

To:	Legal Services Board	Agenda item:	3
Date of Meeting:	21 September 2017	Item:	Paper (17) 57

Title:	Chief Executive's update – September
Strategic theme	All
Author / Introduced by:	Neil Buckley, Chief Executive neil.buckley@legalservicesboard.org.uk / 020 7271 0057
Status:	Official

Summary:

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

1. We are advised that the position of the Chair of the LSB will be advertised in the week of 18 September.
2. The interim Chair and I met with Lord Keen on 13 September.
3. A Board to Board was held with the Law Society on 11 September.

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 4 - final sentence	Section 36(2)(b)(ii): information likely to inhibit the exchange of views for purposes of deliberation	N/A
Para 25 - final sentence; Para 26	Section 22: information intended for future publication	Upon publication

LEGAL SERVICES BOARD

To:	Legal Services Board	Agenda item:	3
Date of Meeting:	21 September 2017	Item:	Paper (17) 57

CHIEF EXECUTIVE'S UPDATE

Ministry of Justice (MoJ) matters

Appointments matters

1. The MoJ Public Appointments Team has indicated that advertising for a permanent Chair for LSB is likely to commence on 18 September and that the competition should result in an appointment by December/January.

Sponsor relations

Other sponsorship matters

2. The interim Chair and I attended a meeting with Lord Keen, MoJ spokesman in the House of Lords, on Wednesday 13 September. The meeting was arranged to discuss the LSB's recommendation to the Lord Chancellor in relation to the ICAEW's application to be designated as being authorised for a number of reserved legal activities and also to be authorised as a licensing authority for those activities.
3. The Interim Chair spent time at the Ministry on 8 September and met a number of officials with whom the LSB interacts.
4. The Corporate Director attended a regulator meeting of peers in other MoJ arm's-length bodies (ALBs), which included discussion on the approach taken by MoJ to spend controls. This in turn may lead to further work on developing alternative proposals for the MoJ to consider. [REDACTED]

Governance

5. As part of our commitment to good information governance, all colleagues have recently been asked to complete online training on information assurance, and have also contributed to an informal 'audit' of personal data held across LSB. This latter is an important part of our preparations for the introduction of the General Data Protection Regulations in May 2018.
6. Thank you to all Board Members for agreeing to shadow particular projects and regulators. Colleagues will be in touch to progress these matters as appropriate.

Office for Legal Complaints

7. We were pleased to note the appointment of Rob Powell, currently LeO Director of Corporate Services, to the position of CEO at LeO. Rob has a strong public sector background and we look forward to developing our relationship with him in his new role. Recruitment is underway for the Chief Legal Ombudsman in light of Kathryn Stone's impending departure to take up post as Parliamentary Commissioner for Standards in January 2018.
8. Recruitment will commence shortly for two new members for OLC in light of the impending end of terms for one lay and one non-lay member. In line with LSB governance, the LSB's Remuneration and Nomination Committee will oversee this process and the panel will comprise two LSB Board Members, the OLC Chair and an independent. Gatenby Sanderson will support the process. On a related matter, thank you to those Board Members who contributed to the OLC's Board evaluation exercise.
9. On 11 September, the Interim Chair and the Consumer Panel Chair visited LeO's offices to see the process at first hand and met a number of colleagues.
10. On 15 September, ARAC met to discuss the LSB's exposure to risks related to its relationship with OLC and this will be discussed later on the agenda.

Staffing and organisation matters

11. On 30 September 15 LSB colleagues took part in an away day with local charity Roots and Shoots. This builds upon the away days that colleagues did with the charity last winter. This time, colleagues braved the downpours to do weeding, planting, cleaning, sweeping, heavy lifting and fruit picking to prepare the charity's grounds and building for the arrival of students for the new academic year.
12. Since the last Board meeting, we have welcomed two new colleagues to the LSB: Steph North as our new Corporate Affairs Associate; and Gabrielle Stewart as a Regulatory Associate. We also said farewell to Toni Whitby, Corporate Governance Manager.
13. During August/early September, I conducted a 'Pulse' survey of colleagues and the results are being analysed.

Regulatory developments

Horizon scanning

14. The Board asked for a short written summary of key developments in the external environment to be produced for every meeting. This is attached in Annex A and I would welcome feedback on the format. It is split into four sections: political developments; regulatory and wider policy developments; market developments; and market intelligence and research.

15. The Board also asked the executive to provide updates on research evidence. The paper provides key statistical information and quantitative research evidence which we will update as new data becomes available. The selection of metrics is grouped under the draft objectives and success indicators for the new corporate strategy (see agenda item 8 Paper (17) 61). They represent a subset of figures which are already compiled for our triennial market evaluation.
16. A separate paper on the agenda deals with global Britain (see agenda item 5 Paper (17) 59). Clearly negotiations relating to the UK's departure from the EU will continue to unfold over the next period. I intend future iterations of the horizon scanning report to include relevant EU exit related matters but in general only once a particular issue is settled rather than provide a running commentary on the negotiations.

Research

17. The main developments since the last meeting are:
- Our vulnerable consumers research was published on 14 July, supported by a very successful roundtable chaired by Michael Smyth. We have written to the participants asking them to send details of how they have used the research. In an early response the SRA told us that it has: promoted the research via social media; provided links to the consumer factsheets on the Legal Choices website; added the research to its internal databases to inform risk profiling and help develop new materials for solicitors on responding to consumer vulnerability; promoted the research with relevant stakeholder groups; and used the materials to help inform frontline services delivered to the public and solicitors.
 - BMG has made good progress on analysis of the small business legal needs research data and we expect a first draft of the report soon.
 - Report drafting on our prices research is underway.

Statutory decisions

18. It has been a busy period for statutory decisions, with the following rule changes approved by me since the last Board report:
- Bar Standards Board: Expansion of right of parental leave to every barrister member of chambers.
 - CILEx Regulation: Changes to Compensation Fund arrangements to move to an insurance based fund.
 - Master of the Faculties: Conduct and Discipline Rules – Adoption of civil standard of proof for all disciplinary cases.
 - SRA: Compensation Fund contributions 2017
 - Council for Licensed Conveyancers: Compensation Fund contributions (Exemption Direction)
 - CILEx Regulation: amendments to Associate Prosecutor qualifications (Exemption Direction)

19. We are currently considering three further rule change applications and one exemption request. The Board will be updated if any of these are approved by the date of the Board.
20. Additionally, LSB has approved the practising certificate fees for the SRA, CLC and the Master of the Faculties and is currently considering the application from CILEx Regulation. The fees for SRA and CLC remained the same. The CILEx Regulation fee remains the same, apart from the increased fee for Associate Prosecutor members, which is determined by The Crown Prosecution Service. There was a small increase in the Master of the Faculties fee.
21. On 29 August, we received an application from CILEx Regulation to become a Licensing Authority for ABS. The LSB has up to 12 months to make a decision and recommendation to the Lord Chancellor.
22. A decision by The Lord Chancellor on the ICAEW Designation application is due by 20 September. The Board will be updated at the meeting as to his decision.
23. I have asked for a meeting with the Association of Cost Lawyers. I will update the Board at the meeting.

CMA Transparency Update

24. The MoJ's response to the CMA report is still awaited.
25. All the regulators produced action plans by 30 June in line with the timetable set by the CMA. The team has completed assessments of the action plans following the process agreed by the Board at its March 2017 meeting. At the time of writing these assessments are with the regulators for fact-checking ahead of publication later in the month. [REDACTED]

26. [REDACTED]
- [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]

27. The next milestone is for the regulators to publish consultations on proposals to increase market transparency by the end of September. We will monitor progress

by individual regulators. Our current intention is to publish a report on progress being made by the regulators collectively in a year's time.

28. The Remedies Programme Implementation Group met on 8 September. Representatives of the Legal Ombudsman joined the meeting to discuss information sharing on complaints data with the regulators. It was decided that the Group would continue, with CMA support, until at least next summer.

Communications and external engagement

29. Due to the period between 20 July and 20 September corresponding with both political and legal holidays, communication activities were reduced. We are now preparing for a busier Autumn.
30. One significant engagement over the period, was a meeting of the interim Chair and Chief Executive with the Vice-Minister (of Justice responsible for regulating the legal services sector) Xiong of the People's Republic of China. The Vice-Minister was in London as a guest of the FCO and he met with representatives of the legal services sector (MoJ, Law Society, Bar Council, etc).
31. The first of the planned Board to Boards took place on Tuesday 12 September. The meeting was extremely positive and a range of topics were discussed. A note of that meeting will be circulated separately.
32. The table below lists all of my and the Interim Chair's meeting held or due to be held since the last Board meeting:

Meeting with Chinese Vice Minister Vice Minister Xiong and delegation	HP, NB	21 July 2017
LSB/TheCityUK CEOs meeting	NB	21 July 2017
Monthly LSB/SRA CEOs meeting	NB	25 July 2017
Annual meeting with Kevin Rousell, MOJ Claims Management Regulator	NB	15 August 2017
Meeting with the Society of Will Writers	NB	21 August 2017
Intro meeting with Fran Gillon, new CEO of IPReg	NB	22 August 2017
Meeting with Gillian Guy CEO, Citizen's Advice	NB	22 August 2017
Chair/CEO meeting with ICAEW	HP, NB	29 August 2017
Chair intro with CILEx Regulation	HP	29 August 2017
Intro meeting with the Chair of the Business Oversight Board of the Law Society	HP, NB	30 August 2017
Chair/CEO meeting with CILEx	HP, NB	30 August 2017

Phone call with General Counsel and Risk Team at Herbert Smith Freehills LLP	NB	31 August 2017
Intro meeting with Malcom Cree, Bar Council	NB	04 September 2017
Monthly LSB/BSB CEOs meeting	NB	05 September 2017
Meeting with George Bull, RSM	NB	05 September 2017
Monthly meeting with Amelia Wright, MoJ	NB	05 September 2017
Meeting with the founder of Caselines to discuss future of the Digital Court	NB	06 September 2017
Visit to MoJ	HP	08 September 2017
Chair/Consumer Panel Chair visit to LeO	HP	11 September 2017
LSB/Law Society Board to Board meeting	HP, NB CS, JC	12 September 2017
Monthly LSB/SRA CEOs meeting	NB	15 September 2017
LSB/OLC CEOs meeting	NB	18 September 2017
Chair/CEO BSB meeting	NB	20 September 2017
Chair/CEO CILEx Regulation meeting	HP, NB	20 September 2017

END