

Code of Practice for Board Members

Board 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.

Aim

1. The LSB Management Statement 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 and strategic framework for how the relationship between LSB and MoJ will operate is set out in a Management Statement. The financial accountabilities between LSB and MoJ are set out in a Financial Memorandum.

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 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;
 - 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 Board Secretary) 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 risk management; 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 remuneration policy and performance management system is in place;
- ensuring proper consultation with LSB colleagues;
- ensuring that relevant policies are adopted, including in respect of whistleblowing, grievances and disciplinary procedures; and
- ensuring that LSB colleagues (including Board Members) have appropriate access to expert advice and training opportunities to enable them to exercise their responsibilities effectively.

16. Board Members' individual responsibilities include:

- attending meetings and contributing actively to the formulation of policy, including providing constructive challenge to the Executive;
- 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;

- complying with LSB's policies in respect of colleagues' interests, expenses and corporate gifts and hospitality; and
- participating in the annual Board and Board Member appraisal process.

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 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 will adopt a policy in respect of complaints against Board Members (to be published on LSB's website).

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 under other legislation 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 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 will adopt a policy in respect of Board Members' interests, which will require a register of interests to be maintained (and to be published on LSB's website).

Expenses

33. LSB will adopt 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 (and to be published on LSB's website).

Corporate gifts and hospitality

34. LSB will adopt a policy in respect of corporate gifts and hospitality, which will require a register of corporate gifts and hospitality to be maintained (and to be published on LSB's website).

Public speaking, external events and journalists

35. The Chairman and the Chief Executive will normally act as spokespersons for LSB.
36. 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 Board Secretary about such events or articles.
37. In general, Board Members are not restricted from access to the media in their non-LSB capacity, or in pursuit of a professional interest.
38. Invitations to attend or to speak at industry or stakeholder events should be referred to the Board Secretary.

Political activities

39. 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; and acting as a party spokesman in the House of Lords. Advice is available from the Chairman or Board Secretary.

Data Protection Act 1998

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

Freedom of information

41. LSB is a public authority subject to 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

42. 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).

The Seven Principles of Public Life

Selflessness

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other benefits for themselves, their family, or their friends.

Integrity

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

Objectivity

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

Accountability

Holders of public office are accountable for their decisions and action to the public and must submit themselves to whatever scrutiny is appropriate to their office.

Openness

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

Honesty

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

Leadership

Holders of public office should promote and support these principles by leadership and example.