

To:	Legal Services Board	
Date of Meeting:	10 October 2012	Item: Paper (12) 71

Title:	Chief Executive's Progress Report – October 2012	
Workstream(s):	All	
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Status:	Protect	

Summary:
<p>The paper updates Board Members about:</p> <ul style="list-style-type: none"> • operational and governance issues • progress on key projects • other internal and external policy developments • stakeholder and communications activities.
Recommendation(s):
The Board is invited to note the Chief Executive's progress report

Risks and mitigations			
Financial:	N/A.		
Legal:	N/A.		
Reputational:	N/A.		
Resource:	N/A.		
Consultation	Yes	No	Who / why?
Board Members:		✓	N/A.
Consumer Panel:		✓	N/A.
Others:	N/A.		
Freedom of Information Act 2000 (Fol)			
Para ref	Fol exemption and summary		Expires
Annex B	Section 36(2)(b) - Inhibit or likely to inhibit the free and frank provision of advice		

LEGAL SERVICES BOARD

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Chief Executive's Progress Report – September 2012

Operations and Governance Issues

Organisation development

1. Recruitment has begun for a new Regulatory Project Manager with an advertisement appearing on Guardian Online and the services of Quadrant Search and Selection retained.

Governance

2. As reported verbally at the last meeting, the process for recruiting two new Board Members has been delayed by the recent Ministerial reshuffle. We expect to see an advertisement appearing in the Sunday Times on later this month, and Board Members will be alerted once we get confirmation of the date. MoJ are leading this recruitment and have secured the services of Professor Hazel Genn as independent appointing panel member to sit alongside Catherine Lee, Director, Access to Justice, MoJ and the Chairman.
3. We have heard that MoJ Executive Management Board have supported our request for an exemption to the cross-government branding exercise. The request is now being considered by Number 10, in line with the process devised by Government.

Business plan

4. We have begun drafting the Business Plan. Since the 12 September Board strategy session, several planning sessions have been held to refine the Plan's structure although this will not differ significantly from last year. The content is currently being drafted and deliverables and milestones identified. The next step in governance approval will be discussion at the Audit and Risk Committee of the budget, picking up from the informal discussion in September. We will aim to share a near complete draft informally with Board colleagues before the November meeting.

Project update

5. The Q2 performance report covering the period 1 July to 30 September 2012 is a separate report on today's agenda – **Paper (12) 72** refers. The programme of developmental work remains clearly on track.
6. Given the short gap between meetings, there is comparatively little to highlight, other than:

- successful publication of the quality paper and will-writing package following the Board's discussion;
- continued progress on the education and training review, with meetings with the Review team and with the co-chairs of the consultative panel.

Research

7. Since the Board's last meeting we have:

- published the benchmarking professional ethics report
- finished the fieldwork for the contingent valuation research looking at the value consumers place on regulation
- secured additional data for the statistical modelling of advocacy quality report
- updated the evaluation report for discussion on this agenda
- presented our work on Access to Justice and Consumer Research to the LSRC conference

8. Our focus over the coming months will include:

- completing the work on reshaping the research pages for the LSB website
- finalising the contingent valuation research and high-street solicitors reports
- receiving the first draft of the cab rank rule research
- commissioning the final projects for the 2012/13 research programme
- considering with regulators and others how to best take forward the ethics and access to justice work.

Regulatory Decisions

9. Since the last meeting:

Rules changes

- No new applications for approval of changes to regulatory arrangements have been received. We are continuing with the assessment of application from IPREg relating to their certification rules on the right to conduct litigation, the rights of audience and other reserved legal activities.
- The "lessons learned" review of the recent BSB applications is progressing; a separate paper on initial conclusions and proposed next steps is included in the Board papers (**Paper (12) 68** refers).

S51 Practising Certificate Fee Approvals

- Applications from CILEX/IPS, CLC and CLSB have all been approved.

Solicitors Disciplinary Tribunal Budget 2013

- The application from the Solicitors Disciplinary Tribunal for approval of its 2013 budget has been received and a separate paper is included in the Board papers (**Paper (12) 69** refers).

Law Society/SRA issues

10. Since the last Board meeting, the Law Society has provided one monthly report and one copy of the meeting papers from the Business and Oversight Board (BOB). We have also received copies of the weekly report on the enabling programme which has been provided to members of the Business and Oversight Board.
11. As reported previously, the monthly reports themselves have not reported any concerns regarding the operation of the new arrangements and have simply reported on the actions to be taken in the new shared service arrangements. The LSB has no specific concerns arising from these reports themselves. However, there remain issues with the overall BOB process and, for that reason, I wrote to the Law Society on 28 September – copy at **Annex A** – putting in place a slightly more restrictive Section 55 notice to require the Law Society to continue providing the LSB with Business and Oversight Board papers and any other papers provided to members of the Business and Oversight Board.
12. On broader SRA issues, I met Des Hudson, Antony Townsend and Alan Vallance on 20 September to review the state of play on the move to the CUBE building, the practicing certificate fee round and the future of MP3. This resulted in letters to Antony Townsend on 21 September and to the three participants on 1 October. Copies are at **Annex B**. I will update the Board orally on any further developments.

Other Policy Developments

QASA

13. The final QASA consultation closed on 9 October. JAG remains committed to implementation in three phases from January 2013. The regulators now have a relatively short period of time to finalise proposals for approval by their respective boards at the end of November before submitting an application for LSB approval. Some risk to the timetable therefore remains and we will continue to work closely with JAG to resolve any issues. We will bring a full paper to the Board in November, before the formal application is submitted, which will set out the key principles of the scheme and review them against our policy criteria.

BSB and COIC issue

14. We have a meeting arranged with the BSB on 12 October to discuss various matters concerning the BSB's disciplinary processes

ICAEW and accountancy bodies

15. The ICAEW's consultation has closed and they received eight responses. We expect them to submit their final application late October or early November. We have met them recently and continue to support activities to plan and deliver the necessary statutory orders and charter amendments that will be necessary in the event of designation. The LSB met ACCA in relation to will writing, probate and estate administration. ACCA stressed the existing regulatory arrangements in place for ACCA accountants offering such services. The LSB reiterated the clear findings in our work and the regulatory requirements of the Act.

Legal update

16. On 3 September, we received a claim from a Mr Alan Cowdrey who is seeking permission to proceed with a claim for judicial review in relation to the decisions taken by the SRA to close the complaint he made/take no further disciplinary action regarding an individual solicitor at a firm. The SRA is the proposed defendant to the claim, and the LSB and The Law Society have been included as interested parties. The SRA will contest Mr Cowdrey's claim.

17. We filed an Acknowledgement of Service at the Administrative Court on 24 September, simply to preserve our position in the event that Mr Cowdrey is granted permission to proceed with his claim.

Office for Legal Complaints (OLC)/Legal Ombudsman

18. There have been no developments on the taking on of Claims Management Company complaints by LeO. In particular, we await confirmation that HMT are content to allow the Secretary of State to become a leviable body and we are still waiting detailed costings from LeO. However, we have begun drafting the consultation paper on the assumption that the SoS will be leviable. We will not be able to finalise this for consultation until we have the above information. The Director of Finance and Services will provide a verbal update at the meeting. The next joint project board is 11 October.

19. We expect LeO to be publishing research into consumer experience of first-tier complaints handling, commissioned jointly with the Consumer Panel, on 11 October.

Communications

20. Communications activities picked up somewhat in September. Highlights for the period include:

- An article written by David Edmonds for the Bar Council's *Counsel Magazine* published in the September edition
- I chaired a session at the International Conference for Legal Regulators which took place on 27/28 September. Speakers on the panel included John Flood, Konstantinos Tomaras (European Commission), Valerie Thean (Singapore Government), Marcus Hartung (Bucerius Center on the

Legal Profession). It was notable how far ahead of virtually every other jurisdiction England and Wales was on regulatory change.

- We continue to make gradual improvements to website content and this month changes have been made to the regulatory approval section to clarify, update and make more user friendly this section
- We provided a support statement to the Black Solicitors Network (BSN) for use in their annual Diversity League Table publication
- We issued a number of latest news updates which were picked up by the trade media including:
 - Our discussion paper on measuring access to justice for individual consumers
 - Our response to the consultation on approaches to quality in the legal services market
 - The LSB response to the MoJ's Triennial Review
 - Will-writing and estate administration consultation

21. Some of the media reaction on the response to the Triennial Review proved to be interesting. In particular, a *Legal Futures* article on our call for an “open debate” on the cost of regulation¹ picked up on the themes of whether solicitors know what they are getting in return for their practising fees and whether or not they believe it is worth it.

22. As anticipated, whilst there was some trade media pick up on the will-writing announcement, it did not prove as newsworthy as the April launch. So far we have seen some coverage in the legal trade press and some coverage in the accountancy sector. Indeed most of the specific attention on proposals seems to have been from that side of the fence and what it will mean for them. I will be meeting the CEO of the ICAEW shortly to underpin working level contacts.

¹ <http://www.legalfutures.co.uk/uncategorized/lwb-open-debate-cost-regulation-throws-spotlight-practising-fee-split>