

<b>To:</b>	Board
<b>Date of Meeting:</b>	26 May 2011
<b>Item:</b>	Paper (11) 36

<b>Title:</b>	Chief Executive's progress report: May 2011
<b>Workstream(s):</b>	All
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<b>Status:</b>	Restricted

<b>Summary:</b>
<p>The paper updates Board Members about:</p> <ul style="list-style-type: none"> <li>• staffing and governance issues</li> <li>• progress on the key project areas, by way of a performance report</li> <li>• other internal and external policy developments</li> <li>• stakeholder and communications activities.</li> </ul>

<b>Risks and mitigations</b> (Covered in assessments of project progress)	
<b>Financial:</b>	N/A
<b>FoIA:</b>	Initial assessment of exempted text is highlighted.
<b>Legal:</b>	N/A
<b>Reputational:</b>	N/A
<b>Resource:</b>	N/A

Consultation	Yes	No	Who / why?
<b>Board Members:</b>		✓	N / A – routine update and personal commentary.
<b>Consumer Panel:</b>		✓	
<b>Others:</b>	N / A		

<b>Recommendation:</b>
The Board is invited to note the Chief Executive's progress report.

## LEGAL SERVICES BOARD

<b>To:</b> Board	
<b>Date of Meeting:</b> 26 May 2011	<b>Item:</b> Paper (11) 36

### Chief Executive's progress report: May 2011

#### Recommendation

The Board is invited to note the Chief Executive's progress report.

#### Operations and governance issues

##### Organisation development and governance

1. There has been no further movement on the website issue following the correspondence reported at the last meeting of the Board. To date, we have not had a response to the Chairman's letter to Ministry of Justice (**MoJ**) indicating that, pending practicalities, it looks to be possible to accommodate a move to '.independent.gov.uk'.

##### Governance

2. Subject to the advice of the Audit and Risk Committee (which meets on 23 May), the Board is invited at this meeting to agree the draft LSB Annual Report and Accounts 2010/11 (**Paper (11) 41**). The agreed Report, as certified by the Comptroller and Auditor-General, is now scheduled to be laid before Parliament on 9 June.

#### Project update

##### Programme highlight report

3. The monthly Programme Highlight Report was circulated to colleagues on 19 May, following the meetings of the Programme Board and Senior Management Team at which it was reviewed.
4. Overall progress on the projects is good and the Project Plans for work continuing from 2010/11 are on track to be in place from June.
5. Points to note from the last month include:
  - **Quality Assurance Scheme for Advocates (QASA, formerly QAA)** – three Board Members met to agree the approval criteria for such a scheme, which I have communicated to the Joint Advocacy Group (**JAG**). The response just received from the JAG is, at first sight, broadly positive
  - **Education and training** – the relevant Approved Regulators (**AR**) have finalised their approach to the education review, with the appointment of researchers (a consortium of academics led by the UK Centre for Legal

Education at Warwick University) and the Co-Chairs of the Consultation Group (Dame Janet Gaymer and Sir Mark Potter). Progress so far has been disappointingly slow. We are prioritising early engagement with the Co-Chairs, researchers and Solicitors Regulation Authority's (SRA) review project manager to ensure our priorities are understood and addressed through the review [s36(2)]

- **Independence (Internal Governance Rules)** – draft self-assessment dual-certification submissions have been received from the Applicable ARs (see **Paper (11) 39**)
- **Rationalising the scope of regulation** – the first draft of the research report incorporating the results of the 'mystery shopping' exercise and the consumer and business surveys is due on 27 May
- **Smaller ARs** – the Smedley review will be published in the week commencing 6 June, although we will provide the ARs concerned with an embargoed copy of the publication. We will also host a session for the relevant Chairs (or equivalent) on 25 May and a separate meeting with the Chief Executives. I will update colleagues at the meeting.

### **Alternative Business Structures (ABS)**


6. The standing report about the key issues and risks facing the implementation of ABS is presented to this meeting (**Paper (11) 37**). Also presented is a paper about the ending of transitional protections (**Paper (11) 38**).

### **Research**

7. In the past month:

- we received the first draft report of YouGov's survey of consumer experiences of first-tier complaints handling (with the report to be published at the start of June)
- we received the first draft of Frontier's report on special bodies
- we presented a first draft of our research plans for 2011/12 to the Research Strategy Group
- we hosted with the Legal Policy Institute a joint seminar about our work in relation to reserved legal activities.

8. Our focus over the coming month includes:

- 
- hosting a seminar to discuss the aptitude testing research and our study in relation to the global role of legal education
- hosting a session with OXERA, CRA and the Research Strategy Group to discuss the segmentation work
- finalising and publishing our research plans for 2011/12
- commenting on a first draft of IFF Research's will-writing research
- completing and presenting a first draft of the Regulatory Information Review report to the Research Strategy Group.

## Regulatory decisions

### *Rule approval*

9. The Decision Notice on Council for Licensed Conveyancer's (CLC) revised Handbook of Codes and Guidance was published on 10 May.

### *New designation applications*

10. Following the discussion at the last Board meeting, further work was done to satisfy ourselves as to the effectiveness of CLC as a regulator, including securing an assurance from its Chief Executive that there were no issues which, if known, would impact on our assessment. No issues were identified that led us to change our recommendation that CLC should be designated as a Licensing Authority (LA). Our decision was duly published on 10 May and the recommendation submitted to the Lord Chancellor on 13 May. The Chairman wrote separately to the Lord Chief Justice to address the concerns that he had raised on the application.
11. The assessment of the LA application from the SRA is progressing well. Advice has been received from all of the 'mandatory consultees' and has been submitted for consideration to SRA and The Law Society. Any representations about the advice must be received by 13 June. We continue to discuss with SRA the issues that have been identified in the assessment.
12. We are not in a position to present a paper to the Board about the litigation and probate applications from Institute of Legal Executives (ILEX). I met the Chairman of ILEX Professional Standards Limited to discuss our progress in relation to assessing its application and there have been further discussions with the Chief Executives of both the regulatory arm and the AR; ILEX is considering what steps to take to address the remaining issues.

### *Practising Certificate Fee (PCF) approvals*

13. We have agreed the submission timetables for the PCF approvals for 2011 with all but one of the ARs. Submissions will be received over a three-month period starting in July, and LSB will have at least three weeks to consider each one. However, Bar Standards Board requested (and was granted) an extension to the deadline.

## Other policy developments

14. Other policy developments – about which I will elaborate at the meeting – include:
  - **Referral Fees** – the Chairman and I had a brief meeting on the subject with Lord Hunt of Wirral. We continue to finalise the decision document, following the Board's discussion at its last meeting
  - **Ministry of Justice** – I am arranging a detailed briefing meeting with Catherine Lee, who recently replaced Sarah Albon as our Director in MoJ's

Justice Policy Group. The Corporate Director and I held our quarterly performance meeting with Elizabeth Gibby, our Deputy Director, who is due to take up her new responsibilities at MoJ on 1 June

- **ILEX** – I attended the ILEX Annual Presidential Lunch on 19 May, which was addressed by The Rt.Hon. Dominic Grieve QC MP (Attorney General)
- **Gray's Inn Guest Night** – the Chairman attended a private guest night at Gray's Inn on 12 May as a guest of Lord Justice Thomas.

### Judicial reviews

15.

[REDACTED]

[s36(2) & 44]

16. Colleagues will recall also that LSB is an 'Interested Party' in an action relating to the impact of the QLTS on those students who are currently studying for the Bar on a part-time basis and who might wish to seek to re-qualify as solicitors.

[REDACTED]

[s44].

[s36(2)]

17. We have also received a letter before action threatening judicial review if we approve an SRA rule change that has not yet been submitted to us. The correspondent is a high profile practitioner, but a suitably robust response is being made.

### Legal Ombudsman (LeO) / Office for Legal Complaints (OLC)

18. On 9 May, the Chairman and I had a range of meetings with LeO / OLC. The Chairman met Elizabeth France (Chair, OLC) for their regular six-monthly meeting, which included a review of objectives and priorities. Adam Sampson (Chief Executive/Chief Ombudsman, LeO) and I joined them for our quarterly four-way meeting. The areas covered included: LeO performance and volumes;

knowledge management; and a review of the meetings this year involving non-executive colleagues. (Adam and I have agreed to have a detailed discussion about the outputs from these meetings on 24 May.)

19. Later in the day, Adam and I met Richard Collins (SRA) and Simon Blandy (CLC) to discuss the complaints-handling implications of ABS and Multi-Disciplinary Practices. We agreed that LeO, CLC and SRA would produce proposals on the definition of 'a legal services activity' to ensure that there was clear agreement on what issues would fall to be considered by OLC. Other Ombudsmen would be engaged once this had been agreed. I have separately discussed the issue with Elizabeth France.
20. On 16 May, I attended OLC's Audit and Risk Committee, the main purpose of which was to review OLC's Annual Report and Accounts 2010/11 in advance of the audit by NAO. The Annual Report will be presented to the Board on 7 July.

### **Legal Services Consumer Panel (LSCP)**

21. LSCP's Annual Report 2010/11 is presented to this meeting (**Paper (11) 40**). Baroness Hayter (Chair, LSCP) is unable to attend, but she will be represented by Neil Wightman (Member, LSCP).
22. We still await the Government's proposals for the new consumer architecture. We have seen an early draft of the proposals (which was published on another organisation's website), which appear to confirm our earlier understanding – i.e. a policy desire for all consumer advocacy to be centralised in Citizens Advice, but a recognition that the degree to which sectoral consumer advocacy forms part of that is down to individual departments.

### **Communications**

23. During this month, we briefed the News Editor of the Law Society Gazette about a range of forthcoming LSB announcements. Media work focused on the launch of ABS decisions and the announcement of our response to the LSCP's advice on quality in legal services.
24. My speaking engagements included:
  - the Solicitor Sole Practitioners Group conference 30 April, which focused on the impact of changes in the market on sole practitioners
  - the Yorkshire Legal Conference on 16 May, which updated practice managers and senior practitioners in medium-sized firms about ABS, as well as LSB's priorities for 2011/12.

19.05.11