

**BOARD DECISION NOTE**  
**Costs Lawyer Standards Board**  
**Date of Decision: 17 November 2021**

**Issue: Accreditation of ACL Training to provide the Costs Lawyer Qualification in 2022**

**Board constitution:** Rt Hon David Heath CBE (Chair): Lay NED<sup>1</sup>  
Stephanie McIntosh (Vice-Chair): Lay NED  
Paul McCarthy: Non-Lay NED  
Andrew Harvey: Lay NED  
Andrew McAulay: Non-Lay NED

**1. Background information and summary of the issue**

This Board Decision Note records the decision-making process in relation to accreditation by the CLSB of ACL Training (ACLT) to deliver the Costs Lawyer Qualification to existing and new students in 2022.

Background

ACLT, which is a training subsidiary of the Association of Costs Lawyers (ACL), is currently the only accredited provider of the Costs Lawyer Qualification. ACLT must be reaccredited by the CLSB in order deliver the course each year. A [separate Board Decision Note](#) dated 10 October 2019 explains the decision-making process in relation to accrediting ACLT to provide the course in 2020, following a two year period during which ACLT was not accredited to take on new students.

Audit

Accreditation is based on the outcome of an audit, under the terms of a Protocol between ACLT and the CLSB. The Protocol is published at Annex 10 of the Board Decision Note dated 10 October 2019 referred to above.

In [October 2020](#), the board was updated about ongoing collaboration with ACLT to develop a refreshed audit framework for the Costs Lawyer Qualification, for use in 2020 and beyond. The board supported the new approach, including the possibility of accrediting the course for three to five years subject to annual reporting on targeted matters.

In [January 2021](#), the board was updated on progress with ACL and ACLT toward completion of the qualification audit under the refreshed framework. The board noted that obtaining the audit materials from ACL was taking significantly longer than anticipated and that, despite earlier agreement from ACLT that the new framework would be beneficial for all parties, ACL was not in agreement. The ACL Chair and Vice Chair - who were board directors of ACLT - would not allow the CLSB to seek the required audit materials directly from ACLT; the CLSB was instructed to route all enquiries and requests through ACL and this was causing delays. The board considered whether and how the issue should be escalated and agreed that the executive should come back to the board if escalation became necessary.

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<sup>1</sup> David Heath joined the board as Chair in March 2021. Board matters referred to in this Note that took place prior to March 2021 were overseen by the former Chair, Steve Winfield.

In [April 2021](#), the board was informed that since January progress on the audit had been slow but in mid-March, after various conversations between the CLSB executive, ACL and others, ACL had permitted the CLSB to obtain the required audit materials directly from ACLT. ACLT had provided the materials and the executive was reviewing these along with its education consultant. The board was provided with ACL's viability report for the course long with two reports of an ACL Council working party that was conducting a review of various matters relating to education.

The board discussed the implications of those developments and documents in detail, agreeing that they highlighted a number of risks of particular concern around governance structures and oversight of the course. The board discussed the need to put plans in place to safeguard students in the event of unexpected suspension of course provision for any reason.

In June 2021, the board received (by email) information about the outcome of ACL's education review, including the final report of the ACL Council working party. ACL had engaged a consultancy, Hook Tangaza, to assist with implementing governance changes following the review.

Also in Q2 2021, the CLSB completed its audit report, based on the materials provided by ACLT, making recommendations for improvements to the course. A draft action plan was prepared by ACLT in collaboration with Hook Tangaza, setting out how the audit recommendations would be addressed and the timescales for doing so. Those documents, along with a course overview paper from ACLT, were considered by the board in [July 2021](#). The board agreed that the direction of travel set out in the action plan was a good start in addressing the audit recommendations. The board was also content with the proposed timescales, given the need to align these with the milestones in Hook Tangaza's ongoing governance project. Accreditation of the course for 2022 would be linked to timely delivery of the action plan.

In [October 2021](#), the board was updated on progress with Hook Tangaza's review (which underpinned delivery of several aspects of the action plan), ACLT resourcing, and the timetable for ACL to take a decision on viability of the course for 2022. The board also considered several draft reports provided by ACLT and Hook Tangaza to address the recommendation in the CLSB's audit report and thus complete the action plan. The board discussed the timeline for determining whether to accredit the course for 2022 and agreed that the executive should continue to liaise with ACL and ACLT to push things forward and avoid delays, which could detriment students. The board agreed that a decision from ACL on whether to accept new students was needed at an earlier stage than in 2020, when a decision was not communicated to the CLSB until December.

#### Audit outcome

In November 2021, the executive confirmed to board members (by email) that the reports from ACLT and Hook Tangaza had been finalised and the action plan had therefore been delivered. The board was provided with the suite of documentation from ACLT as well as an updated financial viability report for the course in 2022, based on final applicant numbers. The board was also provided with a draft accreditation letter, that had been

prepared by the executive, containing a series of recommendations for the course that needed be actioned in 2022 and reported on during the next audit round.

## **2. Evidence considered by the Board**

- Course materials provided by ACLT
- CLSB audit report and recommendations
- ACLT action plan for addressing the recommendations
- ACLT reports evidencing delivery of the action plan
- Viability report for the course in 2022

(Note: these documents contain commercial information provided by ACLT to the CLSB in confidence, and are therefore not published with this Board Decision Note. If a reader would like further information in order to understand the CLSB's decision-making process, please contact [enquiries@clsb.info](mailto:enquiries@clsb.info) to discuss how that information might be safely provided.)

## **3. Recommendation(s) of the executive and/or Chair**

The executive recommended that ACLT be accredited to provide the Costs Lawyer Qualification training course to new and existing students in 2022, on the basis set out in the accreditation letter. The Chair recommended that the letter be sent immediately given the need to give course applicants certainty about whether new students would be accepted.

## **4. Other factors considered by the Board**

Standing items for consideration are the impact of the decision on:

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|---|---------------------------------|
| - the CLSB's independence                   | - the CLSB's financial position |
| - furtherance of the regulatory objectives  | - equality and diversity        |
| - consumers, including vulnerable consumers | - data privacy                  |

- CLSB independence: The CLSB's independence is demonstrated through the robust approach to auditing delivery of the Costs Lawyer Qualification and objectively considering, based on evidence, the ongoing appropriateness of accrediting ACLT.
- Furtherance of the regulatory objectives / consumers: Ensuring a robust audit and accreditation process for the entry qualification is central to promoting the regulatory objectives of (i) encouraging an independent, strong, diverse and effective legal profession, and (ii) protecting and promoting the interests of consumers.
- CLSB's financial position: There are annual costs incurred by the CLSB whenever the course takes on new students. However these will be at least partially offset

by increased PCF income from new entrants into the regulated community as students qualify.

- Equality and diversity: Accrediting ACLT to enrol new students on the course will enable the CLSB to undertake initiatives to encourage diversity at the point of entry into the profession.
- Data privacy: This decision does not impact data privacy.

## **5. Risk assessment**

The key risk in accrediting ACLT to take on new students is that insufficient student numbers over time could mean the course is not profitable and ACLT therefore cannot fully deliver the course to those enrolled. This involves risk to individual students, their employers, the reputation of the profession and the reputation of the CLSB. It also poses potential financial risks to the CLSB, should there be any suggestion that the accreditation process was not sufficiently robust. The CLSB board will only accredit ACLT where these risks are appropriately mitigated.

Mitigation of these risks is achieved via the commitments made under the Protocol between the CLSB and ACLT (particularly at paragraphs 5 and 9) that sufficient resource will be provided to see all students through to completion of the course. The viability report provided to the board establishes that ACL has sufficient capital reserves to meet that commitment, if necessary, based on projections for the course. The board considers those projections to be realistic based on the information provided.

The second key risk is that the recommendations made in the accreditation letter are not sufficiently addressed, impacting the quality of education delivery. The CLSB will work with ACLT – including its new governing board – throughout the year to understand and monitor progress. The CLSB is also developing a new accreditation scheme which will create more transparent and clear processes (such as the imposition of conditions on accreditation) for driving forward any necessary improvements.

## **6. Decision taken, including reasons for the decision (if not apparent from the above)**

ACLT was accredited to deliver the Costs Lawyer Qualification to existing and new students in 2022, via the accreditation letter dated 17 November 2021. That decision was ratified by the board at its scheduled meeting on 2 February 2022.

## **7. Dissenting Board members (if any), including reasons for their dissent (if not apparent from the above)**

N/A

<b>8. Provision of the Legal Services Act 2007, or other legislation, under which the decision was made</b>
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Sections 28 and 51(4)(a) of the LSA.
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**Board Decision Note approved by the Board on: 2 February 2022**