

Meeting: Legal Services Board

Date: 30 April 2024¹

Item: Paper (24) 18

Title: Chief Executive's Progress Report

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Status: Official

Introduction: Purpose of the paper

1. This paper updates Board Members on key developments across the organisation since the 26 March 2024 Board meeting.

Recommendation

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

Appointment matters

LSB Board

3. A submission has been made to the Lord Chancellor on the appointment of a new non-lay member to the Board. The interviews were supported by LSB's Director, Enabling Services who provided the write up of the interviews for inclusion in the Ministerial submission.

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

4. Following a competitive tender, WIG Talent have been appointed to support the OLC and LSCP recruitment in 2024, with the campaign for the OLC member to be launched at the end of April. The LSCP recruitment planning will begin later in the year, after the new Chair of LSCP takes up post.

Colleague and organisational matters

5. The LSB's IT Managed Service Provision (MSP) contract has been extended for a further two years with the current supplier, Rock IT, to the end of April 2026.
6. The recruiting panel (LSB Chair, Chair of ARAC, Chair of RNC and MoJ representative) have now completed the shortlisting for the CEO vacancy. The shortlisted candidates have each met informally with the LSB Chair, will meet

¹ Circulated 23 April 2024

with a group of colleagues and will also undertake a strengths profile exercise with the LSB's HR lead ahead of the final panel interviews taking place later on 30 April and 1 May 2024.

7. We have appointed a new Communications and Stakeholder Engagement Manager who will start no later than July 2024. We recently promoted one of our Regulatory Policy Associates who took up the post of Regulatory Policy Manager on 1 April 2024.
8. We are currently recruiting a Regulatory Policy Associate. Interviews will be held on 2 May. We will be advertising for our new Regulatory Review Team, and market surveillance post, shortly.

Governance

Office for Legal Complaints

9. At its meeting on 24 March 2024 the LSB's Board approved the OLC's Business Plan and Budget for 2024/25. It is now published, and available on their [website](#) alongside the OLC 2024-27 Strategy.
10. The LSB's Chair has now [written](#) to the OLC's Chair confirming the budget approval decision and summarising the LSB's Board's key expectations for the coming year. Work is underway to organise trips to the OLC's Birmingham offices for LSB Board members and executive staff to learn more about the work of those organisations and meet with respective counterparts.
11. There is a Board to Board scheduled for 23 July. Briefing will be provided nearer the time.

Solicitors Disciplinary Tribunal (SDT)

12. The SDT [published](#) its 2023 Key Performance Measurements Report for the first time on 3 April. We welcome this development as it is a sign that the SDT is making attempts to increase transparency.
13. The report shows that in 2023, the SDT met most of its KPMs and has made improvements in relation to the issuing of proceedings but has reduced its effectiveness in relation to determinations and productions of judgements.

Regulatory Developments

News Round Up

14. The news round-up is attached at Annex A.

Research

15. The Individual Legal Needs Survey summary report was published on 18 April. Slides on the survey findings are in the pack.
16. Our research on barriers to progression in the judicial talent pipeline is complete. We will share it with the Judicial Diversity Forum and publish it.

17. We are following up a few details regarding the systems change research and the systems mapping for solicitors, barristers and legal executives. The project is otherwise complete.
18. We received a complete and comprehensive rapid review of litigation funding, from a consumer interest and regulatory objectives perspective. This was shared with the Board on 17 April 2024.

Statutory Decisions

19. Since the last update we have approved an application from the CLSB to alter regulatory arrangements for changes to its code of conduct. The approved changes include a revised definition of client and other changes to ensure alignment with other CLSB regulatory arrangements.
20. We are currently considering two applications for alterations to regulatory arrangements. In both cases we are seeking further information to ensure we can make a full assessment of the application:
 - a. The first is from the BSB seeking new powers for Disciplinary Tribunals to take interim measures (including, for example, suspending a barrister), after it has made a finding of professional misconduct, if the hearing to determine sanctions is held at a later date. The amendments also introduce a new ground of public protection and the public interest to those criteria under which the BSB may seek the interim suspension of a barrister pending disciplinary action.
 - b. The second is from IPReg seeking approval for changes to its compensation arrangements including extending the eligibility criteria to make a claim to entities with an annual turnover of less than £2 million, and to increase the individual claim limit from £25K to £30K.

Access to justice

21. We continue to engage with stakeholders and collaborate with partners including the LSCP and MoJ to explore how the LSB and other regulators can contribute to improving access to justice within a wider eco-system of organisations with the same aim.

Professional Ethics and Rule of Law

22. We shortly expect to receive responses to our information requests from the regulators to help us better understand the prevalence of the types of poor ethical conduct we have identified through our evidence, and how the existing regulatory framework addresses these issues, including prevention, supervision and enforcement. We have offered bilateral meetings to regulators to give them the opportunity to discuss the information requests informally and clarify any questions to enable them to share comprehensive responses. We have so far had meetings with the BSB, CLC, CLSB, ICAEW and SRA.
23. Once we receive regulators' responses, we will work with them to undertake a gap analysis to help determine whether further regulatory intervention may be needed, and this will help inform any policy options we consider.

24. In late March we attended the fourth Strategic Lawsuits Against Public Participation (SLAPPs) Taskforce meeting, which was also attended by Minister Lopez and which featured a presentation from Bill Browder. The Private Member's Bill (PMB) on SLAPPs brought by Wayne David MP was also discussed. The LSB team is tracking the ongoing public conversation about the PMB and will update the Board about its progress in due course.
25. We are currently in the process of scheduling another session of the SLAPPs Taskforce workstream that we are leading on 'Legal Services Ethics'. That meeting will likely be focused on the SRA's work on SLAPPs (thematic review and warning notice) in advance of a discussion with the Taskforce itself in July.

Economic Crime Regulatory Objective

26. There is a substantive item providing an update on this project in the main agenda. We continue to engage with relevant stakeholders and analyse available evidence to support the development of guidance on the new regulatory objective.

Regulatory Performance

Regulatory Performance Update

27. We will shortly be writing to all regulatory bodies about the timing of our next performance assessment. We will also be writing to them about:
- the need for them to provide sufficient transparency about their decision-making processes and what information they should publish,
 - compliance with our empowering consumers policy statement by the end of September 2024, and
 - updates to the regulatory performance sourcebook including our recently published statutory guidance on technology for access.
28. We will also begin our review of the regulatory bodies' compliance with the expectations of our statement of policy on ongoing competence, which regulators were due to have met by 31 January 2024.
29. The BSB has now [published](#) an independent end-to end review of its enforcement processes, carried out by Fieldfisher. The report sets out an extensive set of recommendations for the BSB, which will now be taken forward by the BSB executive. We will monitor progress closely.
30. We received the latest update on the BSB's Action Plan for Transformational Change on 22 April. This is attached along, with a letter from the Director General (Annex B). The key developments since the previous update include the publication of the 2024/25 business plan; the BSB Board's endorsement of the Fieldfisher report; the adoption of a balanced scorecard for reporting on operational performance; and the publication of a new Data and Intelligence Strategy.
31. The BSB has advised that, in light of the recommendations of the Fieldfisher review, its plans for reform are now more extensive than those adopted in the

April 2023 Action Plan. It will therefore be creating a new programme of reform from May 2024, on which it will report regularly to the LSB.

Technology

32. Following approval from the Board in February 2024, the technology for access statutory guidance and consultation response document is being prepared for publication on 23 April.
33. In relation to work on AI, we are drafting our forthcoming response to the government providing a strategic update on our approach to AI following a ministerial request from MoJ and Department of Science, Innovation and Technology (DSIT). We also attended (alongside other regulators) a DSIT regulator engagement session on 14 March to receive information on the government's new AI Regulator Capability Fund following its announcement in the government's response to its AI White Paper consultation. In addition, we attended a DSIT AI Regulation Information Download meeting on 8 April, and a DSIT AI Regulator Workshop on 9 April.
34. We also continue to collaborate with sector-wide initiatives related to technology and innovation, including attendance at the quarterly RRU meeting on 25 March.

Equality, Diversity and Inclusion (EDI)

35. We have received a final statistical analysis report on the diversity of the judicial talent pipeline in the legal professions from SQW, the consultancy service agency commissioned through funding from the MoJ to conduct research on behalf of the Judicial Diversity Forum (JDF). We will work to share, review, and consider potential responses to the report findings with other JDF partners over the summer.
36. We received the initial draft outputs from the systems mapping work carried out by the Social Change Agency (SCA) at the end of March. The developed map provides an overview of the interrelated barriers to and enablers of EDI in the legal professions, taking barristers, solicitors and chartered legal executives as initial case examples. We continue to work with SCA to finalise the mapping tool, with plans to have this completed by end of April/early May 2024.
37. Plans for a Ministerial roundtable on regulation and EDI with Minister Freer MP, Parliamentary Under Secretary of State for the Ministry of Justice are underway with MoJ colleagues. This event aims to bring together senior leaders from the sector's frontline regulators to discuss the role and potential for regulation to advance EDI. A date has not yet been fixed but June is tentative.

Anti-Money Laundering Reforms

38. We are continuing to engage with HM Treasury, Office for Professional Body Money-Laundering Supervision (OPBAS) and other relevant stakeholders to ensure the LSB is supporting a coordinated approach to addressing economic crime across England and Wales.

Curating the Strategy

39. We have uploaded presentations, speeches and clips from the second annual conference, which took place on 7 March, to the microsite. We shortly expect to receive reflections on the event and thought pieces from some attendees, which will be added to the microsite. We continue to receive contributions to the microsite and will be commissioning further content in the coming months, including from internal and external stakeholders, talking about the work of the LSB and our progress against the challenges, as well as updates from regulators and others. We recently published a blog piece on our first tier complaints work.

Police Station Representatives (PSRs)

40. The SRA wrote to us in January regarding the visibility of information on their website about how to complain about PSRs. They explained that they have enhanced the search function on their website for several relevant terms and phrases relating to PSRs and included prompts to the FAQ webpages about 'legal help at a police station' and 'reporting a solicitor'. At our regular relationship management meeting in March, we noted the improvements the SRA had made to its website and again suggested that it add links to the FAQ pages to its PSR accreditation scheme webpages to make it even easier for members of the public to find out how to make complaints about PSRs.

Legal

Axiom review

41. There is a substantive paper providing an update on the review into regulatory events in the lead up to the SRA intervention into Axiom and the additional matter of SSB Group.

Post Office Horizon Inquiry

42. The LSB continues to hold regular meetings with the enforcement and policy teams of both the SRA and the BSB. The purpose of the meetings is to obtain regular updates, and have oversight of each regulatory body's regulatory response to the issues raised through the enquiry, and from other sources of intelligence.

Communications and Engagement

Annual Conference 2025

43. We are planning to hold the Reshaping Legal Services Conference 2025 in March next year. We aim to confirm a venue by the end of May 2024.

Engagement in Wales

44. On 10 April 2024, we chaired the Legal Regulators in Wales forum. The hybrid meeting was hosted by the Welsh Government in Cardiff, with the Interim CEO and policy colleagues attending in person. The conversation focused on continuing to engage with and consider Wales in regulatory policy development. Opportunities for collecting and sharing Welsh-specific data was also discussed.

45. On 25 April 2024, the Chair, Interim CEO, and Interim CEO (Regulatory Operations) will be meeting with stakeholders from across the legal services profession in North Wales at Bangor University. The discussion will cover access to justice, technology and innovation, and competition in the legal service market. The Interim CEO will also take part in a panel session about the role of technology in increasing access to legal services.

Norwich - 23 October 2024

46. Plans to hold a stakeholder event in Norwich are in place. We have secured space at the University of East Anglia Law School. Board members are invited to accompany the Chair.

West Country engagement event

47. We are making plans to hold the September Board meeting in Bristol on either 17 or 18 September 2024, along with stakeholder engagement opportunities over the two days. We will share further details in due course and contact Board members to make logistical arrangements.

External events

48. On 21 March 2024, the Interim CEO (Regulatory Operations) spoke at the Employment Lawyers Association about the impact of artificial intelligence on the legal services profession.
49. On 15 April 2024, the Interim CEO participated in the Law Society's general council roundtable discussion on professional ethics.
50. On 17 April, the Interim CEO attended the launch of the '*Economic Crime Manifesto II*', by the APPG's for Anti-Corruption and Responsible Tax and Fair Business Banking, which calls for significantly greater transparency and regulatory reform to address the risks posed by economic crime.
51. On 18 April 2024, the Interim CEO attended the Competition and Market Authority's stakeholder event to explore the policy, regulatory, and competition issues ahead in the external landscape. The event was held to mark the CMA's 10th anniversary.

External Senior meetings

52. The following senior-level meetings took place between 21 March 2024 and 18 April 2024:

09-Apr	Ministry of Justice	Interim CEO
12 Apr	LSB/TLS CEO Meeting	Interim CEO and Interim CEO (Regulatory Operations)
12-Apr	Solicitors Regulation Authority	Interim CEO and Interim CEO (Regulatory Operations)
19-Apr	LSB/CLC CEO Meeting	Interim CEO
18-Apr	Solicitors Regulation Authority	Interim CEO and Interim CEO (Regulatory Operations)

Board Forward Look

53.A forward look of events involving Board Members may be found at Annex C.

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 – New Round Up

Annex B – BSB's Action Plan for Transformational Change

Annex C – Board Forward look

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