LEGAL SERVICES BOARD (LSB) MINUTES OF THE MEETING HELD ON 10 JUNE 2025

Date: 10 June 2025
Time: 10.30 - 12.00 (Board private session)
12.00 – 14.30 (Board meeting)
Venue: LSB Offices (Hybrid)

Present: (Members) Catherine Brown, Interim Chair
Clare Brown
Gary Kildare
Habib Motani
Lizzie Peers
Flora Page
Liz Marshall, Board Apprentice
Richard Orpin, Interim Chief Executive

Apologies:
Katherine Briscoe
Christine Nwaokolo
Craig Westwood, Chief Executive

In attendance:

Jelena Lentzos	Interim Director, Regulation and Policy
Paul Nezandonyi	Head, Communications and Engagement
Samuel Omolade	Head, Strategy and Research
Femi Otukoya	Head, Finance, IT and Procurement
Matilda Quiney	Director of Corporate Services
Danielle Viall	General Counsel and Interim Deputy Chief Executive
Heather McLoughlin	Corporate Governance Manager (minutes)
Clare Brown	Regulatory Policy Manager (Item 09)
Tom May	Research Manager (Item 07)
Suganya Suriyakumaran	Regulatory Policy Manager (Item 08)

In attendance as observers:

Sam Cooper	Communications and Stakeholder Engagement Manager
Tania Hardcastle	Regulatory Policy Manager (Item 07)
Nicola Noble	Senior Legal Advisor (Item 08)
Toakase Tonga	Senior Legal Advisor (Item 09)

Item 01 - Welcome and apologies

1. Apologies were received from Board members Christine Nwaokolo, Katherine Briscoe and Chief Executive Craig Westwood.

2. The Chair, on behalf of the Board, welcomed the Executive to the meeting and expressed thanks to the Executive for their continued work, flexibility, and resilience during the current busy period.

Item 02 - Declarations of interest relevant to the business of the Board

3. Flora Page, Board Member, informed the Board that they had recently been appointed as Chair of the Institute of Business Ethics.

4. There were no other new declarations of interest relevant to the business of the Board.

Item 03 - Chief Executive's progress report

5. The Interim Chief Executive presented the report. The Board and the Executive discussed the following:
    - In consideration of Board feedback, and to maximise efficiency, it was agreed that going forward the Executive would not seek approval of draft consultation documents or response documents through the Board, and that Board discussions would instead be supported by a covering paper containing all of the relevant information to assist the Board's consideration, accompanied by draft policy instruments.
    - Following the publication of Civil Justice Council (CJC)'s final report on Litigation Funding, it was noted that the report recommends that the Financial Conduct Authority (FCA) should regulate portfolio funding, an argument that the LSB had put forward. However, regulation by the FCA for other forms of third-party litigation funding was not recommended at this stage.
    - Following the Channel 4 documentary on sexual harassment at the Bar and the Bar Standards Board (BSB) handling of a recent high-profile case, the Board was informed that the BSB and LSB executive teams had been in correspondence on this matter. LSB would be attending BSB's reform programme workshop on the 11 June 2025, where the Executive would have an opportunity to also set out the Board's expectation that the issues raised in the report will be addressed thoroughly and urgently.
    - The Board further discussed what implications, if any, could result from the upcoming publication of Baroness Harman's report, commissioned by the Bar Council, on bullying, harassment and sexual harassment at the Bar. It was noted that LSB was aware of the ongoing issues, through its PERL and EDI workstreams and was taking a number of measures to address them. However the Board was interested to consider what further learnings and insights might emerge from the report and to contribute if appropriate to discussion about what responses on the part of regulators would be most effective.

- The Board asked the Executive to assess progress made by those regulators and tribunals who were signatories to the principles outlined in *Tackling counter-inclusive misconduct through disciplinary processes.* This would help the Board to understand the impact of the principles have had since their introduction in 2022. The Board also discussed the potential to ask signatories to recommit to this statement and asked the Executive to consider this. **(Action)**
- A recent presentation from Garfield Law at the Innovation and Technology Forum was discussed. The focus of the presentation was on the process of authorisation, the extent, if any, this would this open the door for other organisations who wanted to utilise AI and the resources for managing AI. It was agreed that the Head, Strategy and Research would explore the possibility of Garfield Law presenting to the Board. **(Action).**

6. The Board **noted** the CEO progress report.

Item 04 - LSB Annual Report and Accounts 2024/25

7. The Head of Finance, IT and Procurement introduced the item and informed the Board that the version of the Annual Report and Accounts (ARA) 2024/25 shared with the Board was not a finalised version. The Board was also informed that the Audit and Risk Assurance Committee (ARAC) had reviewed the latest version of ARA at its meeting on the 9 June 2025.

8. The Board was informed that there might be a delay in the laying date, with the current intention to lay the ARA 2024/25 towards the end of July.

9. The Chair of ARAC informed the Board that the Head of Internal Audit was still finalising their statement. It would be important for LSB to mirror the language used by the Internal Auditor in the ARA for transparency and accountability.

10. The Board **approved** the proposal that the final version of the LSB Annual Report and Accounts 2024/25 would be cleared and signed off by the Interim Chair and Chair of ARAC on behalf of the Board. **(Action).**

11. The Chair, on behalf of the Board, thanked the Head of Finance, IT and Procurement and the Finance team for their work on the ARA and through the year.

Item 5 - Finance Report to 30 April 2025

12. The Head, Finance, IT and Procurement introduced the item and asked the Board to provide any feedback they might have on content and style of the Finance Report for future iterations.

13. The Board **noted** the Finance Report, agreed to come back individually with feedback and expressed their openness to suggestions from the Head, Finance, IT and Procurement.

Item 6 - ARAC Update

14. The Chair of ARAC updated the Board on two areas that were discussed at the ARAC meeting:

- The internal audit on LSB research had received a "substantial assurance assessment".
- LSB asked that the Internal Auditors consider bringing forward the planned review of disaster recovery and business continuity.

15. The Board **noted** the ARAC update.

Item 7 - State of Legal Services Report

16. The Head, Strategy and Research and the Research Manager introduced the item and reminded the Board that the Reshaping Legal Services sector-wide strategy (published in 2021) was coming up to its halfway point in 2026. The State of Legal Services Report would help assess progress against the challenges outlined in the strategy and inform consideration of how to proceed over the next five year period.

17. The Board discussed the following:
    a. That the current ten-year strategy was still considered ambitious and broadly fit for purpose, but execution needs more focus and prioritisation in the remaining years.
    b. It was acknowledged that the sector had changed considerably since 2021, most notably through changes to technology and AI, and that any review of the strategy should take these changes into consideration.
    c. There was agreement that as the strategy is at the halfway point, it was important to reflect on the progress made but also to be realistic about the extent to which some priority areas could be addressed within the remaining five years.
    d. The status of the strategy as both a sector-wide strategy and organisational strategy presents particular challenges for the LSB. The recent agreement to consider business planning on a three-year planning cycle would help to address this by establishing clarity as to the LSB's own distinctive priorities for work within the strategy, but sector-wide support would continue to be necessary.

e. The need for prioritisation among the nine strategic objectives and the need to be more focused in the remaining five years of the strategy. The Board discussed potential areas of focus for the LSB.

- Part of this review should also consider what areas of the strategy the regulatory bodies have delivered on and what areas they will focus on in their business plans.
- How the delivery of the strategy should focus from the LSB's role in policy creation to its role in convening, implementing policies and measuring impact of those policies. The next five years will be about being specific in our prioritisation of our outcomes and the activities to support delivering them, informed by an assessment of our impact.

18. The Board **noted** the presentation and discussion.

Item 8 - Economic Crime Objective: Post Consultation Response

19. The Regulatory Policy Manager joined the meeting and presented the item. The Board was informed that the consultation document and statutory guidance had been finalised following previous feedback from the Board.

20. The Board **approved** the following:

- the consultation response document and finalised statutory Guidance for the economic crime regulatory objective;
- delegating to the Interim Chief Executive final approval of document, subject to any minor changes prior to publication and
- the timing and approach to publishing the consultation response and Guidance within the context of wider events around the time of publication.

Item 9 - Evaluation of Internal Governance Rules (IGR)

21. The Regulatory Policy Manager joined the meeting and introduced the item. The paper provided a summary analysis of the responses received from approved regulators and regulatory bodies to our request for evidence to inform the evaluation of the IGR. Overall, while some specific aspects of the IGR were raised by some respondents as of concern, our analysis indicated that the IGR appeared to be working as intended.

22. The Board noted that further work here will be impacted by whether potential proceedings relating to delegation under the IGR and the Legal Services Act 2007 (the Act) were bought forward.

23. The Board further noted the IGR were made following extensive consultation especially with approved regulators and their regulatory bodies and provided much needed clarity and certainty on the discharge of regulatory functions

under the Act. While there remained issues in certain areas, this was to be expected given the framework established under the Act.

24. The Board **agreed** that further work arising from the evaluation, including consideration of any proposals for changes would progress pending the outcome of potential proceedings. The Board **noted** Annexes A and B.

Item 10 - Minutes of the previous meetings held on 29 April 2025 and 21 May 2025

25. The Board **approved** the minutes as drafted of the meetings of the Board held on the 29 April and 21 May 2025.

Item 11 - Board action tracker

26. The Board **agreed** the action tracker.

Item 12 - Papers circulated out of committee since last meeting:

27. The Board **noted** the papers.

Item 13 - Forward look

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

Item 14 - AOB

29. No other formal business was raised.

With no more business to discuss the Interim Chair closed the meeting at 14.26.