

## **BUSINESS PLAN 2015**

### **Costs Lawyer Standards Board**

#### **Definitions herein**

|      |                              |
|------|------------------------------|
| CLSB | Costs Lawyer Standards Board |
| LeO  | Legal Ombudsman              |
| LSA  | Legal Services Act 2007      |
| LSB  | Legal Services Board         |
| PCF  | Practising Certificate Fee   |

#### **1. Focus & Objectives**

Since 31 October 2011, CLSB has worked to provide a stable and effective pro-active and re-active regulatory service for the Costs Lawyer profession. During 2015 CLSB proposes to continue to build on this with the implementation of entity regulation.

The primary objectives of the CLSB will be:

- To protect consumer interest.
- To promote and protect the status and interests of Costs Lawyers.
- To set and maintain professional standards within the Costs Lawyer profession.
- To ensure the high standard of education and qualification is maintained.

In undertaking its regulatory duties the CLSB acknowledges its regulatory objectives under the LSA as follows:

- (i) Protecting & promoting the public interest.
- (ii) Supporting the constitutional principle of the rule of law.
- (iii) Improving access to justice.
- (iv) Protecting & promoting the interest of consumers.
- (v) Promoting competition in the provision of services.
- (vi) Encouraging an independent, strong, diverse and effective legal profession.
- (vii) Increasing public understanding of the citizen's legal rights and duties.
- (viii) Promoting and maintaining adherence to the professional principles.

To meet its objectives, the CLSB will ensure that it remains financially sound whilst providing the best value service possible. Further, CLSB will now have regard to its policy on the Regulators Code as well as all other prevailing legislative expectations.

#### **(ii) Scheduled Work**

The following is the main scheduled plan of work for 2015. It does not drill down into day to day operational issues and the plan may change should the need be identified. A general election will be held on 7 May 2015 the outcome of which may have some impact on the future of legal regulation.

| <b>Regulatory requirement</b>               | <b>Date by 2015</b> | <b>Action</b>  |
|---|---------------------|--|
| Fitness to practice/<br>consumer protection | 15 Jan              | New 2015 Register of Costs Lawyers with a current practising certificate on the CLSB website.  |
| Fitness to practice/<br>consumer protection | 15 Jan              | Issue application for authorised body status (entity regulation).  |
| Educational standard                        | 14 Jan              | Education audit report on implementation of new Costs Lawyer qualification and on "run off" of previous qualification.                   |
| Fitness to practice                         | 31 Jan              | Send register of all Costs Lawyers with a 2015 practising certificate to all Costs Judges.   |
| Regulatory compliance                       | 15 Feb              | Review Oxera chart.  |
| Fitness to practice/<br>consumer protection | 1 Apr               | Register of authorised bodies (regulated entities) to be posted on CLSB website for public inspection.                                   |
| Fitness to practice/<br>consumer protection | 15 Apr              | Board consider whether to apply to become an ABS licensor based on numbers established on entity regulation project.                     |
| Regulatory compliance                       | 30 Apr              | Provide LSB with required regulatory self-assessment forms and documentation in support.   |
| Regulatory compliance                       | 30 May              | Provide LSB with requires independence assessment forms and documentation in support, countersigned by ACL.                              |
| Regulatory compliance                       | 1 June              | Initiate timetable for S.51 application on 2016 practising certificate fee   |
| Fitness to practice                         | 15 June             | Undertake a random audit of 2014 CPD records of Costs Lawyers.   |
| Regulatory compliance                       | 15 July             | Board approve accounts for year ended 31 December 2014.  |
| Regulatory compliance                       | 15 July             | Board approve 2016 budget.   |
| Regulatory compliance                       | 15 July             | Board approve 2016 Business Plan. Published on CLSB website.   |
| Regulatory compliance                       | 21 Aug              | Issue consultation paper on proposed 2016 PCF.   |
| Regulatory compliance                       | 26 Sept             | File S.51 application (2016 PCF) with LSB for approval.  |
| Regulatory compliance                       | 31 Oct              | LSB approve 2016 PCF.  |
| Fitness to practice                         | 20 Nov              | Issue application forms for 2016 practising certificate to all Costs Lawyers on the 2015 Register and all newly qualified Costs Lawyers. |

|   |        |  |
|---|--------|--|
| Fitness to practice/<br>consumer protection | 31 Dec | First-tier complaints procedures required to be filed before a 2016 practising certificate issued.                 |
| Fitness to practice/<br>consumer protection | 31 Dec | Evidence of insurance (where appropriate) required to be filed before a 2016 practising certificate issued.        |
| Fitness to practice/<br>consumer protection | 31 Dec | Issue a 2016 practising certificate to all Costs Lawyers who have applied and comply with regulatory requirements. |

### (iii) Ongoing Work

The following identifies the main areas of on-going work which will be carried forward throughout 2014.

| <b>Regulatory requirement</b>               | <b>Date by</b> | <b>Action</b>  |
|---|----------------|--|
| Regulatory compliance                       | On-going       | Management: Four scheduled board meetings a year, plus additional meetings as and when required.   |
| Educational standard                        | On-going       | Qualification: Annual authorisation of study provider  |
| Education standard                          | On-going       | Qualification: Annual and additional "needs be" auditing of qualification standard by authorised study provider  |
| Fitness to practice/<br>consumer protection | On-going       | Disciplinary issues: Independent investigation/ Conduct Committee and Conduct Appeal Committee will deal with conduct complaints under prevailing CLSB rules & procedures as they arise. |
| Fitness to practice/<br>consumer protection | On-going       | Ongoing standards: Continue to maintain Accredited Costs Lawyer register and ensure it remains accurate on CLSB website.   |
| Fitness to practice/<br>consumer protection | On-going       | Communication: Continue to maintain the register of Costs Lawyers licensed to use the Mark of Regulation.  |
| Communication                               | On-going       | Consultations: Initiate consultation processes as and when required.   |
| Communication                               | On-going       | Consultations: Partake in consultation processes received and will respond should proposals therein impact on the Costs Lawyer profession.   |
| Consumer protection                         | On-going       | Risk management: Continued risk management (consumer, profession, business) in accordance with defined procedures.   |
| Consumer protection                         | On-going       | Risk management: Identify trends e.g. complaints and ensure these are addressed.   |
| Consumer protection                         | On-going       | Unregulated practitioners: Continue to seek ways to bring Law Costs Draftsmen into the regulated community.  |
| Communication                               | On-going       | Unregulated practitioners: Continued to raise awareness of those who are regulated (Costs  |

|                       |          |   |
|-----------------------|----------|---|
|                       |          | Lawyers with a current practising certificate) and those who are not (Law Costs Draftsmen).                                     |
| Communication         | On-going | Communication: This will be continued through Costs Lawyer Journal, CLSB website, ACL National Conference, events and meetings. |
| Communication         | On-going | Communication: Continued engagement with those in the regulatory community e.g. LSB, AR's, LeO.                                 |
| Consumer protection   | On-going | Communication: Continue engagement with the Legal Ombudsman establish service level issues within the profession.               |
| Consumer protection   | On-going | Communication: Continue engagement with LSB Consumer Panel to identify any concerns in relation to consumer interest.           |
| Regulatory compliance | On-going | Communication: Executive updating board and Chair on a "needs-be" basis between board meetings.                                 |
| Communication         | On-going | Ensure the CLSB website is current and transparent.   |

#### **(iv) Governance**

CLSB will continue to have in place during 2015 a board of Non-Executive Directors made up of three lay persons (including the lay Chair) and two non-lay persons. The board will meet at least four times a year to endorse strategy and policy. CLSB board minutes will continue to be published on the CLSB website. The CLSB has in place a full set of governance documents under which it operates, its Non-Executive Directors are bound by a Code of Conduct.

#### **(v) Operational Management**

Strategy and policy decisions will be implemented and managed by the Chief Executive.

#### **(vi) Finance**

The CLSB will be financed for the year 2015 by way of the annual Costs Lawyer PCF. If the CLSB proposal on entity regulation is LSB approved for implementation 1 April 2015 this will create additional revenue, the amount however is unknown.

Out of that fee, CLSB is obliged to pay a per head levy to the LSB and LeO. In 2014, the LSB implemented a fivefold increase in the levy payable per Costs Lawyer to LeO. CLSB hopes that additional revenue from entity regulation will cover that increased cost so that CLSB will not have to pass on this unjustified cost increase to individual Costs Lawyers through their PCF as the new LeO levy now equates to approx. 4% of the CLSB annual operating budget.

The CLSB is not registered for VAT and is not liable to Corporation Tax. Agp, the accountancy advisors to CLSB, will continue to provide accountancy services and company secretary support for 2015.

| <b>CLSB Budget 2015</b> |                   |   |
|-------------------------|-------------------|---|
| <b>Expenditure</b>      | <b>Budget</b>     | <b>Includes</b>   |
| Salaries                | 51,500.00         | Executive salary, executive pension, chair salary, NED salaries, panel salaries   |
| Tax & NI                | 20,000.00         | Tax & NI  |
| Travel & subsistence    | 9,750.00          | Travel & subsistence for executive, chair, NED's, panel members   |
| Rent                    | 4,000.00          | Manchester office rent, reception, room hire for board meetings, disciplinary & misc meetings   |
| Phone                   | 700.00            | Mobile  |
| Admin                   | 6,000.00          | Postage, printing, stationary, printer cartridges   |
| Equipment               | 1,000.00          | Printers, laptops, Blackberry   |
| Services                | 50,800.00         | LSB, LeO, accountant, solicitor, barrister, TM attorney, Lawcare, IT, website design & update, education audit, disciplinary investigator, bank, locum, advertising |
| Misc                    | 5,350.00          | Companies House fees, ICO fee, anti-virus and contingency   |
|                         | <b>149,100.00</b> |   |

**(vii) Insurance**

Insurance cover has been put in place for 2014 as follows and will continue for 2015.

- Professional Indemnity (£5 million)
- Directors & Officers (£2 million)
- Entity (£250k)
- Employers Liability (£10 million)
- Computer Equipment (£6k)

**(viii) Shares**

Costs Lawyer Standards Board Ltd is a company registered in England & Wales under company number 04608905 with an authorised share capital of 100,000 ordinary shares of £1.00 each of which 15,000 shares are currently in issue to the ACL (fully paid up).

**(ix) Registered Office**

The CLSB registered office address will continue to be: Sycamore House, Sutton Quays Business Park, Sutton Weaver, Runcorn, Cheshire WA7 3EH

**(x) Data Protection**

The CLSB is and will continue to be during 2015 registered under the Data Protection Act with the ICO.

**(xi) Intellectual Property**

The CLSB logo & Mark of Regulation are and will continue to be registered trademarks.

**(xii) Policies, procedures & guidance notes**

The CLSB has in place a portfolio of policies and procedures for both Costs Lawyers and the CLSB and reviews them on a regular/needs be basis to ensure they are relevant. In the event the LSB approves the CLSB proposal on entity regulation for implementation 1 April 2015, the portfolio will be revised to include entity regulation policies and procedures.

Those directly attributed to Costs Lawyers (accessible on the CLSB website) are:

- Costs Lawyer Code of Conduct
- Costs Lawyer Practising Rules
- Costs Lawyer Training & CPD Rules
- Costs Lawyer Disciplinary Rules & Procedures

Guidance notes (accessible on the CLSB website) are:

- First-tier complaints handling procedures
- CPD rules
- Money laundering
- Principle 3.6
- ATE insurance
- Executing legal documents & the right to administer oaths
- Referral fees, fee arrangements, fee sharing
- Damage based agreements (DBA), conditional fee arrangements (CFA) & success fees
- Insurance
- Retention of clients files

Those directly attributed to CLSB include:

- Regulators Code Policy
- Risk Management Policy
- Equality & Diversity Policy
- Health & Safety Policy
- Whistleblowing Policy & Procedure
- Confidentiality & Information Security Policy
- Disaster Recovery Plan
- Board Appointment Rules
- Board Code of Conduct

Those attributable directly to Panel Members:

- Panel Member Code of Conduct

CLSB Board Approved  
16 July 2014