

<b>To:</b>	Board
<b>Date of Meeting:</b>	22 February 2010
<b>Item:</b>	Paper (10) 08

<b>Title:</b>	Chief Executive's progress report: February 2010
<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 new performance report;</li> <li>• other internal and external policy developments; and</li> <li>• stakeholder and communications activities and forthcoming meetings.</li> </ul>

<b>Risks and mitigations</b> (Covered in assessments of project progress)	
<b>Financial:</b>	N/A
<b>FoIA:</b>	N/A
<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>			

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

## LEGAL SERVICES BOARD

<b>To:</b>	Board		
<b>Date of Meeting:</b>	22 February 2010	<b>Item:</b>	Paper (10) 08

### Chief Executive's progress report: February 2010

#### Recommendation

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

#### Operations and governance issues

##### Staffing

1. Start dates for the final tranche of new colleagues have been agreed:

Karen Marchant	Corporate Affairs Associate	1 March
Dawn Reid	Regulatory Project Manager	1 March
Luke Mcinerney	Regulatory Associate	10 March
James Meyrick	Regulatory Project Manager	15 March
Nick Glockling	Legal Advisor	6 April
Michael Stacey	Regulatory Project Manager	6 April

##### Organisation development and governance

2. The re-organisation of Senior Management Team (**SMT**) responsibilities (discussed at the January Board) has now been announced to all colleagues.
3. We are considering how we will address HR matters in preparation for the scaling back of Sandra Jenner's (HR Advisor) involvement from the end of March. Aligned to this, a short piece of consultancy work has been commissioned to conduct a training needs analysis and to scope an all-colleague event for May, when we will be at full strength.
4. A review of our governance arrangements is underway and Bryan Hislop (Board Secretary) will present a revised suite of documents to the Board on 24 March. This will include reviewed terms of reference for the Audit and Risk and the Remuneration and Nomination Committees, which will first be considered by those Committees.

##### Business Plan 2010/11 and Single Equality Scheme

5. The draft Business Plan 2010/11 and Equality Scheme remain out to consultation. Two very productive workshops took place on 12 February, suggesting broad consensus on the policy direction and resourcing levels proposed. A further event focussed only on the Equality Scheme is scheduled for 18 February, which I will update the Board about at the meeting.

## **Project update**

### **Project progress report**

6. The monthly progress report is attached at **Annex A**. I will update the Board about significant developments at the meeting.

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

7. The following ABS-related papers are presented to this meeting:
  - Approved Regulators' approaches to ABS (**Paper (10) 09**);
  - Designation of Licensing Authorities (LA) and removal of designation as LAs (**Paper (10) 10**); and
  - ABS start date (**Paper (10) 11**).
8. The consultation on the draft guidance to LAs on the content of Licensing Rules closes on 19 February. The responses received will be considered by colleagues and presented to the Board on 24 March.
9. The agreement on an ABS 'go live' date, if approved by the Board, represents significant progress, both in our own project delivery and in the cultural and managerial ambition shown by Solicitors Regulation Authority (**SRA**). I am grateful to Fran Gillon (Director of Regulatory Practice) and Chris Baas (Project Manager) in particular for their determination in driving this forward and securing an important milestone.

### **The Levy**

10. A paper about the consultation document on the policy approach to the costs Levy is presented to this meeting (**Paper (10) 13**). Ministry of Justice (**MoJ**) has asked to see an early version of the document, in particular the proposed methodologies. HM Treasury must also have sight of the document before it is issued for public consultation.
11. The draft consultation document is a work in progress. The final document is scheduled to be issued for public consultation on 19 March.
12. The Statutory Instrument to secure re-payment of the start-up costs, signed by the Board at its last meeting, has now been tabled in Parliament.

### **Research**

13. During the last month, we have commissioned a joint team from Westminster and Leeds Met Universities to undertake research into the experience of women and BMEs in the legal profession. We also:
  - visited SRA to discuss its research programme;
  - met MoJ to discuss the possibility of a joint project looking at the supply of legal services; and
  - finalised membership of the Research Strategy Group.


14. Over the next month, we will start to receive feedback about the results from the small business and Consumer Panel research on referral fees, as well as publishing our Research strategy and Research plan 2010/11 (**Paper (10) 14**). We should also receive the finalised articles for our future of the industry publication.

#### **Institute of Chartered Accountants in England and Wales (ICAEW)**

15. At the end of 2009, LSB agreed MoJ's suggestion that an outstanding ICAEW application should proceed through the Parliamentary process, which would allow ICAEW to become an Approved Regulator in respect of probate activity under the appropriate transitional provisions of Legal Services Act 2007 ('**the Act**'). This would not require an application to be submitted under Schedule 4 of the Act and would not attract the prescribed fee of £22k.
16. Following further legal advice, MoJ has concluded that there is no authority for this to happen, or at least not without at least two Orders being submitted to Parliament – which MoJ believes not to be feasible.
17. MoJ has informed ICAEW informally that its application will not proceed under the transitional arrangements and that its best option is therefore to submit a Schedule 4 application to LSB. MoJ will soon send a formal letter to ICAEW. LSB is also awaiting a formal letter from MoJ setting out the current position. The Executive will keep the Board informed of further developments.

#### **Broader Policy Developments**

##### **Jackson Review of Civil Litigation Costs**

18. A paper about the Review, in particular its implications for LSB, will be presented to the next meeting of the Board. 

##### **Unleashing Aspiration**

19. I attended the first meeting of the Gateways to the Profession Implementation Group, chaired by David Lammy MP (Minister of State for Higher Education, BIS), on 2 February. I will chair the initial meeting of its sub-group, looking at regulatory action and corporate governance reporting in relation to social mobility, on 15 February. There is pressure to produce an interim report before the end of March and further proposals in June.

##### **Quality Assurance for Advocates (QAA)**

20. A paper about QAA is presented to this meeting (**Paper (10) 12**).


## **Judicial diversity**

21. I have briefed Baroness Neuberger, who has been commissioned to report on improving judicial diversity to the Lord Chancellor, on our approach in this area. Our thinking seems to be closely aligned with hers. We understand that her report should be published on 24 February and we will comment as necessary in the light of its final contents.

## **Office for Legal Complaints (OLC)**

22. The declaratory hearing in The Law Society's legal action against MoJ and OLC is scheduled to start on 15 February and last three days. I will update the Board about developments at the meeting.
23. We will be holding a shared induction session for new Legal Ombudsman and LSB colleagues at a date to be agreed in March.

## **Consumer Panel**

24. 
25. The Board will be invited to consider the Panel's work programme for 2010/11 at its next meeting.

## **Public Affairs and Communications Issues**

### **Public affairs**

26. Our engagement activity with Shadow Ministers continues, including a planned briefing session with John Penrose MP (Shadow Minister for Business, Enterprise and Regulatory Reform) and meetings with both Dominic Grieve QC MP (Shadow Secretary of State for Justice) and Henry Bellingham MP (Shadow Minister for Justice). This will give us an opportunity to follow-up on discussions during the final quarter of 2009.
27. Alongside this, monitoring developments leading up to the General Election – including policy platforms on public spending, regulatory reform issues and particularly policy surrounding the organisation of legal services – continues to be a major priority. We will continue to engage right up to the election with those backbenchers with an interest in issues concerning access to justice and legal services. To this end, the Chairman has accepted an invitation to address the All-Party Parliamentary Group for Legal and Constitutional Affairs on 1 March. This meeting will also be addressed by Lord Hunt, who will focus on his recent reform proposals.

## **Media**

28. We have maintained a reasonably high profile in the trade press, with a number of stories – both pro-active and reactive – appearing throughout February. These have focused on our chairing of the Unleashing Aspirations sub-group (para. 19), as well as reaction to stories concerning our consumer research released earlier in the year.

## **Stakeholder engagement and the external environment**

29. A major focus during February has been taking forward the series of direct consultation Open Forum events that we began in Manchester at the end of last year. On 16 February, we will host a similar event in Newcastle, in partnership with the regional Law Society and the North Eastern Circuit, followed by a number of visits to local firms and organisations of interest. The core focus of the event is developing licensing framework around ABS, but is likely also to touch on a number of other elements of our programme. These events give us an opportunity to supplement our formal consultations with a form of direct discussion with practitioners designed both to gather evidence about concerns amongst the regulated community and to test our evolving policy direction. Speakers joining the Chairman will include Lucy Winskell (SRA Board Member) and Prof. Philip Plowden (Dean of Northumbria College of Law).
30. Internally, some capacity-building work has taken place this month, including the development of guidance for colleagues on house style and the process for shaping external releases and building communications into and across the lifetime of projects.

## **Meetings – backward and forward look**

31. The Chairman's meetings etc during the past month included:

- Bob Heslett (President, The Law Society) – 2 February
- Meeting with Executive NDPB NEDs (hosted by MoJ) – 2 February
- Consumer Panel meeting – 10 February
- Baroness Deech (Chair, BSB) et al (re ABS) – 10 February
- Inner Temple Guest Night – 10 February
- Charles Plant and Antony Townsend (SRA) – 11 February
- APIL President's reception – 11 February
- Open Forum (Newcastle) – 16-17 February.

32. My meetings etc during the past month included:

- GC100 follow-up meeting – 29 January
- Diversity Forum – 2 February
- Gateway to the Professions Collaborative Forum – 2 February
- Divorce Online (re ABS) – 2 February
- Forum on education and training – 3 February
- ABS Implementation Group and Indemnity and Compensation workshop – 4 February

- Roundtable with ARs and stakeholders (re first tier complaints) – 5 February
- Carolyn Regan (LSC), Keir Starmer (DPP) and Peter Lewis (CPS) – 8 February
- GC100 – 11 February
- Charles Plant and Antony Townsend (SRA) – 11 February
- ABS Local Government Conference – 11 February
- Business Plan consultation workshops – 12 February
- Gateways to the Profession Sub-Group 5 – 15 February

33. The Chairman's meetings etc over the coming month include:

- Dominic Grieve MP and Henry Bellingham MP – 24 February
- Thomas LJ (re QAA) – 25 February
- John Penrose MP – 1 March
- Natcen / Ministerial seminar and reception – 1 March
- APPG for Legal and Constitutional Affairs – 1 March
- Anna Bradley (Chair, CLC) – 8 March
- Open Forum (Bristol) – 9-10 March
- BSB (re QAA) – 22 March.

34. My meetings etc over the coming month include:

- Lyceum Capital (re ABS) – 24 February
- Russell Wallman (The Law Society) – 24 February
- Dominic Grieve MP and Henry Bellingham MP – 24 February
- Thomas LJ (re QAA) – 25 February
- CBI (re Business Plan) – 26 February
- John Penrose MP – 1 March
- Natcen / Ministerial seminar and reception – 1 March
- BSB and SRA (re QAA) – 2 March
- Open Forum (Bristol) – 9-10 March
- ILEX National Conference – 11 March
- PLC Law Department Forum – 18 March
- BSB (re QAA) – 22 March
- The Law Society Easter Reception – 24 March.

12.02.10