

**REPORT TO:** CILEx REGULATION BOARD  
**FOR:** DISCUSSION  
**DATE:** 13 SEPTEMBER 2017  
**REPORT TITLE:** CEO Report  
**SUBMITTED BY:** Helen Whiteman, Chief Executive Officer

**STAKEHOLDERS:**

**Ministry of Justice:**

- 1 Brexit: The CEO will attend a roundtable for regulators scheduled to take place on 11 September to discuss EU exit and trade matters, including potential impacts on legal services regulation, and contingency planning for different exit scenarios. The MoJ is seeking views on the deliverability and potential timings should regulatory changes be needed to reflect the outcome of negotiations for the UK's exit. An oral update will be provided.
- 2 Lord Chancellor: The office is pursuing a meeting with the Lord Chancellor and ministerial team for the Chairman and CILEx President.

**Legal Services Board (LSB):**

- 3 Diversity Action Plan: Our Diversity Action Plan approved the Board's July meeting, was shared with the LSB for informal review and has been positively assessed on an informal, preliminary basis. The plan is designed to deliver requirements in the LSB's revised Diversity Guidance which supports regulators in meeting the regulatory objective of encouraging an independent, strong, diverse and effective legal profession. Progress against the plan will be reported as part of quarterly business plan activity reporting. A formal assessment is scheduled to take place in August 2018.
- 4 Vulnerable consumers: Consumer lead, Sue Chandler attended a roundtable hosted by the LSB on 14 July to consider next steps following publication of research commissioned by the LSB on the experience of consumers in vulnerable circumstances (specifically those consumers with dementia and mental health problems) with different legal services providers. The research reports are available on the LSB website<sup>1</sup>. This research is accompanied by consumer tips to support people with health problems and dementia and two animations which bring the research recommendations to life.
- 5 The meeting included presentations from the authors of the report Research Works Ltd, David Sinclair chair of Solicitors for the Elderly, the Alzheimer's Society and the BSB. Key themes emerging were the need for training for legal services providers in understanding capacity/competence; the development of jargon free communication; and how disadvantage to the section of consumers without internet access can be avoided. Discussion

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<sup>1</sup> [Legal Services Board Dementia Report March 2017](#)

also focussed on training in soft skills such as listening, empathy and appropriate communication although it was recognised that these were relevant for all consumers and not just those in vulnerable circumstances.

- 6 We will continue to develop our strategy in relation to consumers in vulnerable circumstances, with a view to including this as an update to our main Consumer Strategy for 2018. We are extending our consumer impact assessment framework to include segmentation of consumers and to address the issue of consumers in vulnerable circumstances. In the meantime we will consider how we might address training issues and raise awareness through Legal Choices and *Regulation Matters*.
- 7 LSB Enforcement Policy and Rules: The LSB recently reviewed its policy and rules governing the use of enforcement powers. The review highlighted a range of areas for updating, consistency and transparency, but no change in policy. Full details are available on the LSB website<sup>2</sup>. The closing date for representations is 12 October. On the basis that there is no material change we have notified the LSB that we do not propose to respond formally.
- 8 Associate Prosecutor Rule changes: The LSB approved our proposed changes to the Associate Prosecutor Rules, amending course requirements for Level 1 removing the Road Traffic offences and related knowledge and skills, arising from changes in the work undertaken in the Magistrates Courts. The approval took effect from 11 August 2017. The amended rules are now on our website and the Crown Prosecution Service has been informed.
- 9 Compensation Rule changes: Our application for approval for changes to compensation arrangements available to consumers of CILEx regulated entities was approved by the LSB on 18 August 2017.
- 10 CPD Regulation changes: Proposed changes to the CPD Regulations were submitted to the LSB on 23 August 2017. This is a full rule change application and the decision is expected within 28 days, although the approval period could be extended to 90 days. Linked to this application (as there is an overlap on the rules) is the QASA application. This has been prepared as an exempt application and submitted to the LSB in draft for preliminary review of the linkages.
- 11 Professional Indemnity Insurance minimum wording changes: This application was submitted to the LSB as a full rule change application on 24 August 2017. A decision is expected within 28 days, although the approval period could be extended to 90 days.
- 12 ABS Licensing Application: This was submitted on 25 August 2017. As a new designation the decision can be expected within 6 to 12 months.
- 13 Quality Assurance Scheme for Advocates (QASA): The Joint Advisory Group (JAG) is scheduled to meet on 11 September to discuss research commissioned jointly by the SRA and BSB. The research invites the opinions of the judiciary on the quality of criminal advocacy. An oral update will be provided.

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<sup>2</sup> [http://www.legalservicesboard.org.uk/what\\_we\\_do/consultations/open/index.htm](http://www.legalservicesboard.org.uk/what_we_do/consultations/open/index.htm).

- 14 Chairs/CEOs 4-way meeting: The Chairman, along with Board member Luisa Fulci and CEO are scheduled to meet with the Interim LSB Chair Helen Phillips and LSB CEO Neil Buckley on 20 September.
- 15 CEOs collaborative forum with the LSB: The next meeting will be held on 23 October.

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

- 16 Consumer lead officer, Sue Chandler will attend a roundtable hosted by the LSCP scheduled for 15 November to explore the feasibility and practicality of Consumer Segmentation in legal services regulation. The discussion will focus on learnings from other regulated sectors; benefits, challenges and realities of different segmentation exercises. The March 2017 LSCP discussion papers on Consumer Segmentation was made available in Board Sharepoint or can be accessed on the LSCP website<sup>3</sup>. The Panel believes that the application of Consumer Segmentation will strengthen the information remedies proposed in the Competition and Markets Authority's report, and enhance approved regulators Action Plans published at the end of June. This is therefore a great opportunity to work together to advance and shape the future of the sector.

#### **Legal Ombudsman (LeO):**

- 17 LeO Director of Corporate Services Rob Powell will take over as Chief Executive in September replacing Nick Hawkins. A qualified accountant, he joined LeO in October 2016, from Ofwat where he was the Delivery Director and Director of Finance. The position of Chief Legal Ombudsman has been advertised following the announcement that Kathryn Stone will move at the end of the year to become the new Parliamentary Commissioner for Standards.

#### **Other Regulators:**

- 18 IPReg: The CEO met with the new IPReg CEO, Fran Gillon, on 9 August and discussed approaches to the new General Data Protection Regulations (GDPR) which take effect in May 2018. A four way meeting with Chairs is being arranged for Autumn.

#### **CONSULTATIONS:**

- 19 We responded to the recent SRA consultation [A new route to qualification: New regulations](#) on rules and principles underpinning the new authorisation requirements currently in development (the Solicitors Qualifying Examination (SQE)). This closed on 26 July. Our response is available on Board Sharepoint.
- 20 We propose to respond to the BSB's consultation [New Information and Registration Requirements for the Bar](#) including proposed rule changes to

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support the introduction of Youth Court guidance and Anti-Money Laundering obligations. This closes on 15 September.

- 21 The Association of Chartered Certified Accountants (ACCA) informed us in August that they are about to launch a consultation, to which we will be invited to respond, ahead of applying to the LSB to introduce approved regulator arrangements for the reserved activity of probate. Timescales are currently unknown.
- 22 Responses to CILEx Regulation closed consultations for changes to compensation arrangements, PII Rules and the ABS Licensing application have been published on the CILEx website at the following link: [Closed-Consultations](#).

#### **COMMUNICATIONS:**

- 23 *Regulation Matters* is approaching its third edition. Video interviews with the CMA, Queen Mary Legal Advice Centre feature and Marsh Insurance Brokers will appear in a future edition. Analysis of engagement rates of *Regulation Matters* compared to the main website will be included in future performance reporting.