

Tuesday, 8 October 2013

## Lay chairs for front line regulators

The Legal Services Act 2007 (the Act) placed the Legal Services Board (LSB) under a duty to set rules to ensure the approved regulators carry out regulation independently from representative interests.

The LSB launches today a consultation on amending the Internal Governance Rules to require that the Chairs of the Boards of the regulatory arms of each approved regulator be a lay person.

While the representative and the regulatory arms have been physically separated, the LSB view is that culturally the regulators' mindset can still be too closely tied to, and concerned with, the individual branches of the profession. .

Chairman of the Legal Services Board, **David Edmonds** said:

*“As we made clear in our Blueprint for reforming Legal Services Regulation, published three weeks ago, there is still much to do to create a regulatory regime in legal services that manifests real independence in the front line regulators. This consultation is on a move to embed the principle of lay chairs. This extends the principle of lay majorities..*

*Overly strong ties to the history, culture and rules of professional self regulation may well have a negative impact on modernisation and independence. Chairs of Boards not in any way tied to the profession is in line with good practice – the 2007 Act stipulates that my post must be held by a lay person- and is a logical next step in internal governance”.*

*This proposal is not intended as a criticism of any current or past Chair.*

ENDS

## Notes for editors:

1. The lay chairs consultation document can be found [here](#).
2. The LSB's *A blueprint for reforming legal services regulation* (which is its response to the Ministry of Justice's review of the legal services regulatory framework ) can be found [here](#).
3. Two of the applicable regulatory boards have a lay chair. They are the [ILEX Professional Standards Ltd.](#) and the [Costs Lawyer Standards Board](#).
4. The [Council for Licensed Conveyancers](#) and the [Master of the Faculties](#) have no representative functions. They are therefore excluded from the change proposed in this consultation.
5. The [Association of Chartered Certified Accountants](#), the [Institute of Chartered Accountants of Scotland](#) and the [Institute of Chartered Accountants in England and Wales](#) would also be excluded should they become active approved regulators/ licensing authorities under the Act. This is because the providers that these bodies regulate are primarily regulated in relation to accountancy services and not reserved legal activities.
6. The Legal Services Act ("The Act") created the Legal Services Board as a new regulator with responsibility for overseeing the regulation of legal services in England and Wales. The new regulatory regime became active on 1 January 2010. The LSB oversees eight approved regulators, which in turn regulate individual lawyers.
7. The LSB oversees eight approved regulators, which in turn regulate individual lawyers. The approved regulators, designated under Part 1 of Schedule 4 of the 2007 Act, are the Law Society, the Bar Council, the Master of the Faculties, the Chartered Institute of Legal Executives, the Council for Licensed Conveyancers, the Chartered Institute of Patent Attorneys, the Institute of Trade Mark Attorneys and the Association of Costs Lawyers.
8. In addition, the Institute of Chartered Accountants of Scotland and the Association of Chartered Certified Accountants are listed as approved regulators in relation only to reserved probate activities.
9. As at 1 April 2013, the legal profession comprised 126,624 solicitors, 15,335 barristers, 7,947 chartered legal executives and 4,184 other individuals operating in other areas of the legal profession such as conveyancing. The sector is currently valued at £25.49 billion per annum (total turnover in 2010).