

**REPORT TO:** CILEx REGULATION BOARD  
**FOR:** DISCUSSION  
**DATE:** 26 APRIL 2017  
**REPORT TITLE:** CEO REPORT  
**SUBMITTED BY:** HELEN WHITEMAN

## **STAKEHOLDER ENGAGEMENT**

### **Ministry of Justice:**

- 1 CEO Helen Whiteman and Director of Policy and Enforcement, Jill Durham met with Deputy Director, International and Legal Services Policy, Amelia Wright on 20 March. We were advised of their new team structure which is focused on Brexit arrangements, both pre and post Article 50 being invoked. This largely focuses on policy surrounding leaving the EU and working on future trade options.
- 2 Our current contact will be moving over to lead one of these areas. MoJ are recruiting for a replacement. We will arrange a meeting with the new appointee in due course.
- 3 Amelia indicated that the MoJ's 'Great' campaign – see here for ['Business is Great'](#) will hopefully be extended to legal services with associated materials. We asked that CILEx and our regulated community be included. We briefly discussed judicial appointment and the currently ceiling which applies to Fellows in the form of eligibility based on professional title. Amelia indicated that the MoJ had not yet reached a consensus on QASA (Quality Assurance Scheme for Advocates). We also updated on our ABS licensing application and our approach for an appeal mechanism to the first tier tribunal (FTT).
- 4 We were notified on 24 February that the Prisons and Courts Bill had been introduced, including provision for a ban on pre medical report settlements in whiplash claims. The Government proposes that 'inviting' pre-med settlement be a breach of the ban enforceable by regulators. We are liaising with the Bill team and will keep the Board up to date with the progress of the Bill through Parliament. With the announcement of a general election on 8 June, the pre-election process is likely to start as early as 28 April and there will be a number of associated delays as government enters this period.

### **Regulator CEOs Collaborative Forum:**

- 5 The Forum is next scheduled to meet on 3 May 2017. Subject to the agenda having been published by the time of the Board meeting, an oral update will be given on discussion topics.

### **Legal Services Board:**

- 6 Regulatory Standards Action Plan: All regulators were requested to provide an update to the LSB on progress against agreed activities by March, for use by the LSB in developing the published progress report for each regulator. At the

end of February Entity Authorisation and Client Protection Manager, David Pope received LSB follow up enquiries from the review he attended on 12 December. The format of the Plan was changed slightly to include responses to questions that the LSB raised. The March update is attached at Appendix 1. Our next update to LSB will be at the end of April.

- 7 ABS Licensing: Feedback from the LSB received on Friday 31 March was reported to the ABS Working Group at its teleconference on 6 April. An oral update will be provided.
- 8 Compensation arrangement changes: The consultation was launched on 10 March and closes on 5 May. A pre-application meeting has been scheduled with LSB. More detail on discussions with the insurers who are members of our Qualifying Insurers Agreement appears in the Entity/ABS/Compensation report to this meeting.
- 9 LSB Research Strategy Group: On 29 March LSB requested on behalf of its Research Strategy Group, details of resource allocated for primary research for the past three years, whether this is external or in-house spend and what proportion of annual budget it represents. The information is requested to enable the Group to map the level of research being undertaken by the LSB and regulators about their regulated communities and the consumers they serve. The LSB request is available in the Board's online area together with our reply.
- 10 Regulatory Approach: On 12 April the LSB invited comments on a document articulating its regulatory approach. This document covers how the LSB identifies key risks, sets out its expectations, seeks assurance through oversight, tackles concerns and takes formal action. Worked examples of the approach are shown.
- 11 The approach was developed with a sub Group of LSB Board members set up in November 2016, prompted by discussion on changes seen in legal services and legal service regulation since 2010 from the perspective of the powers given to the LSB by the Legal Services Act 2007.
- 12 The thinking behind the articulation of the approach is set out in the report to LSB's March Board meeting published at the following link:  
[http://www.legalservicesboard.org.uk/about\\_us/board\\_meetings/2017/PDF/23\\_March/\(17\)%202015%20Regulatory%20approach.pdf](http://www.legalservicesboard.org.uk/about_us/board_meetings/2017/PDF/23_March/(17)%202015%20Regulatory%20approach.pdf)
- 13 This indicates that a key driver is to foster transparency, consistency and predictability. The approach will be reflected in the new regulatory standards assessment framework which the LSB is likely to consult on formally later this year, and in respect of which some informal dialogue has already taken place.
- 14 LSB is also updating its enforcement policy which is likely to be presented to its Board in April or May. LSB will seek representations in line with the statutory procedure in section 50 of the Act before the revised policy is finalised. This is likely to take place shortly after the final regulatory approach document has been published.
- 15 Regulators are invited to comment on the value of the LSB setting out its approach in this fashion and the clarity of the document. The document is in

the Board's online area. The timeline for response is 8 May 2017. A final version of the document will be reported to the LSB Board's May meeting for approval. An oral update will be given.

- 16 LSB outreach: LSB CEO Neil Buckley visited our offices on 29 March 2017 and met with CEO Helen Whiteman and Director of Authorisation and Supervision Vicky Purtill as part of his outreach programme to visit all regulators. Discussion topics included compensation fund consultation, ABS application, QASA, regulatory assessment proposals, rule changes and IGR (internal governance rules).
- 17 LSB Business Plan 2017-18: The LSB published its final version business plan on 4 April 2016. A copy of this is in the Board's online area (April Bulletin folder), together with a summary of the main changes from the draft version upon which we were consulted, and items in our consultation response which were referenced in the final version.

#### **Legal Services Consumer Panel:**

- 18 Helen and Sam held an introductory meeting with new LSCP Chair, Dr Jane Martin and the Panel's executive manager, Lola Bello on 9 March 2017. We discussed our consumer facing activities, in particular our recent client care letter research initiative with other regulators.
- 19 Dr Martin advised that she would be working with the Panel to consolidate work in year three of their strategic plan. The LSCP will consult on a new strategy at the end of 2017.
- 20 The Panel's tracker survey is now in its sixth year. We confirmed how valuable we find the results. We discussed the desire to engage with consumer bodies and whether there is an opportunity to maximise the limited channels of communication to such bodies who understandably have limited resources. We touched briefly on the CMA recommendations and how they might dovetail into existing or emerging work-streams.

#### **CMA Remedies Implementation Project Group:**

- 21 Minutes of the inaugural meeting of the Group were reported at the Board's telecon on 16 March, together with finalised terms of reference. Jill Durham and Sue Chandler are scheduled to attend the next meeting on 12 May 2017.
- 22 Officers met with LSB's Head of Research and Development, Steve Brooker on 21 March 2017 to share views on the LSB's proposed response to the CMA's recommendations that they assess the sufficiency of the regulator's action plans and monitor progress.
- 23 At its meeting on 23 March 2017 the LSB Board agreed to support the CMA recommendation directed to it. It also agreed not to use section 55 notices in the first instance to obtain action plans from regulators, but to keep these powers in reserve.
- 24 On 19 April 2017 the LSB published details of how it will respond to the CMA's recommendation to it – a copy of the response is in the Board's online area (April

Bulletin). The response includes the framework against which the LSB will assess the sufficiency of regulators' action plans.

#### Engagement with CILEx on CMA recommendations:

- 25 On 4 April 2017 managers held a workshop to progress CMA action planning ahead of our draft plan being reported to June Board. The workshop papers and an options matrix are in the Board's online area (April Bulletin). These were shared with CILEx at a meeting with their Head of Policy and Governance, Simon Garrod on 18 April to start the engagement process with CILEx on the CMA recommendations. CILEx will engage further when our regulatory response is finalised.

#### **Legal Ombudsman:**

- 26 Helen Whiteman is scheduled to hold an introductory meeting with the LeO Chief Executive Kathryn Stone on 2 May at our offices. The office is also arranging an introductory meeting for the Chairman with newly appointed LeO Chair, Wanda Goldwag.

#### **Specialist Regulators Meeting:**

- 27 The specialist regulators' meeting scheduled for 27 March was cancelled and an oral update will be provided.

#### **Citizens Advice:**

- 28 On 30 March Citizens Advice published its [Divorced from reality](#) report making recommendations for how couples and families experiencing divorce can be better supported. The report makes recommendations to the MoJ and HMTCS (Her Majesty's Courts and Tribunal Service) for change to divorce law and procedure. It also recommends that family lawyer websites display information on complaints, communication channels, domestic abuse accreditations and average prices.
- 29 This reflects themes in the CMA report on its 2016 legal services market study. The report goes on to suggest that regulators explore ways to spread the good practice by issuing guidance, training and tools to ensure that all legal professionals promote amicable relationships where possible.
- 30 Sue Chandler, Consumer Engagement and Policy Officer contributed at the draft report stage following consultation on the proposals by Citizens Advice, as part cross regulator engagement with national consumer organisations. We are looking at how we can respond to the recommendations.

#### **Advocacy Courses:**

- 31 Vicky Purtill and Helen Whiteman met with Kaplan on 2 March to discuss the current course provision and plans for the next twelve months. We are working together to enhance the availability and frequency of courses and agreed a number of changes to marketing and communication to CILEx members. The next criminal advocacy course will run on 8 May and civil in July. We will review our regulatory arrangements in relation to advocacy.

## **OPERATIONAL**

- 32 All staff attended unconscious bias training on 8 March. This was delivered by Sue Norton, an HR consultant and Judicial Appointments Commission panel member. Sue will also deliver the unconscious bias component of the all conduct panels training on 16 November.
- 33 The panels are each scheduled to have a training day on the following dates bespoke to their particular roles, to which Board members have also been invited.
- 6 June: Professional Conduct Panel
  - 7 July: Appeals Panel
  - 14 July: Disciplinary Tribunal
- 34 Successful recruitment to the lay member vacancies on the PCP was completed in March from a very strong field. Two offers have been accepted.

## **JET (JOINT EDUCATION AND TRAINING) WORKING GROUP**

- 35 We have sought to engage with CILEx to discuss proposals for an Education Standards Review. Changes to the qualifications and membership structure are regulatory arrangements under the Legal Services Act and would be led by CILEx Regulation. The Day One Outcomes document sets out the current requirements for admission as a Chartered Legal Executive. An oral update will be given at the meeting.

## **SRA**

- 36 Vicky Purtill met with SRA Director of Education and Training, Julie Brannan and General Counsel, Juliet Oliver, on 28 March to discuss the future of the CILEx training contract exemption should the Solicitors Qualifying Examination (SQE) be approved by the SRA Board in the spring.

## **REGULATION MATTERS**

- 37 Our new web based forum, *Regulation Matters*, is due to launch at the end of May. Board members will recall we initially planned to produce an online journal dedicated to regulatory and consumer matters. Following external marketing advice we were advised that the best format would be web based.
- 38 Our current main website will continue, and provides a lot of technical detail. The new forum will be jargon-free, very light on technical content and accessible via mobile devices. It will feature video content, such as talking head videos to make it more appealing to consumers and our regulated community. The design work and content is being finalised, but the following link shows the homepage design, and landing pages for the main pages which sit below the homepage: <http://layouts.spindogs.co.uk/cilexv5/>. We hope the new site will be welcomed as another innovative approach to communicating regulatory information.

## **Appendix 1: LSB Regulatory Standards Action Plan**