

**LEGAL SERVICES COMMISSION  
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 Commission has corporate responsibility for fulfilling the following objectives:
  - 1) To ensure that the LSC fulfils its statutory duties set out in the Access to Justice Act 1999
  - 2) To ensure that the LSC fulfils the aims and objectives set by the Secretary of State
  - 3) To establish the overall strategic direction of the LSC
  - 4) To ensure high standards of corporate governance at all times
  - 5) To promote the efficient and effective use of financial, human and other resources by the LSC.

**Membership and Attendance**

2. The Commission membership should consist of the Chair and non-executive Commissioners appointed by the Secretary of State.
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.
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 Director, Legal and Governance 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, 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 and four other Commissioners.

### **Frequency**

8. The Commission will meet at least eight times per year. The Chair may convene additional meetings as deemed necessary.

### **Duties**

9. Specifically the Commission will:

#### *Appointments*

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

#### *Corporate governance*

- 3) Approve the corporate governance structure of the organisation and revisions to it, including:
  - Approving any amendments proposed to or by the Ministry of Justice regarding the Framework Document and/or the Code of Conduct for Commissioners
  - Overseeing 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 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 contents of and amendments to legal aid arrangements and directions
  - Approving the structure of delegated authorities.

#### *Strategy and planning*

- 4) Develop the LSC's overall strategic policy direction within the priorities and resources framework determined by the Justice Secretary, and determine any steps needed to deal with changes to that policy direction.
- 5) Oversee production of the Strategic Plan, including the LSC's key strategic objectives and targets, and review reports of performance against them.
- 6) Review and approve the LSC's transformation programme for civil and criminal legal aid and the organisation.
- 7) Consider and approve strategic CLS and CDS policy proposals and any significant changes to the scope, structure and delivery of legal and advice

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services, including substantive changes to the Funding Code, in accordance with its statutory duties to establish, maintain and develop the CLS and CDS.

### *Finance*

- 8) Approve the LSC's annual administration budget, and the overall strategies for CLS Fund and CDS expenditure, including approving Spending Review bids and approving the principles on which Fund resources should be allocated.
- 9) Ensure 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.
- 10) Consider and authorise administration expenditure where the total amount (made up of capital and/or revenue) exceeds £5m 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, or items referred by the Finance Committee or the Executive Team where the subject matter needs Commission consideration on grounds of particular sensitivity or importance.
- 11) Review regular financial information concerning the management of the LSC, and provide positive assurance to the MoJ that appropriate action has been taken on any concerns.

### *Other matters*

- 12) Approve the organisation's risk management policy and strategy, including the periodic review of the schedule of key corporate risks.
- 13) Review the LSC's communications strategy to ensure that the organisation's goals and achievements are properly understood.
- 14) Consider at strategic level 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.
- 15) Approve any strategic and/or major structural changes to the framework of the organisation and/or fundamental changes to corporate recruitment, retention, performance management and reward policies.
- 16) Consider making prohibitory directions against individual applicants for funding, on the advice of the Executive Team and Director, Legal and Governance.
- 17) Consider 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**

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<sup>1</sup> Detailed oversight of arrangements is delegated to a Commissioner sub-group.

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11. 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.
12. 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 Document. 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**

13. 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.
14. 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.
15. 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.
16. 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*

17. Corporate governance committees which are chaired by Commissioners and currently include:
  - The Audit Committee, which oversees risk, control and governance and associated assurance, including information assurance.
  - The Finance Committee, which maintains strategic oversight of all financial and budgetary issues relevant to the Commission's business.
  - The Human Resources Committee, which ensures that the Commission has in place effective people strategies that are aligned to the Commission's corporate plans and targets and also sits as a Pay Committee to determine the contractual arrangements and the salaries of senior executives.
18. Operational/legal committees (such as the Multi-Party Actions Committee, the Public Interest Advisory Panel, Customer Redress Committee, Contract Review Body and Costs Appeals Committee).
19. Stakeholder committees (such as Provider Reference Groups and the Wales Committee for the CLS).
20. Executive committees such as:
  - The Executive Team, which delivers the LSC's functions relating to the maintenance and development of the CLS and CDS.

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- The Change Programme Board, which oversees and drives the transformation of legal aid services within an appropriate transformation governance structure.

**Review**

21. 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.

***May 2009***