

**LEGAL SERVICES COMMISSION BOARD
TERMS OF REFERENCE**

References to the “Commission” shall mean the full Commission Board

References to “MoJ” shall mean the Ministry of Justice

Purpose

1. The Framework Document with the Ministry of Justice sets out that the Board will oversee the discharge of the LSC’s functions. The Board is specifically responsible for:
 - establishing and taking forward the strategic aims and objectives of the LSC consistent with its overall strategic direction and within the policy and resources framework determined by the Secretary of State;
 - ensuring that the responsible minister is kept informed of any changes which are likely to impact on the strategic direction of the LSC or on the attainability of its targets, and determining the steps needed to deal with such changes;
 - ensuring that any statutory or administrative requirements for the use of public funds are complied with; that it operates within the limits of its statutory authority and any delegated authority agreed with the MoJ, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, it takes into account guidance issued by the MoJ;
 - ensuring that it receives and reviews regular financial information concerning the management of the LSC; is informed in a timely manner about any concerns about the activities of the LSC; and provides positive assurance to the MoJ that appropriate action has been taken on such concerns;
 - demonstrating high standards of corporate governance at all times, including by using the independent Audit Committee to help it address key financial and other risks; and
 - appointing, with the responsible minister’s approval, a Chief Executive and, in consultation with the MoJ, setting performance objectives and remuneration terms linked to these objectives for the Chief Executive which give due weight to the proper management and use and utilisation of public resources.

Membership and Attendance

2. The Commission Board will consist of the Chair and the Commissioners, appointed by the Secretary of State, the Chief Executive and the Finance Director who will all have equal decision-making rights.
3. If the Chair is unable to attend, the Chair will appoint a Commissioner to chair the meeting. If the Chair is unable to appoint, then any Commissioner may take the chair, provided that this is agreed by the other Commissioners at the meeting.

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4. The Commission may ask any relevant senior management to attend meetings either regularly or by invitation, but the invitees have no right of attendance. Usually all members of the Executive Team and the Commission's Legal Adviser will attend. Executive attendees may appoint a deputy to go to the meeting in her/his absence. The Chair may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.
5. At all times care should be taken to minimise the risk of any conflict of interest within the Commission that might be seen to give rise to an unacceptable influence. Any conflict of interest will be dealt with according to the Code of Conduct for Commissioners or Staff Code of Conduct, highlighted at the meeting and duly recorded in the minutes.
6. A member of the Corporate Governance Team will provide a secretariat function and attend to record the minutes of each meeting.

Quorum

7. The quorum comprises the individual chairing the meeting, two other Commissioners and either the Chief Executive or the Finance Director.

Frequency

8. The Commission will meet at least eight times per year. The Chair may convene additional meetings as deemed necessary. The Commission should have a non-executives only session at least annually.

Duties

9. Specifically the Commission will be responsible for:

Appointments

- 1) Appointing a Chief Executive with the approval of the Secretary of State.
- 2) Appointing or dissolving committees, which according to the Access to Justice Act 1999 may include, or consist entirely of, persons who are not Commissioners.

Corporate governance

- 3) The corporate governance structure of the organisation and revisions to it, including:
 - Holding the Chief Executive of the LSC to account for the performance and financial management of the LSC
 - Approving any amendments proposed to or by the Ministry of Justice regarding the Framework Agreement and/or the Code of Conduct for Commissioners
 - Approving the terms of reference of the corporate governance and other standing committees, including establishing an independent Audit Committee to address financial and other risks, and a Pay

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Committee to determine the contractual arrangements and the salaries of senior executives

- Approving changes to the structure of the Executive Team, with the Chief Executive
- Approving the structure of delegated authorities and/or arrangements.

Corporate planning, policy implementation and performance

- 4) Strategic planning and operational issues including:
- Reviewing the operational impact of any significant legal aid policy changes (such as to scope, eligibility and the Funding Code), and advising Ministers and MoJ on the strategic direction of legal aid, based on an assessment of priorities and the need for services
 - Defining the LSC's overall operational direction within the policy, priorities and resources framework determined by the Justice Secretary, and determining any steps needed to deal with changes to policy direction
 - Approving operational CLS and CDS proposals
 - Approving the annual Business Plan, including the LSC's key objectives and targets
 - Regularly reviewing performance against the Business Plan.

Finance

- 5) Strategic finance issues, including:
- Approving the LSC's financial strategy and processes including financial control
 - Approving the LSC's annual administration budget, and the overall strategies for CLS Fund and CDS expenditure
 - Advising Ministers on Spending Review bids and the principles on which CLS Fund resources should be allocated
 - Ensuring that the LSC complies with any statutory or administrative requirements for the use of public funds and operates within the limits of its statutory authority and any delegated authority agreed with the MoJ
 - Approving administration expenditure where the total amount (made up of capital and/or revenue) exceeds £1m and is within the limits of the LSC's delegations and is provided for in the LSC's annual budget as approved by the MoJ
 - Overseeing significant financial issues relating to the Commission's staff pension schemes, and areas of high risk or high profile expenditure such as very high cost cases
 - Reviewing regular financial management information, and providing positive assurance to the MoJ that appropriate action has been taken to address any concerns.

Human resources

- 6) Strategic human resources issues including:
- Ensuring that the Commission has in place people strategies that are aligned to its corporate plans and targets, that those strategies are put into effective operation and that they are making a measurable difference to the organisation

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- Approving any strategic and/or major structural changes to the framework of the organisation
- Approving fundamental changes to corporate recruitment, retention, performance management and reward policies, including the pension scheme
- Approving any business cases for severance or other staffing issues that require Ministry of Justice and/or Treasury approval (i.e. payments in excess of or outside of statutory or contractual entitlements)
- Approving revisions to the Staff Code of Conduct.

Risk and assurance

- 7) Strategic risk and assurance issues including:
- Approving the organisation's risk management policy and strategy statement, which includes the LSC's risk management tolerance/appetite
 - Regularly reviewing the key corporate risks and providing positive assurance to the MoJ that appropriate action has been taken on any concerns.

Other high risk or high profile matters

- 8) High risk or high profile matters including:
- Overseeing progress on implementing the recommendations from the Magee review including on the establishment of executive agency status for the LSC
 - Approving the LSC's communications strategy
 - Considering the impact of policies and initiatives relating to equality and diversity, including the effect on minority client groups, the provider base and the LSC's staff, and determining any steps needed to address the impacts
 - Making prohibitory directions against individual applicants for funding, on the advice of the Executive Team and the Commission's Legal Adviser
 - Informing the MoJ of operational policy decisions taken by the LSC where they could give rise to significant public, parliamentary, judicial or ministerial concern
 - Considering any other one-off matter referred by its members, its committees or the Executive Team, or which the Commission or the Chair determines should be dealt with by the Commission.

Procedure

10. The Commission has power to regulate its own procedure and the ruling of the Chair on any issue of procedure arising at any meeting shall be final.
11. The Commission may obtain independent professional advice if it considers this necessary and provided the cost is within the delegated authority limit set out in the Framework Agreement. Consultancy services above this limit will require prior approval from the MoJ before committing such expenditure from the Commission's administration budget.

Relationship with other boards/committees

12. Other formal boards and committees set up by the Commission should act in accordance with their terms of reference and any instructions given by the Commission.
13. The Commission will delegate authority to a committee so that anything it does can have effect as if it has been done by the Commission.
14. The Commission delegates responsibility for the day-to-day management of the LSC to the Chief Executive and staff as far as is practicable and within a clear framework of strategic control. The Chief Executive is accountable to the Commission via the Chair.
15. The Commission will consider and advise on any strategic matters emerging from or referred by the boards and committees set out below. These boards and committees will report on their work at least annually to the Commission and escalate any significant strategic risks or issues as appropriate.

Other boards and committees

16. Corporate governance committees which are chaired by Commissioners and currently include:
 - The Audit Committee, which supports the Commission and the Accounting Officer in their responsibilities for issues of audit, corporate governance, risk, internal control, assurance, regularity and propriety.
 - The Pay Committee, which determines the contractual arrangements and the salaries of the Chief Executive, the Executive Team and the members of the Senior Management Team.
17. Operational/legal committees (such as the Special Controls Review Panel, Customer Redress Committee, Contract Review Body and Costs Appeals Committee).
18. Stakeholder committees (such as the Wales Committee for the CLS).
19. Executive committees such as the Executive Team, which delivers the LSC's functions relating to the maintenance and development of the CLS and CDS.

Review

20. These terms of reference will be reviewed at least every two years to reflect best practice, or as required by the Commission or the LSC's sponsoring department, the Ministry of Justice.

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