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Dear Vanessa

### **Internal Governance Rules (IGR) – Lay Board Members**

Thank you for your letter of 21 January, setting out further details of the Bar Standards Board's revised timetable and plan for the appointment of lay Board members. My Board discussed this at its meeting on 27 January.

The accelerated timetable for appointing the lay members, to replace outgoing barrister members, and the shadowing role that they will play in the second part of this year provides an important interim milestone to achieving full compliance with the lay majority IGR. It provides additional lay involvement at BSB Board level on a faster timetable. As you have said, this will "offer an enhanced public perception of the transparency and fairness of (your) processes and the compliance of the BSB overall with the regulatory objectives". In light of this movement, my Board has determined not to pursue any formal enforcement action over matters related to the BSB's compliance with the lay majority IGR.

For the avoidance of doubt, I set out below the actions and timetable to which your Board have committed:

- Start the recruitment process open only to lay members straightaway (which is beginning with the appointment of headhunters).
- Advertisements to be placed in March
- Appointment panels to sit in May and early June
- LSB to be informed of successful outcomes by the end of June
- Appointments to be ratified at the July Bar Council meeting
- From appointment, the new appointees will be invited and encouraged to attend the Board and have full access to all deliberations of the Board, or in other words will shadow the Board but without having voting rights
- Lay members take full voting rights on 1 January 2012 - delivering the lay majority that meets the definitions of the IGRs

Could I ask you to confirm that formally for the record ?

I appreciate your commitment to update me informally on progress in the recruitment campaign at our regular executive meetings. This would be especially important if it becomes apparent that there is a real risk that one or more of the milestones will be missed.

We welcome the fact that the new lay appointees will undertake a comprehensive induction programme from July to December. As I mentioned to you, my Board suggests that visiting the LSB might be a feature of the induction programme.

You will be aware from my final IGR assessment letter of November 2010 and our draft business plan that our intention this year is to move the focus from reviewing the governance arrangements to how they are working in practice. We envisage that this will involve asking the approved regulators about practical issues that may have arisen, with a small number of focussed prompts. Alongside this we are developing a risk matrix to provide a transparent and consistent framework for assessments.

Our current timescale envisages sending out the certificate with prompts in early March for completion by the end of the April. We will also be asking for an update on the outstanding issues raised in the November assessment report at that point. We then plan to assess and discuss initial findings and the risk matrix with you as part of the process.

In the meantime my office will arrange a meeting between the two of us and David Hobart to discuss the outstanding service level agreements and finance manual as I had proposed in my November letter.

I know too that Ruth and David have discussed a meeting between our respective Boards. We would be delighted to arrange that. We might separately discuss the best timing, structure and format for that discussion.

Yours sincerely



**Chris Kenny**  
Chief Executive

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