



LEGAL SERVICES REGULATORY AUTHORITY
ANNUAL REPORT 2016



Foreword by the Chairperson

I am pleased to introduce the first report of the newly established Legal Services Regulatory Authority. The Authority is still very much in an embryonic phase and is focused on planning the building up of its capacity and resources to become fully operational.

The Authority began its work in late October 2016 without any staff or premises and with interim administrative support from the Department of Justice and Equality. With effect from 1 January 2017, we have appointed Ms Renee Dempsey, an experienced former CEO, as Chief Executive on a solely interim basis to drive the initial start-up phase. Mr Ultan Ryan has been appointed as Secretary to the Authority - also on an interim basis - on secondment from the Department of Justice and Equality. Together, and under the direction of the Authority, the interim CEO and Secretary are working hard and effectively to establish the organisation, identifying needs and resources and putting plans in place to ensure the roles and obligations envisaged under the Legal Services Regulation Act, 2015 can be delivered. The Authority has now commenced the process of public recruitment of a full-time Chief Executive having had the opportunity to identify more clearly its existing and future management needs and capacities.

The Authority has a number of statutory delivery deadlines (within 6 to 12 months of establishment) for the completion of public consultations and reports on specified matters. These relate to Legal Partnerships, Multi-Disciplinary Practices and certain restrictions on barristers in relation to direct access on contentious matters and the holding of clients' monies. The first set of reports, one on Legal Partnerships and the other on Multi-Disciplinary Practices (under Sections 118 and 119 of the Act respectively), have been submitted to the Tánaiste and Minister for Justice and Equality. A public consultation on matters relating to barristers (under Section 120 of the Act) has also begun. The working focus right now is firstly to meet the time-bound statutory obligations and, secondly, to ensure the speedy start-up and establishment of the organisation, obtaining suitable premises, meeting staffing needs, putting sound financial management in place and transferring complaints and disciplinary functions from the Law Society and the Bar Council.

These are challenging objectives, and the Authority is fully committed to achieving them. The Members of the Authority are very much engaged in the oversight of these developments.

As the essential executive supports develop, in particular the acquisition of premises and the supporting infrastructure together with the staffing and skills required, they will allow for the managed roll-out of the Authority's remaining functions in tandem with the phased commencement of the various outstanding Parts and provisions of the Legal Services Regulation Act 2015 as they relate to the Authority. Setting up a new statutory agency, with such a complex and wide ranging mandate is always challenging. In the case of the LSRA the challenges were compounded by the fact that, in order to ensure the perception and reality of its independence, an interim organisational structure was not in place prior to the Authority members taking up their appointments.

Against this background, and conscious of its independence, the Authority is working with stakeholders to ensure the identification of issues, manage transitions and evolve into the fully functioning organisation envisaged by the legislation in a phased, orderly and efficient manner. We will develop the organisation carefully to meet each phase and ensure we have the ability to serve the public interest and the legal professions.

I would like to thank the members of the Authority as well as Ms Dempsey and Mr Ryan for their commitment to setting up the organisation in demanding circumstances. We value the essential support we receive from the Tánaiste and her officials in the Department of Justice and Equality - particularly in helping us to navigate the complexities of public service recruitment and procurement regulations. We are also grateful for the very positive cooperation we have received from the current regulators of the legal professions, the Law Society and the Bar Council.,

Dr Don Thornhill,
Chairperson,
Legal Services Regulatory Authority.



Introduction by Renee Dempsey – Interim Chief Executive Officer

The undoubted challenge of playing a part in the start-up of a brand new organisation is more than offset by the exciting prospect of playing a role in its development. I am privileged to be in this position as interim CEO, and will do everything in my power to ensure that the Legal Services Regulatory Authority (LSRA) is a well-structured, well supported model of best practice.

Together with the Secretary to the Authority, and under the direction and oversight of the Chairperson and the Authority the executive is working through the many details and processes required to complete the formation of this new organisation.

At present we are in temporary accommodation, and hope to identify appropriate permanent premises quickly. This is a vital first step in forming the organisation, and attracting and providing for the staffing needs to meet our remit. Once that is in train, the planning and delivery of the infrastructure will develop in tandem. The executive is actively working on proposals for consideration by the Authority in this regard.

So far, in addition to the formation of the Authority and with its approval we have brought on board financial services and legal services supports using the public procurement system established by the Government. The financial supports provide high quality advice and guidance on best systems management of the financial affairs of the LSRA and ensure that good governance is in place. Insofar as the legal services are concerned, these provide essential guidance in respect of the various statutory deadlines and associated outputs the LSRA has to meet and also help address other legal matters that arise as the organisation is forming.

Since its establishment in October 2016 and to date, the LSRA has been managed and directed by the Authority and has been strongly supported by the Department of Justice and Equality. The LSRA has also formed positive working relationships with the Law Society, the Bar Council, the Honorable Society of King's Inns, and many others with an interest and involvement in the objectives of the Authority. We appreciate their advice and support very much, and look forward to continued and positive engagement as we develop.

The challenges in formation of the LSRA are many, they are big and small, but we are confident that they can be met successfully. The Authority will be aiming to have its permanent CEO in place at the earliest possible date, and the process to achieve that is in train. It is my ambition, and that of my colleague who is the Secretary to the Authority, to be passing on to the permanent CEO an organisation that has met its commitments and obligations to date, that has a programme and processes in place to develop further, especially in relation to premises and staffing, and that has the infrastructure to continue the momentum initiated by the Authority since its establishment.

Renee Dempsey,

Interim CEO,

Legal Services Regulatory Authority.

Who We Are

The Legal Services Regulatory Authority (the Authority), was established by the Minister for Justice and Equality, Frances Fitzgerald, TD on 1 October 2016 by virtue of S.I. 507 of 2016 in accordance with section 7 of the Legal Services Regulation Act 2015. The Authority met for the first time on 29 October, 2017 following the completion of the nomination processes for membership.

At present, the Authority, which is in start-up mode, comprises Members nominated in accordance with Section 9 of the Act, comprising membership with knowledge and expertise in specified areas – for example, in the provision of legal services, competition, legal training and education, dealing with complaints against members of regulated professions, the needs of consumers of legal services, business and commercial matters and professional standards regulation, representatives from the legal profession and from consumer and competition interests and has a lay majority and a lay Chairperson. The executive function is provided by an Interim CEO and a Board Secretary.

When fully operational, in due course, the Authority will regulate the provision of legal services by legal practitioners and will ensure the maintenance and improvement of standards in the provision of such services in the State.

The Authority is independent in the performance of its functions.

The Authority will undertake its functions in accordance with the following objectives:

- protecting and promoting the public interest,
- supporting the proper and effective administration of justice,
- protecting and promoting the interests of consumers relating to the provision of legal services,
- promoting competition in the provision of legal services in the State,
- encouraging an independent, strong and effective legal profession, and
- promoting and maintaining adherence to professional principles specified in the Act.

In regulating the provision of legal services by legal practitioners and ensuring the maintenance and improvement of standards in the provision of such services in the State, the Authority will undertake the following specific functions as part of its role:

- Keep under review and make recommendations to the Minister and disseminate information in respect of:

- admission requirements of Law Society, Bar Council, and Honorable Society of King's Inns;
 - availability and quality of education and training incl. ongoing training for the two professions;
 - policies in relation to admission and, or, entitlement to practise of the Law Society, Bar Council and Honorable Society of the King's Inns;
 - professional codes ;
 - the organisation of the provision of legal services in the State.
- Specify the nature and minimum levels of professional indemnity insurance;
 - Establish and administer a system of inspection of legal practitioners for the purposes of the Act;
 - Receive and investigate complaints;
 - Maintain a Roll of Practising Barristers;
 - Promote public awareness and disseminate information in respect of legal services including their cost;
 - Keep the Minister informed of developments in respect of the provision of legal services and make recommendations on coordinating and developing policy;
 - Undertake research on the provision of legal services which may promote an improvement in standards for their provision and public awareness, and make recommendations to the Minister for Justice & Equality; and
 - Perform any other functions conferred by the Act or by regulations made under it.

From the establishment of the Authority to year-end 2016, initial office accommodation was provided for the Authority that was designed to accommodate a small start-up team to commence operations. While the new Authority is to be self-funding under a statutory levy on the legal professions, financial support for the start-up is approved by the Oireachtas and is provided from the Justice Vote.

Key Provisions of Act

The key levers of reform which are contained in the 2015 Act and will come under the stewardship of the new Authority are -

- **a new and independent, Legal Services Regulatory Authority** with responsibility for oversight of both solicitors and barristers.
- **an independent complaints system** dealing with legal professional misconduct. This will provide a first port-of-call for the public in making complaints independent of the legal professional bodies. There will also be a new and independent **Legal Practitioners' Disciplinary Tribunal** to adjudicate on serious misconduct in relation to both solicitors and barristers.
- **an enhanced legal costs regime** bolstered by a set of Legal Costs Principles and which places more extensive obligations on both solicitors and barristers to keep clients informed about the details of their legal costs.
- **a framework for new legal business models.** These new business structures will include public consultation and the early introduction of the opportunity to establish "Legal Partnerships" between barristers and solicitors or between barristers themselves. Provision is also made for the introduction of "Limited Liability Partnerships". Lawyers will, as a matter of law, be able to avail of the new legal business models and to operate them freely. The more traditional forms of legal practice will, of course, remain available to practitioners but a greater choice will be provided.

A pathway is also provided under the 2015 Act for the introduction, on foot of formal research and public consultations, of "Multi-Disciplinary Practices" whereby services can be provided at more competitive cost by legal and non-legal service providers together.

Membership of the LSRA



From Left to Right: James MacGuill, Dermott Jewell, Gerry Whyte, Eileen Barrington, Geraldine Clarke, David Barniville, Minister Frances Fitzgerald, Dr. Don Thornhill (Chairperson), Angela Black, Joan Crawford, Deirdre McHugh, Stephen Fitzpatrick – pictured ahead of the initial meeting of the Authority on 26 October 2016.

The Legal Services Regulation Act 2015 provides for eleven appointed individuals to serve as Members of the Authority. The eleven Members of the Authority, which has a lay majority and a lay Chair, were initially nominated by the ten prescribed nominating bodies set out in the 2015 Act. This nomination process was designed to ensure the independence of the new body while also achieving a balance of interests between legal practitioners and those consumers who avail of their services. The Members, who have all been duly approved for appointment by the Oireachtas, are: -

- **David Barniville** - The Bar Council
- **Eileen Barrington** - The Honorable Society of King's Inns
- **Angela Black** - Citizens Information Board
- **Geraldine Clarke** - The Law Society
- **Joan Crawford** - Legal Aid Board
- **Stephen Fitzpatrick** - Institute of Legal Costs Accountants
- **Dermott Jewell** - Consumers Association of Ireland
- **James MacGuill** - The Law Society
- **Deirdre McHugh** - Competition and Consumer Protection Commission
- **Don Thornhill (Chair)** - Higher Education Authority
- **Gerry Whyte** - Irish Human Rights and Equality Commission

The terms of appointments (as designated under Section 10 of the Act) are set out in this table:

Authority Member	Term of Appointment
David Barniville	3 Years
Eileen Barrington	4 Years
Angela Black	4 Years
Geraldine Clarke	3 Years
Joan Crawford	4 Years
Stephen Fitzpatrick	3 Years
Dermott Jewell	3 Years
James MacGuill	4 Years
Deirdre McHugh	3 Years
Don Thornhill – Chairperson	4 Years (as provided for in the legislation)
Gerry Whyte	4 Years

Key Actions 2016

At two meetings of the Authority in October and December, the Members of the Authority carried out a number of very important steps in the start-up process for the Authority including:

- Taking a number of early governance and transparency decisions which will see the Authority putting the minutes of all its Board meetings into the public domain.
- Facilitation of presentations from Department of Justice & Equality Officials clarifying the independence, objectives, functions and accountability of the Authority and its Members.
- The identification to the Department of Justice & Equality of necessary Commencements to the legislation to facilitate the work of the Authority.
- Early work in relation to identification and acquisition of a suitable candidate for permanent CEO.
- Preliminary work to facilitate, in due course, the voluntary transfer of staff from the Law Society and/or Bar Council in accordance with section 26 of the 2015 Act.
- The establishment of a financial management function including the use of the public procurement process (public tender) to acquire suitably qualified and experienced financial advisors and the establishment of a banking function.

- Progress towards the establishment of a legal function including the use of the public procurement process (public tender) to acquire suitably qualified and experienced legal advisors. This process was ongoing at year-end 2016.
- Identification and progression of early statutory reporting requirements including:
 - Public Consultation and report on Legal Partnerships under section 118 of the 2015 Act
 - Initial Report and Public Consultation on Multi-Disciplinary Partnerships under section 119 of the 2015 Act.
 - Initial interaction with the Department of Justice and Equality on the Public Consultation required under section 120 of the 2015 Act.
- The acquisition of start-up office space.
- As part of the commencement of Part 2 of the 2015 Act, the Law Society, the Bar Council and the Honorable Society of King's Inns have furnished the Legal Services Regulatory Authority with copies of their professional codes as required under section 23 of the 2015 Act.



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