

To:	Legal Services Board	
Date of Meeting:	23 November 2017	Item: Paper (17) 78

Title:	Chief Executive's update – November	
Strategic theme	All	
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Status:	Official	

Summary:
<p>This paper updates Board Members on key developments across the organisation since the October meeting. The Board's attention is drawn, in particular, to the following matters:</p> <ol style="list-style-type: none"> 1. Rebecca Marsh has been appointed LeO's new Chief Legal Ombudsman. 2. Longlisting for a new lay and a new non-lay member for the Office for Legal Complaints took place on 10 November. 3. Work is progressing well in relation to our preparation for the General Data Protection Regulations, ahead of May 2018.

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 21	Section 22: information intended for future publication	

LEGAL SERVICES BOARD

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CHIEF EXECUTIVE'S UPDATE - NOVEMBER

Ministry of Justice (MoJ) matters

Appointments matters

1. Advertising for the LSB Chair commenced on 19 October 2017 and closes on 16 November 2017. Interviews will be held on 16 January 2018.
2. Longlisting for a new lay and a new non-lay member for the Office for Legal Complaints took place on 10 November and interviews for both roles will take place before Christmas. We have also started the recruitment for an additional member of the Legal Services Consumer Panel.

Other sponsorship matters

3. Work is well advanced on revisions to our Framework Agreement with the Ministry of Justice (MoJ). The proposed draft will be circulated to Board Members outside of the meeting. The document follows a format prescribed by HM Treasury. Updating this document was one of the recommendations of the Tailored Review.
4. On 31 October 2017, the Chair received a warm acknowledgment from the Rt Hon Lord Keen of Elie QC to the Board's formal response to the recommendations of the Tailored Review.
5. We received approval from the MoJ to the three business cases submitted for use of recruitment agencies, but, at the time of drafting, we have not received a response on the case for consultants to assist with Board evaluation. We are continuing to press.

Governance

Office for Legal Complaints

6. Rebecca Marsh has been appointed LeO's new Chief Legal Ombudsman. Rebecca will join LeO from the Parliamentary and Health Services Ombudsman (PHSO) where she is currently Executive Director of Operations and Deputy Ombudsman. She will join LeO in January. Simon Tunnicliffe, LeO's Director of Operations, will become interim Chief Ombudsman until her arrival.

Performance

7. The most recent assurance letter is attached at **Annex A** for reference. Feedback has been provided to OLC about the contents of the letter. The next assurance letter will be provided after the next OLC Board on 6 December.
8. Marina Gibbs and the Strategy Director visited LeO for an orientation visit on 30 October. They discussed with the OLC Chair and CEO what the Board was looking for in a discussion of what good looks like and there was also a further discussion about the assurance letter.
9. In early November, MoneySavingExpert (Martin Lewis's consumer website) published a report for the All-Party Parliamentary Group on Consumer Protection called "Sharper teeth: the consumer need for ombudsman reform". The policy recommendations in the report are mainly directed at government and non-statutory schemes. The report includes LeO in its analysis and, whilst the sample size is too small to be relied upon, and did not segment between those who 'won' or 'lost' their case, LeO's results indicated relatively low user satisfaction.

Budget

10. A separate paper on the OLC draft business plan and budget will be discussed at item 3 on the agenda.

Staffing and organisation matters

11. Recruitment is underway for a Research Analyst, Executive Assistant and part-time Administrative Assistant. I will update colleagues in the meeting on progress to fill vacancies due to be created by the departures of Julie Myers and Dawn Reid.

General Data Protection Regulation (GDPR)

12. Throughout the period running up to the deadline for compliance on 25 May 2018, the Information Commissioner's Office (ICO) continues to produce guidance to assist organisations to become compliant with the GDPR. This guidance has been used to form the basis for the LSB's own project plan which was devised in June 2017.
13. The LSB carried out an internal information audit to gain a thorough understanding of the personal data processed by the LSB. The audit was completed in September 2017 and discussed with the senior leadership team on 8 November 2017.
14. The report confirms the steps we need to take to enable the LSB to become compliant with the GDPR by 25 May 2018. These include:
 - (a) implementation of new GDPR compliant policies and notifications,
 - (b) updating data privacy notifications
 - (c) improvements to information management processes

- (d) regular staff training
- (e) data management processes at the end of LSB projects and other work.

15. These recommendations and the associated resources required for their execution will be discussed again by the Senior Leadership Team in late November.

Regulatory developments

Horizon scanning

16. The horizon scanning report can be found at **Annex B**.

Internal Governance Rules

17. Further to the Board's discussion at its October meeting, the LSB's IGR review consultation document was published on 9 November. A stakeholder roundtable event is planned for 29 November.

Encouraging a diverse workforce

18. In February 2017, we published revised guidance for legal services regulators for encouraging a diverse workforce. In August 2017, six months since the publication of the revised guidance, we contacted the regulators for an update on work that has been done, or planned, up to this point.

19. From these updates, we have developed a report which identifies progress made against the four outcomes within the guidance. It also provides an update on the regulators' progress against the revised outcomes¹ and identifies areas of good practice to facilitate learning and sharing. The report provides an indication of our expectations for the formal review planned for August 2018.

20. The 2018 report will include a short section on each regulator outlining their individual progress including areas where we are pleased with the progress they have made and, if applicable, areas where we expect to see additional action on the part of the regulator in order to deliver progress against the outcomes.

¹ The LSB's diversity guidance expects regulators to have appropriate activities in place to encourage a diverse workforce that deliver the following outcomes:

Outcome 1: *The regulator continues to build a clear and thorough understanding of the diversity profile of its regulated community (beginning at entry), how this changes over time and where greater diversity in the workforce needs to be encouraged.*

Outcome 2: *The regulator uses data, evidence and intelligence about the diversity of the workforce to inform development of, and evaluate the effectiveness of, its regulatory arrangements, operational processes and other activities.*

Outcome 3: *The regulator collaborates with others to encourage a diverse workforce, including sharing good practice, data collection, and other relevant activities.*

Outcome 4: *The regulator accounts to its stakeholders for its understanding, its achievements and plans to encourage a diverse workforce.*

21. [REDACTED]

Research

22. The main developments since the last meeting are:

- a. The prices research was published on 14 November – a one-page summary of the key findings can be found at **Annex C**. The results will be presented at a consumer roundtable organised by the CMA on 5 December to help participants discuss the regulators’ market transparency reforms
- b. We are close to finalising the small business research. We have begun to develop plans for a launch in the new year
- c. We are preparing a research specification to re-run our innovation survey. The fieldwork will be completed in the current financial year, with analysis and report-writing due in Q1 2018-19.

Statutory decisions

23. Since my last report the following statutory decisions have been issued:

- CILEx Regulation - Authorisation and other changes. Decision made through exemption direction.

24. We are also currently considering the following three applications for changes to regulatory arrangements:

- CILEx Regulation Investigation, Discipline and Appeals Rules
- ACCA – Regulatory arrangements for probate activities
- BSB Reporting requirements for barristers.

25. Practising Certificate Fee decisions were issued for IPReg, CLSB and the ICAEW probate fee. IPReg and CLSB fees remain static for 2018. ICAEW fee rose by 1%, the first increase since ICAEW began regulating probate activities.

26. We are also continuing to assess the CILEx Regulation application to become a Licensing Authority for ABS. The LSB has until 28 August 2018 to make a decision and make a recommendation to the Lord Chancellor.

Communications and external engagement

27. We continue to extend our external stakeholder engagement. I travelled to Leeds to attend, with representatives of the SRA, a meeting of the local law society on 7 November.

28. Trade press attention during this period focused primarily on the LSB’s launch of the Internal Governance Rules consultation and the launch of the second set of

research into the prices of legal services. An article was provided to Legal Futures on the IGR consultation and the reasons behind it.

29. The Chair and I were due to travel to Cardiff to meet with representatives of the Welsh Government's Justice Policy Unit and with the relevant Cabinet Secretary and the Counsel General. Unfortunately as a result of the resignation of both individuals and subsequent developments it was decided to postpone the meetings to a date early in the New Year.

30. Caroline Wallace attended a meeting at the Japanese embassy where she briefed Tomonoir Mishima from the Judicial System Department at the Ministry of Justice on development in legal services in England and Wales since the introduction of the Act.

31. The latest edition of the LSB News newsletter was dispatched to political (and other stakeholders).

32. The table below lists all of my and the Interim Chair's meetings held or due to be held since the last Board meeting:

Stakeholder / purpose of meeting	LSB representative(s)	Date of meeting
Faculty Office annual meeting with Master & Sole Registrar	NB HP	30 October 2017
CILEx Regulation triannual CEOs meeting	NB	6 November 2017
Inaugural Council for Licensed Conveyancers/LSB Board to Board meeting	NB HP Jeremy Mayhew Catharine Seddon (LSB Board members)	2 November 2017
Costs Lawyer Standards Board annual CEOs meeting	NB	6 November 2017
Office for Legal Complaints regular CEOs meeting	NB	7 November 2017
The Law Society quarterly 4-way meeting	NB HP	10 November 2017
ICAEW biannual CEOs meeting	NB	14 November 2017
Meeting with Amelia Wright, Deputy Director International & Legal Services Policy, MoJ	NB	15 November 2017
Judicial Appointments Commission biannual CEOs meeting	NB	15 November 2017
Solicitors Regulation Authority monthly meeting	NB HP Jemima Coleman	16 November 2017
Bar Standards Board monthly CEOs meeting	NB	21 November 2017
Bristol Law Society ad hoc meeting	NB HP	23 November 2017