

To:	Legal Services Board	Agenda item:	6
Date of Meeting:	26 October 2017	Item:	Paper (17) 69

Title:	Reviewing the Internal Governance Rules Further securing regulatory independence under the current legislative framework
Workstream(s):	Workstream: Performance, evaluation and oversight
Author / Introduced by:	Caroline Wallace, Strategy Director caroline.wallace@legalservicesboard.org.uk / 020 7271 0086 Bryony Sheldon, Regulatory Project Manager bryony.sheldon@legalservicesboard.org.uk / 020 7271 0093 Craig Wakeford, Regulatory Associate craig.wakeford@legalservicesboard.org.uk / 020 7271 0054
Status:	Official Sensitive

Summary:

At its meeting on 21 September 2017, the Board received an update on the LSB's review of the internal governance rules (IGR). This paper seeks comments on a draft consultation on options for amending the IGR. The aim is to publish the document in the coming weeks. The draft consultation is attached at **Annex A**. In the consultation we have sought to take account of your feedback at the September meeting.

Key points from the Board's discussion in September were that the consultation should:

- a) explains our rationale for consulting now, including issues associated with the current IGR. This is addressed at paragraphs 16 to 36 of the draft consultation, with a separate chapter specifically focused on the evidence of issues with the current IGR
- b) presents two options, ie (i) do nothing and (ii) amend the IGR (with a range of solutions from incremental to more profound change, as identified in the September Board paper). These options are explored at paragraphs 37 to 78 of the draft consultation
- c) not express a preference on the options for change at this stage
- d) be aligned with our work on monitoring regulatory performance. This is discussed at paragraphs 49, 80 and in Annex B of the draft consultation.

The Chief Executive will finalise the consultation for publication in the coming weeks, in light of the Board's discussion. The consultation period will be in line with Cabinet Office guidance, ie 12 weeks with an allowance for the Christmas break.

Recommendation(s):

The Board is invited to:

1. comment on whether the draft consultation document at Annex A addresses the points discussed in September
2. provide any additional comments that it would like to make.

Risks and mitigations

Financial: N/A

Legal:

Reputational:

Resource:

The review is potentially a large and complex piece of work, which is recognised in allocated resources. The risk and consequences of the initial (and any subsequent) consultation identifying additional issues needing to be addressed is being kept under review.

Consultation	Yes	No	Who / why?
Board Members:	X		The Board discussed the review and proposed options for changes to the IGR in September. An

			early draft of the consultation document was shared with the allocated Board members ahead of this meeting and their comments were taken into account in the draft presented in Annex A.
Consumer Panel:		X	
Others:	<p>[REDACTED]</p> <ul style="list-style-type: none"> ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] <p>[REDACTED]</p> <p>[REDACTED]</p>		

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
Risks and mitigations: Legal	Section 42: information subject to legal professional privilege	
Risks and mitigations: Reputational	Section 36(2)(b)(ii): information likely to inhibit the exchange of views for the purposes of deliberation	N/A
Consultation: Others	Section 36(2)(c): information likely to prejudice the effective conduct of public affairs	
Annex A	Section 22: information intended for future publication	N/A