

## FINAL Minutes of the Legal Services Board (LSB) meeting held on 24 May 2018

**Date:** 24 May 2018

**Time:** 13:00 – 14:50 (Board meeting)

**Venue:** 2<sup>nd</sup> floor, One Kemble Street, London WC2B 4AN

**Present:** Dr Helen Phillips Interim Chair  
**(Members)** Neil Buckley Chief Executive  
Terry Babbs  
Jemima Coleman  
David Eveleigh  
Marina Gibbs  
Jeremy Mayhew  
Catharine Seddon *(by telephone from paragraph 9)*  
Michael Smyth CBE QC (Hon)

**In attendance:** Caroline Wallace Strategy Director  
Danielle Viall Senior Legal Adviser  
Holly Perry Head of Corporate Services  
Angela Latta Policy Principal (observing)  
Giorgio Castellano Research Analyst (observing)  
Steph North Corporate Governance Manager (minutes)

### In attendance for specific agenda items:

Chris Nichols Head of Regulatory Performance (item 4)  
Nicola Noble Legal Adviser (item 4)  
Rusere Shoniwa Interim Director of Finance (items 7- 9)  
Ian Wilson Business Planning Associate (items 8, 13)

## BOARD MEETING

### Item 1 – Welcome and apologies

1. The Interim Chair welcomed those present and in attendance to the meeting, in particular members of the executive who were observing the meeting.
2. Apologies were received from Marlene Winfield, Consumer Panel member, who had been planning to attend to present the Consumer Panel Annual Report. Unfortunately, Marlene had been taken unwell and had therefore been unable to attend.

## Item 2 – Declarations of interests relevant to the business of the Board

3. Neil Buckley declared that he has been re-admitted as a member of the Inner Temple. This would now be added to the Register of Interests. The Chair confirmed that consideration had been given to how this interest could be appropriately managed.

## Item 3 – Paper (18) 26 - Chief Executive's progress report

4. The Chief Executive presented his progress report for the period April to May 2018, drawing the Board's attention in particular to the following points:
  - The permanent Chair appointment was ongoing - the MoJ had provided assurance that a decision was expected in June 2018;
  - The Chief Executive had not spoken at the Symphony Legal Conference due to it being cancelled;
  - In relation to organisational readiness for GDPR, the organisation was in a good position regarding compliance ahead of the 25 May deadline. The Chief Executive thanked LSB colleagues for all their hard work, including full attendance at two training sessions;
  - The Chief Executive also thanked colleagues who participated in and contributed to the London Legal Support Trust Walk on 21 May.
  
5. The following points were raised in discussion:
  - BEIS Innovation Fund - Board Members asked whether the LSB was working with other regulators. The Chief Executive confirmed that it was, working particularly with the other legal regulators, where there was greatest overlap, and that the intention was to seek funds from the £10m Pioneer Fund. The Strategy Director emphasised that BEIS had indicated that they would particularly welcome cross-regulator applications to the fund;
  - [REDACTED]  
[REDACTED]  
[REDACTED] [FOIA exempt s36(2)(b)]
  - [REDACTED]  
[REDACTED]  
[REDACTED] [FOIA exempt s42]
  - OLC – the Chair explained that there are two separate questions to answer – whether the LSB was receiving the assurance it required; and, whether the LSB was satisfied with performance. The Strategy Director explained that the latest performance figures were in line with what was expected based on what the OLC have previously advised the LSB was likely to be achieved. The LSB now needed to allow sufficient time for changes that had been made and that were planned to be made to take effect, and to closely monitor progress in each area. The time to intervene would follow if the promised improvements do not occur. The Board lead was due to attend the OLC's July Board Meeting, which would provide an opportunity to ask questions around progress, and to convey outstanding concerns. The Chief Executive pointed out that there were

timescales attached to performance goals, so it should be relatively easy to hold the OLC to account in relation to these.

- Horizon-scanning – the Board requested that reference to the legal aid barrister strikes should be reflected in future horizon scanning reports;
- Solicitors Disciplinary Tribunal – the Board noted the potential impact of any change to the civil standard of proof. The Chief Executive noted this would be a useful point for further reflection at the Board discussion planned for the July pre-Board session.

6. Members **noted** the Chief Executive’s progress report.

**Item 4 – Paper (18) 27 – Application from CILEx Regulation on behalf of CILEx for a recommendation for designation as a licensing authority**

7. [Redacted]

- [Redacted]
- [Redacted]
- [Redacted]

8. [Redacted]

9. [Redacted]

[REDACTED]  
[REDACTED] [REDACTED] [FolA exempt s36(2)(b)]

**Item 5 – Paper (18) 28 – Draft LSB response to LASPO post-implementation review**

10. Caroline Wallace thanked the Board for their comments on the first draft response to the review, which had been circulated by correspondence. She asked the Board for a steer on what additional content to include in the response, and a decision on how the final response should be signed off.

11. [REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]  
[REDACTED] [FolA exempt s36(2)(b)]

12. The Board **agreed** the approach to the revised response, and **agreed** that the final response would be circulated out of committee to the full Board for approval – once approved, the Chair and Chief Executive would sign off the response prior to submission to the MoJ.

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<sup>1</sup> The Head of Corporate Services confirmed that the Board had in any event been quorate up to this point (on the basis that there was a balance of lay and non-lay members, and the Board continued to carry a vacancy).

## Item 6 – Paper (18) 29 – Consumer Panel Annual Report 2017/18

13. In the absence of the Consumer Panel representative, the Chair introduced the item, and noted that the Board's comments would be reported to the Panel Manager.
14. The Board **received** the report and made the following comments:
  - The Chair conveyed her thanks to the Panel for a good year's work;
  - The report was well presented, and commended for its accessibility;
  - It was noted that expenditure had increased. It was acknowledged that this was as a result of a higher number of Panel members, and an increased research budget. However, it was suggested that it would be helpful for an explanation to be provided alongside the figures, given the increase was out of line with the direction that the LSB's expenditure was taking overall;
  - The Board would welcome a Board to Board meeting with the Consumer Panel in due course.
15. The Chair reported that she had held an introductory meeting with the newly appointed Chair of the Consumer Panel. The Chair had made the following points as part of the discussion:
  - a suggestion that the Consumer Panel might focus on fewer priorities, and to look for opportunities for synergies with the LSB's priorities;
  - to focus on longer term consumer benefits;
  - to focus on transparency and what the Panel's role might be in relation to whatever Legal Choices evolved into;
  - to consider the role and importance of the handling of legal complaints, to protect the consumer interest and encourage best outcomes for users of legal services. Benchmarking options and alternatives to the ombudsman approach needed to be considered in thinking about alternative remedies;
  - there was an opportunity to leverage social media for complaints resolution.
16. The Board **received** and **noted** the report.

## Item 7 – LSB Annual Report 2017/18 – oral update

17. Terry Babbs provided an oral update on the Report, which had been agreed on behalf of the Board at the 21 May ARAC meeting. He confirmed that the Report met the statutory requirements and ARAC was confident that it would be well received. The Report was due to be laid before Parliament w/c 4 June<sup>2</sup>.
18. The Board **noted** the latest position with regard to the Annual Report 2017/18 and thanked the Chair of ARAC and colleagues for all their work. The Report reflected that the LSB was a well-governed organisation.
19. The Chair and Chief Executive **approved** final submission of the Annual Report and Accounts 2017/18 to the Comptroller and Auditor General.

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<sup>2</sup> Subsequently postponed to w/c 11 June.

### **Item 8 – Paper (18) 30 - Q4 2017/18 Performance Report**

20. The Board welcomed Ian Wilson to the meeting, who provided the Board with an overview of the last performance report of 2017/18.
21. The Board considered the report and made the following comments:
  - ARAC, on behalf of the Board, had commissioned the executive to undertake work on reporting against strategic milestones - a paper on 'benefits tracking' would be presented to the July Board meeting;
  - At its meeting on 21 May, ARAC had considered a first draft of the 'benefits tracker' – the intention was for this to be published once fully developed;
  - There was scope for the work to link with a re-think of how the annual report might be presented in future years;
  - Informal discussion with the MoJ had suggested they were not fixed in relation to the current format for quarterly reporting of progress against the business plan;
  - The Board noted progress with the work, and looked forward to further discussion in July.
22. The Board **agreed** that the Q4 report for 2017/18 could be submitted to MoJ.

### **Item 9 – Paper (18) 31 – Finance Report to 30 April 2018**

23. The Chair welcomed Rusere Shoniwa to the meeting, who presented the Finance Report April 2018. The key point to note was an underspend against budget on colleague costs. The challenge for the LSB in the short term would be to examine the programme of work with a view to assessing whether the LSB was adequately resourced to meet its objectives as set out in the business plan and strategy. Any resourcing gaps identified would be followed up with MoJ.
24. The Board **noted** the latest Finance Report.

### **Item 10 – Minutes of the previous meeting – 24 April 2018**

25. The Board noted that the minutes had been agreed by correspondence and published on the website. Holly Perry clarified that highlighted items were FOI redactions.

### **Item 11 – Action tracker**

26. The action tracker was noted. The Chair agreed to update Catharine Seddon on the earlier discussion on the OLC item.

### **Item 12 – Oral report of the 21 May 2018 ARAC meeting**

27. Terry Babbs provided an oral update on the 21 May ARAC meeting. Key points included:

- Internal audit had reported positively for the financial year 2017/18, concluding that risk management was properly under control. Three internal audit reports had been considered – (i) assurance mapping – management had accepted some minor areas of improvement; (ii) staff retention – management had accepted some minor areas for improvement, including the development of a retention strategy, which would be presented to RNC's July meeting. There were some minor points on retention of documentation; (iii) strategic planning – no observations. A positive Head of Internal Audit Opinion had also been delivered;
- External audit - BDO on behalf of NAO – would be recommending to the Comptroller and Auditor General (C&AG) that he should certify the 2017-18 financial statements with an unqualified audit opinion, without modification;
- Deep dive on appointments and recruitment – jointly with RNC – with ARAC looking at the issues from the perspective of risk and assurance. A number of follow up actions were agreed, including succession planning for non-executives as well as executives, and ensuring the widest and most diverse pools of candidates for all roles (executive and non-executive). There had also been a helpful discussion about exit interviews – take up was relatively low which impacted on intelligence. All departing colleagues were offered an exit interview, and further thought would be given for ways of providing feedback anonymously - RNC would be updated further at its July meeting;
- Benefits tracking – the earlier discussion at paragraph 21 refers;
- Documents control and secure email - following on from the cyber security deep dive presented to ARAC in March 2018, there had been further work undertaken by the executive on how the Board could handle documents more securely. The current approach was via unsecure personal email addresses. ARAC had proposed that in the first instance, there would be a move to ActiveSync which meant that Board Members would need to be provided with an LSB account and nominate a personal device with which to sync the account (subject to the specification of Members' devices). The Finance Director would contact individual Board Members to request details of their preferred device. In the longer term, ARAC had asked the executive to develop a business case for bespoke hardware and software for a fully secure option. The Board would be kept updated.

28. The Board **noted** the report.

### **Item 13 – Paper (18) 32 – Corporate Risk**

29. Ian Wilson presented the paper to the Board, highlighting that the Corporate Risk Register attached at Annex A was the same version that had been presented to the ARAC meeting on 21 May, at which detailed comments had been made.
30. At the ARAC meeting, the addition of risk appetite at a risk-by-risk level was discussed and agreed. This had also been a recommendation within the draft Board evaluation report. The Chair of ARAC explained that the addition of the Board's risk appetite to each risk, as well as consideration of risk appetite for all policy matters presented to the Board, would move the LSB from a position of good practice to one

of best practice. A worked proposal will be presented to the ARAC meeting in October 2018, and the Board's November 2018 meeting.

- 31. The Board **noted** the latest version of the LSB Corporate Risk Register.

**Item 14 – Reflections / Forward Look**

- 32. The Board reflected on the business considered at the meeting, and also considered the business for the 17 July 2018 Board meeting, which Catharine Seddon would chair in Helen Phillips' absence. Comments on the draft agenda for the meeting should be submitted to Holly Perry. A separate agenda for the extraordinary Board meeting to be held on 26 June to discuss IGR would follow in due course.

**Item 15 – Any other business**

*Proposed dates of Board meetings 2019/20*

- 33. The Board formally **noted** the proposed Board meeting dates for 2019/20. The May 2019 date would be checked to ensure it was a working day. The Chair requested that further comments be submitted by Board Members to Holly Perry.
- 34. There was no other business.

SN 25/05/18

Signed as an accurate record of the meeting

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Date  
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