

To:	Legal Services Board	Agenda item:	9
Date of Meeting:	25 May 2017	Item:	Paper (17) 39

Title:	Chief Executive's update – May 2017
Strategic theme	All
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Status:	Official

Summary:

This paper updates Board Members on key developments across the organisation since the April 2017 meeting. The Board's attention is drawn, in particular, to the following matters:

- a. Our formal assurance relationship with the MoJ has now moved from a policy team to the Arm's Length Body governance team;
- b. The tripartite operating protocol between MoJ, LSB and OLC has been concluded;
- c. All of the regulators have now provided their final scheduled report to us on progress against the actions agreed following the last regulatory standards exercise.

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?
Board Members:		✓	Routine report
Consumer Panel:		✓	Routine report
Others:	N/A.		

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Para 17, second sentence	Section 36(2)(b)(ii): information likely to inhibit the exchange of views for purposes of deliberation	

LEGAL SERVICES BOARD

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CHIEF EXECUTIVE'S UPDATE

1. As a non-departmental public body, we remain subject to purdah until 8 June 2017.

Ministry of Justice (MoJ) matters

Appointments matters

2. The process for appointing a permanent successor to Sir Mike Pitt was put on hold by the Ministry of Justice (MoJ) in line with Cabinet Office's general election purdah guidance. I will update the Board if we hear from the MoJ team what the likely post-election timetable is expected to be.

Other sponsorship matters

3. Our formal assurance relationship with the MoJ has now moved from a policy team to the Arm's Length Body governance team, as previewed in my last report. The Corporate Director and I had a constructive meeting with the new team in early May and discussed a wide range of issues including the way in which MoJ will approach seeking assurance on LSB performance, including the possibility of observing ARAC meetings, a more coordinated approach to assurance in relation to OLC and how we can best maintain our link to the policy agenda of MoJ.
4. We have submitted one business case to MoJ since the change in arrangements (seeking approval to use an agency to support two recruitments) and we await a response.

Governance

Office for Legal Complaints (OLC)

5. The Chair and I have both discussed the Board's proposed approach to performance assurance reporting with our equivalents at OLC. Whilst discussion has confirmed that the OLC will begin to put their own performance data in the public domain on a quarterly basis, and will continue to provide Board papers and minutes, we continue our discussions on the additional assurance from the OLC.
6. Attached at annexes A, B and C, the Board will find the final reports from OLC under the, now expired, section 120 performance reporting requirements.
7. I had an extremely positive meeting with MoJ and OLC in relation to the tripartite operating protocol. As notified to the Board this has now been agreed.

Staffing and organisation matters

8. Many thanks to Jeremy Mayhew for attending the May Colleague Forum where he spoke about his background and experience including explaining his view as to the role of non-executive directors. Colleagues really welcome the opportunity to learn more about Board Members and this is an excellent opportunity for colleague-Board member interaction.
9. The analysis of our equality and diversity survey is nearing completion and the results will be presented to the next Remuneration and Nomination Committee and then the Board.
10. Recruitment continues for an Apprentice Administrator and Regulatory Associate and, once permission to use an agency is received from MoJ, we will start to identify a new Corporate Affairs Associate and further Associate resource to cover upcoming vacancies.

Regulatory developments

Research

11. The main developments since the last meeting are:
 - outputs have been finalised for the investment and vulnerable consumers projects ahead of publication at suitable opportunities after purdah.
 - the fieldwork for the small business legal needs and prices research projects has been completed and data analysis is underway.

Statutory decisions

12. Since the last report we have issued an exemption direction in respect of minor changes to the Institute of Chartered Accountants in England and Wales (ICAEW) Professional Indemnity Regulations.
13. We assessed an application from the BSB to amend its Disciplinary Tribunal Rules. An extension notice was issued on 4 May in order to allow us sufficient time to properly consider the responses to the issues that we raised with the BSB.
14. We continue to progress the ICAEW designation application. We anticipate asking the Board to make a decision in between Board meetings in June.
15. As discussed with the Board in April, we are waiting for clearance from the Joint Committee on Statutory Instruments on the section 69 order to modify the functions of the General Council of the Bar. This means that we are not yet in a position to seek the Board's agreement to make a recommendation. We will review when to seek the Board's decision once the parliamentary timetable for the order becomes clear.

Regulatory standards

16. All of the regulators have now provided their final scheduled report to us on progress against the actions agreed following the last regulatory standards exercise. These are currently being assessed and we will publish a short report on the improvements made by each regulator by the end of June. These reports will highlight any areas where work is still needed and these will be picked up through the revised regulatory performance process. Once the reports have been published the regulatory standards 'actions plan' programme will be closed down.

EU Directives – proposed new provisions

17. In late April, the MoJ invited the LSB to attend a meeting with officials from Department for Business, Energy and Industrial Strategy to discuss proposed amendments to EU Directives relating to the freedom of movement of professionals (under 2005/36/EC – Recognition of professional qualifications) and the freedom to provide services (under 2006/123/EC – Services in the internal market directive). [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Following this meeting, LSB colleagues are mapping the likely impact of these proposals on the LSB's processes and statutory procedures, and continue to discuss issues with officials in the MoJ.

Communications and external engagement

18. I chaired a scheduled meeting of the CEOs of frontline regulators on 3 May. Agenda items included the opportunity for CEOs to provide feedback on current areas of work including proposals for the regulatory performance framework, our approach to the IGRs review and the investment research. The meeting was very positive and constructive.
19. As part of our ongoing engagement with members of the House of Lords I met Lord Hodgson following my meetings with Lords MacKay, McNally, and Faulks and Baroness Hayter in April. More meetings are in the diary for June and July.
20. The second in what we hope will become a regular meeting between the Council of the Inns of Court (COIC) and the LSB took place on 10 May. It was agreed that a meeting should be set up between the interim Chair and the President of COIC later this summer.
21. A number of communications activities had been pencilled in for the period up until May 15 but the early general election and the start of purdah on 22 April has meant that we have had to postpone publication dates and withdraw from a number of speaking engagements.

Regulator CEOs meeting	NB, CW, SB	03 May 2017
Meeting Lord Hodgson	NB	04 May 2017
Meeting with Alison Wedge and Joanna Mundie from MoJ re risks and future partnering arrangements	NB, JM	04 May 2017
OLC CEOs meeting	NB	08 May 2017
Tripartite protocol meeting with OLC and MoJ	NB	08 May 2017
Meeting with James Wakefield, Director of The Inns of Court College of Advocacy (ICCA)	NB	09 May 2017
Meeting with Amelia Wright, MoJ	NB	09 May 2017
Meeting with the Deputy Registrar at the Faculty Office	NB	12 May 2017
Meeting with JUSTICE Director and Chair	NB	15 May 2017
SRA CEOs meeting	NB	17 May 2017
JAC CEOs meeting	NB	22 May 2017
4-way IPREG meeting	NB, HP	22 May 2017

END