

Rules of Procedure

Introduction

Legal Services Board (LSB), the independent oversight regulator of the legal professions in England and Wales, was established by Legal Services Act 2007 ('the Act').

In the exercise of its powers under paragraph 21 of Schedule 1 to the Act, LSB has made these Rules of Procedure ('Rules') to regulate its procedures and those of its Committees and Subcommittees.

1. Definitions

1.1 Unless the context otherwise requires, the following definitions apply:

Act means Legal Services Act 2007;

Board and Board Members means the members of the Board of LSB (which for the avoidance of doubt includes the Chief Executive), appointed in accordance with paragraph 1 of Schedule 1 to the Act;

Board Secretary means the Colleague appointed as Corporate Governance Manager who acts as secretary to the Board;

Chairman means the person appointed by the Lord Chancellor as the Chairman of LSB, in accordance with paragraphs 1-2 of Schedule 1 to the Act;

Chief Executive means the person appointed by the Board as the Chief Executive of LSB, in accordance with paragraph 13 of Schedule 1 to the Act;

Colleague means a member of staff of LSB, appointed in accordance with paragraph 14 of Schedule 1 to the Act;

Committee means a committee of the Board established under paragraph 20 of Schedule 1 to the Act;

Committee Chairman means a chairman of a Committee;

Committee Member means a member of a Committee;

LSB means the independent oversight regulator of the legal professions in England and Wales, a body corporate established by section 2 of the Act;

Meeting means a meeting of the Board;

Ordinary Board Member means a Board Member other than the Chief Executive;

Senior Leadership Team (SLT) means the senior management team of LSB, comprising the following: Chief Executive, Strategy Director, Corporate Director, Legal Director, Director of Finance and Services, Head of Research and Development, Head of Regulatory Reviews

and Investigations, and Head of Regulatory Performance and Operations. The SLT provides oversight of the LSB's strategic and business plans, and enables discussion of planned and emerging policy issues;

Subcommittee means a subcommittee of a Committee established under paragraph 20 of Schedule 1 to the Act;

Subcommittee Chairman means a chairman of a Subcommittee;

Subcommittee Member means a member of a Subcommittee.

- 1.2 References to any statute or statutory provisions include a reference to that statute or statutory provision as from time to time modified or re-enacted.
- 1.3 All generalised references to the male gender should be read as equally applicable to the female gender, and vice versa.
- 1.4 Unless the context otherwise requires, words in the singular include the plural, and vice versa.
- 1.5 These Rules shall not be amended, revoked or replaced, except by a resolution of the Board.

2. Statutory framework

- 2.1 The constitution and proceedings of LSB are governed by section 2 of, and Schedule 1 to, the Act.
- 2.2 Paragraph 21 of Schedule 1 to the Act provides that the Board may regulate its procedure and those of its Committees and Subcommittees.

3. Meetings and proceedings of the Board

3.1 Meetings of the Board

- 3.1.1 The Board shall hold meetings at such regular intervals as may be determined by the Board.
- 3.1.2 The Board may invite any person to attend all or any part of a Meeting.
- 3.1.3 Meetings will normally be held at the offices of LSB, but may take place at any other convenient location.
- 3.1.4 Board Members are expected to attend not less than 75 percent of the Meetings in any 12 month period.

3.2 Meetings – agenda and papers

- 3.2.1 In normal circumstances, the agenda and papers for a Meeting will be circulated to Board Members (and such other persons as might be agreed from time to time) five working days in advance of the

Meeting. The non-receipt of papers by any Board Member shall not invalidate the business transacted at a Meeting.

- 3.2.2 The order of business at a Meeting shall follow the agenda issued in respect of that Meeting, unless otherwise directed by the Chairman.
- 3.2.3 Papers may only be tabled at a Meeting with the prior permission of the Chairman.
- 3.2.4 No business other than that on the agenda issued in respect of a Meeting may be taken, unless otherwise directed by the Chairman.
- 3.2.5 Subject to LSB's responsibilities under Freedom of Information Act 2000, the papers of Meetings are confidential and should not be left unattended. Board Members should report lost or misplaced papers immediately to the Corporate Governance Manager.

3.3 Power to call meetings of the Board

- 3.3.1 Where in the opinion of the Chairman, an urgent matter has arisen, the Chairman may call a Meeting.
- 3.3.2 Where two or more Board Members submit a request for a Meeting to the Chairman, the Chairman shall call a Meeting as soon as practicable.

3.4 Notice of Meetings

- 3.4.1 Board Members will be notified as soon as practicable of the dates of all meetings of the Board.
- 3.4.2 The non-receipt of a notice of a Meeting by any Board Member shall not invalidate the business transacted at a Meeting.

3.5 Chairing of Meetings

- 3.5.1 The Chairman shall, if present, preside at all Meetings.
- 3.5.2 In the absence of the Chairman, a lay Board Member nominated by the Chairman (or, if he is unavailable, nominated by the Board) shall preside.
- 3.5.3 The procedure at Meetings shall be determined by the Chairman, in accordance with these Rules (and in consultation with the Board Secretary).

3.6 Procedure at Meetings

- 3.6.1 Subject to these Rules, Board Members may meet together for the despatch of business, adjourn and otherwise regulate their Meetings as they think fit.
- 3.6.2 The Chairman shall:

- (a) preserve order and ensure that all Board Members have sufficient opportunity to express their views on all matters under discussion;
 - (b) determine all matters of order, competency and relevancy;
 - (c) determine in which order those present shall speak; and
 - (d) determine whether or not a vote is required.
- 3.6.3 Papers shall be taken as read and questions shall be directed to the relevant Executive Director, unless otherwise directed by the Chairman.
- 3.6.4 In the event that a Board Member is unable to attend a meeting, he or she will provide written comments on the agenda items ahead of the meeting. These will be read out at the appropriate point in the Meeting by the Chairman or the Corporate Governance Manager.
- 3.6.5 Decisions of the Board will normally be made by consensus. Failing consensus, decisions shall be reached by means of a vote when:
- (a) the Chairman believes that there are Board Members present at the Meeting who disagree with a proposal;
 - (b) when a Board Member who is present requests a vote to be taken; or
 - (c) the Chairman considers that a vote should be taken.
- 3.6.6 Where a vote is taken, the proposal shall be determined by a majority of the votes of the Board Members present and voting on the question. The Chairman shall declare whether or not a resolution has been carried.
- 3.6.7 In the case of an equality of votes, the Chairman shall have a second, casting vote.
- 3.6.8 The minutes of the meeting will normally record only the numerical result of a vote, showing the numbers for and against the proposal and noting any abstentions. A Board Member may require that their particular vote be recorded in the minutes.
- 3.6.9 The Board may agree to defer a decision on a proposal to a later date. The decision to defer, together with the reasons for doing so, shall be recorded in the minutes of the Meeting.
- 3.6.10 Any agreement to delegate the decision on a proposal under paragraph 23 of Schedule 1 to the Act shall be recorded in the minutes of the meeting.

3.7 Quorum of the Board

- 3.7.1 The quorum for a Meeting shall be the higher of three or one-third of the number of Board Members from time to time, comprised of both 'non-lay' and a majority of lay Board Members.
- 3.7.2 Meetings will usually be convened in person. In exceptional circumstances, Meetings might be convened wholly or partly by

telephone or video-conferencing facility, and decisions may also be made or ratified following a suitable exchange of correspondence, either electronically or in hard copy. In such circumstances participating Board Members shall be deemed to be present at the Meeting. The provisions of these Rules in respect of Meetings (including quorum) shall apply.

- 3.7.3 Where a meeting of the Board:
- (a) is not quorate within 30 minutes from the time appointed for the meeting; or
 - (b) becomes inquorate during the course of the meeting,
- then the meeting shall be adjourned to such time, place and date as may be determined by the Board Members present.

3.8 Minutes of Meetings

- 3.8.1 In the absence of the Corporate Governance Manager, an LSB colleague nominated by the Chief Executive shall act as secretary to the Board.
- 3.8.2 The Corporate Governance Manager shall record the minutes of every Meeting, to be circulated in draft for approval by the Board.
- 3.8.3 The minutes of a Meeting shall record key points of discussion. They will not attribute comments to specific Board Members, unless this is required by the Board Member concerned or the Chairman. Where personnel, finance or other restricted matters are discussed, the minutes shall describe the substance of the discussion in general terms.
- 3.8.4 The minutes of a Meeting shall also record:
- (a) the names of every Board Member and other person present during any part of the Meeting;
 - (b) the names of Board Members who have tendered apologies for absence;
 - (c) the withdrawal from a Meeting of any Board Member on account of a conflict of interest; and
 - (d) any declaration of interest.
- 3.8.5 The agreed minutes of a Meeting shall be published on LSB's website, as soon as is reasonably practicable subject to considerations about withholding information in accordance with the relevant provisions of the Freedom of Information Act 2000.

4. Delegation of powers

- 4.1 Paragraph 23 of Schedule 1 to the Act provides generally that:
- The Board may authorise:

- a) the Chairman, the Chief Executive or any other Board Member,
- b) a Committee or Subcommittee of the Board, or
- c) a Colleague,

to exercise, on behalf of the Board, such of its functions, in such circumstances, as it may determine.

A Committee may delegate functions (including functions delegated to the Committee) to:

- a) a Subcommittee,
- b) the Chairman, the Chief Executive or any other Board Member, or
- c) a Colleague.

The Board may not delegate any function or duty the Board has to make rules under the Act, other than:

- a) rules of procedure made in relation to any Committee or Subcommittee of the Board, and
- b) rules made by the Board in its capacity as an approved regulator or a licensing authority.

- 4.2 There shall be a schedule of matters reserved to the Board. These are generally matters for which the Board is accountable, through the Act, to Parliament.
- 4.3 The Board remains accountable for all of LSB's functions and will require regular information about the exercise of delegated functions to enable it to maintain its monitoring role.
- 4.4 The schedule of matters reserved to the Board does not preclude other matters being referred for decision by the Chairman or the Chief Executive to the Board. All powers delegated by the Board can be reassumed and the Board reserves the right to deal with any matters, whether generally or exceptionally, previously delegated. The Board may also vary or revoke such a delegation.
- 4.5 There is delegated from the Board to the Audit and Risk Assurance Committee, the Remuneration and Nomination Committee and such other Committees and Subcommittees as might be established from time to time the discharge of those functions that fall within their agreed terms of reference.
- 4.6 All powers of LSB that have not been:
 - a) reserved by the Board under paragraph 4.2 of these Rules,
 - b) delegated to a Committee or Subcommittee, or
 - c) covered by these Rules,shall be exercised on behalf of the Board by the Chief Executive.
- 4.7 The Chief Executive shall prepare and maintain a scheme of delegations identifying which functions he shall perform personally and which functions he has delegated. All powers delegated by the

Chief Executive can be reassumed and the Chief Executive reserves the right to deal with any matters, whether generally or exceptionally, previously delegated. The Chief Executive may also vary or revoke such a delegation.

- 4.8 Powers are delegated to and from the Chief Executive on the understanding that:
- a) appropriate expert advice will be sought as necessary and that any costs involved can be met within the authorised budget; and
 - b) the powers shall not be exercised in a manner that is likely to be a cause for public concern or that might have an effect on the reputation of LSB.
- 4.9 The Corporate Governance Manager shall keep a record of the powers, authorities and discretions delegated by the Board.
- 4.10 In the absence of the Chief Executive, the powers delegated to him may be exercised by the Corporate Director, Strategy Director or Legal Director, or a combination of two or all of the above, after taking advice as appropriate from the Chairman.

5. Conflicts of interest

- 5.1 If a Board Member knowingly has any interest or duty that is (or might reasonably be considered to be) material and relevant, whether direct or indirect and whether pecuniary or not, that, in the opinion of a fair-minded and informed observer would suggest a real possibility of bias in any matter that is brought up for consideration at a Meeting, the Board Member shall disclose at the earliest opportunity the nature of the interest or duty to the Meeting.
- 5.2 If a Board Member has acted in accordance with the provisions of paragraph 5.1 of these Rules and has explained fully the nature of the interest or duty, the Board Members present at the Meeting shall decide whether and to what extent that Board Member should participate in the discussion and the determination of this issue shall be recorded in the minutes of the Meeting. If it is decided that the Board Member should leave the Meeting, the Chairman may first allow the Board Member to make a statement about the item under discussion.
- 5.3 Colleagues who are in attendance at a Meeting should declare interests in accordance with the same procedures as for those who are Board Members. Where the Chairman rules that a potential conflict of interest exists, any Colleague so concerned should take no part in the discussion of the matter and may be asked by the Chairman to leave the meeting.
- 5.4 Board Members and Colleagues shall be subject to the LSB policy in respect of interests.

6. Meetings and proceedings of Committees

- 6.1 Paragraphs 20-21 of Schedule 1 to the Act provide that the Board may establish Committees and any Committee so established may establish Subcommittees.
- 6.2 The Board shall appoint Committee Members (including Committee Chairmen). Committees shall appoint Subcommittee Members (including Subcommittee Chairmen).
- 6.3 The Board shall agree and may vary or replace the terms of reference for each Committee. A Committee shall agree and may vary or replace the terms of reference for any Subcommittee.
- 6.4 The terms of reference for Committees and Subcommittees are subordinate to these Rules, which take precedence.
- 6.5 The quorum of a Committee or Subcommittee must not be less than three, including a lay majority.
- 6.6 The agreed minutes of meetings of Committees and Subcommittees shall be circulated respectively to the Board and the relevant Committee.
- 6.7 Committee Chairmen shall present a written report about each meeting of a Committee to the next available meeting of the Board.
- 6.8 Committee Chairmen shall present to the meeting of the Board that is scheduled to consider and agree the LSB's Annual Report and Accounts for the preceding financial year a written report about the activities of the Committee relevant to that financial year.

Approved by the Board on 26 October 2016.