‘Minutes of the Legal Services Board (LSB) meeting held on 30 April 2024

Date:	30 April 2024	
Time:	10:30-11:15 (Board private session) 11:15-14:45 (Board meeting)	
Venue:	LSB offices/MS Teams	
Present: **(Members)**	Alan Kershaw, Chairing the meeting Kate Briscoe Catherine Brown Clare Brown Gary Kildare Habib Motani Flora Page Lizzie Peers Meena Sanker, Board Apprentice	
In Attendance:	Clare Brown	Regulatory Policy Manager (item 8 - observing)
	David Fowlis	Regulatory Policy Manager (item 7)
	Stuart Hamill	Head, Finance and IT
	Angela Latta	Head, Performance and Oversight
	Jelena Lentzos	Head, Policy and Delivery
	Samuel Omolade	Head, Strategy and Research
	Toakase Tonga	Senior Legal Advisor (item 7)
	Richard Orpin	Interim CEO
	Danielle Viall	Interim CEO (Regulatory Operations)
	Holly Perry	Director, Enabling Services
	Tom May	Research Manager
	Paul Nezandonyi	Head, Communications and Engagement
	Suganya Suriyakumaran	Regulatory Policy Manager (item 9)
	Ethan Fleming	Corporate Governance Manager (minutes)
Observers:	James Prentice	Research Associate
Apologies:	None	

Item 1 - Welcome and Apologies

1. There were no apologies to record.

2. The observers were welcomed to the meeting.

Item 2 - Declarations of Interest

3. There were no declarations of interest relevant to the business of the meeting.

Item 3 – Chief Executive’s report

4. The Interim CEO introduced the item, and the following points were raised in discussion:

- The Board expressed concern about the issues raised by the recent Fieldfisher review into the BSB's enforcement practices and the BSB's response. The work had followed the LSB raising concerns about the BSB's performance, which were first identified in 2022, and had led to a transformation plan and voluntarily assurance letter to the LSB on a regular basis. The Board had also been raising concerns about the BSB's performance at Board-to-Board meetings with the BSB. The Board noted its disquiet at the extent of the recommendations in the Fieldfisher report and the degree of change required at the BSB to bring its disciplinary and enforcement process up to the required standard. The Interim CEO outlined the executive's intention to engage with the BSB's senior leadership team on its revised reform plans. While the Board agreed this was important, the Board decided that the Chair would write to the BSB Chair outlining the Board's concerns and emphasising the need for sustained improvement, driven by effective leadership. (**action**)
- The executive continued to engage with the OLC on a timetable for the publication of decisions. The matter had also been referenced in the OLC Budget letter from the Chair following the March Board meeting.
- AI continued to develop, and time should be made for the Board to discuss and input into planned work. The executive planned to meet with other regulators to discuss the issues.
- The systems change research was almost complete and would identify systematic barriers to progression in the profession which the Board would be briefed on in due course.
- There had been increased scrutiny recently regarding the SRA's approach to the regulation of law firms and solicitors who undertake claims management activity, especially where claims related to financial services and products. The risk of regulatory arbitrage given the differences in approach between the SRA and FCA was discussed.
- Recent reporting that up to a third of lawyers admitted to falsifying timesheets was on the face of it of concern. However, the issues were complex and nuanced and would include timesheet recording in non-billable areas. Overbilling was included in the SRA compliance framework. It was noted that the Solicitors Disciplinary Tribunal had recently struck off a solicitor who had been overbilling.
- The Board would be provided with a summary document on the LSB's enforcement tools (**action**).

5. The Board **noted** the CEO's report.

Item 4 - Individual Legal Needs Survey (ILNS)

6. The Research Manager introduced the item, and the following points were raised in discussion:
   - Important themes were individuals knowing whether or not they had a legal problem, then understanding where to go for legal advice and then finding the best legal solution. Public Legal Education could help to close gaps in information in these areas. This could include encouraging the use of clearer, plainer language.
   - It was noted that there was currently an under provision of legal professionals in certain areas of law where access to justice issues are more acute, such as social welfare. Organisations such as the Law Society also had a role to play in in connecting lawyers with the public.

- Legal issues were often brought to other professionals such as medical professionals. Citizens Advice bureaus were in the top five most frequently used sources of advice.
- The technology and innovation survey had identified changes in the use of technology such as e-signatures and video-conferencing, but this did not appear to be reflected in the ILNS.
- There may be benefit in exploring with the Legal Services Consumer Panel the themes from the ILNS and where efforts should be focussed in the future.

7. The Board **noted** the ILNS survey.

Item 5 - Research Data Digest

8. The Research Manager introduced the item, and the following points were raised in discussion:
   - The gender pay gap had been measured using the Office for National Statistics methodology (the acknowledged industry code). This included non-lawyers working in a law firm but did not include, for example, legal professionals working in local government or public limited companies. The SRA had reported different gender pay figures, and this discrepancy would be explored.
   - While liquidity measures for law firms were not included, the financial health of law firms remained an area of interest, particularly in light of the SRA's intervention into Axiom Ince and the collapse of SSB Group. The LSB's horizon scanning function would seek to draw insights into the financial health of the sector. The data digest included information on firms becoming insolvent, but those numbers may not provide the full picture as firms were usually wound up or taken over/merged before involuntary liquidation.

9. The Board **noted** the Research Data Digest.

Item 6 - SRA Regulatory Reviews

10. The General Counsel introduced the item, and the following points were noted:
    - An information request was currently with the SRA who had asked for a short extension to respond. Once received, Carson McDowell could complete the interviews and analysis.
    - Once the interim report into Axiom Ince had been completed, Carson McDowell would consider the regulatory aspects relating to SSB and produce an overall report.

11. The Board **noted** the progress made in the review to date and the planned next steps.

Item 7 - Consumer Empowerment – Update and Next Steps

12. The Regulatory Policy Manager introduced the item, and the following points were raised in discussion:
    - Generally, good progress had been made on areas such as pricing, but less progress had been made on quality indicators and the Regulatory Information Service (RIS). HM Land Registry had been in contact with the LSB on data they held on lawyers' completion of forms during conveyancing which could be used as part of a piece of work on quality indicators.

- Whilst the Market Transparency and Coordination Group (MTCOG) had not met recently, other opportunities for collaborative working had been used and several pilot schemes had included joint working between regulators.
- The executive had met with the Competition and Markets Authority in February and communicated the proposed next steps and the need for the regulators to demonstrate compliance. Failure to demonstrate compliance might have to lead to enforcement action, depending on the circumstances at each regulator. A communication would be issued to regulators shortly.

13. The Board **noted** the progress and **agreed** the next steps.

Item 8 - Internal Governance Rules (IGR) Evaluation

14. The Regulatory Policy Manager introduced the item and summarised that feedback to date had not resulted in any changes to the scope of the review. The following points were raised in discussion:
    - The regulators' all-chairs meeting involving the chairs of both regulatory bodies and approved regulators convened by the LSB in February had been helpful in generating discussion on the importance of independent regulation.
    - The evaluation of the IGR would adopt the Theory of Change model, which the LSB uses to guide and evaluate policy projects and had been encouraging regulators to apply. The Board asked that the detail of the model is shared. (**action**)

15. The Board **noted** the paper and **agreed** the scope of the evaluation.

Item 9 - Economic Crime Bill – New Regulatory Objective

16. The Regulatory Policy Manager introduced the item and explained that evidence to date indicated most regulators were taking actions to demonstrate alignment with the new objective but would benefit from guidance to encourage greater consistency in approach. The following points were made in discussion:
    - Encouraging this as a collaborative endeavour was positive and helpful for identifying gaps.
    - Account should be taken of the possible challenge of monitoring money laundering in the litigation funding area.

17. The Board **agreed** to develop draft guidance outlining expectations of regulators in relation to the new regulatory objective on economic crime.

Item 10 - Minutes of the previous meeting – 26 March 2024

18. The Board **agreed** the minutes of the previous meeting as drafted.

Item 11 - Finance Report to 31 March 2024

19. The Board **noted** the finance report.

Item 12 - Board action tracker

20. The Board **noted** the action tracker.

Item 13 - Papers circulated out of committee since the last meeting

21. No papers had been circulated out of committee.

Item 14 - Forward Look

22. The Board **noted** the forward look.

Item 15 – AOB

23. The Board **agreed** the Interim CEO as their representative on the Civil Justice Council group which was being convened at the request of the Master of the Rolls to review s56 of the Solicitors Act 1974 in response to recent rulings.

Item 16 - Reflections wrap up and summary

24. The Board Apprentice reflected on what she had learned to date in the year-long programme from having attended Board meetings and training modules.

Item 17 - Board training – new expenses software

25. The Board received training on the LSB’s new expenses software.