

<b>To:</b>	Legal Services Board		
<b>Date of Meeting:</b>	26 March 2019	<b>Item:</b>	Paper (19) 12

<b>Title:</b>	Chief Executive's progress report – March 2019		
<b>Workstream(s):</b>	All		
<b>Author:</b>	Neil Buckley, Chief Executive		
<b>Introduced by:</b>			
<b>Status:</b>	Official		

**Summary:**

This paper updates Board Members on key developments across the organisation since the 28 February 2019 meeting. The Board's attention is drawn, in particular, to the following matters on which updates are provided:

- Latest developments in relation to Board Member appointments;
- Latest developments in relation to appointment of my successor;
- Latest developments in relation to the office move;
- An update on Public Legal Education;
- The latest developments in relation to EU exit.

**Annexes:**

Annex A: Summary and analysis of SDT performance report 2018

Annex B: Horizon-scanning report

Annex C: Summary of Mayson Review papers

**Recommendation:**

The Board is invited to **note** this report.

**Risks and mitigations**

**Financial:** N/A

**Legal:** N/A

**Reputational:** N/A

**Resource:** N/A

<b>Consultation</b>	<b>Yes</b>	<b>No</b>	<b>Who / why?</b>
<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>
Names in para's 5,6,7	Section 40: personal information	
Para's 8-9 as highlighted and para 10	Section 43: information likely to prejudice the commercial interests of any person	
Para 20	S36(2)(c): information likely to prejudice the effective conduct of public affairs	
Para 33 and 34	S36(2)(b): information likely to inhibit the free and frank provision of advice	

## CHIEF EXECUTIVE'S PROGRESS REPORT – MARCH 2019

### Ministry of Justice (MoJ) matters

#### Appointment matters

##### *LSB Board members*

1. Interview took place at the LSB's offices on 21 and 22 January 2019 and a submission was subsequently put to the Lord Chancellor and Lord Chief Justice concerning the recommended candidates for appointment. At the time of writing, the Ministry of Justice had confirmed that all approvals had been received, and offer letters were being prepared for the appointees. MoJ expect to issue a press release later in w/c 18 March or at the latest during w/c 25 March.

##### *OLC Board members*

2. Rod Bulmer and Shrinivas Honap take up their roles as lay members of the OLC Board on 1 April 2019.

##### *LSCP members*

3. The appointment of four new Panel members was announced on 6 March 2019. Liz Owen will take up appointment from 1 April 2019 for an initial four-year term; David Abbott and Owen Derbyshire will take up appointment from 1 April 2019 for initial three-year terms. Paul Crook will take up appointment from 1 October 2019 for an initial three and a half-year term. Induction is now underway.

#### Other sponsorship matters

4. The Permanent Secretary responded to the Chair's letter of 12 February on 5 March to confirm that the post could be advertised at a salary of up to £150k. The campaign was launched later on that day, with a closing date for applications of 21 March. There will be MoJ representation on the recruiting panel, Annabel Burns, Director of Judicial and Legal Services Policy, and there will also be an independent member (Lambert Allman, who assisted with the recent OLC appointments). The longlisting meeting will take place on 26 March, with shortlisting on 26 April, stakeholder panels on 10 May and final panel interviews on 13 May.

## Colleague and organisation matters

5. [REDACTED] Regulatory Policy Manager will be leaving us in May after nine years' service. I am sure the Board will want to join me in thanking him for his outstanding contribution to the organisation, and to wish him the best for his future endeavours. We are in the final process of offering this role to a candidate to replace Paul.
6. Following an external recruitment campaign, [REDACTED], currently Regulatory Policy Associate, has been appointed as Regulatory Policy Manager.
7. Recruitment for a new Research Manager continues to replace [REDACTED], who leaves to join the Financial Conduct Authority next month.

## Governance

### Office move

8. In relation to the commercial search, the Chair and I viewed the three shortlisted properties on 13 March. [REDACTED]  
[REDACTED]  
[REDACTED].
9. In relation to the Government property search, we have kept GPA up to date with our search progress [REDACTED]  
[REDACTED]  
[REDACTED]
10. [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

### Office for Legal Complaints

11. The OLC has a meeting on 20 March and I will circulate the voluntary assurance letter when I receive it.

12. Brendan Arnold joined the Legal Ombudsman as interim Director of Corporate Services, on 11 March ahead of Rob Powell's departure on 29 March. Brendan has a background in local government, covering finance, customer services and support functions. Work is ongoing to find the permanent Director of Corporate Services.

### Solicitors Disciplinary Tribunal

13. The SDT reports to us annually on key performance measures. A summary is provided in **Annex A**. The high-level picture is that the SDT's performance is stable compared to the previous year's figures. Where there has been slippage on metrics a clear explanation has been provided.
14. Our statutory relationship with the SDT in relation to performance is not akin to our role with respect to the OLC, i.e. the SDT's annual report is a voluntary arrangement and we have no powers to set performance targets. However, as part of the process of reviewing our tripartite MOU with the SDT and Law Society, we are pressing for the SDT to commit to reviewing its KPIs periodically in line with good practice.
15. The SDT's board is due to agree its position on standard of proof and other issues arising from the review of its scheme rules at its 1 April meeting.

### **Regulatory developments**

#### Horizon scanning

16. The horizon scanning report can be found at **Annex B**.
17. Appended at **Annex C** is a summary of the latest papers from Professor Stephen Mayson's independent review of legal services regulation. These cover the focus of regulation and regulatory structures, although Professor Mayson has been careful not to offer views on the appropriate number of regulators and related issues at this stage. As with the first two papers, there remains a high level of consistency between Professor Mayson's early conclusions and the LSB's 2016 vision document. However, he has differed subtly from LSB's position on award of title. In his view award of title should lie with the professional bodies and he considers they should also have oversight of non-reserved work (a regulator's proper role being limited to ensuring minimum standards for reserved work only). By contrast, we suggested that award of title should continue to be the responsibility of professional bodies where this is currently the case and did not comment on non-reserved work.

18. Jeremy Mayhew, Steve Brooker and Huw Penson attended a stakeholder event organised by Professor Mayson on 12 March.

Costs Lawyer Standards Board (CLSB)

19. The Chair received a complaint on 22 February from the CLSB in relation to the process adopted in our transitional assessment of its regulatory performance. The complaint is currently being investigated and the Chair will provide an oral update on the latest position with regard to the investigation at the meeting.

20. [REDACTED]

EU Exit

21. The LSB issued a blanket exemption direction on 20 February, which allows approved regulators to make changes to their regulatory arrangements related to a no deal EU Exit, without the need make a rule change or exemption direction application. At the time of writing the LSB was notified of one set of changes, from the SRA, mostly in relation to changes reflecting the no-deal exit Statutory Instrument – The Services of Lawyers and Lawyer’s Practice (Revocation) (EU Exit) Regulations 2019. The LSB confirmed to the SRA that the changes were covered by the blanket exemption.

22. On 4 March 2019, a meeting was held between myself, SRA and BSB CEOs following on from the MoJ/BEIS roundtable of legal regulators on 22 January, to discuss EU exit preparedness.

23. At the time of writing, uncertainty exists as to when and if the UK will: a) leave the EU on 29 March 2019 with/without a deal; or b) there is to be a short extension to Article 50 (possibly up until July 2019) in order to allow the UK government to negotiate further with the EU in order to get a deal through the UK Parliament.

24. Owing to the shifting landscape around EU Exit, an oral update will be provided at the Board meeting if there are any further developments and any additional action the LSB may need to take.

## Public Legal Education

25. In early February, the Chair, the Strategy Director and I met Robert Buckland, the Solicitor General (SG), to discuss his PLE Committee. The SG was keen to understand the LSB's plans with regard to PLE and we outlined how these were at an initial stage but were likely to involve consideration of how the public are made aware of the choices they have in relation to legal services and how information can be provided to those who do not realise the problems they face might have a legal solution. We have taken up the SG's offer to join his PLE Committee and present our relevant research findings, and will be attending our first Committee meeting in late March.
26. Also present at the meeting with the SG was Tom Franklin from Young Citizens charity, which works in schools via its Legal Experts in Schools programme. We have subsequently had an initial discussion with Young Citizens about how the LSB might be able to work with it on PLE matters, pending more in-depth contact as part of the LSB's work on its PLE 5-year policy objective.

## Research

27. There are no developments since the last Board meeting. The contractor remains on target to deliver the sample size for the individual legal needs survey on timetable.

## Statutory decisions

28. Since the last CEO report, the LSB has approved a rule change application from the BSB for changes to its Qualifications rules related to its Future Bar Training proposal. The decision was made by me on 26 February and published on 28 February.
29. At the time of writing, there were there were four live statutory decision applications being considered:
- (a) a rule change application from CLSB for the approval of new regulatory arrangements in respect of the proposed introduction of a Costs Lawyers Competency Assessment (the initial deadline has been extended);
  - (b) a rule change application from SRA to amend the obligation to report serious breaches of regulatory arrangements (reporting concerns);

(c) a rule change application from SRA to align the SRA Compensation Fund Rules and SRA Indemnity Insurance Rules with the recent Looking to the future reforms; and

(d) an application by ICAEW to approve its amendments to ICAEW's Disciplinary Bye-laws and the Investigation Committee, Disciplinary Committee and Appeal Committee Regulation.

30. The LSB blanket exemption direction on issued on 20 February, which allows approved regulators to make changes to their regulatory arrangements related to a no deal EU Exit, has already been referred to above under the EU Exit heading.

Legal issues

*Judicial Review – ICAEW v Lord Chancellor*

31. On 5 March, judgment in the ICAEW judicial review was handed down. The court upheld the Lord Chancellor's decision in all respects apart from the decision in relation to the administration of oaths. The decision in relation to administration of oaths has been quashed and remitted to the Lord Chancellor for reconsideration (which must be done within 90 days).

32. The LSB maintained a neutral stance throughout the proceedings.

33. [REDACTED]  
[REDACTED]:  
• [REDACTED]  
■ [REDACTED]  
[REDACTED]  
■ [REDACTED]  
[REDACTED]  
■ [REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

34. [REDACTED]  
[REDACTED]



## Communications and external engagement

35. LSB Communications activity has been steady through February and March. We have contributed an article on our role as a statutory decision-maker in the legal services market to Modern Law Magazine, which we expect will be published in March/April.

36. I spoke to members of the profession at two events in March: the Symphony Legal Spring Conference and at the Devon and Somerset Law Society Annual Conference.

37. The following is a list of mine and the Chair's meetings with stakeholders since the Board meeting at the end of February, as well as those currently scheduled until the next meeting in April 2019:

Date	LSB	With
01-Mar	Chair	CEO, Magistrates Association
04-Mar	Chief Executive	CEO, TLS
11-Mar	Chief Executive	Small Business Commissioner
12-Mar	Chair	Chair, LSCP
13-Mar	Chief Executive	CEO, CLC
13-Mar	Chief Executive	CEO, SRA
15-Mar	Chief Executive	CEO, BSB
18-Mar	Chief Executive	CEO, ICAEW
19-Mar	Chair, Chief Executive	Chair & CEO, CILEx
25-Mar	Chief Executive	Director of Public Prosecutions
25-Mar	Chief Executive	CEO, OLC
29-Mar	Chief Executive	CEO, IPReg
01-Apr	Chief Executive	George Bull, RSM
02-Apr	Chief Executive	CEO, Bar Council
08-Apr	Chair, Chief Executive	OLC, 6-way
10-Apr	Chair	Valerie Holmes, Chair, SLC
10-Apr	Chair	Edward Timpson, Chair, CAFCASS
23-Apr	Chief Executive	Regulators CEOs meeting