

## **Minutes of a meeting of the Legal Services Board (LSB) on 29 August 2013**

**Date:** 29 August 2013  
**Time:** 10:00 – 12:00  
**Venue:** Victoria House, Southampton Row, London WC1B 4AD

**Present:** David Edmonds Chairman  
**(Members)** Chris Kenny Chief Executive  
Anneliese Day QC  
Steve Green  
Bill Moyes  
Ed Nally  
Barbara Saunders  
Andrew Whittaker

**In attendance:** Julie Myers Corporate Director  
Crispin Passmore Strategy Director  
Fran Gillon Director of Regulatory Practice  
Nick Glockling Legal Director  
Edwin Josephs Director of Finance and Services  
Alex Roy Head of Development and Research  
Chris Handford Regulatory Project Manager  
Vincent McGovern Communications Manager  
Adewale Kadiri Corporate Governance Manager (minutes)

### **Item 1 – Welcome and apologies**

1. The Chairman welcomed those present and in attendance to the meeting. Apologies had been received from Terry Babbs.

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

2. There were no declarations of interest.
3. Board Members were reminded to notify the Corporate Governance Manager about hospitality extended and/or received in the course of their LSB work.

### **Item 3 – Cost and complexity of regulation – LSB submission to MoJ call for evidence**

4. The Chairman introduced this paper, acknowledging that it was still in draft form and subject to further changes. It was noted to be an important and interesting document that was being pulled together in response to the call for evidence on the future of legal services regulation. Possible drivers for the review were noted, including representations from key stakeholders within the sector on the weight of the regulatory burden borne by the legal profession, as well as the impact of other

pressures including the cuts to legal aid. The paper had been drafted taking account of the fact that there was no likely prospect of major primary legislative changes until after the next general election, and that even then, this issue was unlikely to feature prominently in the manifestos of any of the main parties. The aim of the response therefore was to recognise the progress that had been made under the current framework, and to signal to ministers the direction that the LSB believes regulation ought to take over the next four to five years, taking account of the changing and challenging nature of the external environment.

5. The key conclusions that the paper had thus drawn were that:
  - Regulation needs to be ever more proportionate and risk based
  - The regulatory framework and underlying regulation requires considerable simplification
  - There is a need in the longer-term for a single regulator for the legal profession as part of a completely new structure
6. The proposals in the paper were not aimed at securing the continuation in perpetuity of the LSB, but were focused on ensuring that the process of liberalising legal services continues and indeed gains pace, in the interests of the public and consumers.
7. In the course of its discussions, the Board noted:
  - There was some ambiguity as to whether the paper was recommending improvements to the system as it currently exists, or was advocating immediate radical reform. The draft needed to be clearer
  - The proposal for primary legislation to create a single legal services regulator was tantamount to saying that the present system was not fit for purpose, and this may not be well received by all stakeholders.
  - The absence of reference to the reform of legal aid and to what the LSB's objectives would be in the event that new primary legislation was not forthcoming was noted
  - Given that, if the proposal for a single regulator was accepted, this would not be in place for some years there should be a stronger focus on introducing more consistency into the current system, and the LSB should avoid being too prescriptive about how to achieve this
  - It was also suggested that the paper should set out the intended long term regulatory principles, emphasising that progress could be made towards these in the absence of a single regulator. Ministers should be presented with a broader range of options for immediate action, including simplifying the existing structure thereby reducing cost and complexity
  - The paper ought to set out in more detail the value the LSB is adding to the current structure on the basis that it was fulfilling the purposes for which it was established
  - In relation to the future of OLC/LeO, although radical suggestions were mooted in the paper, their future role in a reformed regulatory framework ought to feature more prominently. This is particularly in light of the ongoing

debates regarding ADR and suggestions of proposals to reduce the overall number of public sector ombudsman schemes. It was agreed that LeO should have more freedom to explore the possibility of entering other sectors. More work was required on the vehicle to be used to achieve this. The relationship between complaints, redress and regulation also needed more attention in the paper

- The role of the professions, and regulation by entities and individuals, needed to be brought out more strongly. In this context, the importance of professional titles, and its relationship to the maintenance of regulatory independence also required further attention
- Examples of areas in which there could be deregulation should be provided.

**8. The Board therefore resolved to:**

- a) Note the cover paper and draft document**
- b) Ask the Executive to prepare a further draft, revised in the light of the discussion, for a further circulation to the Board**
- c) Delegate sign off of the final version to the Chairman and Chief Executive in the light of those final comments to enable a submission to be made as soon after the 2 September deadline as possible**

9. The Chairman thanked the team for the quality of the work that had been done in a relatively short period of time and also thanked the Board for their assistance both with the drafting and the discussion.

**Item 4 – Chief Executive’s update (verbal)**

10. The Chief Executive provided a verbal update on the following matters:

- This had been a very busy August, including ongoing work on the Bar Council investigation, the potential JR challenge to the QASA rule change application, and the MoJ call for evidence. The re-scheduling of other work, and the possible detrimental impact on the team’s ability to deliver the business plan as a consequence of the MoJ review are being considered, with final decisions also being informed by the Board strategy session in September
- Progress was being made on securing new office accommodation. No definite commitment on dates had yet been received in relation to the preferred premises, but the aim is to be able to move early in 2014
- The recently launched report on the use of legal services by people with learning disabilities had been well received, and had generated good media coverage
- As part of the LeO’s review of its costs, a number of staff were being put at risk of redundancy with some deciding to leave on voluntary terms

11. The Chief Executive and Legal Director also provided an update on the potential JR challenge on QASA.

**12. The Board resolved to note the Chief Executive's update.**

**Item 5 – Any other business**

13. The Chairman reminded the Board of the Board dinner on 24 September during which the outcome of the Board Evaluation exercise would be discussed.

**Item 6 – Date of next meeting**

14. The Board would next meet on 11 September 2013 at 13:00, preceded by a strategic session at 9.30a.m. The venue would be LSB's offices at Victoria House, Southampton Row, London WC1B 4AD.

AK, 06/09/13

Signed as an accurate record of the meeting

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Date

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