

I Meeting: Legal Services Board

Date: 11 June 2024 ¹

Item: Paper (24) 27

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 Tuesday 30 April Board meeting.

Recommendation

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

Appointment matters

LSB Board

3. Christine Nwaokolo was [appointed](#) to the LSB Board from the 1 May. Craig Westwood, the LSB's [new CEO](#) will join the Board when he takes up post on the 19 August 2024.

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

4. A planning meeting with the LSCP Chair on the upcoming LSCP appointments will take place in June, with the plan for a campaign launch in late summer/early autumn.
5. The campaign for the recruitment of a non-lay OLC member remains [open](#) and is progressing to plan.

Colleague and organisational matters

6. We have appointed a new Regulatory Policy Associate, Statutory Decisions team, and they will start on 8 July 2024.

¹ Circulated 4 June 2024

7. Our new Communications and Engagement Manager will start on 12 July.
8. We are currently recruiting for two roles for the new review team, a Regulatory Policy Manager and a Legal Adviser. The advert closed on 3 June and interviews will take place on the 17 and 18 June.
9. We will shortly be advertising for a Regulatory Policy Manager – Horizon Scanning. Interviews will take place in June.

Governance

Office for Legal Complaints

10. Board members have previously seen the LSB Chair's [budget approval letter](#) to the OLC. The OLC chair's response has now been received and is attached at Annex A.
11. LSB and OLC staff are working together to ensure that this year's OLC budget approval criteria are aligned with our oversight expectations going forward. Any proposed changes this year will be considered with a view to ensuring that our supervision of the OLC strikes the appropriate balance between focusing on casework performance and the OLC's longer term strategic priorities. This issue will be brought as an item at the Board to Board in July.
12. In April, Richard Orpin met with Paul McFadden for a routine CEO to CEO meeting. The ongoing problem of staff attrition at LeO was discussed, along with the importance of the OLC looking beyond incremental performance improvement to its longer-term strategic future, including agreeing a trajectory for applying to become an ADR entity.
13. In May the OLC provided us with its analysis of its experience since the changes to the Scheme Rules were implemented at the beginning of 2023/24. This is attached at Annex B.
14. The OLC's April Voluntary Assurance letter is attached at Annex C. Further to suggestions from LSB Board members that the letter would benefit from a greater focus on performance metrics, the OLC has now augmented it with a narrative and data 'Balanced Scorecard' section.
15. Some LSB Board members and staff will be visiting the OLC / LeO offices in Birmingham on Tuesday 3 July. A Board-to-Board meeting is scheduled for 23 July.

Solicitors Disciplinary Tribunal

16. The SDT has provided their Draft Budget Submission for 2025 to the LSB. The estimated budget will be refined and revised in September when the SDT gives the LSB their final budget request, prior to meeting with us at the Budget Challenge meeting in the Autumn.

Regulatory Developments

News Round Up

17. The news round-up is attached at Annex D.

Research

18. We are reviewing the prices survey, which was last run in 2020. This is to check that it will best deliver the data and insights to support our work on market transparency and consumer empowerment.

19. We will be sharing the insights from the Individual Legal Needs Survey with external colleagues at the Access to Justice Foundation Monday 3 June. We are also due to share insights with Legal Aid Agency colleagues Thursday 4 July.

Statutory Decisions

20. Since the last update, we have approved three applications to alter regulatory arrangements. The first application was 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.

21. The second application was 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.

22. The third application was from the SRA seeking approval for changes to SRA's SQE arrangements in relation to language proficiency and to close a loophole where certain qualified lawyers were being granted exemptions from SQE2 where they had previously attempted and failed this examination. We are currently considering one further application from the SRA. This application is seeking approval of proposed changes to which are intended to protect consumers from excessive charges in financial service claims.

23. The team has carried out an evaluation of the implementation and compliance with the LSB Practising Fee Rules 2021 and its Guidance and is elsewhere on the Board agenda.

Empowering Consumers

24. We will shortly be writing to all regulatory bodies about compliance with our Empowering Consumers policy statement by the end of September 2024.

25. We have also scheduled a Market Transparency and Coordination Group (MTCOG) meeting for July which will cover the Empowering Consumers policy statement and regulators' progress towards implementing it.

Access to justice

26. 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.

27. We also [published our commissioned research on Litigation Funding](#), so that it is widely available for everyone to consider in relation to their work on access to justice, consumer protection or other relevant topics. The Litigation Funding Agreements (Enforceability) Bill did not progress through Parliamentary wash-up prior to dissolving for the election. This was intended to reverse the impact of the UK Supreme Court decision on Paccar, which ruled that percentage-based agreements for litigation funding were unenforceable.

Professional Ethics and Rule of Law (PERL)

28. We have received responses to our information requests from all the regulators to help us better understand the prevalence of the types of poor ethical conduct we have identified, and how the existing regulatory framework addresses these issues, including prevention, supervision and enforcement. We are now undertaking our gap analysis informed by these responses and will bring advice to the Board in due course.
29. We have sent out invitations to the PERL Reference Group for our third PERL roundtable, which will take place on 15 July at The Law Society's offices. Having focused previous Reference Group discussions on the nature and extent of the problems regarding poor ethical conduct, we intend to make this a solutions-focused discussion in which we will invite stakeholders to discuss potential regulatory and non-regulatory solutions.
30. On 14 May, we held the second meeting of the Legal Services Ethics workstream of the Strategic Lawsuits Against Public Participation (SLAPPs) Taskforce. The discussion focused on the steps regulators are taking to combat SLAPPs, particularly focused on the SRA's updated thematic review and warning notice. The Strategic Litigation Against Public Participation Bill did not progress through the Parliamentary wash-up process.

Regulatory Performance

Regulatory Performance Update

31. We have written to all regulatory bodies about the timing of our next performance assessment, which will begin in September and the need for regulators to provide sufficient transparency about their decision-making processes.
32. As noted in para 24 above, we will shortly be writing to regulators about compliance with our Empowering Consumers policy statement. We will also be writing to them with updates to our regulatory performance sourcebook including our latest publications on technology for access and first-tier complaints.
33. We are in discussion and correspondence with the BSB regarding the findings of the FieldFisher review of the BSB's enforcement processes.
34. At its meeting in March, the Board asked the executive to consider conveying the Board's interest in the actions of the BSB and SRA in considering the conduct of barristers and solicitors involved in the events associated with the Post Office

Horizon scandal. We have written to both regulators and the letters can be found in Annex E and F.

Technology

35. In relation to the Regulatory Information Service (RIS), I met with the Chair of the Legal Choices Governance Board (LCGB) and the Executive Director for Strategy at the SRA on 22 May to discuss progress on the project. The RIS project is currently in discovery phase, with regulators collaborating to agree data requirements and parameters, and is expected to move into the design phase in June. The LSB will attend the next meeting of the LCGB (currently planned for July 2024) for discussion items related to the RIS.
36. We have had a number of meetings with stakeholders, including a meeting with MoJ policy colleagues and a delegation from the South Korean government (on 15 May) to discuss technology and innovation and how a principles-based approach to regulation can foster its use and support improving access to justice in legal services. We also attended the AI Standards Forum on 22 May.

Horizon Scanning

37. To build our horizon scanning capabilities and understand best practice, we recently met with the CMA's lead on horizon scanning to understand their approach and are due to meet soon with the Food Standards Agency, the SRA and the Law Society on their approaches to horizon scanning and foresight initiatives more broadly.

Equality, Diversity and Inclusion

38. The Senior Leadership Team has approved a revised EDI project plan that aims to deliver the LSB's ambitions for tackling barriers to equality, diversity, inclusion and wellbeing in the legal profession. The project's aim to 'encourage and sustain, through effective regulation, a fair, strong, diverse and inclusive legal profession that more fully reflects the public that it serves and supports public confidence in the legal sector' is anchored and supported by the LSB's statutory and strategic drivers. The project plan is underpinned by several key outcomes namely building intelligence, setting and monitoring compliance against strengthened standards for regulators, and strategic convening. We are aiming to bring policy options to Board by Q4 in 2024/25.
39. We have received the final outputs for the systems mapping work, which include both a basic mapping tool that visualises the existing systemic barriers to EDI in the legal profession (specifically showing these barriers for solicitors, barristers and chartered legal executives) and an accompanying report. The next step for this work is to share internally before sharing externally with stakeholders in the sector.
40. In July, the LSB will join the next Judicial Diversity Forum meeting and lead on two actions: one around exploring how to improve response rates for disability in data monitoring processes in the sector and a second item on presenting the findings from the recently completed judicial talent pipeline diversity research. We are planning to be joined by the Business Disability Forum to provide expertise on disability declaration issues, and the SQW research team to discuss

the judicial pipeline diversity report. Alan Kershaw will join this meeting on behalf of the LSB.

41. Plans to hold a Ministerial roundtable on EDI and legal services regulation with Minister Freer MP, Parliamentary Under Secretary of State for the Ministry of Justice, in July have now been cancelled due to the upcoming election, on the advice of the Minister's office. We will continue to work with MoJ colleagues to identify opportunities to collaborate in efforts to drive effective EDI policy and practice in the legal sector, when appropriate.
42. The LSB will join colleagues from the regulatory and representative bodies under the Legal Choices banner at this year's London Pride event on 29 June. The event provides a key opportunity for the LSB to demonstrate its commitment to equality, diversity and inclusion in the legal sector. Invitations to both LSB colleagues and Board members have been shared and participation is welcome and encouraged.

Curating the Strategy

43. We expect to receive reflections and thought pieces from attendees of the 2024 Reshaping Legal Services conference, 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.
44. Planning is underway for a State of Legal Services 2025 publication by the end of the financial year. The first State of Legal Services report was published in 2020, marking ten years of legal services regulation under the Act. It was a comprehensive report informed by extensive stakeholder engagement and outlined key challenges which needed to be addressed by regulation as well as a range of actors and initiatives. This will be an interim progress update four years into the 10-year strategy and will use evidence to reflect on the current state of the sector and identify some of the challenges and opportunities that lie ahead towards 2030.

Legal

SRA regulatory review

45. Carson McDowell LLP continue to progress the independent review of regulatory events leading up to the SRA's intervention into Axiom Ince and the additional matter of the collapse of SSB Group. While we had intended to publish the report regarding the SRA's intervention into Axiom Ince shortly, this will now be published after 4 July to ensure adherence to the General Election Guidance which applies to public bodies as well as government departments.

Post Office Horizon Inquiry

46. The LSB continues to hold regular meetings with the enforcement and policy teams of both the SRA and the BSB. I have also written to Paul Philip, SRA CEO and Mark Neale, BSB Director General, to convey the Board's expectations regarding the regulatory response to the ongoing evidence emerging from the Inquiry.

Communications and Engagement

Annual Conference 2023/24

47. The Reshaping Legal Services Conference 2025 will take place in March next year. We have scouted out venue options and aim to confirm the date and location in early June.
48. We are arranging a workshop to improve the collaborative nature of the event and build on the previous two. We have invited LSB colleagues, Legal Services Consumer Panel members, and external stakeholders.
49. We expect the programme will include the presentation of the findings from the State of Legal Services 2025 report. There will also be a focus on EDI, picking up progress since the first conference, but also with a focus on consumers rather than just the profession.

Stakeholder engagement in Wales

50. We collaborated with Legal News Wales to deliver a programme of engagement in North Wales. This included a roundtable at Bangor University on 25 April 2024, which was facilitated by the Chair.
51. Before the roundtable, the interim CEO (Regulatory Operations) and the Head, Communications and Engagement meet with members of the North Wales Regional Advice Network.
52. In the evening, the interim CEO participated in a panel discussion on 'Planning for tech' as part of the Legal Tech Wales Spring Roadshow.

Bristol engagement and Board meeting - 17/18 September 2024

53. In September, the Board will visit Bristol and meet a range of stakeholders in the West Country.
54. On the afternoon of 17 September 2024, Board members will be divided into groups to meet with Bristol University Law School, Bristol Law Centre, and Citizens Advice Bristol. We are inviting stakeholders from across the West Country to an event between 4-6pm, hosted by National law firm Clarke Willmott. Clarke Willmott is also hosting our Board meeting on 18 September 2024.

Norfolk - 23 October 2024

55. We are collaborating with the University of East Anglia to arrange a programme of stakeholder engagement on 23 October 2024. All Board members are invited.
56. The visit will include meeting students and academics from the University of Law and visiting Norfolk Community Law Service. There will be a stakeholder event from 4pm-5.30pm.
57. A forward look of Board events may be found at Annex G.

External events

58. On 14 May 2024, the interim CEO participated in a panel discussion on artificial intelligence at the British Legal Tech Forum.

59. On 20 May 2024, the interim CEO attended the 1-Year Wilton Park anniversary event on tackling economic crime in the UK.

Meeting Schedule

The following senior-level meetings took place between 19 April 2024 and 24 May 2024:

19-Apr	LSB/CLC CEO Meeting	Interim CEO
01-May	CRL/CILEx Update Meeting	Interim CEO (Regulatory Operations)
02-May	LSB/Bar Council Board to Board	Chair, Interim CEO and Interim CEO (Regulatory Operations)
03-May	LSB/Legal Ombudsman CEO	Interim CEO and Interim CEO (Regulatory Operations)
08-May	LSB/Bar Council CEO	Interim CEO and Interim CEO (Regulatory Operations)
09-May	LSB/Minister Freer	Interim CEO and Interim CEO (Regulatory Operations)
23-May	LSB/ IPReg CEO Meeting	Interim CEO

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 – Response to Budget Approval Letter

Annex B – Scheme Rules Update

Annex C – Voluntary Assurance Letter

Annex D – News Round Up

Annex E – Letter to Mark Neale from Interim CEO, Richard Orpin

Annex F – Letter to Paul Philip from Interim CEO, Richard Orpin

Annex G – Board forward look

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

N/A	None	N/A
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