

<b>To:</b>	Legal Services Board	<b>Agenda item:</b>	12
<b>Date of meeting:</b>	19 July 2017	<b>Item:</b>	Paper (17) 50

<b>Title:</b>	Chief Executive's update – July 2017
<b>Strategic theme</b>	All
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<b>Status:</b>	Official

**Summary:**

This paper updates Board Members on key developments across the organisation since the 25 May meeting. The Board's attention is drawn, in particular, to the following matters:

- a. MoJ have advised that the appointments process for Chair should be completed by December.
- b. The LSB annual report and accounts for 2016/17 is due to be laid before Parliament on 13 July.
- c. All the regulators supplied their action plans to us in response to the CMA recommendations by the deadline of the end of June.

**Recommendation(s):**

The Board is invited to note this report.

**Risks and mitigations**

**Financial:** N/A.

**Legal:** N/A.

**Reputational:** N/A.

**Resource:** N/A.

Consultation	Yes	No	Who / why?
<b>Board Members:</b>		✓	Routine report
<b>Consumer Panel:</b>		✓	Routine report
<b>Others:</b>	N/A.		

<b>Freedom of Information Act 2000 (Fol)</b>		
<b>Para ref</b>	<b>Fol exemption and summary</b>	<b>Expires</b>
Para 8	Section 22: information intended for future publication	
Para 17 and 18	Section 36(2)(b)(ii): information likely to inhibit the free and frank provision of advice	

## LEGAL SERVICES BOARD

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### CHIEF EXECUTIVE'S UPDATE

#### Ministry of Justice (MoJ) matters

##### Appointments matters

1. The MoJ Public Appointments Team has advised us that the revised timetable for identifying a permanent Chair for LSB is expected to deliver an appointment by December 2017. Matters relating to the Board's quorum are on the agenda.

##### Other sponsorship matters

2. Our new assurance relationship with the MoJ is developing well and we have been pleased with the pace with which this team has been able to respond to requests for business case approval.
3. On 1 June, I attended a MoJ briefing for CEOs of arm's length bodies on Brexit matters. This was helpful for developing an understanding of MoJ priorities. On 5 July we hosted the new MoJ policy lead for legal services and received warm feedback on the breadth and depth of briefings we provided for him.
4. The Interim Chair and I continue to develop our engagement with senior officials with regular meetings.

#### Governance matters

5. The LSB's Annual Report and Accounts is due to be laid before Parliament on 13 July. There was insufficient diary time for a Ministerial meeting before laying.

##### Office for Legal Complaints

6. The Board was due to receive the OLC's Annual and Report and Accounts for 2016/17 at this meeting but this will happen later in the year as the Report is now not due to be laid until October 2017. Matters relating to performance assurance are on today's agenda.
7. The Interim Chair and I continue to hold regular meetings with our counterparts at OLC and recent discussions have included: performance; appointments; and the review of our memorandum of Understanding. The latter is expected to be brought to the Board in September 2017.

8. [REDACTED]
9. We have also been reviewing the way in we resource our oversight relationship with OLC. Going forward, the Corporate Director will continue to lead on our statutory appointment responsibilities for OLC whilst the Strategy Director will lead on all aspects of our oversight responsibilities.

### **Staffing and organisation matters**

10. Many thanks to Michael Smyth for attending the June Colleague Forum and for engaging in a rich and entertaining discussion on changes within the sector. The team really values this type of colleague-Board engagement.
11. The results of our equality and diversity survey are on the agenda within the report of the Remuneration and Nomination Committee and will be published shortly after this meeting.
12. Since the last meeting, we have welcomed our Apprentice Administrator and a new Regulatory Associate. We have also made an offer of permanent employment to a Regulatory Associate who was previously on a fixed-term contract for maternity cover. At the time of writing, recruitment is underway for a further maternity cover Regulatory Associate, for a Research Analyst and a Corporate Governance Associate. The Board are aware of the resignation of the Corporate Governance Manager and we are progressing recruitment to that post.
13. One significant piece of work underway within the team is developing our preparedness for the introduction of the General Data Protection Regulation (GDPR) in May 2018. The GDPR updates and enhances the current Data Protection Act (DPA) and seeks to respond to the challenges presented by technological changes that have occurred since the DPA came into force. The GDPR provides individuals with new rights and greater control over what is happening to their information (i.e. where it is going, what it is being used for and who else might see it). The GDPR also places a greater emphasis on the records that data controllers (such as the LSB) must keep to demonstrate their accountability and compliance. Steps will include updates to our policies and procedures and, in early 2018, staff training. Our Legal Advisor and Corporate Governance Manager are leading on this work and we will keep the Board updated.

### **Regulatory developments**

#### Research

14. The main developments since the last meeting are:
- The investment research was published on 14 June.

- At the time of writing the vulnerable consumers research is due to be published on 14 July. I am grateful to Michael Smyth for agreeing to chair a stakeholder roundtable attended by the media to launch the research.
- A contract has been issued to BMG Research for statistical analysis and report writing of the small business legal needs research.
- In-house analysis of the prices research continues.

Compliance with Internal Governance Rules (IGRs)

15. In addition to the investigation there are currently a couple of other IGR related issues which have been brought to our attention, one of which we are actively considering. The other has been notified to us, at this stage, for information.

SRA/TLS investigation

16. The Board will receive an update on the investigation under agenda item 9.

[REDACTED]

17. [REDACTED]

[REDACTED]

18. [REDACTED]

19. At the September Board there will be a private session at which we will discuss the approach the LSB takes to issues raised by the front line regulators which fall short of complaints.

Regulatory Performance

20. We launched our consultation of the revised regulatory performance framework on 20 June. The consultation runs until 25 September. We have notified a wide range of stakeholders about our consultation and have encouraged them to respond.

21. Over the summer we will be working with the regulators individually to tailor the proposed datasets to their circumstances and to agree with them the frequency with which the dataset should be returned.

22. Our assessments of the regulators' progress against their regulatory standards action plans were published on 4 July. We concluded that the regulators had generally made good progress against their plans. All the regulators have a number of ongoing actions and we will monitor these through the revised regulatory performance process once in place.

### Statutory decisions

23. Since my last report we have made the recommendation to the Lord Chancellor that the ICAEW be designated as an approved regulator and licensing authority for all reserved legal activities (restricted to taxation matters, except for notarial services and administration of oaths). The interim Chair and I met with the Lord Chief Justice and set out our response to his comments on the designation. The Lord Chancellor has until 20 September 2017 to make his decision.

24. We have approved in full three rule change applications:

- BSB Disciplinary Tribunal Rules
- CLSB Training and CPD rules
- Master of the Faculties Notary Practice Rules

25. We have also issued an exemption direction in respect of the ICAEW's Professional Indemnity Insurance rules, rights of review of dispensation decisions.

### CMA legal services market study

26. I am pleased to report that all of the regulators submitted action plans before the 30 June date recommended by the CMA in the final report of its legal services market study. The team has begun to assess the sufficiency of those action plans in line with the process agreed by the Board at its April meeting. It is anticipated that this process will be completed over the summer.

### **Communications and external engagement**

27. There were no communications activities at the start of this reporting period (23 May to 19 July) as a result of purdah. In May and early June the LSB had to withdraw from some speaking engagements and postponed publication of a number of reports.

28. Following the end of purdah, we resumed external communications activities. Within the first few days, we published a document outlining the LSB's regulatory approach and a week later launched a consultation on the regulatory performance of regulators.

29. I attended and spoke at the annual Manchester Law Society legal regulation conference. I gave a presentation to a meeting of the Joint Five Law Societies (Manchester, Birmingham, Liverpool, Leeds and Bristol Law Societies) in Leeds. LSB was also represented at Legal Practice Management event in Birmingham in early July.

30. Jemima and I represented the LSB on the SRA float for London Gay Pride. The BSB, CLC and CILEX Regulation were also in attendance. A colleague represented the consumer panel. This was an extremely successful event and an opportunity to reinforce the LSB commitment to diversity in the legal profession.

31. We published our barriers to investment research and published and hosted a round table discussion on our vulnerable consumers' research.

32. The table below lists all of my and the Interim Chair's meeting held since the last Board meeting:

4-way Law Society of Scotland meeting	NB, HP	30 May 2017
4-way SRA meeting	NB, HP	30 May 2017
4-way CILEx Regulation meeting	NB, HP	30 May 2017
4-way CLSB meeting	NB, HP	31 May 2017
ICAEW CEOs meeting	NB	31 May 2017
Meeting Dr Lisa Webley, University of Westminster	NB, SB	02 June 2017
Introductory meeting with the Junior Lawyers Division of Law Society	NB	02 June 2017
Meeting with Premonition re their UK Courts report	NB	05 June 2017
Annual Association of British Insurers (ABI) meeting	NB	05 June 2017
Meeting with Wanda Goldwag, Chair of OLC	NB	06 June 2017
Intro meeting with Robert Bourns, Law Society	HP	09 June 2017
OLC CEOs meeting	NB	13 June 2017
4-way Law Society meeting	NB, HP	16 June 2017
Meeting with the Lord Chief Justice and Lady Justice Hallett	NB, HP	16 June 2017
CLC CEOs meeting	NB	16 June 2017
4-way Bar Council meeting	NB, HP	20 June 2017
4-way BSB meeting	NB, HP	20 June 2017
Meeting with Alison Wedge, MOJ	HP	20 June 2017
Meeting with Nicky Prys Jones from HMRC	NB	21 June 2017
Meeting with Amelia Wright, MOJ	NB	21 June 2017
SRA CEOs meeting	NB	23 June 2017
Meeting with Amelia Wright, MOJ	HP	23 June 2017
Annual meeting with Deborah Evans of Association for Personal Injury Lawyers (APIL)	NB	26 June 2017
Quarterly meeting with Shaun McNally at the Legal Aid Agency	NB	26 June 2017
Quarterly LSB/OLC 4-way meeting	NB, HP	27 July 2017
Meeting with Lord Whitty	NB	28 July 2017
Meeting with Lord Hunt	NB	03 July 2017
Meeting with Dr Ian Leigh, Deputy Commissioner OISC	NB	03 July 2017
BSB CEOs meeting	NB	04 July 2017
Meeting with Steven Jarman, MOJ	NB	05 July 2017

Meeting with the Youth Justice Board	NB	06 July 2017
Meeting with OLC and MOJ to discuss OLC budgets	NB	06 July 2017
Intro meeting with Enid Rowlands, Chair of SRA	HP	06 July 2017
Intro meeting with CLC Chair and CEO	NB, HP	07 July 2017
Meeting with Paul Philip, CEO at SRA and Bill Barton, President of the Leeds Law Society and convener for the Joint Five law societies	NB	11 July 2017
4-way LSB/Professional Standards Authority meeting	NB, HP	18 July 2017

**END**