

Meeting: Legal Services Board

Date: 29 November 2022

Item: Paper (22) 65

Title: Governance Manual Review 2022

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Status: Official

Purpose of the paper

1. This paper reports on the 2022 annual review of the LSB Governance Manual and provides recommendations for revision. Suggestions for further changes or updates from LSB Board members are welcome.

Recommendation:

2. Board is invited to **agree** the proposed LSB Governance Manual.

Background

3. In managing its affairs, the Board is obliged to 'have regard to such generally accepted principles of good corporate governance as it is reasonable to regard as applicable to it' (Section 5 of the Legal Services Act 2007 (the Act)). As part of this, the Board reviews the key governance documents, collectively termed 'the Governance Manual', annually.
4. The Board approved the current version of the manual via circulation in November 2021.
5. Subject to securing the approval of SLT, ARAC and the Board, the updated Governance Manual is circulated to Board Members, colleagues, and members of the Office for Legal Complaints and Legal Services Consumer Panel. The revised Governance Manual is also published on the LSB website.

LSB Governance Manual – Annual Review 2022

6. The 2022 annual review of the Governance Manual was informed by the following:
 - a. Consultation with LSB colleagues and the LSB Board, and key stakeholders including the Office for Legal Complaints and the Legal Services Consumer Panel – consultation took place between 27 July 2022 and 2 September 2022
 - b. Lessons learned from the day-to-day operation of the Manual
7. In addition, a number of governance best practice documents were consulted including the UK Corporate Governance Code, 12 Principles of Governance for All Public Body NEDs and various conflicts of interest guides issued by MoJ and the Cabinet Office. The LSB's internal and external auditors and the MoJ were also given an opportunity to contribute.
8. On the whole, the 2022 review found that the LSB Governance Manual is a useful document and that previous format changes remained helpful in creating a single governance framework that was both easy to navigate and comprehensive in nature. Before final publication where possible links will be inserted between policies to aid navigation.
9. The Governance Manual was agreed by ARAC via correspondence.
10. Specific amendments to the Governance Manual are highlighted below; minor drafting changes to add clarity are not noted in this covering paper. A track changes version of the Governance Manual is attached at **Annex B**.

Overall

11. Gender is now neutral throughout the manual.

Schedule of matters reserved to the Board

Added:

12. 5.1 which relates to the approval of consultation responses has been adjusted to now include responses to calls for evidence. (p12)

Scheme of Delegations

13. The preamble has been re-worded to reflect that when there is more than one approver, delegations require a unanimous decision by all approvers. (p14)
14. Creating individual posts and determining paygrades have been into two separate rows to reflect the different methods of approval. (p20)

ARAC Terms of Reference

Added:

15. That the Committee should have a financially qualified member and if this was not the case or if it was felt that these skills needed to be complemented on the Committee an advisor may be appointed to fill this role. Owing to the Legal Services

Act¹ “Only members of the Board may be members of a committee or sub-committee” it is not possible for this appointee to be a member of the committee. (p25)

Rules of Procedure

Added:

16. Two more categories have been added to paper designations for Board papers (consent and endorse) to provide consistency across papers and to aid Board Members as to the purpose of the paper. These are for use in specific circumstances or where required in legislation. (p35)

Policy on Interests

Added:

17. The title has been adjusted to refer to it as a “Conflicts of Interest policy”. (p50)
18. The definition of a conflict of interest according to the NAO has been included to help readers’ understanding. (p50)

Policy on Reimbursement of Expenses

19. This policy has been updated following feedback from stakeholders and following discussions with the MoJ and other public sector entities.
20. The main change is the change to maximum amount that may be reclaimed for hotel stays in London from £120 to £150. (p58)

Policy on Gifts and Hospitality

21. To encourage declarations of gifts/hospitality even when they may be under the £10 limit, additional wording has been added. (p61)

Policy on Using Social Media

Removed:

22. The section on monitoring social media during work time to reflect the LSB’s high trust, high confidence culture. (p63)

Financial Regulations

23. The Financial Regulations are currently under review for a formal update in 2023. However, we have updated **Appendix A Scheme of Delegations** which contains the table outlining the delegation of authority to the LSB Board, Chief Executive and Budget holders. This is to ensure parity of delegatory authority for all LSB executive directors.

¹ Schedule One 20(1)(3)

Annexes
Annex A – Scheme of Delegations (Financial Regulations) Annex B - Corporate Governance Manual 2022 – tracked changes version

Risks and mitigations	
Financial:	The uplift to T&S rates has been factored into the budget for 2023/24.
Legal:	The Manual has been reviewed by the legal team.
Communications and engagement:	The Manual will be published on the LSB website once agreed.
Equality and diversity:	Manual is now gender neutral.
Resource:	N/a

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
N/a	N/a	N/a