

## **Minutes of the Legal Services Board (LSB) meeting held on 24 January 2018**

**Date:** 24 January 2017  
**Time:** 14:00 – 15:00 (Pre Board private session)  
15:00 – 15:15 (Board private session)  
15:15 – 16:30 (Board meeting)  
**Venue:** CILEX Regulation  
Kempston Manor, Kempston, Bedford MK42 7AB

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

**In attendance:** Edwin Josephs Director of Finance and Services (from item 3)  
Nick Glockling Legal Director (from item 3)  
Caroline Wallace Strategy Director (from item 3)  
Holly Perry Corporate Governance Manager (minutes)

**In attendance for specific agenda items:**  
Rob Cross Research Manager (item 6)

### **BOARD PRIVATE SESSION**

#### **Item 1 and 2**

1 – 6. Private session

### **BOARD MEETING**

#### **Item 3 – Welcome and apologies**

7. The Interim Chair welcomed those present and in attendance to the meeting.
8. No apologies had been received.

**Item 4 – Declarations of interests relevant to the business of the Board**

9. No new interests were declared.

**Item 5 – Paper (18) 03 - Chief Executive’s progress report**

10. The Chief Executive presented his progress report for the period from November 2017 to January 2018, drawing the Board’s attention in particular to the following points:

- the appointment of a new Justice Secretary and Lord Chancellor, David Gauke, as part of the Cabinet reshuffle. Lord Keen had retained his responsibilities for legal services;
- the change of Ministers at MoJ had meant that the recruitment of the LSB Chair was likely to be subject to further delay;
- together with Marina Gibbs, the Chief Executive would be attending the OLC Board meeting on 29 January.

11. The following points were raised in discussion:

- [REDACTED]

**exempt: s42]**

- a number of questions were raised in relation to the voluntary performance assurance letter from the Legal Ombudsman (LeO) dated 12 December 2017, attached at Annex A. Board Members suggested that a more detailed trajectory for performance improvement needed to be included in future letters, together with an assessment of the risks and issues. In addition, in light of the recent legal advice obtained by LeO that it was not possible for it to use an external delivery partner in the way that it had planned, assurance was needed as to whether the trajectory for improvement needed to be revised to reflect the fact that options were now more limited. A further update was also required in relation to governance and transparency, as well as a follow up to the discussion on ‘what good looks like’. It was agreed that all these elements needed to be clearly articulated to OLC, and would be dealt with by way of a letter from the LSB Chair to the OLC Chair, noting that the LSB removed formal reporting requirements on OLC on the basis of the OLC’s voluntary assurance being adequate;
- in relation to the market intelligence and research data attached at Annex B to the report, the Board noted that the number of active ABSs had now reached over 1,000. Consideration would be given to communications activity to accompany the achievement of this milestone;
- the self-assessment by the LSB attached at Annex C to the report – Encouraging a diverse profession – was noted;

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- the Chair reported that she and the Chief Executive had had a positive meeting with Baroness Hale earlier in the week, where there had been an opportunity to explain the LSB's role in regulation.

12. Members **noted** the Chief Executive's progress report.

#### **Item 6 – Paper (18) 04 – Small business legal needs research**

13. Members welcomed Rob Cross to the meeting. In presenting the item, it was explained that the paper was an opportunity for Board Members to provide strategic insight on how the LSB could maximise the impact of the small business legal needs research. Members were specifically invited to advise on any organisations / contacts who could assist in maximising the impact of the research and to suggest possible areas for follow up activity.
14. Board Members were reminded that the research would be the third wave of the large scale quantitative survey of the experiences of over 10,500 small business, showing the origin of the legal problems they faced, and their approach and experience in seeking advice. A draft infographic summarising the key findings was attached at Annex A of the report. The plan was to publish the research in February and hold a launch event, to be chaired by Paul Uppal, newly appointed Small Business Commissioner. Volunteers from the Board to sit on the panel were also invited.
15. Points raised in discussion were as follows:
- it was agreed that representation from silicon / tech / start ups etc would be important. Jeremy Mayhew offered a contact – Russ Shaw, founder of Tech London Advocates, with whom Rob Cross could follow up;
  - other suggestions for invitees included: the CBI, the Federation of Small Business, and Citizens Advice. It was suggested that TLS be approached to send a representative to support the perception that the legal sector was receptive to innovation and the tech sector;
  - a question was raised regarding the extent to which the sample sizes within the infographic were statistically significant. Rob Cross responded that the figures were weighted and designed to be representative. A follow up note would be provided setting out the figures that were statistically significant in terms of changes over time;
  - it was suggested that as well as removing barriers, the emphasis also needed to be on promoting growth in the sector.
16. The Board **thanked** Rob Cross for attending and presenting the item, and for a robust piece of work. The Board noted the research findings and the event planned to launch it. A note would be circulated setting out the arrangements for the launch event, including venue, timing, invitees etc. Board Members were asked whether any member was available to sit on the panel.

### **Item 7 – Paper (18) 05 – LSB Governance Manual**

17. Holly Perry presented the paper for the Board's consideration, emphasising that the Audit and Risk Assurance Committee had considered the majority of the changes at its October 2017 meeting and recommended them for the Board's approval. The exception was the revisions suggested to the Remuneration and Nomination Committee's Terms of Reference, set out at Annex A highlighting the tracked changes.
18. The following points were raised in discussion:
  - it would be important for all LSB policies to be checked and updated ahead of May 2018, to ensure the LSB was GDPR compliant. The approach to circulating confidential papers to Board Members' personal email addresses also needed to be reviewed;
  - the RNC's Terms of Reference would be circulated without the tracked changes highlighted;
  - the title of the internal whistleblowing policy would be checked, in the context of the Public Interest Disclosure changes;
  - aspects of culture, behaviours and organisational tone discussed in the pre-Board private session would be incorporated into the external Board evaluation work.
19. Subject to points raised in discussion being addressed, the Board **approved** the suggested changes to the LSB Governance Manual. The Board noted that the updated Manual would be circulated to Board Members, colleagues, Members of OLC and the LSCP, and would also be uploaded to the LSB website.

### **Item 8 – Paper (18) 06 – Q3 Performance report**

20. The Director of Finance and Services introduced the report, emphasising that there had been a number of changes since the end of December, which would be incorporated into the Q4 Performance report. The last performance review meeting with MoJ (only two scheduled each year) had been cancelled.
21. The Board noted that owing to resourcing issues, the review of enforcement activities had moved from Q4 to Q1 of the new financial year. This decision had followed a detailed consideration of the issues at a Programme Board meeting and by the Senior Leadership Team (SLT).
22. It was clarified that the TLS / SRA investigation was not captured within the report as this work did not feature in the business plan – the performance reports were intended to report against the objectives set out in the business plan only. The headings in the report reflected the headings in the business plan.
23. The Board noted the report.

### **Item 9 – Minutes of the previous meeting – 23 November 2017**

24. The Board noted that the minutes had been agreed by correspondence and published on the website. One amendment was proposed to the drafting at the end of the first bullet at paragraph 10, to read: ‘the LSB would liaise with OLC offline in relation to some further questions about fees charged to firms’. It was noted that no further information had yet been received<sup>1</sup>.

### **Item 10 – Action tracker**

25. The action tracker was **noted**.

### **Item 11 – Paper (18) 07 - Finance Report for December 2017**

26. Edwin Josephs presented the latest finance report, noting that work was ongoing to ascertain the final levy liability for approved regulators for the 2017/18 year and that the Association of Chartered Certified Accountants would have to pay a first year-fee.
27. The Board **noted** the Finance Report.

### **Item 12 – Reflections / forward look**

28. The Board reflected on the business considered at the meeting, as well as discussions in the pre-Board private session and also the Board to Board session held with CILEX Regulation ahead of the Board, and noted the agenda for the March 2018 meeting.

### **Item 13 – Any other business**

29. The Board formally extended its sincere thanks to CILEX Regulation for kindly hosting the LSB Board meeting, and for its generous hospitality.
30. The Interim Chair, on behalf of the Board, thanked Edwin Josephs for all his work in relation to finance, audit, services, compliance and corporate governance, and wished him well for the future.
31. There was no other business

**The meeting closed at 16:30.**

HP 29/01/18

Signed as an accurate record of the meeting

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<sup>1</sup> The LSB obtained the information from public sources, in particular the relevant section of the Legal Ombudsman website, therefore this request was not specifically followed up.

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Date  
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