



Meeting: Legal Services Board
Date: 28 November 2023
Item: Paper (23) 64
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 17 October Board meeting.

Recommendation

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

Appointment matters

LSB Board

3. The MoJ has advised that owing to judicial availability for the recruitment panel, interviews for a non-lay member are unlikely to take place before April 2024. The executive has asked MoJ to query this with the Lady Chief Justice's office, and is engaging with MoJ on other options to minimise the amount of time the Board will have a vacancy.
4. The LSB has been successful in the appointment of a Board apprentice, Meena Sankar who will take post from the 1 January 2024. The induction process has started including identification of Board and executive buddies.

OLC Board

5. A recommendation has been made to the Board on the appointment of a new OLC Board Member.¹

LSCP

¹ Paper (23) 62

6. The Lord Chancellor has agreed to the Board's recommendation for the appointment of two new LSCP members.²
7. A recommendation has been made to the Board on the appointment of a new LSCP Chair.

Colleague and organisational matters

8. We are currently recruiting to appoint a new Regulatory Programme Office and Policy Manager, following a recent resignation with interviews scheduled later this month. Following ARAC's approval of our provisional 2024/25 budget on 15 November, we will shortly advertise for an additional SLT member in the Regulation & Policy team with a view to having a postholder in place in the next financial year. This appointment will be subject to the Board's approval of our final budget for 2024/25.
9. Since the last Board meeting, we have welcomed a new Regulatory Policy Manager to the team, and we will be welcoming another Regulatory Policy Manager in January to lead the EDI work. These new recruits are to replace colleagues who have recently left the LSB.
10. The biennial all-colleague survey closed at the end of October and initial results are being reviewed. A full analysis and presentation by the external organisation that conducted the survey is taking place at SLT's away day on 7 December and will be followed by a presentation to colleagues on 11 December. Board and RNC will be updated separately.

Office for Legal Complaints

11. The latest voluntary assurance letter is attached at Annex A. The OLC notes that while performance against business plan targets for closures were not met in Q2, it is confident it will recover the shortfall in Q3 and be in range by the end of 2023/24.
12. The 2024/2025 OLC draft Budget and Business Plan is for discussion elsewhere on the agenda.

Solicitors Disciplinary Tribunal

13. We are planning to engage with the SDT on its draft vision and strategic objectives, following the October Board discussion and approval of its annual budget.
14. The SDT has confirmed that that it remains on track to be operational in its new premises early in 2024.

Regulatory Developments

² Paper (23) 63

News Round Up

15. The News Round-up is attached at Annex B.

Research

16. The main data collection for the individual legal needs survey, carried out in partnership with The Law Society, is now complete. Boost sampling for low incident rate issues (including immigration) and the telephone survey of 500 individuals with low or no internet use continues. We expect delivery of the data before the end of the year, with the findings available in early 2024. This will provide important evidence into levels of met and unmet legal needs in England and Wales (we have also boost sampled for Wales so that we can disaggregate the data and better understand Welsh specific issues).
17. We are partnering with the LSCP on research to identify ways that regulatory levers can be better used to improve access to justice. The tender closed on 15 November and we are considering the bids received.
18. Updates on research in support of our professional ethics and the rule of law (PERL) and equality, diversity and inclusion (EDI) work are covered elsewhere in this paper.

Statutory Decisions

19. Since my last update, the LSB has approved four 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. The third is an application from CLC seeking a 10% increase to its practice fees. The fourth is an application from ICAEW seeking a 5% increase to its practising fee.
20. We have also approved two applications for alterations to regulatory arrangements. The first application is from ICAEW for significant changes to its Continuing Professional Development rules. The second application is from CLC for its compensation fund.
21. We have issued an exemption director to IPReg for changes to its Practice Regulations 2023.
22. We are currently considering a joint practising fee application from CILEX and CRL. The application is to maintain the practising fees approved in 2022.
23. 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 CRL seeking higher rights of advocacy.

Professional Ethics and Rule of Law (PERL)

24. The research 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 has now been finalised and shared with Board members.
25. The report will be discussed with stakeholders at our PERL roundtable event on 21 November, which I will be chairing. It is one of the ways we are engaging with stakeholders on our work and using their perspectives to test and shape our thinking. The report will be published before the end of the year, as will a note from the roundtable discussion.
26. Following our update to Board in October on the emerging themes from our call for evidence on the misuse of non-disclosure agreements (NDAs), in January 2024 we will present our summary of evidence on NDAs and draw on this, as well as other examples of potentially unethical conduct from the literature review and stakeholder engagement, to identify the varying types of professional ethical conduct that we consider is in the purview of regulators. This will lay the foundation for further analysis of the extent to which existing regulation sufficiently covers these types of conduct. Where there are gaps in current regulation, we will consider what policy response may be required in consultation with stakeholders.

New Regulatory Objective Related to Economic Crime

27. The Economic Crime and Corporate Transparency Act 2023 (the ECCTA), which came into effect on 26 October, introduced the new regulatory objective promoting the prevention and detection of economic crime under the Legal Services Act 2007 (the Act).
28. The ECCTA also includes provisions to remove the financial penalty limits imposed on the SRA for disciplinary matters related to economic crime and provide the SRA with the power to proactively request information from its regulated community, in instances related to economic crime.
29. Now that the ECCTA has taken effect, regulatory bodies are expected to promote the new regulatory objective in accordance with the Act. To this end, the LSB is incorporating consideration of the new regulatory objective within our oversight activities (e.g., as part of our statutory decision-making). The LSB will also work with regulators and other relevant stakeholders to develop standards and tools to support appropriate and effective implementation of the new regulatory objective, as we have committed to doing. We have recently written to regulators to understand better some of the key actions they will take in support of the regulatory objective.

Disciplinary and enforcement

30. We continue our analysis of the information that we have gathered from regulatory bodies on their fining and information gathering powers.

CRL/CILEX Investigation

31. Following the end of the period of consultation, we await the decision of the CILEX Board on what steps it intends to take. We continue to monitor the implementation of the undertakings by CILEX and CILEx Regulation.

Regulatory Performance Update

32. Moderation by SLT of the performance assessments has been completed. Assessments have now been shared with regulators in draft.
33. In order to ensure there is sufficient time to prepare the overall assessment report, make it as clear and accessible as possible, and maximise its impact, SLT has decided to delay the report's publication until January.
34. We received the latest update on the BSB's Action Plan for Transformational Change on 13 October (attached at Annex C). The Action Plan identifies that progress is on track in all areas but notes a slightly longer timescale for some aspects of the ongoing competence work. We are in discussions with the BSB around this.

Axiom Ince

35. We are engaging with the SRA about its response to Axiom Ince. The SRA has issued a [statement about its handling of the case](#),³ and the Serious Fraud Office has launched an investigation into it.

Technology

36. We continue to work to progress a solution for a 'Regulatory Information Service' (RIS) for the sector. We have written to the Chair of the Legal Choices Governance Board (LCGB) to offer LSB support to the LCGB and the regulators in taking this work forward, and to request an update on the agreed next steps flowing from the LCGB meeting held on 27 September 2023.
37. 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 and commencing drafting the LSB's response to the consultation.
38. We continue to engage with a range of stakeholders on issues relating to technology and innovation, for example, we recently attended a LawtechUK event on Generative artificial intelligence (AI) and the quarterly AI Standards Forum for Regulators.

Equality, Diversity and Inclusion

39. The LSB continues to act as a convenor in the Judicial Diversity Forum (JDF). We are currently working with stakeholders to collate priorities and actions for the 2024 Action Plan. The 2024 Action Plan is due to be published in December 2023 or early January 2024.

³ <https://www.sra.org.uk/sra/news/press/axiom-ince-intervention-and-impacts/>

40. Part of the 2024 Action Plan includes the commissioned research set out above in paragraph 20. We have recently appointed SQW, an economic consultancy firm, to carry out research to profile diversity along the judicial talent pipeline. The purpose of the research is to better understand at which points along the pipeline to the judiciary certain groups may drop out, and to draw stakeholders' attention to where interventions might be deployed to increase diversity.
41. We also have a live invitation to tender for research about using systems change approach to achieve a diverse legal system. This will support the development of expectations for regulators' progress, and will be concluded in early 2024, prior to preparing on consultation on a statement of policy.
42. We have organised an event on 13 December 2023 for the regulators' EDI forum on the Public Sector Equality Duty, presented by counsel from Garden Court Chambers.

Curating the Strategy

43. We continue to receive contributions to the microsite. LSB's EDI Regulatory Policy Manager wrote a blog on how lawyers can use diversity data to ensure anyone can enjoy a successful career, regardless of their background which was also featured in the Cost Lawyers Standards Board's (CLSB) October newsletter. We have also published content from the Legal Wales conference on which took place on 6 October.

Police Station Representatives

44. We will follow up on this issue at our next SRA relationship management meeting in December.

Communications and Engagement

Stakeholder engagement in Wales

45. On 8 November, we convened the first meeting of the Legal Services Regulators in Wales Forum. The purpose of the forum is to ensure regulators take account of the needs of legal services consumers in Wales and support access to justice in the country. All the regulators attended the hybrid event, along with the Welsh Government and Legal Services Consumer Panel. The Head, Strategy and Policy and I travelled to Cardiff to take part in person with other Wales-based attendees. The forum has agreed to pursue and collaborate on several areas focused on people in Wales who need legal services. The next meeting is being planned for early April 2024.

Annual Conference – Reshaping Legal Services 2024

46. Our second annual conference is taking place on 7 March 2024 at the King's Fund in London. It will bring together people from across the sector with a role to play in ensuring legal services work better for people who need them.
47. We have started to firm up the programme and invite speakers and panellists to participate in the conference.

48. Delegate numbers look healthy, with 154 out of 250 people registered to attend in person and 39 registered to join virtually.
49. We have 10 exhibitors confirmed for the event, including charities and representative bodies.
50. We have launched a bursary scheme to widen access to the event by reducing the financial burden of attending for students, people at early stages in their careers, or those on low incomes.

Evidence Session with Justice Select Committee

51. The Chair and I will be giving evidence to the Justice Select Committee on 5 December. The Bar Council and Bar Standards Board, and CILEX and CILEX Regulation will be giving evidence a week in advance of us on 28 November, and The Law Society and SRA are also giving evidence on 5 December.
52. The Committee will likely question witnesses on the performance of the regulators, the professional bodies' relationships with the regulators, the legal and institutional framework that underpins regulation, the role of regulation in supporting access to justice, how to improve the service provided to consumers of legal services and the health of the professions.

External events

53. On 11 October, I attended and was a panel member at the London Law Expo 2023 event. Professor Stephen Mayson chaired the panel session 'The View from the Legal Regulators'. Other panellists included the Director-General of the BSB and the CEO of the SRA. The Chair and Head, Strategy & Policy also attended and represented the LSB at the event.
54. On 18 October, the Head, Communications and Engagement and Regulatory Policy Manager represented the LSB at the Compliance Officers' Conference organised by the SRA in Birmingham.
55. On 24 October, I attended TheCityUK Legal Services Group meeting with the Head, Communications and Engagement.
56. The Chair and I attended the International Conference of Legal Regulators on which was held in Dublin between 25-27 October 2023. General Counsel and the Head, Strategy & Policy also attended the event.
57. On 31 October, colleagues attended the event organised by the Legal Services Consumer Panel on the topic of unmet legal need.
58. The Director, Regulation & Policy provided an update on LSB workstreams at the Society of Licensed Conveyancers (SLC) Conference on 15 November and also was one of the panellists at a panel session with the Deputy Chief Ombudsman at LeO, and Sheila Kumar, Chief Executive of the Council of Licensed Conveyancers (CLC). On 17 November, the Director, Regulation & Policy also attended the Civil Justice Council national forum: improving access to justice in a cost of living crisis.

59. On 21 November, we are convening our Professional Ethics and Rule of Law roundtable event which I and other colleagues will be attending.

60. On 27 November the Director, Regulation & Policy, will be speaking at the 3rd UK Anti-SLAPP Conference. The panel session is titled 'Regulatory Efforts to Address SLAPPs in the UK'. On 29 November, the Director, Regulation & Policy, will be speaking at a roundtable in parliament hosted by the APPG on Anti-Corruption and Responsible Tax.

61. *The following senior-level meetings took place between 10 October 2023 and 27 November 2023 (updated on 14 November 2023):*

10-Oct	I. Stephanie Boyce	Chair and Chief Executive
11-Oct	The Law Society	Chair and Senior Legal Adviser
19-Oct	Judicial Diversity Forum	Chief Executive
30-Oct	CILEx Regulation / CILEX	Chief Executive
6-Nov	Solicitors Regulation Authority	Chief Executive
6-Nov	The Law Society	Chief Executive
10-Nov	CILEX	Chair and Chief Executive
14-Nov	Stephen Mayson	Chair
17-Nov	CILEx Regulation	Chief Executive
20-Nov	Judicial Diversity Forum meeting	Chair and Chief Executive
20-Nov	FreeBar	Chair and Chief Executive
22-Nov	Legal Services Consumer Panel	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 – BSB Action Plan

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