

To:	Board
Date of Meeting:	28 March 2011
Item:	Paper (11) 15

Title:	Further rules relating to the regulation of licensed bodies
Workstream(s):	Widening access to the legal market
Introduced by:	Fran Gillon, Director fran.gillon@legalservicesboard.org.uk / 020 7271 0087
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Status:	Unclassified

Summary:
<p>The Board is asked to consider the attached paper for publication and make the rules and recommendations that the paper proposes.</p> <p>As part of the Alternative Business Structure (ABS) regime, a number of rules and recommendations need to be made about information held on ABS and their managers and owners. The Board is required to make rules about the registers that each Licensing Authority (LA) needs to hold on the ABS that they license. In order for the enforcement powers to be available to LAs, the Board is also to make recommendations to the Lord Chancellor about time periods for reporting in various parts of Schedule 13 to Legal Services Act 2007. We have also taken the opportunity to set out proposals on the contents of the register of people disqualified from being involved in ABS which we are required to hold.</p> <p>We consulted on these matters on 6 December. A decision document that sets out the issues is attached (Annex A).</p>

Risks and mitigations	
Financial:	Some potential as rules require LSB to hold a register.
FoIA:	Annex A – s22.
Legal:	Rules are required to be made by SI by the Lord Chancellor on our recommendation.
Reputational:	N/A.
Resource:	Some potential as rules require LSB to hold a register.

Consultation	Yes	No	Who / why?
Board Members:		✓	
Consumer Panel:		✓	
Others:	Public consultation – seven responses received.		

Recommendation(s):

The Board is invited to agree:

- (1) to make the proposed rules
- (2) to make the recommendation to the Lord Chancellor, subject to finalisation
- (3) the proposals set out on our approach to disqualified persons
- (4) to publish the attached decision document.

LEGAL SERVICES BOARD

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Recommendation(s)

The Board is invited to agree:

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- (2) to make the recommendation to the Lord Chancellor, subject to finalisation
- (3) the proposals set out on our approach to disqualified persons
- (4) to publish the attached decision document.

Background

1. On 6 December 2010, we published a consultation document that set out our proposals on:
 - additional rules about the content of registers that Licensing Authorities (**LA**) must keep giving details of licensed bodies¹
 - additional rules that the Board must make under Schedule 13 to Legal Services Act 2007 (**the Act**) concerning the 'prescribed period' during which certain actions connected with the ownership of licensed bodies must be carried out
 - a recommendation to be made by the Board to the Lord Chancellor to make an Order specifying periods within which notification of changes to ownership must be given to an LA². These periods need to be defined to ensure that the criminal sanctions in the Act for failure to notify are enforceable.
2. The LSB also must keep lists³ of people who are disqualified from:
 - acting as Head of Legal Practice (**HoLP**) of any licensed body
 - acting as Head of Finance and Administration (**HoFA**) of any licensed body
 - being a manager of any licensed body
 - being employed by any licensed body.
3. The consultation paper also set out the approach that LSB proposed to take for keeping the lists. We have contacted the Information Commissioner's Office about the proposed list following the concern about data protection raised by ILEX Professional Services. We hope to provide an update at the meeting.
4. The attached paper sets out the consultation responses and proposed recommendations with justification for the Board's approval.

¹ The Act, s87.

² *Ibid.*, Schedule 13, paragraphs 10(2), 12(2), 21(3), 23(3), 39(2), 40(2).

³ *Ibid.*, s100(6).