



Legal Services Update

STATUS

1. The report is open. Certain of the appendices as noted are confidential. In addition highlighted text will be redacted for publication.

EXECUTIVE SUMMARY

2. The paper updates the board on a number of areas involving legal services and asks for approval on certain documents.

RECOMMENDATION

3. The board are asked to;
 - a) Review the comments on the performance assessment outline and agree to the legal services sub-group approving the final submission
 - b) Agree that the application for probate regulation change has been dealt with satisfactorily
 - c) Agree that the application for the RACAC restructure has been dealt with satisfactorily
 - d) Note the final publication of the Probate Diversity monitoring report

PERFORMANCE ASSESSMENTS

4. In June we submitted interim self-assessments on the three areas where we were required to demonstrate progress and improvement. Informally we received positive comments back from the LSB on those areas. In line with the annual requirements for all the front-line regulators we are now required to submit an update assessment by 31 October. The LSB request was sent to us on 30 September 2021 and requires us to;
 - a) update on the three areas we had requiring improvement
 - b) advise on the training arrangements for oaths
 - c) comment on three areas of transparency
 - d) report against the diversity standards
 - e) report against the key elements identified in the LSB's governance review of the Bar Standards Board
5. The response to the assessment is in the process of being drafted but given the short notice is not available for board approval before submission. Given the tight timeframe it is suggested that the legal services sub-group consider this out of committee to aid in the submission on behalf of the board.

6. A brief summary for the board outlining factors to be considered in putting together the response is set out at Appendix A. The LSB's request is set out at appendix B whilst the report on the BSB's governance is at appendix C. All three documents will not be shared for publication.

REGULATORY ARRANGEMENT APPROVAL.

7. Members of the board will recollect that the LSB consultation on the process for approval of regulatory arrangements required board review and approval. The outcome from that consultation has not yet been published. In the meantime however it is considered prudent to minimise delay to our applications to follow this requirement and also judge the value of the exercise.
8. There are two immediate applications that need submission,
 - a) Changes in the probate regulations that require a full application
 - b) Changes to the appointment committees that require an exemption application

Probate regulations

9. The probate regulation changes involve four new sentences being included in the obligations for practitioners in regulation 2.7. This is the outcome of the transparency exercise which the board reviewed in December 2020, where the decision was made to move to mandating of transparency disclosures if insufficient progress was made in the first quarter of 2021. In June 2021 the board approved that mandate and the necessary changes to the regulations. These regulations have now gone through a consultation and the application to the LSB to approve the changes is duly attached at Appendix D.
10. The board are asked to review the application and in particular confirm that the eight statutory objectives have been properly taken account of in framing the regulations.

Appointment Committee changes

11. The appointment committee changes relate to the merging of the Regulatory Board Nomination Committee (RBNC) and the Professional Standards Appointments Committee (Prosac). These changes were considered by the Board in October 2020, and the revised terms of reference for the new committee (Regulatory and Conduct Appointments Committee – RACAC) approved by the Board in December 2020. The RACAC met for the first time in February 2021.
12. The terms of reference for the RBNC were originally approved by the Board in April 2020 as part of the IGR revisions, and approved by the LSB in July 2020. As the changes made did not alter the underlying policy or processes put in place for the RBNC they were not considered by Professional Standards staff as regulatory changes requiring LSB approval. However, the LSB were advised of the changes by way of reporting under WL7 in June. They have now opined that the changes do constitute regulatory changes and accordingly have asked that they be submitted for approval be it under the exemption process. As in the case of the probate regulation application the submission has been prepared in accordance with the draft LSB guidelines.
13. The board are asked to review the application and in particular confirm that the eight statutory objectives have been properly taken account of in this reorganisation.

DIVERSITY REPORTING

14. The collation of data relating to the diversity of probate registered firms as at 31 March 2021 has been assimilated and incorporated into a report that has been approved by the IRB Diversity sub-group, and signed by Steve Barrow on behalf of the board. The signature of Will Brooks as President is also appended to underline Professional Standard's engagement with the professional body as required by the LSB's diversity standards. This is now available on the [website](#). The report and its contents meet a number of LSB diversity standards.
15. The FCA, PRA and Bank of England have recently consulted on diversity policy and data collection. This could impact the 1900 firms registered with ICAEW for DPB. Professional Standards have input to ICAEW's response to the consultation based on the 8 year experience working with probate data. Link [here](#).

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APPENDICES

- Appendix A: LSB Annual Performance Assessment – Outline issues (not published)**
- Appendix B; Letter from LSB regarding Annual regulatory performance assessments**
- Appendix C: LSB Report on Well-Led Review of the Bar Standards Board**
- Appendix D; Application for Probate Regulations Rules change**
- Appendix E Application for regulatory appointments committees restructuring**

Executive Director	Duncan Wiggetts Chief Officer Professional Standards
Authors	Peter James Head of Regulatory Policy Robert Pragnell Legal Services Manager,
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