are also considering two applications for alterations to regulatory arrangements. The first application is from the SRA for changes to its Standards and Regulations. The second application is from ICAEW for significant changes to its Continuing Professional Development rules.

Professional Ethics and Rule of Law

21. Our call for evidence on the misuse of non-disclosure agreements (NDAs) closed in July. We will provide an update elsewhere on the agenda on emerging findings and next steps for this work, ahead of publishing a summary of the evidence before the end of 2023.
22. We have received the first draft of the rapid literature review that we commissioned from professors Moorhead and Vaughan, which considers how legal professionals' conduct can uphold or undermine the rule of law, the scale of conduct that undermines the rule of law, and the factors driving such conduct. We plan to convene a roundtable with stakeholders in November to discuss the findings from the review and other evidence gathered through desk research and engagement so far.

Disciplinary and enforcement

23. We are focusing this phase of the project on fining and information gathering powers and have written to all regulatory bodies to confirm the limits that they have in place and to identify any constraints on their powers. We are now analysing the responses. This work supports the announcement made on 4

August 2023 that we want to ensure that regulators have effective fining powers to tackle wilful and serious misconduct.

CRL/CILEX Investigation

24. We continue to monitor the implementation of the undertakings by CILEX and CILEx Regulation. The [CILEX consultation](#)¹ on its proposals closes on 5 November 2023. The [SRA has issued its own consultation](#)² on the CILEX proposals and this closes on 22 November 2023. The [Law Society](#)³ has set out its concerns and is also seeking feedback from its members on the proposals to inform its response to both consultations.

Regulatory Performance Update

32. Relationship managers have completed drafting their initial assessments of regulators' performance. Moderation by SLT will now take place in October and assessments will be sent to regulatory bodies for substantive comment and fact and confidentiality checking in mid-late October.
33. The next update from the BSB on progress against its Action Plan for Transformational Change will be submitted following the next BSB Board meeting in October. A meeting between the Chairs and Chief Executives of the LSB and BSB took place on 5 October 2023 and the Action Plan was discussed.

Technology

25. Following the Board's discussion in July about the next steps for the 'Regulatory Information Service' (RIS) work, we continue to engage with the regulators on the next steps including; attending, alongside the SRA, a workshop hosted by PA Consulting in late August to discuss next steps, and providing feedback to the SRA on their options paper setting out the possible next phase of the project. This paper was discussed by regulators at the recent meeting of the Legal Choices Governing Board on 27 September and we are awaiting an update on the outcome of this discussion and the resulting action points.
26. The LSB's consultation on draft statutory guidance aimed at promoting the use of technology and innovation to improve access to legal services closed on 2 October; we are now reviewing submissions. In advance of the closing date, we engaged with stakeholders on the proposals, including holding bilateral meetings with the regulators and promoting the consultation at the LSB technology and innovation webinar⁴ on 19 September, as noted above.

¹ https://www.cilex.org.uk/about_cilex/consultations/royal-charter/

² <https://www.sra.org.uk/sra/consultations/consultation-listing/regulation-cilex-members/?s=o>

³ <https://www.lawsociety.org.uk/topics/regulation/regulation-of-cilex-members>

⁴ <https://reshapinglegalservices.org.uk/2023/09/21/technology-and-innovation-webinar/>

Equality, Diversity and Inclusion

27. We have issued an invitation to tender for a piece of statistical analysis to help the Judicial Diversity Forum to better monitor the progress of its interventions. The work will consider the chances of success for those from particular underrepresented groups to progress through the talent pipeline towards the judiciary. We aim to deliver a findings report in December to publish alongside the JDF's priorities and actions for 2024.
28. We are scoping work to make best use of our EDI research budget for this FY, considering what insights can unlock the potential for regulatory interventions to deliver systems change on EDI in the profession. We aim to deliver a strategic think piece in Q1 2024 which identifies key areas of focus for our policy statement and tangible solutions we can consider to address structural barriers to progress (such as in recruitment, progression and retention).
29. To deliver value to the EDI Regulators Forum, we will arrange workshops in Q4 this year, including on utilising the Public Sector Equality Duty in regulation to encourage EDI.

Anti-Money Laundering Reforms

30. We submitted our response to HMT's consultation on proposed reforms to AML supervision. Our response highlighted that while we support the Government's efforts to improve AML supervision, we also strongly encourage them to make full use of the existing regulatory system within the legal sector, including by taking into consideration the increased capability for action to tackle economic crime that regulators will receive through the Economic Crime and Corporate Transparency bill.

Curating the Strategy

31. We continue to receive contributions to the microsite, including a recent blog on the experiences of applying for pupillage with a disability and the processes put in place by Chambers for reasonable adjustments to improve inclusion at the Bar. We have also published the speeches from the speakers at the Senedd event in Wales. We will invite further stakeholders to spotlight the work they are doing to reshape legal services to improve professional standards and consumer outcomes.

Communications and Engagement

Stakeholder engagement in Wales

32. We held a stakeholder reception at the Senedd in Cardiff on 13 September 2023. The event was sponsored by Peredur Owen Griffith MS, who gave a speech along with Mick Antoniw MS, Counsel General and Minister for the Constitution, Warren Palmer, Director of the Speakeasy Law Centre in Cardiff, and the Chair. The event was attended by stakeholders from across the profession in Wales.

33. The Board and executive colleagues also visited and met stakeholders from Cardiff Law School, Cardiff School of Management, the Speakeasy Law Centre, and the Law Council for Wales on 13 September.
34. We took away several actions to help refine our work to ensure regulation helps to better connect people in Wales to the legal services they need, and the Director, Regulation & Policy spoke about some of these during his panel event at the Legal Wales Conference on 6 October. We plan to return to Wales again in 2024 to build on our engagement with the sector

Board engagement events

35. We plan to build on our programme of Board-level stakeholder engagement events in England and Wales next year. We propose holding the September Board meeting in the West of England on 17 September 2024, followed by engagement opportunities the following day. The dates will go on hold in diaries soon.
36. We also plan to hold Board engagement events in Norwich and either North or West Wales in the spring/summer of 2024. We will confirm the dates as soon as possible.

Technology and innovation webinar

37. On 19 September, Board Member Kate Briscoe hosted a webinar based on the findings of our latest technology and innovation research. There were also contributions by Legal Services Consumer Panel Member David Abbott, legal tech expert Jenifer Swallow, and executive colleagues Tom May and Lorena Esposito-Storey.
38. The webinar was recorded and shared with our interest groups and on the Reshaping Legal Services website.
39. Feedback on the event was positive, and the discussion gave rise to a discussion which we will reflect on as part of our consultation on draft statutory guidance on promoting technology and innovation to improve access to legal services, which closed on 2 October 2023.

Annual Conference – Reshaping Legal Services 2024

40. Reshaping Legal Services 2024 is taking place on 7 March 2024 at the King's Fund in London. It is open to everyone across the legal services sector with a role to play in ensuring legal services work better for society.
41. A paper with further information is included on the agenda.
42. Board Members who cannot attend the conference are asked to let us know as soon as possible.

External events

43. On 13 September 2023, the EDI Regulatory Policy Manager, attended an event organised by The Bar Council, 'The Bar of 2043: thoughts for the future'.
44. On 20 September 2023, the Director, Regulation and Policy, spoke at an event organised by Westminster Legal Policy Forum. The theme was 'Next steps for equality, diversity and inclusion in the legal profession'.
45. The Director, Regulation and Policy, spoke at the Institute of Professional Willwriters conference on 21 September 2023. The theme of the conference was protecting the vulnerable. He also spoke at the Society of Willwriters annual conference on 9 October.
46. On 1 October 2023, the Chair and I attended the reception and dinner at the Law Society, which was arranged to mark the opening of the legal year. I also attended the Opening of the Legal Year Ceremony at Westminster Abbey on 2 October 2023.
47. The Director, Regulation and Policy, spoke with other panel members including the Legal Ombudsman and the SRA at the Legal Wales Conference on 6 October 2023 on the topic of 'delivering excellence in legal services in Wales', focusing in particular on access to justice.
48. The following senior-level meetings took place between 8 September 2023 and 10 October 2023 (updated on 3 October 2023):

18-Sep	Legal Futures	Chief Executive
19-Sep	Solicitors Disciplinary Tribunal	Chief Executive
20-Sep	Council of Licensed Conveyancers	Chief Executive
21-Sep	Exeter University	Chief Executive
22-Sep	Legal Ombudsman	Head, Strategy and Policy
28-Sep	Office for Legal Complaints	Chair and Chief Executive and Board members Clare Brown (NED) and Kate Briscoe
29-Sep	Professional Standards Authority	Chair and Chief Executive
3-Oct	SRA	Chair and Chief Executive and Board Member Catherine Brown (NED)
5-Oct	The Bar Council	Chief Executive
5-Oct	Institute of Barrister's Clerks	Director, Regulation and Policy and Head, Performance and Oversight
5-Oct	CILEx Regulation	Chair and Chief Executive
5-Oct	IPReg	Chair and Chief Executive
5-Oct	Bar Standards Board	Chair and Chief Executive
10-Oct	I. Stephanie Boyce	Chair and 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 - News Round up

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