

Code of Practice for Board Members

This Code of Practice applies to all LSB and Legal Services Consumer Panel members. All members must adhere to this Code of Practice (or any modification of it agreed by the Board) and act in good faith and in the best interests of LSB and the Consumer Panel. The reference to 'colleagues' relates to full and part-time employees, secondees, agency contractors and other employed on a contract of service.

Aim

1. The LSB Framework Document provides that: 'the overall aim of the LSB is to improve the delivery of legal services to the general public, and to businesses, by providing consistent oversight regulation to the legal services sector. The LSB will improve performance by ensuring that the approved regulators and the Office for Legal Complaints carry out their functions to the required standards.'

Public service values

2. Board Members must at all times:
 - comply with The Seven Principles of Public Life, as set out by the Committee on Standards in Public Life (**Annex A**);
 - maintain the highest standards of propriety involving integrity, impartiality and objectivity in relation to the stewardship of public funds and the management of LSB;
 - maximise value for money by ensuring that LSB operates in the most economic, effective and efficient way, within available resources, and with independent validation of performance achieved wherever practicable; and
 - be accountable for the activities of LSB, their stewardship of public funds, and the extent to which key performance targets and objectives have been met to Parliament, the public, other stakeholders and LSB colleagues.

Accountability to Parliament

3. LSB is accountable through the Lord Chancellor to Parliament.
4. LSB must present in respect of each financial year an annual report to the Lord Chancellor, who must then lay it before Parliament. The annual report is subject to audit by the National Audit Office.
5. LSB must provide Parliament with such information as may be requested in respect of its actions and policy decisions. LSB might be required to give evidence to Select Committees.

Relationship with Government / sponsor department

6. LSB is sponsored by Ministry of Justice (**MoJ**). The principles, strategic framework and financial accountabilities for how the relationship between LSB and MoJ will operate is set out in the LSB Framework Document.
7. The Lord Chancellor (in consultation with the Lord Chief Justice) is responsible for appointing a lay Chairman and at least seven, but not more than 10, additional ordinary Board Members (a majority of whom must be lay persons). The Lord Chancellor (in consultation with the Lord Chief Justice and, unless the Chairman is the Board Member in question, the Chairman) may also remove an ordinary Board Member, but only in accordance with the Legal Services Act 2007 (**'the Act'**).
8. Communications between LSB and the Lord Chancellor will normally be through the Chairman or the Chief Executive. However, a Board Member may, if it is thought necessary, seek access to Ministers on any matter that he or she believes raises important issues relating to his or her duties as a Board Member. In such cases, the agreement of the Board should normally be sought.
9. Communications between LSB and MoJ about day-to-day matters will normally be through the Chief Executive or the Corporate Director.
10. Although LSB is accountable through the Lord Chancellor to Parliament, other than the specific cases set out in the Act where the Lord Chancellor has power to direct LSB, LSB is independent of government. While it is appropriate for LSB to take account of the views of Ministers, it would be improper for LSB to direct its actions purely on that basis.

Role of Chairman and Board Members

11. The Chairman, on the advice of the Chief Executive, has particular responsibility for providing strategic leadership on matters such as:
 - the formulation of LSB's strategy for discharging its statutory duties;
 - representing the views of LSB to consumers, other stakeholders and the wider public, and vice versa;
 - ensuring that the Board, in reaching its decisions, takes proper account of directions or guidance given by the Lord Chancellor or MoJ;
 - encouraging high standards of propriety, and ensuring compliance with the Seven Principles of Public Life across the organisation;
 - promoting generally accepted principles of good corporate governance;
 - promoting the effective and efficient use of resources; and
 - providing an annual assessment of the performance of the Board and Board Members.
12. The Chairman (in consultation with the Corporate Governance Manager) will ensure that the Board meets and operates in accordance with LSB's Rules of Procedure.

13. The Chairman will ensure that new Board Members receive on their appointment a full induction about both their roles and LSB.

14. The Board's responsibilities include:

- ensuring that LSB complies with the Act and any supplementary legislation or Orders thereto, other legislation, and any statutory or administrative requirements in respect of the use of public funds;
- ensuring that LSB operates within the limits of its statutory authority and any delegated authority agreed with MoJ;
- agreeing the overall strategic direction of LSB and the policy and resource framework for the delivery of that strategy;
- developing and monitoring and reporting performance against an annual business plan and agreed performance indicators;
- agreeing and overseeing the implementation of a strategy to manage risk ; and
- ensuring that generally accepted principles of good corporate governance are observed at all times.

15. The Board's responsibilities in respect of LSB's role as an employer include:

- complying with all relevant legislation and employing suitably qualified colleagues who will discharge their responsibilities to the highest of standards;
- ensuring that LSB adopts management practices that use resources in the most economic, effective and efficient manner;
- creating through recruitment and management procedures an inclusive culture in which diversity and equality is fully valued and where appointment and advancement is based on merit;
- ensuring that the structure, level and number of LSB colleagues is appropriate to its functions and the requirements for value for money;
- ensuring that a fair and effective remuneration policy and performance management system is in place;
- ensuring proper consultation with LSB colleagues on all matters affecting them;
- ensuring that relevant policies are adopted, including in respect of whistleblowing, grievances and disciplinary procedures; and
- ensuring that LSB colleagues and Board Members have appropriate access to expert advice and training and development opportunities to enable them to exercise their responsibilities effectively.

16. Board Members' individual responsibilities include:

- attending and participating fully at meetings, thereby contributing to the formulation of strategy and policy, including providing constructive challenge to the Executive;

- contributing, as necessary to the early stages of policy formulation and project development in collaboration with LSB colleagues;
- complying with The Seven Principles of Public Life, as set out by the Committee on Standards in Public Life (**Annex A**) ;
- complying with this Code of Practice, LSB's Rules of Procedure and other rules relating to the use of public funds;
- complying with the principles of collective responsibility, support and respect;
- conducting themselves in a manner that is consistent with the authority and standing of their role;
- representing the LSB externally, as required;
- complying with LSB's policies in respect of colleagues' interests, expenses and corporate gifts and hospitality; and
- participating in the annual Board evaluation and Board Member appraisal processes.

Role of the Chief Executive

17. The Board must appoint a Chief Executive, who will also be a Board Member.
18. The Chief Executive has responsibility for the operational management, resourcing and financial and other procedures of LSB.
19. The Chief Executive is also the Accounting Officer of LSB, responsible personally for the resources under his control to Parliament and to the Accounting Officer of MoJ. This includes responsibility for:
 - the propriety and regularity of the public finances for which he or she is answerable;
 - the keeping of proper accounts;
 - prudent and economical administration;
 - the avoidance of waste and extravagance;
 - the effective and efficient use of all resources in his or her charge; and
 - ensuring that appropriate advice in respect of these matters is tendered to the Board.

Delegation

20. Board Members serve on a part-time basis. Responsibility for specified matters may be delegated within a clearly understood framework of strategic control to individual Board Members, committees (or their subcommittees) or colleagues.
21. LSB will adopt a Schedule of matters reserved to the Board, Terms of Reference for respectively an Audit and Risk Assurance Committee and a Remuneration and Nomination Committee, and a Scheme of delegations to the Chief Executive (to be published on LSB's website).

Conduct

22. Board Members cautioned for or charged with a criminal offence, other than a parking or speeding offence without aggravating circumstances, must report the matter at the earliest opportunity to the Chairman (or, if the Chairman is the Board Member in question, MoJ).
23. Board Members subject to finance-related legal proceedings, or aware of matters relating to conduct that may affect their position or the reputation of LSB, must report the matter at the earliest opportunity to the Chairman (or, if the Chairman is the Board Member in question, MoJ).
24. Board Members must avoid any action that involves (or may be seen as involving) the exploitation or misuse of their position for private purposes.
25. LSB's Complaints and Disciplinary Process for Individual Members policy (which is published on the LSB's website) applies to complaints against LSB, Office for Legal Complaints and Consumer Panel members.

Criminal and civil liability

26. Paragraph 33 of Schedule 1 to the Act exempts Board Members from liability in damages for anything done or omitted in the exercise or purported exercise of the functions of the Board conferred by or by virtue of any enactment, subject to certain specified exemptions (related to acts or omissions that were in bad faith or were unlawful under section 6(1) of the Human Rights Act 1998).
27. A Board Member may be liable for breach of confidence under common law or for infringing provisions of the Data Protection Act if he or she misuses information gained by virtue of his or her position.

Confidentiality

28. Sections 167-168 of the Act prohibit the disclosure of restricted information (as defined), subject to certain exceptions.

Concerns about propriety

29. In accordance with recommendation 53 in the First Report of the Committee on Standards in Public Life (the Nolan Committee), the Chairman is entrusted with the duty of investigating a colleague's concerns about propriety raised confidentially. Colleagues are accordingly able to make a complaint at this level without going through the normal management structure. If a colleague remains dissatisfied, he or she may take the matter to the Permanent Secretary of MoJ.

Interests

30. Board Members are entitled to manage their own affairs in private. However, the work of LSB must (and must be seen) to be carried out in an environment that is free from any suggestion of improper influence. Those providing information to

LSB must be confident that it will be handled properly and that conflicts of interests will be identified quickly and handled properly.

31. LSB recognises the input and value of its statutory non-lay Board Members and it is not considered that their status alone represents a conflict of interests.
32. LSB has in place a policy in respect of Board Members' interests, which requires a register of interests to be maintained (this is published on LSB's website).

Employment and appointments

33. While in office, Board Members should have regard to any real or perceived conflicts of interest in relation to the acceptance of employment or appointments. If Board Members wish to take up new employment or appointments during their term of office where real or perceived conflicts of interest may be an issue, they should first discuss details with the Chairman.
34. On leaving office, and when considering the acceptance of future employment or appointments, Board Members should continue to have regard to conflict issues and should discuss with the Chairman if in any doubt.

Expenses

35. LSB has in place a policy in respect of the reimbursement of expenses (including travel and subsistence) reasonably and necessarily incurred on behalf of LSB, which will require a register of expenses to be maintained (this is published on LSB's website).

Corporate gifts and hospitality

36. LSB has in place a policy in respect of corporate gifts and hospitality, which requires a register of corporate gifts and hospitality to be maintained (this is published on LSB's website).

Public speaking, external events and journalists

37. The Chairman and the Chief Executive will normally act as spokespersons for LSB, but other Board Members may also be required, from time to time, to act in this capacity.
38. If Board Members attend events or write articles where issues related to LSB policy may be raised, they should make it clear that their opinions are being offered in a personal capacity and, in any event, they should not express views at variance from agreed LSB policy. Board Members should advise the Corporate Governance Manager about such events or articles.
39. In general, Board Members are not restricted from access to the media in their non-LSB capacity, or in pursuit of a professional interest.
40. Invitations to attend or to speak at industry or stakeholder events should be referred to the Corporate Governance Manager.

Political activities

41. It would be inappropriate given LSB's status as independent of government for any Board Member to engage in active politics. This includes: membership of the House of Commons, a devolved assembly or parliament, or the European Parliament; seeking adoption or selection as a candidate or prospective candidate for election to these bodies; membership of local authorities; seeking adoption or selection as a candidate or prospective candidate for election to local authorities, other than parish councils; seeking adoption or selection as a candidate or prospective candidate for election as a Police and Crime Commissioner; and acting as a party spokesman in the House of Lords. Advice is available from the Chairman or Corporate Governance Manager.

Data Protection Act 1998

42. Board Members consent for all purposes to the holding, accessing and other processing of personal data about them held by LSB.

Freedom of information

43. LSB is a public authority subject to the Freedom of Information Act (FoIA) 2000. Information held by LSB might be disclosed in response to a request for information, unless it constitutes exempt information under Part 2 of FoIA 2000.

Exit restrictions

44. On termination of office, Board Members must return all LSB property (including but not limited to documents and software, credit cards, computer equipment, keys and security passes).

Approved by the Board on 26 October 2016.

The Seven Principles of Public Life

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their families or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

For more information, visit: <http://www.public-standards.gov.uk/>