



## Costs Lawyer Standards Board

### AGENDA

Wednesday 17 July 2024 @ 9:30am  
20 Tavistock Square, London

<b>Board:</b>	Rt Hon David Heath CBE	Lay NED (Chair)
	Stephanie McIntosh	Lay NED (Vice-Chair)
	Andrew Harvey	Lay NED
	Andrew McAulay	Non-Lay NED
	Paul McCarthy	Non-Lay NED
<b>In attendance:</b>	Kate Wellington	CEO
	Jacqui Connelly	Director of Operations

*Note: Agenda items in blue are standing items*

	Agenda item	Paper	Publish <sup>1</sup>	Lead
1	<b>Opening matters</b> 1.1 Quorum and apologies 1.2 Declarations of interest on agenda items	- -		DH DH
2	<b>Minutes</b> 2.1 Approval of minutes (23 April 2024) 2.2 Matters arising (23 April 2024)	Item 2.1 -	Yes	DH DH
3	<b>Strategy</b> 3.1 Progress against Business Plan: Q2 2024 3.2 Feedback from strategy day (16 July 2024) 3.3 2025 Business Plan	Item 3.1 - Item 3.3	Yes  Yes	KW DH/KW KW
4	<b>Board matters</b> 4.1 2025 board dates	-		DH

<sup>1</sup> The letters used in this column indicate the reason for any non-publication of papers. They correspond to the reasons set out in our publication policy, which can be found on the [What we Publish](#) page of our website.

5	<b>Finance</b> 5.1 <a href="#">Quarterly report: Q2 2024</a> 5.2 2023 accounts 5.3 2025 budget and PCF consultation	Item 5.1 Item 5.2 Item 5.3A-E	No (D, E) No (D, E) Not 5.3B (D, E)	JC JC KW/JC
6	<b>Risk management</b> 6.1 <a href="#">Review of risk register</a>	Item 6.1	Yes	DH
7	<b>Regulatory matters</b> 7.1 Ethics Hub 7.2 New guidance notes 7.3 Complaints about unregulated providers 7.4 Engagement in Wales	Item 7.1 Item 7.2A-D Item 7.3 -	Yes Yes Yes	KW KW KW/JC KW
8	<b>Legal Services Board (LSB)</b> 8.1 <a href="#">Work updates</a> 8.2 Compliance plan for transparency expectations	Item 8.1A+B Item 8.2A+B	Yes Yes	KW KW
9	<b>Stakeholder updates<sup>2</sup></b> 9.1 <a href="#">ACL Council meeting minutes</a> 9.2 <a href="#">Work updates</a> 9.3 Annual review of MOU and OP with ACL	Item 9.1 Item 9.2 -	Yes Yes	KW KW KW
10	<b>Operations</b> 10.1 Client care letters project plan	-		KW/JC
11	<b>Publication</b> 11.1 <a href="#">Confirmation that papers can be published</a>	-		DH
12	<b>AOB</b>	-		DH
13	<b>Next meeting</b> Date: <a href="#">Wednesday 23 October 2024</a> Venue: <a href="#">Remote by videocall</a>	-		DH

<sup>2</sup> This agenda item is used to update the board on significant developments relating to the work of the Legal Services Consumer Panel, Association of Costs Lawyers, ACL Training, Legal Ombudsman (including exception reporting on service complaints) and other relevant stakeholders.

**DRAFT APPROVED BY THE CHAIR FOR PUBLICATION**  
**Subject to approval by the full board at its next scheduled meeting**

**MINUTES**  
**Costs Lawyer Standards Board Ltd**  
**Tuesday 23 April 2024 at 10:30 am**  
**Remotely via Teams**

<b>Board:</b>	Rt Hon David Heath CBE	Lay NED (Chair)
	Stephanie McIntosh	Lay NED (Vice-Chair)
	Andrew Harvey	Lay NED
	Andrew McAulay	Non-Lay NED
	Paul McCarthy	Non-Lay NED
<b>In attendance:</b>	Kate Wellington	CEO
	Jacqui Connelly	Director of Operations
	Lori Frecker	Director of Policy (Item 7)

**1. OPENING MATTERS**

- 1.1** The Chair declared the meeting quorate. There were no apologies.
- 1.2** There were no declarations of interest on any agenda item.

**2. MINUTES**

**2.1 Minutes dated 30 January 2024**

The board considered the minutes of its last scheduled quarterly meeting on 30 January 2024. The board agreed the minutes as being a true record for signing.

***Actions: Publish approved minutes on CLSB website.***

**2.2 Matters arising**

The board considered the matters arising from the minutes of its meeting on 30 January 2024. There were no matters arising that had not been scheduled as agenda items or otherwise dealt with.

**3. STRATEGY**

**3.1 Progress against Business Plan: Q1 2024**

The board was provided with a progress update against the 2024 Business Plan for Q1. Four of the 16 Business Plan priorities were delivered in Q1, with another seven in train.

The board discussed the ongoing work under priorities 1 and 6 to integrate the CLSB into ACL Training's course programme for the Costs Lawyer Qualification. Jacqui provided updates on the CLSB's induction session for new students and the CLSB seminar in the professional ethics module that had been delivered for the first time in

April. It was agreed that this activity was valuable in fostering an early understanding of regulatory obligations as well as getting to know future Costs Lawyers at an early stage.

The board recognised that increasing engagement with students – including through the newly in-housed assessment of Qualifying Experience – was putting additional pressure on internal resource. Outsourcing solutions were considered and the board agreed that it was preferable for internal staff to continue doing work that built relationships with students and, if outsourcing became necessary, to use this for delivering back-end tasks. The board also considered other ways to raise awareness of the CLSB brand and the importance of regulation with new qualifiers, such as attendance at events where qualification certificates are issued.

The board considered and approved the executive's proposed strategic priorities for Q2 of 2024.

### **3.2 Performance indicators for new strategy**

The board was provided with draft Performance Indicators aligned to the CLSB's new mid-term strategy for use during the strategy period (2024 to 2027). As well as introducing new strategic metrics, the proposals would change the way that annual performance data is published, allowing stakeholders to compare data over time. The board considered and approved the Performance Indicators for adoption.

***Action: Adopt Performance Indicators for new strategy and publish on the website; Develop a standalone document for publishing annual performance data.***

### **3.3 Communications strategy: risk appetite statements**

In January, when defining the purpose and scope of the CLSB's communications project for 2024, the board discussed the need to establish its risk appetite in relation to communications. The board was presented with a paper setting out ten risk areas for discussion, with a view to establishing appetite statements for each.

The board discussed the risk areas in detail, delineating between existential threats, legal risks and reputational risks. It was agreed that the organisation should have no tolerance for risks that were likely to adversely impact the regulatory objectives, risks that meant the regulator fell below the standards set for the regulated community (particularly around integrity), or risks that infringed core regulatory principles such as transparency and accountability. Risks like a lack of timeliness or reach in communications, while important to mitigate, would be acceptable where this was necessary to avoid other more serious risks.

Based on the board's discussion and ranking of the risk areas, Kate agreed to update the paper to include risk appetite statements which could be settled at the board's July meeting or strategy day, as appropriate.

***Action: Work up risk appetite statements based on board feedback and bring back to the board in July.***

#### **4. BOARD MATTERS**

##### **4.1 Consolidated register of interests**

Board members considered the updated register of interests. The board agreed that no real or perceived risk of a conflict of interests arose from the register. Board members also confirmed that all declarations were correct and complete for publication.

**Action: Publish updated register of interests.**

##### **4.2 Remuneration Committee report**

Andrew Harvey, as Chair of the Remuneration Committee, reported on the Committee's annual business and the board was provided with the minutes of the Committee's meeting on 14 February, for information.

#### **5. FINANCE**

##### **5.1 Quarterly report: Q1 2024**

Jacqui introduced the quarterly finance report. The board noted the financial position at the end of Q1, namely a nominal projected deficit for the year, and Jacqui explained the reasons for variations from budget for certain line items.

The board was also provided with an update on progress with moving some of the CLSB's reserves to accounts offering higher interest rates. Due to high administrative barriers with other providers, two new high interest accounts had been opened with one of the CLSB's existing providers. The executive would continue to explore other options, but to date no better options than the incumbent providers had been identified.

##### **5.2 Finance Authorisation Policy**

The board was reminded that, in approving the CLSB's practising fee for 2024, the LSB had recommended that the CLSB have its financial accounts audited. While this was not a requirement from an accounting perspective, the LSB suggested it as a matter of good practice. The board was provided with an update on procurement for the audit, including the decision to use the independent audit arm of the CLSB's accountants (AGP) at a quoted cost of £3,000 plus VAT. Preparations had begun for the audit, given the volume of financial information that would need to be collated and made available. In the course of those preparations, the executive had identified a need for a routine review the Finance Authorisation Policy.

The board considered proposed amendments to the Policy. Board members discussed the need for the Director of Operations to be able to make routine payments quickly and simply, and agreed to add authorisations to proposed paragraph 4 of the Policy so the Director of Operations could make expenditures on (i) office expenses up to £500, and (ii) regular subscription, service and contractor fees. It was also agreed to add text making it possible for the Chair to approve expenditure by the Director of Operations, by way of contingency in the event the CEO was not available to give an urgent approval.

**Action: Subject to the agreed amendments, adopt the updated Finance Authorisation Policy.**

## **6. RISK MANAGEMENT**

### **6.1 Review of risk register**

### **6.2 Annual Risk Outlook (second edition)**

The board took items 6.1 and 6.2 together. The board carried out its quarterly review of the risk register and discussed whether any amendments were required. In doing so, board members considered the system risks identified in the latest Annual Risk Outlook.

The board agreed that the 2024 Annual Risk Outlook, which built on and updated the risks identified in the 2023 version, was an accessible and useful resource that demonstrated the value the CLSB could bring to the sector. Board members discussed how the Annual Risk Outlook should be socialised widely to generate engagement with the identified risks, including possibly exploring individual topics in shorter risk bulletins throughout the year. Overall the board agreed the project remained highly valuable and should be continued in 2025.

The board approved the 2024 Annual Risk Outlook for publication, subject to correcting one typographical error.

***Actions: Publish Annual Risk Outlook and consider options for engagement.***

## **7. REGULATORY MATTERS**

### **7.1 Code of Conduct implementation**

The board was updated on the LSB's decision to approve the CLSB's proposed changes to the Costs Lawyer Code of Conduct and the steps taken subsequently by the executive to implement those changes.

The board discussed the main substantive issue raised by the LSB in the course of determining the application, as well as the difficulties caused by the timeframe within which that concern was raised. Board members considered how such difficulties might be avoided in the future through the LSB relationship management process or other means.

In relation to implementation, the board confirmed its approval of a consequential amendment to the definition of the term "Principle" in the Disciplinary Rules and Procedures and acknowledged the consequential amendments made to various guidance documents and policy statements to reflect the changes to the text of the Code.

Board members also discussed the link between the new Code of Conduct and the CLSB's work on PERL (professional ethics and the rule of law), including how more detailed guidance on the rule of law could feed into the new ethics hub that was under development for the website.

Finally, the board was updated on work that Jacqui had been doing to develop a seminar for students, forming part of ACL Training's professional ethics module, exploring Costs Lawyer's regulatory obligations and the new Code of Conduct.

***Action: Incorporate content on the rule of law into the new ethics hub.***

## 7.2 Annual complaints look-across

The board received an annual roundup of complaints received by the CLSB to facilitate oversight of, in particular:

- complaint volumes, associated with the cost of handling complaints;
- complaint outcomes, as an indicator of the effectiveness of the CLSB's processes;
- themes and trends in complaints over time.

The board discussed issues arising from the complaints look-across, including: (i) the supervisory role of Costs Lawyers where complaints related to the conduct of unregulated advisors within costs firms, (ii) structural gaps in regulatory reach, (iii) challenges faced in enforcement due to not having statutory entity regulation in the costs arena, and (iv) options for assisting complainants where the CLSB has no formal jurisdiction.

The board discussed the importance of recording anecdotal examples of structural regulatory gaps as evidence for wider reform, and Jacqui provided an update on work against the Business Plan priorities relating to collating evidence of poor client outcomes in the unregulated part of the market.

The board agreed that the annual roundup of complaints was helpful and should be provided each year at the end of Q1, with exception reporting on specific complaints throughout the year as previously agreed.

## 7.3 MoJ submission on judicial appointments

The board was provided with a draft submission to the Ministry of Justice, collating evidence as to why Costs Lawyers should be made eligible for judicial appointment. Lori explained that the survey data presented to the board in January had been combined with other evidence sets to create a wholistic submission covering areas of interest to the MoJ. It was noted that some board members had already provided input on earlier versions of the draft submission during the development stage. The board was also updated on recent discussions with the MoJ around the likely timing and next steps toward the necessary legislative amendment.

Board members considered and approved the draft submission, noting alignment with the goals of the MoJ and Judicial Appointments Commission around promoting judicial diversity. The board considered the need to keep the regulated community informed about progress on this workstream, and also begin to educate Costs Lawyers about the range of roles they could contribute to with their skillset, particularly outside judicial roles relating solely to costs.

Similarly, board members considered how Costs Lawyers could be encouraged to consider quasi-judicial roles on disciplinary boards, tribunals and so on, where their authorisation would help them meet essential role criteria. It was accepted that eligibility criteria for such roles was more disparate than eligibility criteria for judicial appointment, but it would be worth the CLSB using its influence to have authorised Costs Lawyers added to any definition of "lawyer" or "legally qualified person" that appeared in general selection criteria where the opportunity arose.

**Action: Submit evidence to MoJ.**

#### **7.4 2023 diversity report**

In November the CLSB ran a full diversity survey alongside the 2024 practising certificate renewal process, asking Costs Lawyers about a range of diversity characteristics to get an up-to-date profile of the profession. The board was provided with a report of the survey results, with comparative data for people working in SRA regulated firms and for the general population (where that data is available). The comparisons highlight areas where we are doing better/worse on diversity than our peers and will help us focus our EDI activities over the next few years. Lori explained the response rates and difficulties with some metrics given sample sizes and the board considered whether anything more could be done to encourage engagement.

Board members discussed the data in the report. It was noted that the solicitor profession was outperforming Costs Lawyers on ethnicity metrics and the board considered why this might be. Ideas for raising awareness of the profession amongst under-represented ethnic groups were discussed, including visibility in regions with a higher population of under-represented groups and collaborating with existing associations of lawyers from certain ethnic minorities.

**Action: Publish diversity report on website; Consider follow-up work on ethnicity.**

#### **7.5 Economic crime regulatory objective**

The board was provided with an update on work to implement the new regulatory objective in the Legal Services Act 2007 relating to the detection and prevention of economic crime. The first step in the workplan was to update and expand the risk chart originally produced to map risks of non-compliance with economic sanctions in October 2022. A draft of the expanded risk chart was provided to the board for consideration and approval. Kate noted that this drew on a desk research exercise looking at risks identified by other legal services regulators for their part of the sector as well as several sector-wide (or economy wide) assessments by other agencies.

The board discussed the risk chart and approved it for publication, subject to adjusting the formatting so it was clearer how the various activities (in the lefthand column) related to the risk profiles (in the righthand column). The board was informed that, following publication, the risk chart would be used as a basis for updating the existing anti-money laundering guidance note to cover other types of economic crime and provide advice on the areas of risk identified in the chart.

**Action: Amend format of risk chart and then publish; Proceed to phase 2 of the workplan on economic crime.**

### **8. LEGAL SERVICES BOARD (LSB)**

#### **8.1 Work updates**

The board received updates from David and Kate in relation to:

- the LSB's reshaping legal services conference, including the panel session in which David participated, and the emphasis being placed on PERL and the role of in-house lawyers in the current climate;
- information requests from the LSB in relation to: (i) the CLSB's work on PERL; (ii) the LSB's upcoming review of the Internal Governance Rules; and (iii) feedback on the effectiveness of the Practising Fee Rules;



- the LSB's work on disciplinary and enforcement processes, including a sector workshop attended in Q1;
- the LSB's business plan for 2024/25.

Kate also passed on thanks from the LSB's outgoing CEO for his leaving card received from the CLSB and for the board's continued engagement during his time with the LSB.

## **9 STAKEHOLDER UPDATES**

### **9.1 ACL Council meeting minutes**

The board noted the minutes of ACL Council meetings held in November, January and February. The board discussed the idea noted in the minutes of bringing back an awards night and potential involvement or support the CLSB could offer.

### **9.2 Work updates**

The board received updates in relation to:

- the CLSB's involvement in the organising committee for the 2024 International Conference of Legal Regulators;
- the CLSB's response to the MoJ's call for evidence to support a review of civil legal aid;
- participation in the LSCP's investigation into unmet legal need.

## **10 OPERATIONS**

### **10.1 Outcome of 2023 CPD audit**

The board considered a report on the outcome of the annual CPD audit. Jacqui provided an update on follow-up work carried out to implement learnings from the audit, including through improving the CLSB's guidance and template CPD record. The board noted that engagement and compliance were relatively high, but that ongoing communication with the regulated community around CPD obligations was important.

## **11 PUBLICATION**

### **11.1 Confirmation that papers can be published**

The board agreed that all board papers for the meeting should be published, other than those noted on the agenda for the reasons stated.

***Action: Publish board papers on website in accordance with agenda notations.***

## **12 AOB**

There was no other business.

## **13 NEXT SCHEDULED QUARTERLY MEETING**

The next meeting was scheduled for 17 July, with a strategy session on 16 July, in person in London.

There being no further business, the Chair declared the meeting closed at 12:16.

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Chair

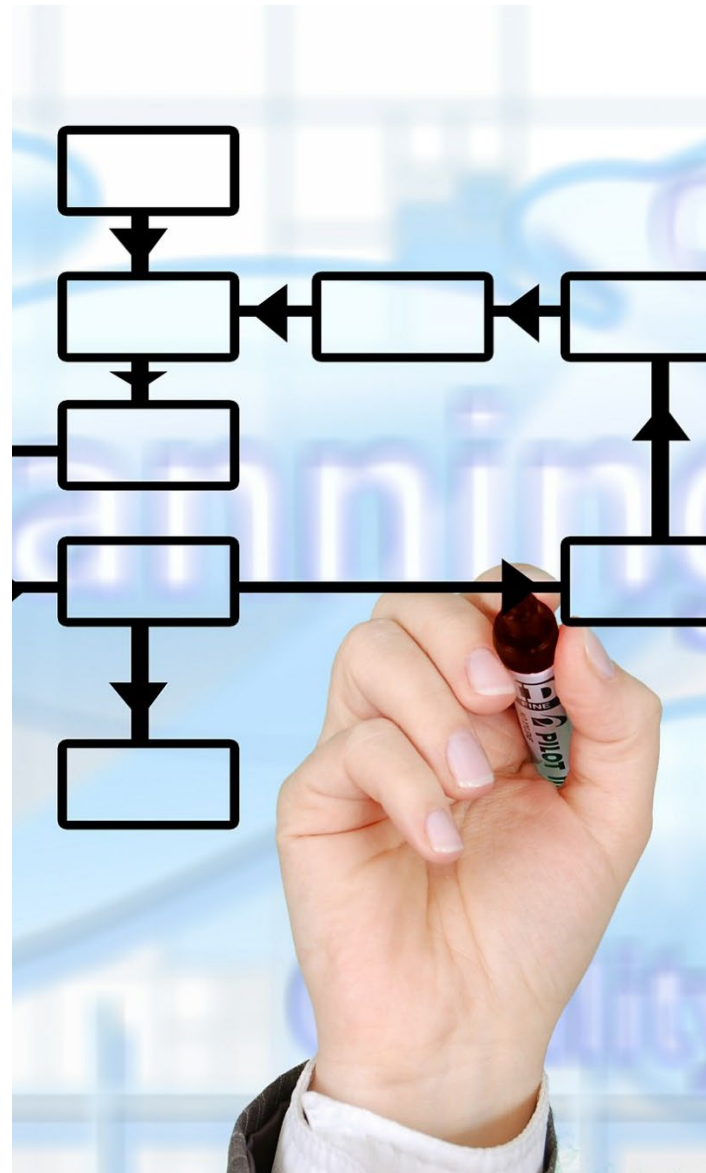
## Related documents

Item	Document	Publication location (CLSB website)
2.1	Board minutes	About ⇒ Our board
3.1	2023 Business Plan	About ⇒ Strategy and governance
3.2	Performance Indicators	About ⇒ Strategy and governance
4.1	Register of interests	About ⇒ Our board
6.1	Risk register	About ⇒ Strategy and governance
7.1	New Code of Conduct	For Costs Lawyers ⇒ Costs Lawyer Handbook
7.3	CLSB submission to MoJ on eligibility for judicial appointment	Regulatory ⇒ Consultations
9.2	CLSB response to MoJ call for evidence to support a review of civil legal aid	Regulatory ⇒ Consultations
11.1	Board papers	About ⇒ Our board
Item	Document	Publication location (other)
7.1	LSB decision notice on Code of Conduct rule change application	LSB website <a href="#">here</a>
8.1	LSB 2024/25 business plan	LSB website <a href="#">here</a>

# Business Plan 2024

## Q2 board update

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July 2024

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Costs Lawyer Standards Board

CLSB

# Annual priorities

## Improving our regulatory arrangements

	Initiative	Progress status / expected completion
1.	<p>In collaboration with ACL Training, oversee the first year of delivery of the new Costs Lawyer Qualification, including by:</p> <ul style="list-style-type: none"> <li>• carrying out the first annual monitoring process under the Accredited Study Provider Scheme Handbook;</li> <li>• developing additional guidance and materials on the regulatory aspects of qualifying, based on student feedback;</li> <li>• communicating the responsibilities and benefits of regulation to new student cohorts.</li> </ul>	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: We have now processed several Qualifying Experience applications and responded to enquiries about students' individual circumstances. This has allowed us to augment our guidance around the transitional arrangements and FAQs, and update the form fields. The CLSB has been integrated into the induction process for students, through a presentation on the mechanics and purpose of regulation. Jacqui delivered our first presentation on ethics and the new Code of Conduct as part of the professional ethics module in Q2.</i></p> <p><i>Outstanding: The first annual monitoring event for the course will take place in H2, once the initial cohort of students completes their first year.</i></p>
2.	<p>Deliver a project to capture anecdotal evidence of poor consumer outcomes in the unregulated part of the costs market and report to stakeholders on themes and trends. Explore avenues that are available under the existing legislative framework to tackle poor practice and promote the regulatory objectives outside the immediate scope of regulation.</p>	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: We have carried out a review of our enquiries logs and case studies to consider whether we have sufficient evidence for publication. We have been liaising with ACL to share information.</i></p> <p><i>Outstanding: A report will be presented to the board at this meeting so the board can consider whether there is sufficient evidence for publication and the options available for tackling detriment.</i></p>
3.	<p>Develop and begin to implement a comprehensive, long-term communications strategy, aimed at supporting each of the five strategic goals in our new mid-term</p>	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: We kicked off this workstream at the January board meeting, with the board articulating the purpose and scope of the project. In April, the board considered a series of appetite statements relating to communication risks, and final versions of the statements will be brought</i></p>

	organisational strategy in a cohesive and systematic way.	<p><i>back to the board for approval at this meeting. We engaged a consultancy in Q2 to assist with the project. They will lead a session at the July strategy day to agree key messages.</i></p> <p><i>Outstanding: Working with the consultancy, and based on the key messages agreed by the board in July, we will deliver the final project phase during Q3, aiming for board approval in October.</i></p>
4.	Embed the B2C regulatory framework with the group of Costs Lawyers that deliver services directly to consumers.	<p><b>In train (expected Q3)</b></p> <p><i>Achieved: We have analysed the data about Costs Lawyers' clients captured during the 2024 PC renewal round. This gives us an understanding of which practitioners to target through this workstream. We have improved the accessibility of our guidance during Q2 to turn it into web content in time for the next PC renewal round. We have sent individual communications to the Costs Lawyers involved, highlighting their obligations and inviting a dialogue.</i></p> <p><i>Outstanding: In Q2 we received a letter from the LSB to all approved regulators outlining expectations for compliance with the policy statement on consumer empowerment. We will review these expectations against our workplan in Q3 and respond to the LSB's information request by the end of September.</i></p>
5.	Publish the second annual Risk Outlook for the profession and assess the impact and future direction of this initiative.	<p><b>Achieved (Q1)</b></p> <p><i>We commissioned the research underlying the next annual Risk Outlook in Q1. That research was analysed to produce a publishable version, which was approved by the board in April. The Risk Outlook was published and promoted following approval and is now housed in the Ethics Hub.</i></p>
6.	Implement changes to the Costs Lawyer Code of Conduct, including by reviewing all published regulatory arrangements, guidance, policies and web content to ensure alignment with the new Code.	<p><b>Achieved (Q1)</b></p> <p><i>The new Code of Conduct was implemented in Q1, following liaison with the LSB. All published guidance, policy statements and regulatory arrangements were reviewed, and updated versions have been published that correctly cross-refer to the new version of the Code. References to the Code in the Disciplinary Rules and Procedures – which form part of our regulatory arrangements – have been amended by exemption in line with the LSB's ED181. That completes this priority.</i></p>

		<i>Additional support resources for the Code were developed in Q2 and published in a new Ethics Hub. Work will continue throughout the year on developing additional material for the Hub.</i>
7.	Carry out the next two-year review of changes to the Disciplinary Rules and Procedures, looking at second tier complaints handled during the review period as well as any good practice examples or learnings from our or other regulators' work.	<b>Pending (expected Q4)</b> <i>This priority is scheduled for H2, to align with the timing of the LSB's work on developing common principles for effective disciplinary and enforcement processes.</i>
8.	Carry out the first phase of evaluation activities relating to the new framework for qualifying as a Costs Lawyer.	<b>Pending (expected Q4)</b> <i>This priority is scheduled for H2, following completion of the current cohort's first year and the first annual monitoring event.</i>
9.	Align our work on ongoing competency – including the expanded Competency Statement – with our existing framework for continuing professional development (CPD) and develop additional resources for practitioners where appropriate.	<b>Achieved (Q1)</b> <i>The new Ongoing Competency Framework was launched in Q1, in line with our commitments to the LSB. Our CPD resources, including our forms and guidance, have been updated to integrate the new Framework. We have liaised with ACL and ACL Training to identify and create training opportunities aligned to developing the skills in the Framework and this engagement will continue on an ongoing basis.</i>
10.	Develop new guidance to address risks identified in the following areas: <ul style="list-style-type: none"> <li>• setting up a new practice; and</li> <li>• expectations on (unregulated) costs firms.</li> </ul>	<b>In train (expected Q3)</b> <i>Achieved: We have developed guidance for setting up a new practice, which will be put to the board at this meeting.</i> <i>Outstanding: Guidance for costs firms will be considered in Q3.</i>
11.	Develop the next phase of our diversity and inclusion workplan by reference to the new mid-term strategy.	<b>In train (expected Q4)</b> <i>Achieved: We have analysed the results of our 2023 diversity survey and a report on the data was published in Q2.</i> <i>Outstanding: Implementation of targeted initiatives to act on the data we collected in our two most recent diversity surveys is ongoing.</i>

12.	Investigate whether a new supervision framework for client care letters is warranted based on evidence of client outcomes.	<p><b>In train (expected Q3)</b></p> <p>Achieved: A project plan has been developed and requests for sample client care letters have been sent to firms. A progress report and proposed next steps will be presented to the board at this meeting.</p> <p>Outstanding: The project will be completed in Q3 based on the board's feedback at this meeting. If appropriate, a final recommendation on the approach to take going forward will be put to the board in October.</p>
13.	Modernise the way we track enquiries from external sources to facilitate reporting and trend analysis.	<p><b>Achieved (Q1)</b></p> <p>A new process was implemented in Q1 allowing us to check previous advice to ensure consistency across different practitioners, spot trends and report on particular issues. The tracker has been used in developing materials for the new ethics hub and to provide real-world (anonymised) examples in presentations to students. It has also been supplemented by an additional project to better track our communications with/requests to Costs Lawyers and their areas of regulatory interest.</p>
14.	Systematically document all key internal processes and workflows to promote business continuity as well as compliance with internal policies and external regulatory and legal requirements.	<p><b>In train (expected Q3)</b></p> <p>Achieved: We have made significant progress in developing an Operations Manual to document key processes. We have also developed the first version of flowcharts for the journey through our online forms.</p> <p>Outstanding: Further work on the Operations Manual to include all key processes will continue throughout Q3. We also need to update the flowcharts to account for amendments to the forms that will be made in 2024 and consider any other documentation required.</p>
15.	Review our data protection arrangements to ensure they remain robust and fit for purpose following extensive improvements to our digital operations.	<p><b>In train (expected Q3)</b></p> <p>Achieved: We have scoped this project and determined that we have sufficient expertise and information to complete it in-house. Work has begun on reviewing and updating contract records and the Data Protection Manual.</p> <p>Outstanding: The review of all privacy documents, including the Privacy Policy, will be completed in Q3. If necessary, amendments to the Data Protection Manual will be brought to the board in October for approval.</p>



16.	<p>Deliver the next phase of our digital workplan by:</p> <ul style="list-style-type: none"> <li>Continuing to develop our suite of application forms and their interface with the CLSB database, in line with our principles of ease of use, security of data, utility of reports, consistency of approach. In particular: <ul style="list-style-type: none"> <li>standardise the wording, content and layout of forms;</li> <li>begin work on standardising the underlying code to facilitate easier updates;</li> <li>introduce functionality to automate annual updates.</li> </ul> </li> <li>Developing the CLSB database by: <ul style="list-style-type: none"> <li>enhancing security to provide unique access keys for each user;</li> <li>reviewing the read-only version of the database to improve ease of use and utility.</li> </ul> </li> </ul>	<p><b>In train (expected Q3)</b></p> <p><i>Achieved: A workplan has been agreed with our IT consultant covering all these areas and work is underway.</i></p> <p><i>Outstanding: Delivery of all aspects of this priority will occur by Q3 in time to test the system for PC renewals in November.</i></p>
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# Foreword

Rt Hon David Heath CBE, Chair

In recent years, we have experienced ever-increasing public scrutiny of the legal system in England and Wales. Long-term downward trends in legal aid funding and infrastructure investment, alongside growing backlogs across criminal and civil courts, have given rise to questions around access to justice and the extent to which we continue to uphold the rule of law at a national level.

This has in turn generated questions about the way that legal services are regulated; in particular, whether the existing model introduced by the Legal Services Act 2007 remains fit for purpose. In March this year, the Justice Committee set out [recommendations to the Lord Chancellor](#) on the future regulation of the legal professions. The Committee concluded that the existing Legal Services Act does not appear to be providing a stable long-term framework for regulation and the case for re-examination of the legislative framework is growing stronger and stronger.

At the same time, the lawyers and other practitioners that provide legal services have been equally subject to increased public scrutiny. In 2024, the [Post Office Horizon IT Inquiry](#) heard evidence from numerous lawyers involved in the high-profile scandal. The conduct of many lawyers – whether working in-house for the Post Office or as external counsel – was heavily criticised on a range of legal and ethical grounds. Given the prominence of the scandal and the severe impact on the individuals affected, there will inevitably be resulting damage to the public’s perception of the legal professions.

It is against this background that the regulators of legal services have become increasingly focused on the importance of professional ethics and the rule of law. In 2024 we updated the Code of Conduct for Costs Lawyers, strengthening the principle of independence within the profession and emphasising that Costs Lawyers’ duties to the court and to promote the proper administration of justice override duties to individual clients. Our new [Ethics Hub](#) brings the Code of Conduct to life in a practical way, providing resources to help Costs Lawyers navigate common ethical challenges and reflect on what it means to uphold high professional standards.

This focus on professional ethics and the rule of law will continue into 2025, underpinning our regulatory priorities, training touchpoints and ongoing communication with the Costs Lawyer community and wider legal sector.

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# Introduction

Kate Wellington, Chief Executive

Much of our work in recent years has sought to pave the way for growth in the Costs Lawyer profession. We do not seek growth for its own sake; rather, we want to build the profession's capacity and reputation in order to meet growing client demand for a diverse range of costs services. [Research carried out by the CLSB](#) in 2022 revealed a great deal of evidence to suggest the Costs Lawyer profession has the potential to have a much bigger impact than it does today.

Last year, we implemented a new regulatory framework for qualifying as a Costs Lawyer. We accredited ACL Training to offer the new Costs Lawyer Professional Qualification from September and we are beginning to see the fruits of that labour as the initial cohort of students nears the end of its first academic year. In 2025, we will build on this work through several initiatives designed to further support the profession's growth.

First, we will evaluate the success of the recent changes to our qualification framework, to ensure they are having the intended impact and that students report a positive experience. We will be assessing whether the new course is meeting our objectives of equipping practitioners with the knowledge and skills they need to succeed in a dynamic workplace, while enabling the profession to attract a diverse and talented pool of lawyers.

Second, we will work with ACL Training, government and employers to secure approval for a new Costs Lawyer apprenticeship standard. This will require further changes to our rules and resources in order to integrate the apprenticeship with the existing entry route, but as a result it will provide a new pathway into the profession and open up funding opportunities for qualification.

We will champion legislative change to enable Costs Lawyers to apply for judicial roles, including costs-specific roles and more generalist appointments. We will explore opportunities for Costs Lawyers to cross-qualify from and to other jurisdictions, taking advantage of post-Brexit trade agreements. And we will build our understanding of the costs services being provided into and out of Wales.

This patchwork of initiatives will help to broaden the suite of possible career pathways for Costs Lawyers going forward, helping them look beyond traditional routes and harnessing the potential for our profession to better serve clients and the justice system in England and Wales.

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# Our objectives

## Pursuing our strategy

Below are the CLSB's strategic objectives for 2024 to 2027, as set out in our [mid-term strategy](#). Each strategic objective is assigned a letter, A through E. These letters are used in the remainder of this Business Plan to demonstrate how our annual priorities for 2025 are linked to achievement of our wider strategic goals.

- A. *We will nurture the positive working relationships created under our previous strategy and begin to look outside the legal services sector for inspiration and learnings, seeking collaboration where this furthers our mission.*
- B. *We will be perceived as an expert on the market that we regulate, proactively adding value for Costs Lawyers, their businesses, their clients and the wider justice system, and we will effectively communicate that value to those in the costs community who decide each year whether or not to opt-in to regulation.*
- C. *We will begin to raise standards in the part of the costs law market that is currently outside the scope of regulation, by finding non-legislative levers to encourage professionalism and by communicating the benefits of regulation to the people who make purchasing decisions about costs advisory services.*
- D. *We will continue to create, evaluate and improve a regulatory model that is uniquely suited to the unusual characteristics of the costs law market, finding inventive ways to tackle the challenges presented by the legislative environment in which we operate.*
- E. *We will build long-term organisational robustness and resilience to guard against external risks and shocks, and we will promote the same resilience within the Costs Lawyer profession.*

## The regulatory objectives

All of our activities must be compatible with, and promote, the regulatory objectives set out in section 1 of the [Legal Services Act 2007](#). The regulatory objectives are reproduced below, and each is assigned a number, 1 through 9. These numbers are used in the remainder of this Business Plan to demonstrate how our annual priorities for 2025 are linked to promotion of the regulatory objectives.

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The regulatory objectives are:

1. *protecting and promoting the public interest;*
2. *supporting the constitutional principle of the rule of law;*
3. *improving access to justice;*
4. *protecting and promoting the interests of consumers;*
5. *promoting competition in the provision of legal services;*
6. *encouraging an independent, strong, diverse and effective legal profession;*
7. *increasing public understanding of the citizen's legal rights and duties;*
8. *promoting and maintaining adherence to the professional principles;*
9. *promoting the prevention and detection of economic crime.*

The professional principles referred to at 8 above are:

- that authorised persons should act with independence and integrity;
- that authorised persons should maintain proper standards of work;
- that authorised persons should act in the best interests of their clients;
- that persons who exercise before any court a right of audience, or conduct litigation in relation to proceedings in any court, by virtue of being authorised persons should comply with their duty to the court to act with independence in the interests of justice; and
- that the affairs of clients should be kept confidential.

## Promoting consumer outcomes

In line with our commitment to consider consumer outcomes in all of our regulatory work, we have also indicated in this Business Plan how each initiative is linked to the promotion of one or more of the consumer outcomes that we are interest in, namely: price; quality; access; innovation; privacy; fairness; and/or diversity.

# Annual priorities

	Initiative	Link to objectives	Fit with consumer outcomes
1.	Implement the communications strategy developed in 2024, aimed at supporting each of the five strategic goals in our mid-term organisational strategy in a cohesive and systematic way.	<b>Strategic</b> A, B, C, D, E, F <b>Regulatory</b> 1, 3, 4, 5, 6, 7, 8	Quality Access Innovation Fairness
2.	Identify and deliver workstreams to comply with the Legal Services Board's anticipated new policy tools in the following areas: <ul style="list-style-type: none"> <li>professional ethics and the rule of law</li> <li>the economic crime regulatory objective</li> <li>disciplinary and enforcement processes</li> <li>technology and AI</li> </ul>	<b>Strategic</b> B, D <b>Regulatory</b> 2, 5, 6, 8, 9	Quality Innovation Fairness
3.	Work with the Ministry of Justice to pursue opportunities, following the general election, to table the relevant legislation to make Costs Lawyers eligible for judicial appointment.	<b>Strategic</b> A, B <b>Regulatory</b> 1, 3, 6	Access Diversity
4.	Build out and promote the new Ethics Hub, creating additional materials in response to emerging risks and themes identified through complaints and supervisory activities.	<b>Strategic</b> B, D, E <b>Regulatory</b> 1, 2, 4, 6, 8	Quality Innovation Fairness
5.	Develop new guidance to support the materials in the Ethics Hub on (i) whistleblowing and (ii) bullying and harassment.	<b>Strategic</b> B <b>Regulatory</b> 6, 8	Fairness Diversity
6.	Work with ACL Training and the employer Trailblazer Group to secure approval for a new Costs Lawyer apprenticeship standard, and implement changes to our regulatory arrangements and other resources to facilitate integration with the existing entry route.	<b>Strategic</b> A, C, E <b>Regulatory</b> 3, 4, 6	Access Diversity

7.	Investigate opportunities to benefit from recent international trade agreements made in the wake of Brexit by exploring the mutual recognition of professional costs qualifications from other jurisdictions and the scope for Costs Lawyers to offer services abroad.	<b>Strategic</b> A, B, E <b>Regulatory</b> Promotes all	Quality Access Innovation Fairness
8.	Extend our work on ongoing competency to explore whether competency checks are warranted for practitioners returning to authorised practice.	<b>Strategic</b> B, D, E <b>Regulatory</b> 4, 6, 8	Quality
9.	Deepen our understanding of services offered by Costs Lawyers into and out of the market in Wales.	<b>Strategic</b> A, B <b>Regulatory</b> 5, 6	Access Diversity
10.	In collaboration with ACL Training, evaluate the second year of delivery of the new Costs Lawyer Qualification, including by: <ul style="list-style-type: none"> <li>• carrying out the annual monitoring process under the Accredited Study Provider Scheme Handbook;</li> <li>• developing additional guidance and materials on the regulatory aspects of qualifying, based on student feedback;</li> <li>• communicating the responsibilities and benefits of regulation to new student cohorts.</li> </ul>	<b>Strategic</b> C, E <b>Regulatory</b> 3, 4, 6, 8	Quality Access Diversity
11.	Consider the resources required to develop a light-touch Annual Report for future years, to support our communications strategy.	<b>Strategic</b> A, B, C, D <b>Regulatory</b> Supports all	Supports all
12.	Conduct research into the lived career experience of under-represented groups of Costs Lawyers, providing evidence to inform the next phase of our diversity workplan.	<b>Strategic</b> B, E <b>Regulatory</b> 6	Diversity
13.	Review and update our processes for making reasonable adjustments.	<b>Strategic</b> D, E <b>Regulatory</b> 6	Quality Diversity

14.	Engage an independent agency to undertake a full financial audit.	<b>Strategic</b> E <b>Regulatory</b> Supports all	Supports all
15.	Deliver the next phase of our digital workplan, including by: <ul style="list-style-type: none"> <li>• reviewing whether the database and e-form upgrades implemented over the last three years are meeting functionality requirements and identifying areas for future improvement;</li> <li>• reviewing options for taking credit card payments.</li> </ul>	<b>Strategic</b> E <b>Regulatory</b> Supports all	Supports all

Our budget for 2025, which will facilitate delivery of this Business Plan, can be [found on our website](#).



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**CLSB**



# Budget for the 2025 practising year

Category	Budget provision (£)
Personnel costs	134,540
Travel and subsistence	5,000
Rent and room hire	2,302
Telephone	645
Printing, postage and stationery	354
Equipment	1,000
Levies and contributions (LSB, LeO, Legal Choices)	28,095
Licences, subscriptions and fees	3,861
Office services	6,455
Consultancy services	17,500
IT services	2,664
Business Plan priorities	16,500
Miscellaneous	1,500
<b>TOTAL EXPENDITURE</b>	<b>220,416</b>
Transfer to reserves	5,000
<b>TOTAL DEBITS</b>	<b>225,416</b>
<i>Practising fee</i>	<i>305</i>
<i>Estimated number of renewals</i>	<i>695</i>
Renewal income	211,975
Other practising fee income (reinstatements, new qualifiers and late payment fees)	13,340
<b>ESTIMATED INCOME</b>	<b>225,315</b>
Final surplus/deficit	-101



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# Proposed fee

We propose to set the practising fee for Costs Lawyers at £305 in 2025. This represents an increase of 5% (or £15) from the current practising fee. Last year the fee increased by 3%, following no increase in 2023.

While we intend to increase the practising fee, this is not because we plan to spend more. In fact, we will not be increasing our spending at all in 2025; rather, our budgeted expenditure will be 0.5% lower than it was in 2024. So why does the practising fee need to rise?

At the end of 2022, we achieved a budget surplus of around £24k. We applied that budget surplus to our activities in 2024, to keep the 2024 practising fee as low as possible. The Practising Fee Rules, which are laid down by the Legal Services Board and with which we must comply, required us to use all of that surplus in 2024. It was not open to us to hold any back to reduce the practising fee in 2025 or future years.

So in 2025, we are anticipating the same level of expenditure as last year, but without the benefit of £24k in surplus funds which we can use to reduce the practising fee. This is why the practising fee will rise.

Like many in the UK, we also continue to face rising input costs. This includes ongoing inflationary pressure and an increase in the levy that we pay on your behalf to the Legal Services Board, as their budget increases by 13.9% this year (on top of a 9.1% increase last year). To combat this, we will find ways to reduce costs in other areas while focusing on priorities that really matter for the profession and its clients, as set out in our proposed Business Plan for 2025.

This consultation paper provides further information about the level of the practising fee and how the money raised through your fees will be used. At the end of this consultation there are some questions you might like to consider as part of your response, but we would welcome any feedback you wish to provide. Consultation responses should be sent to [enquiries@clsb.info](mailto:enquiries@clsb.info) by **5pm on Monday 2 September 2024**.

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# How we set the practising fee

## The process

The process for determining the practising fee starts in May each year.

- First, we develop a **Business Plan** for the coming practising year, setting out our annual priorities for achieving our strategic goals.
- Next, we develop a **budget** that reflects our fixed costs (such as salaries and overheads), the variable costs of our core regulatory work (such as supervision and enforcement) and the cost of delivering the annual priorities in the Business Plan.
- The budget determines our total anticipated expenditure for the year; that is, the funding we need to operate effectively. Anticipated expenditure is then divided by the **number of Costs Lawyers** that we estimate will be practising during the year. This gives us the proposed practising fee. The fee is agreed by the **CLSB's board**.
- We ask Costs Lawyers for feedback on the proposed fee through this **consultation process**. The fee is adjusted as appropriate in response to feedback received.
- The fee must then be **approved by the Legal Services Board (LSB)** under its [Practising Fee Rules](#). This involves a detailed application process whereby the fee is explained and justified to our oversight regulator. Our application is [published](#) by the LSB.
- In early October, the LSB issues its decision and the practising fee is **confirmed to Costs Lawyers**.
- We are then able to finalise the **practising certificate renewal form** based on the approved fee. You will receive an email when your online renewal form, which is unique to you, is available for completion.

## 2025 Business Plan

The bulk of our income from practising fees is spent on fulfilling our core regulatory duties. These activities can be broadly summarised as:

- establishing policy, rules and guidance in relation to the professional conduct expected of Costs Lawyers;
- setting the outcomes for, and accrediting training providers to deliver, the Costs Lawyer Qualification and assessing trainees' Qualifying Experience;
- supervising compliance with our regulatory requirements;



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- dealing with complaints about Costs Lawyers' conduct and taking disciplinary action where conduct falls short of the required standard;
  - helping consumers and the wider public understand issues relating to legal costs and how Costs Lawyers can assist them;
  - assisting practitioners in navigating ethical issues and treating their clients fairly;
  - gathering evidence and data about the regulated market to inform our activities.

Our annual Business Plan establishes additional projects and priority work areas that are specific to the practising year. Each priority in the Business Plan is linked to the achievement of one or more of the objectives in our [mid-term strategy](#), to the regulatory objectives in the [Legal Services Act 2007](#), and the improvement of specified [consumer outcomes](#). Our proposed Business Plan for 2025 is available [with this consultation](#). The priorities in the Business Plan, together with the core regulatory work described above, constitute the full programme of activity that is funded through your practising fee.

In 2023 we delivered all our Business Plan priorities except one, which was incorporated into a larger project for delivery in 2024. A summary of the anticipated and actual benefits of our 2023 work programme is available [with this consultation](#).

## Levies and contributions

Our proposed budget for 2025 is also available [with this consultation](#). You will see that a portion of our budget is made up of levies and contributions that we must pass on to other organisations – namely the Legal Services Board, the Legal Ombudsman and the Legal Choices website – to fund their activities. Each of the legal services regulators is required to make contributions on behalf of the lawyers they regulate.

In 2025, the cost per Costs Lawyer of these contributions will be approximately:

- £25 for the Legal Services Board (8.2% of your practising fee)
- £7 for the Legal Ombudsman (2.4% of your practising fee)
- £8 for Legal Choices (2.7% of your practising fee)

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# Other information about practising fees

## Permitted purposes

The CLSB derives almost all of its income from practising fees. Other minor sources of income include accreditation fees, fixed costs awarded under our Disciplinary Rules and Procedures and interest payments on our financial reserves.

All our income is allocated to expenditure on so-called “permitted purposes”. Permitted purposes are prescribed regulatory activities as listed in Rule 8 of the Legal Services Board’s [Practising Fee Rules](#). They include activities like regulation, accreditation, education, training, raising professional standards, providing advice and guidance, participating in law reform and furthering public legal education.

## The Association of Costs Lawyers

Your practising fee exclusively funds the CLSB. It is not used to fund the profession’s representative body, the Association of Costs Lawyers (ACL). If you would like to be a member of ACL, a membership fee is payable separately. You can [contact ACL](#) to understand more about the benefits of membership.

## Tax relief

Tax relief on your practising fee can be claimed under SI 1126/2013: The Income Tax (Professional Fees) Order 2013. This covers “fees payable to the Costs Lawyer Standards Board on applying for a costs lawyer practising certificate”.

## Reserves

We hold financial reserves to provide a buffer against unexpected events. We want the level of our reserves to be neither too low nor too high, so our Reserves Policy provides for a target level of reserves. In 2021, we revised our target level of uncommitted reserves downward, following a review of the financial risks we face and the extent to which those risks are insurable. Our target is now six months’ operating expenditure (or

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roughly six months' gross income from annual practising fees). The level of our uncommitted reserves currently meets this target.

We also hold separate reserves reflecting the amount of our paid up share capital, as well as committed reserves for planned future IT development projects. Our target level of committed reserves is £30,000. We have achieved 80% of this target so far and we will make further contributions over the coming years to reach the target level.

The level of our reserves is recorded in our audited accounts, which are available [with this consultation](#).

## Practising certificates

### Practising Rules

Your practising fee must be paid before we can issue you with a practising certificate for the relevant year. This is established under our Practising Rules, which you can find in the [Costs Lawyer Handbook](#).

### Practical advice and information

The [practising certificates](#) page of our website contains advice on a range of topics relating to practising certificates and the practising fee. It includes information about who needs a practising certificate, how to renew your certificate, how to pay the practising fee and how your application will be dealt with.

You can also find information on this webpage about fee remissions. You might be entitled to a reduction in your practising fee if, for example, you are a newly qualified Costs Lawyer, you are applying for reinstatement to the register part-way through the year or you have recently taken parental leave.



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## Benefits of having a Costs Lawyer practising certificate

Your practising certificate gives you the right, under the Legal Services Act 2007, to conduct the following reserved legal activities:

- The exercise of a right of audience
- The conduct of litigation
- The administration of oaths

In addition you will:

- Appear on the [Register of Costs Lawyers](#) on the CLSB website.
- Be able to use, in line with the terms, the CLSB [Mark of Regulation](#) on communications to publicise that you are authorised and regulated by the CLSB.
- Have access to the support of [LawCare](#). This is a confidential service which supports the mental health and wellbeing of legal professionals and their families.
- Receive regular CLSB newsletters with the latest updates for Costs Lawyers.

Having a CLSB practising certificate evidences to clients, the courts and fellow lawyers that you are qualified, regulated, have professional indemnity insurance in place, follow a complaints handling procedure (including access to the Legal Ombudsman where applicable) and undertake continuing professional development (CPD). You may also be able claim a better hourly rate than unregulated costs draftsmen and increase potential client instructions.

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# Consultation questions

## Main question

**Question 1:** Do you agree with our proposal to set the practising fee at £305 for 2025? Why or why not?

## Other questions you might like to consider

**Question 2:** Do you agree with the CLSB's proposed Business Plan and budget for 2025? If not, what aspects would you suggest we change and why?

**Question 3:** What do you perceive to be the main benefits of regulation? Do you think we place sufficient focus on those benefits? Do you think we are delivering those benefits?

### **Question 4:**

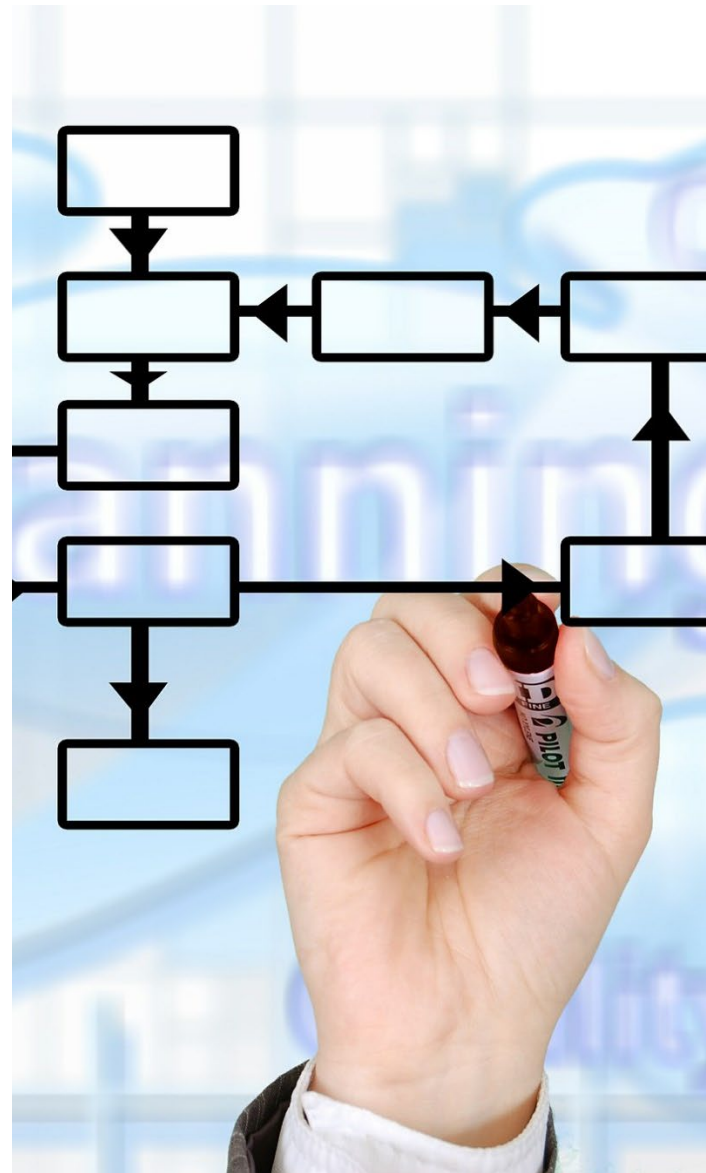
- (a) Are you adversely impacted by the level of the practising fee due to a protected characteristic under the Equality Act 2010 (such as age, disability or gender) or due to your individual practising arrangements? If so, please tell us why and how we could meet your needs.
- (b) Do you agree with our initial Equality Impact Assessment (EIA) of the practising fee, which we have provided [with this consultation](#)?

**Question 5:** Is there anything else you would like to know about the practising fee that we should include in next year's consultation?

Consultation responses should be sent to [enquiries@clsb.info](mailto:enquiries@clsb.info) by **5pm on Monday 2 September 2024**.

# Consultation

## 2025 practising fee: Summary of activity funded by the 2023 practising fee



**DRAFT TO BOARD [18 July 2024]**

## Costs Lawyer Standards Board

CLSB

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# Purpose

This document is intended to help Costs Lawyers better understand the programme of activity that was funded through their practising fees in 2023, as well as the benefits of that activity, in line with the Legal Services Board's [Guidance on its Practising Fee Rules](#).

In particular, this document:

- describes the annual priorities in the CLSB's 2023 Business Plan;
- explains whether, when and how they were achieved;
- summarises their intended benefits, by reference to our strategic goals and the regulatory objectives in the Legal Services Act 2007; and
- provides examples of indicators that we believe demonstrate they had the benefits we anticipated.

You might like to consider this document alongside the CLSB's [consultation](#) on the proposed Costs Lawyer practising fee for 2025, which closes on 2 September 2024.

## Regulatory objectives

Below are the regulatory objectives established by the Legal Services Act 2007, which the legal regulators (including the CLSB) must promote through their work. Each regulatory objective is assigned a number, 1 through 9. These numbers are used in the remainder of this document to demonstrate how our annual priorities for 2023 promoted the regulatory objectives.

1. *Protecting and promoting the public interest.*
2. *Supporting the constitutional principle of the rule of law.*
3. *Improving access to justice.*
4. *Protecting and promoting the interests of consumers.*
5. *Promoting competition in the provision of legal services.*
6. *Encouraging an independent, strong, diverse and effective legal profession.*
7. *Increasing public understanding of the citizen's legal rights and duties.*
8. *Promoting and maintaining adherence to the professional principles.*
9. *Promoting the prevention and detection of economic crime.*

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# Strategic objectives

Below are the CLSB's strategic objectives for 2020 to 2023, as set out in our [mid-term strategy](#) that applied during the 2023 practising year. Each objective is assigned a letter, A through E. These letters are used in the remainder of this document to demonstrate how our annual priorities for 2023 were intended to help us achieve our wider strategic goals.

- A. *We will have collaborative working relationships with key stakeholders in the costs law market and across the wider legal services landscape, including the Association of Costs Lawyers, the Legal Services Board and other Approved Regulators. Through these relationships, we will identify best practice, harness evidence and data, and draw from the learnings of others, to deliver a rigorous approach at proportionate cost.*
- B. *We will consider and act upon evidence in a consistent, structured and documented way, furthering our ability to implement highly tailored regulatory arrangements.*
- C. *We will have an advanced understanding of the consumer dimension of the market we regulate, and we will regularly revisit and update our perception of the risks posed by the profession to the public.*
- D. *We will have a deep comprehension of the risk framework within which we operate, and our stakeholders will be confident that we are delivering robust risk-based regulation that is bespoke to Costs Lawyers.*
- E. *Costs Lawyers will view the CLSB as facilitating a trusted and evolving profession, responding proactively to new challenges and needs.*

# Annual priorities

	Initiative	Status (by end of 2023)	Intended benefits	Example indicators of the benefits achieved
1.	Work with internal and external stakeholders to develop a new mid-term strategy for the CLSB, building on the learnings and successes from our first strategy covering the period 2020 to 2023.	<b>Achieved (Q3)</b> <i>A strategy session was held with the board on 27 June, following which a draft mid-term strategy was developed for consultation alongside the 2024 practising fee, business plan and budget. Feedback on the proposed strategy was also sought from the CLSB's Advisory Panel. The strategy was finalised and published in September and the board was presented with the Advisory Panel's feedback in October.</i>	<b>Strategic objectives:</b> Supports all <b>Regulatory objectives:</b> Supports all	<ul style="list-style-type: none"> <li>Measuring success against a mid-term strategy allows us to demonstrate the benefits of regulation and achieve sustainable positive outcomes tailored to the regulatory objectives.</li> <li>Strategic input from stakeholders ensures our annual and mid-term planning is tailored to external expectations and needs.</li> </ul>
2.	Deliver the priority activities for the final year of our <u>Consumer Engagement Strategy</u> , and consider what successor initiatives should be put in place going forward.	<b>Achieved (Q2)</b> <i>Terms of reference and membership for a potential user panel were scoped in Q1, and it was found that members' experiences and needs were likely too disparate to make contributing through a single panel feasible. This scoping work supported a decision to focus on identifying individual business clients that could feed into our specific projects under priorities 5, 7 and 9 below, which would form successor initiatives.</i>	<b>Strategic objectives:</b> B, C <b>Regulatory objectives:</b> 1, 3, 4, 7	<ul style="list-style-type: none"> <li>Investigating the viability of a user panel gave us insights into the nature and needs of Costs Lawyers' commercial clients.</li> <li>Having a range of client contacts allows us to quickly obtain evidence or feedback for future initiatives.</li> </ul>
3.	Develop a programme of work to promote the outcomes in the Legal Services Board's policy statement on empowering consumers in a way that	<b>Achieved (Q4)</b> <i>A work plan was developed to ensure compliance with the policy statement, which was approved by the board and socialised</i>	<b>Strategic objectives:</b> A, B, C	<ul style="list-style-type: none"> <li>Early engagement with stakeholders allowed us to agree a targeted approach for those Costs Lawyers providing or</li> </ul>

	takes into account the unique nature of the market for costs services.	<i>with the Legal Services Board and Legal Services Consumer Panel. The first stage of the plan allowed identification of those Costs Lawyers offering B2C services. A new B2C regulatory framework was then developed during Q3 for the practitioners identified through the segmentation exercise and was approved by the board in October. The B2C regulatory framework was finalised and published in Q4, and embedded in the 2024 practising certificate application form.</i>	<b>Regulatory objectives:</b> 1, 3, 4, 5	marketing services to consumers, ensuring we do not place a disproportionate burden on the wider regulated community. <ul style="list-style-type: none"> <li>Our segmentation exercise and new framework have given us a ready-made place to house new resources that are relevant only to Costs Lawyers providing B2C services, ensuring we can target the right audience efficiently.</li> </ul>
4.	Using our new regulatory framework for the Costs Lawyer Qualification, work with ACL Training to accredit a new course that meets the standards for delivery and competency assurance set by the CLSB.	<b>Achieved (Q2)</b> <i>New Training Rules were approved by the Legal Services Board in February and the new regulatory framework was then finalised and published. An Accreditation Panel was convened, including an independent member to lead on the accreditation process, and that process was carried out during H1 with a Panel visit taking place on 26 April. The Panel made its decision on accreditation in June and the outcome was reported to the board at its June meeting.</i>	<b>Strategic objectives:</b> B, E <b>Regulatory objectives:</b> 1, 4, 6, 8	<ul style="list-style-type: none"> <li>The stringent new accreditation process provides assurance to stakeholders that the training provider meets our standards, as assessed by an independent panel against clear, objective and fair criteria.</li> <li>Following the processes in the new Accredited Study Provider Scheme Handbook helps ensure that students receive high-quality, consistent training, and that new qualifiers are competent to enter the profession.</li> </ul>
5.	Deliver a programme of work aimed at harnessing the unique insights that Costs Lawyers can bring, to stimulate discussion across all the legal	<b>Planning stage complete (Q4)</b> <i>This priority was incorporated into the larger project described below at 9.</i>	<b>Strategic objectives:</b> A, B, E <b>Regulatory objectives:</b>	<ul style="list-style-type: none"> <li>Not applicable</li> </ul>



	regulators about how legal costs can be better controlled.		3, 4, 5, 6	
6.	Investigate the risks and benefits of entity regulation amongst costs firms, including whether there is a cost effective version of entity regulation that may be practical for the CLSB to implement.	<b>Achieved (Q3)</b> <i>The board held its first strategy discussion around entity regulation in March, based on an options paper prepared by the executive. Scoping work was undertaken during Q2 at the board's direction and the results of that work were presented to the board in June. The board decided not to pursue entity regulation further, for reasons recorded in the June board minutes, but outcomes from the scoping work informed a number of other workstreams including new priorities in the 2024 business plan.</i>	<b>Strategic objectives:</b> D, E <b>Regulatory objectives:</b> 1, 4, 5, 6	<ul style="list-style-type: none"> <li>While the board ultimately decided not to pursue entity regulation, this project allowed us to clearly identify the potential benefits of entity regulation and seek other ways to promote those benefits without the costs.</li> <li>Undertaking a thorough analysis enabled us to provide an evidenced and risk-based account of why entity regulation is not feasible at this point in the history of the profession.</li> </ul>
7.	Explore ways of encouraging competition in the market for legal services and promoting the interests of consumers through considering: <ul style="list-style-type: none"> <li>how the CLSB's branding is used by the sector;</li> <li>how our competency frameworks can ensure the profession provides the best value to end users; and</li> <li>how our overall framework of regulation could best support the positive role that Costs Lawyers can play.</li> </ul>	<b>Achieved (Q4)</b> <i>The first bullet point was considered in developing stage 1 of a new communications strategy, which was put to the board at the end of the year. The second bullet point was delivered through the development of the new Ongoing Competency Framework (see further priority 10). The third bullet point is captured in the wider project under priority 9.</i>	<b>Strategic objectives:</b> C, D, E <b>Regulatory objectives:</b> 4, 5	<ul style="list-style-type: none"> <li>Using the new Ongoing Competency Framework to encourage value-added services helped us think about professional pathways for Costs Lawyers, sparking other projects such as championing new legislation to make Costs Lawyers eligible for judicial appointments.</li> <li>Examining how our branding is used (including by us) shaped the purpose statement for our upcoming communications strategy project.</li> </ul>



8.	Consider whether and how to implement measures to more strongly distinguish between the interests of intermediaries (professionals who instruct Costs Lawyers on a client's behalf) and the interests of the Costs Lawyer's ultimate client in our regulatory arrangements.	<b>Achieved (Q3)</b> <i>Ways to achieve this priority were identified as part of improving the Costs Lawyer Code of Conduct. Changes to the Code were approved by the board at its January meeting and a consultation was then issued, closing in mid-July. A rule change application was made to the Legal Services Board in Q4. The outcome of the rule change application was pending at the end of the year (approval was received in early 2024 and implementation followed).</i>	<b>Strategic objectives:</b> C, E <b>Regulatory objectives:</b> 4, 6, 8	<ul style="list-style-type: none"> <li>• Clear delineation between the interests of professional and ultimate clients bolsters Costs Lawyers' independence and begins to challenge structural conflicts in the market.</li> <li>• Clearer provisions in the Code of Conduct allow Costs Lawyers to use their obligations to their ultimate client as a "sword" as well as a "shield" when dealing with poor practice by instructing intermediaries.</li> </ul>
9.	Design a project that looks at how the regulation of Costs Lawyers should evolve into the future, taking into account how the profile of our regulated community may change.	<b>Achieved (Q4)</b> <i>A phased project was developed to meet this brief, for delivery alongside the business plans for 2024 and 2025. The project plan was approved by the board at its Q4 meeting.</i>	<b>Strategic objectives:</b> Supports all <b>Regulatory objectives:</b> Supports all	<ul style="list-style-type: none"> <li>• This project allowed us to combine various evidence sets, recommendations and ideas into a cohesive plan addressing how our regulatory model should evolve in the medium term.</li> </ul>
10.	Develop a programme of work to align the CLSB's approach to ensuring continued competency with the Legal Services Board's policy statement on ongoing competence.	<b>Achieved (Q4)</b> <i>A work plan was developed to ensure compliance with the policy statement, which was approved by the board and socialised with the Legal Services Board. Amendments to the CLSB's own policy statement on enforcement and sanctions were considered by the board in June. Following the board's feedback, further material was added to the statement before publication in September. A proposed framework for extending the</i>	<b>Strategic objectives:</b> B, D, E <b>Regulatory objectives:</b> 4, 6, 8	<ul style="list-style-type: none"> <li>• The Ongoing Competency Framework will provide guidance to Costs Lawyers around the additional training needed at various career touchpoints, ensuring they have the skills needed to meet market expectations.</li> <li>• Convening a working party to validate the Ongoing Competency Framework allowed</li> </ul>

		<i>Competency Statement, as envisaged in the work plan, was considered by the board in June and by a working party of Costs Lawyers in November. The new Ongoing Competency Framework was finalised in Q4 and implemented in early 2024.</i>		us to align regulatory expectations with the needs of employers, junior lawyers and clients.
11.	Continue to improve our diversity data collection and, specifically for this year, look at how working cultures and professional environments for Costs Lawyers impact on good equality, diversity and inclusion (EDI) outcomes.	<p><b>Achieved (Q4)</b></p> <p><i>The board considered a report on the CLSB's most recent diversity data in March and comprehensive reports looking at the gender pay gap and social mobility in the profession were published. Follow-up work in both areas was then planned and a successful event to coincide with Social Mobility Awareness Day was held in June. Implementation of targeted initiatives to act on the data collected will continue over the coming years. In Q4 the three-year full diversity survey of the profession was successfully completed.</i></p>	<p><b>Strategic objectives:</b> A, B, E</p> <p><b>Regulatory objectives:</b> 6</p>	<ul style="list-style-type: none"> <li>• Having robust data on specific diversity issues has allowed us to target our initiatives in areas that are particularly relevant to Costs Lawyers, such as our event: Driving Social Mobility in Costs.</li> <li>• Learning from others by analysing what has worked in other markets, and drawing analogies to our own regulated community, has allowed us to target our resources at initiatives most likely to have a positive impact.</li> </ul>
12.	<p>Deliver the next phase of our digital workplan, including by:</p> <ul style="list-style-type: none"> <li>• improving the visibility of supervision issues in the database;</li> <li>• creating a single repository for complaints data in the database;</li> <li>• adding action prompts to functionality;</li> </ul>	<p><b>Achieved (Q3)</b></p> <p><i>The second item (single complaints repository in database) was completed in Q1. The first and third items (improving visibility and adding action prompts) were completed in Q2. The fourth item (revising the application forms and adding database functionality) was completed in Q3. The final item (capturing missing aspects of the regulatory history of individuals in the database) was also completed in Q3 and a report on the project was discussed by the board in October. All</i></p>	<p><b>Strategic objectives:</b> E</p> <p><b>Regulatory objectives:</b> Supports all</p>	<ul style="list-style-type: none"> <li>• Improvements to our automated systems have improved efficiency and reduced the risk of human error in recording and reporting data and following up on outstanding actions.</li> <li>• Improving visibility of supervision issues ensures that trends in poor practice for an individual or firm are proactively identified and addressed.</li> </ul>

	<ul style="list-style-type: none"> <li>revising application forms and adding database functionality resulting from enhancements to the Register of Costs Lawyers made in 2022;</li> <li>capturing regulatory history of individual Costs Lawyers in the database to consolidate and safeguard all available information.</li> </ul>	<i>aspects of the digital workplan were successfully completed prior to launch of the practising certificate renewal e-forms in November, as planned.</i>		
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# Initial Equality Impact Assessment (EIA)

This document supports, and should be read with, the CLSB's [consultation](#) on the practising fee for Costs Lawyers in 2025. The consultation closes on 2 September 2024.

The Legal Services Board's [Guidance](#) on its Practising Fee Rules states that a regulator must carry out an equality impact assessment (EIA) in relation to its proposed practising fee, and the EIA should be informed by consultation with the regulated community. Below is a preliminary EIA setting out how we anticipate the level of the proposed practising fee for 2025 (£305) will affect practitioners with protected characteristics. We have used the summary format recommended by the Legal Services Board.

We welcome your input, particularly if you have evidence which suggests that the practising fee could create barriers to access or progression for certain groups of Costs Lawyers.

Protected characteristic group	Is there a potential for positive or negative impact?	Please explain and give examples of any evidence / consultation / data used	Actions to address negative impact
Disability	No	8.7% of Costs Lawyers report having a disability, which is higher than in other parts of the sector (for example, 6% of lawyers in SRA regulated firms). Our data suggests that Costs Lawyers can sometimes experience differential impacts due to disability, such as problems accessing court buildings. However there is no data to suggest that practising fees affect this group disproportionately and questions in previous practising fee consultations revealed no evidence of differential impact.	Not applicable
Gender reassignment	No	Our latest diversity survey (from 2023) included a question on gender identity, but the number of respondents who answered that their gender was different to their sex registered at birth, and the number who	Not applicable

		preferred not to say, were both less than 5 and therefore this data was not sufficiently reliable to include in the survey report. We expect that the percentage of our regulated community with a different gender identity to that assigned at birth is likely to be extremely small or zero.	
Marriage or civil partnership	No	We do not collect data on the marital status of practitioners, however as our fee is set at the same level for all practitioners and marital status does not impact ability to practise, we have not identified any risk of differential impact based on this characteristic.	Not applicable
Pregnancy and maternity	Yes	We previously identified that, due to the way we calculate practising fees for Costs Lawyers who reinstate their authorisation part way through the year, practitioners who took parental leave were incurring different practising fees depending on the time of year that their leave commenced. After consulting, we implemented a remissions policy that ensures practitioners receive a reduction in their fee for the whole period they are on parental leave, regardless of the start date.	We will apply the remissions policy again this year (and going forward). More information is available in the parental leave section of our <a href="#">practising FAQs</a> .
Race	No	10.3% of Costs Lawyers identify as Black, Asian or Minority Ethnic, compared to 19% of lawyers in SRA regulated law firms. As part of our EDI work programme, we are investigating whether there are barriers to entry for these groups which are driving the above statistic. However, none of our research to date suggests that the practising fee presents such a barrier and questions in previous practising fee consultations revealed no evidence of differential impact.	Not applicable
Religion or belief	No	43.4% of Costs Lawyers report having no religion or being atheist and a further 46.3% identify as Christian. The proportion of practitioners from other faith groups is small	Not applicable



		– around 1% or less per group – although a material number of practitioners preferred not to report their religion (5.8%) so these groups might be larger than recorded. Our data does not suggest any differential impact of the practising fee on smaller faith groups. Questions in previous practising fee consultations also revealed no evidence of this.	
Sexual orientation	No	7.9% of Costs Lawyers identify as lesbian, gay or bisexual compared to 7.3% of the population. While we have proportionate LGB representation within the profession, there is no evidence that a practising fee which is the same for all practitioners has any differential impact on this group. Questions in previous practising fee consultations also revealed no evidence of this.	Not applicable
Sex (gender)	Yes	There is potential for women to be disproportionately impacted by incurring practising fees whilst on parental leave. Our data shows that, to date, all Costs Lawyers who have been reinstated to the Register part way through a practising year due to taking parental leave have been women.	This is addressed through our remissions policy – see above under “pregnancy and maternity”.
Age	No	Due to the profile of qualifying Costs Lawyers, only a small proportion (14.5%) are under the age of 35, and 22.7% are 55 or older. The majority of Costs Lawyers fall in the middle age ranges. There is no evidence to suggest that a practising fee which is the same for all practitioners has any differential impact on the younger or older groups. Questions in previous practising fee consultations also revealed no evidence of this.	Not applicable

## CLSB Risk Register

Last reviewed: 23 April 2024

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This risk register was developed in March 2023 following a review of the CLSB's risk framework. It maps the potential risks that could impact the CLSB's effectiveness, either directly or indirectly, through their influence on the market that we regulate. Previous versions of our operational and regulatory risk registers are available by [contacting us](#).

This risk register is divided into four sections:

A. Sources of risk for horizon scanning (market risks) .....	2
B. Risk areas for ongoing monitoring .....	3
C. Key risk areas for mitigation .....	6
D. Risk areas for longer-term structural reform .....	8



## A. Sources of risk for horizon scanning (market risks)

These sources have the potential to generate new risks or exacerbate existing ones, and are therefore key targets for horizon scanning. They relate to what is happening in the costs law market, in areas such as:

- client demand and need;
- the supply of services by Costs Lawyers and other market participants;
- the overall legislative and regulatory environment affecting the market; and
- the impact of activity in other parts of the legal sector, including actions of other regulators.

Category of risk	Main sources of risk
Political/legal/regulatory	Changes in public sector spending, court rules or legislation driving costs control/capping.
Political/legal/regulatory	New regulation of ancillary industries, such as third party litigation funding.
Political/legal/regulatory	Changes in the Civil Procedure Rules or common law more broadly.
Economic	Trends in the litigation market and commercial developments in litigation funding options.
Economic	New entrants to the market and new service offerings.
Social	Consumer use of online legal services, including the emergence of costs risk.
Social	Demand for different pathways to legal professional qualification.
Technological	Progress in court digitisation and e-billing.
Technological	Law firm take up of technology, including case management and billing systems.
Technological	Adoption of blockchain technology and smart contracts.

## B. Risk areas for ongoing monitoring

These are specific risks, identified from horizon scanning across the risk sources described in section A above, that could foreseeably impact the regulatory objectives in section 1 of the Legal Services Act 2007. These risks are subject to ongoing monitoring to determine whether their impact can and should be actively managed by the CLSB (see section C below).

Even though many of these risks are outside of our control, their impact can be mitigated generally by fostering:

- Robustness – building strength and depth in the profession by increasing numbers, improving the quality of both initial and ongoing training and widening the range of expertise and skills the profession is able to offer.
- Resilience – improving the ability of Costs Lawyers to redeploy their skills within a changing market.

Regulatory objective	Costs law market related risk outcome	Relationship to risk sources
Protecting and promoting the public interest	<ul style="list-style-type: none"><li>– Capping of recoverable costs</li><li>– Reduction in the size of the NHS litigation budget</li><li>– Wasting of court time by unqualified costs draftsmen, authorised practitioners lacking in costs competency, or poor practices of Costs Lawyers</li></ul>	<ul style="list-style-type: none"><li>– Risks from unqualified suppliers</li><li>– Risks from ineffective regulation</li><li>– Risks from public sector budget cuts targeting litigation, or other forms of intervention in the costs market, in ways that prioritise short term budgetary savings over longer term public interest</li></ul>
Supporting the constitutional principle of the rule of law	<ul style="list-style-type: none"><li>– Shrinking legal aid budget and falling solicitor numbers providing legal aid services</li><li>– Court promotion of technology and mediation to overcome backlog</li><li>– Civil procedure review designed to improve the functioning of the courts and introduction of e-billing as standard</li></ul>	<ul style="list-style-type: none"><li>– Risks from policy, legislative or rule changes that impact on demand for Costs Lawyer services or viability of providing services to those with legal need</li></ul>
Improving access to justice	<ul style="list-style-type: none"><li>– Individuals or groups excluded from access to justice by excessive costs or costs uncertainty</li><li>– Expansion of fixed costs regime, reforms to PI regime, reforms to judicial review</li></ul>	<ul style="list-style-type: none"><li>– Risks from inadequate supply of costs information services</li><li>– Risks from policy reforms designed to reduce availability of contested litigation</li></ul>

Regulatory objective	Costs law market related risk outcome	Relationship to risk sources
	<ul style="list-style-type: none"> <li>– Solicitors unable to claim full legitimate costs from legal aid budget without Costs Lawyers</li> <li>– Third party funders discouraged by inadequate budgeting and uncertainty of rules around contingency arrangements</li> </ul>	<ul style="list-style-type: none"> <li>– Risks from insufficient numbers of legal aid trained Costs Lawyers</li> <li>– Risks from inadequate service from Costs Lawyers or unqualified costs draftsmen</li> </ul>
Protecting and promoting the interests of consumers	<ul style="list-style-type: none"> <li>– Consumers unable to access independent advice on costs</li> <li>– Consumers are excluded from civil litigation or are inadequately served due to limitations on funding options (including fixed fees on specialist legal services)</li> <li>– Self-represented litigants incur significant adverse costs risk/liability due to lack of individualised advice</li> <li>– Consumer risk from unregulated no win no fee advisors</li> </ul>	<ul style="list-style-type: none"> <li>– Risks from insufficient supply of Costs Lawyers focused on consumer market</li> <li>– Risks from “capture” of Costs Lawyer services by professional (mainly solicitor) clients</li> <li>– Risks from public sector budget cuts targeting litigation or policy interventions designed to stem legal costs</li> <li>– Risks from gaps in regulation</li> </ul>
Promoting competition in the provision of legal services by authorised persons	<ul style="list-style-type: none"> <li>– Law firm mergers hampered by lack of accurate information about WIP; investors discouraged by lack of clarity around value of law firms</li> <li>– New entrants to the legal sector cannot access independent information about value of certain areas of litigation activity</li> <li>– Increased use of technology in law firms substituting for Costs Lawyers</li> <li>– Concerns about market risks disincentivise new qualifiers or encourage qualified Costs Lawyers out of the profession</li> </ul>	<ul style="list-style-type: none"> <li>– Risks from insufficient supply of properly trained Costs Lawyers to provide essential services</li> <li>– Risks from new service areas with potential risks to clients and firms</li> <li>– Risks from the activities of other regulators</li> <li>– Risks from lack of awareness/ability of Costs Lawyers to embrace and adapt to technology</li> </ul>

Regulatory objective	Costs law market related risk outcome	Relationship to risk sources
	<ul style="list-style-type: none"> <li>Costs firms offering new unregulated services alongside reserved legal activities, such as litigation funding options for clients</li> <li>SRA regulation fails to prevent employer collapse creating problems in the Costs Lawyer market</li> </ul>	
Encouraging an independent, strong, diverse and effective legal profession	<ul style="list-style-type: none"> <li>Insufficient numbers of Costs Lawyers are available to the market generally</li> <li>Insufficient supply of independent costs law firms and practitioners in the market</li> <li>Costs Lawyers' independence is undermined by an actual or perceived conflict between the interests of their immediate (professional) client and their underlying client</li> <li>Costs Lawyers are not appropriately trained and up-to-date</li> <li>Costs Lawyer demographics do not reflect society</li> </ul>	<ul style="list-style-type: none"> <li>Risks from insufficient supply of properly trained Costs Lawyers</li> <li>Risks from Costs Lawyers being absorbed into solicitors firms/SRA regulation</li> <li>Risks from "capture" of Costs Lawyer services by professional clients</li> <li>Risks from ineffective CLSB regulatory arrangements</li> <li>Risks from limited diversity of new entrants to the profession</li> </ul>
Promoting and maintaining adherence to the professional principles	<ul style="list-style-type: none"> <li>Disciplinary issues/complaints about Costs Lawyers leading to poor consumer outcomes</li> <li>Failure of Costs Lawyers to maintain proper standards of work</li> <li>Costs law firms unwilling or unable to implement sufficient systems and controls</li> </ul>	<ul style="list-style-type: none"> <li>Risks from ineffective CLSB regulatory arrangements</li> <li>Risks from lack of entity-level regulation in the costs market</li> </ul>

## C. Key risk areas for mitigation

These consolidate the key risks identified in section B over which we have some degree of influence or control through our regulatory levers, and which we can therefore work to mitigate over time. The need to proactively manage these risks influences our regulatory activities, including our approach to supervision and the priorities in our annual Business Plans. The table below sets out the priority workstreams that are aimed at mitigating or managing these risks in the current year.

	Regulatory risks	Current priority initiatives for mitigating risks
1.	Poor client outcomes arise from substandard conduct, inadequate service or lack of competence amongst Costs Lawyers.	<ul style="list-style-type: none"> <li>2024 Business Plan priority 6: <i>Implement changes to the Costs Lawyer Code of Conduct, including by reviewing all published regulatory arrangements, guidance, policies and web content to ensure alignment with the new Code.</i></li> <li>2024 Business Plan priority 7: <i>Carry out the next two-year review of changes to the Disciplinary Rules and Procedures, looking at second tier complaints handled during the review period as well as any good practice examples or learnings from our or other regulators' work.</i></li> <li>2024 Business Plan priority 8: <i>Carry out the first phase of evaluation activities relating to the new framework for qualifying as a Costs Lawyer.</i></li> <li>2024 Business Plan priority 12: <i>Investigate whether a new supervision framework for client care letters is warranted based on evidence of client outcomes.</i></li> <li>Update and augment supporting materials for CPD and complaints procedures, and publish "lessons learned" for the profession, following supervisory audits (H1 2024).</li> </ul>
2.	Costs Lawyers offer new areas of service without adequate consumer protections or assessment of risk to consumers.	<ul style="list-style-type: none"> <li>2024 Business Plan priority 4: <i>Embed the B2C regulatory framework with the group of Costs Lawyers that deliver services directly to consumers.</i></li> <li>2024 Business Plan priority 5: <i>Publish the second annual Risk Outlook for the profession and assess the impact and future direction of this initiative.</i></li> </ul>
3.	Regulatory deterrents or barriers to innovation limit the Costs Lawyer profession.	<ul style="list-style-type: none"> <li>2024 Business Plan priority 6: See above.</li> <li>2024 Business Plan priority 13: <i>Modernise the way we track enquiries from external sources to facilitate reporting and trend analysis.</i></li> </ul>

		<ul style="list-style-type: none"> <li>• Future of Regulation project: “Addressing unmet legal need” workstream.</li> <li>• Future of Regulation project: “Technology and AI” workstream.</li> </ul>
4.	Independence of the profession is compromised through capture by certain types of clients or practising arrangements.	<ul style="list-style-type: none"> <li>• 2024 Business Plan priority 6: See above.</li> <li>• 2024 Business Plan priority 10: <i>Develop new guidance to address risks identified in the following areas: (i) setting up a new practice; and (ii) expectations on (unregulated) costs firms.</i></li> <li>• Future of Regulation project: “Reducing legal costs” workstream.</li> <li>• Future of Regulation project: “Detecting and preventing economic crime” workstream.</li> </ul>
5.	New Costs Lawyer Qualification fails to attract sufficient student numbers or sufficiently diverse cohorts.	<ul style="list-style-type: none"> <li>• 2024 Business Plan priority 1: <i>In collaboration with ACL Training, oversee the first year of delivery of the new Costs Lawyer Qualification, including by: (i) carrying out the first annual monitoring process under the Accredited Study Provider Scheme Handbook; (ii) developing additional guidance and materials on the regulatory aspects of qualifying, based on student feedback; (iii) communicating the responsibilities and benefits of regulation to new student cohorts.</i></li> <li>• 2024 Business Plan priority 3: <i>Develop and begin to implement a comprehensive, long-term communications strategy, aimed at supporting each of the five strategic goals in our new mid-term organisational strategy in a cohesive and systematic way.</i></li> <li>• 2024 Business Plan priority 11: <i>Develop the next phase of our diversity and inclusion workplan by reference to the new mid-term strategy.</i></li> <li>• Work with stakeholders to develop an apprenticeship route of entry into the profession.</li> </ul>
6.	The Costs Lawyer Competency Statement or Costs Lawyer Qualification fails to ensure that newly qualified Costs Lawyers are equipped for modern practice.	<ul style="list-style-type: none"> <li>• 2024 Business Plan priority 9: <i>Align our work on ongoing competency – including the expanded Competency Statement – with our existing framework for continuing professional development (CPD) and develop additional resources for practitioners where appropriate.</i></li> </ul>

## D. Risk areas for longer-term structural reform

Our recent research and project work has identified structural risks in relation to the regulation of the costs law market. Mitigating these risks is fundamental to our regulatory approach and informs our longer-term strategic planning.

Risk statement	Source of risk	Strategic question to answer
There is a gap in how the public interest is defined/considered in the context of legal costs.	Costs Lawyers rarely serve consumers directly. There is a significant public interest issue at the heart of the costs market, but this may lie less in the protection of consumers and more in dealing with the market failure in legal costs management generally. Such a market failure appears to exist as there is no actor, outside the courts, that is currently tasked with ensuring the efficient use of resources to achieve appropriate and proportionate resolution of legal problems.	What does promoting the public interest mean in the context of the costs law market?
The authorisation of Costs Lawyers is not aligned with the public interest.	If the CLSB regulates primarily to protect consumers, it risks becoming increasingly less relevant to Costs Lawyers, who can work outside the scope of authorisation. Yet the regulatory agenda driven by the Legal Services Board, in fulfilment of its remit under the Legal Services Act, is focused on consumer-facing work and addressing unmet legal need. This model is misaligned with the public interest problem that needs to be addressed in the costs law market, and thus with impactful regulation of the Costs Lawyer profession.	What should the role of Costs Lawyers be in the legal market (i.e. what are Costs Lawyers for?) and how can that best be differentiated, through the CLSB's regulatory framework, from the role played by unregulated advisers to promote the public interest?



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# Ethics Hub

The resources in this Ethics Hub are intended to help Costs Lawyers consider appropriate steps to take when faced with a situation that raises ethical concerns, and to encourage ongoing engagement with and reflection on what it means to uphold professional standards.

Each ethical matter that you deal with as a regulated Costs Lawyer will be different. Regardless of the situation you are facing, you should always consider your obligations under the Costs Lawyer Code of Conduct, and ensure that you are familiar with the CLSB's Guidance Notes in the the [Costs Lawyer Handbook](#). If you are in doubt about what steps you should take, you should consider consulting a senior colleague. You can also [contact us](#) directly for assistance.

## Ethical scenarios

These ethical scenarios are fictional, but are based on real enquiries and complaints received by the CLSB and other regulators. They are not intended to provide concrete answers to ethical questions; in practice, every ethical challenge will have unique characteristics and you must decide how to meet your professional obligations on a case by case basis. These ethical scenarios are there to guide you and help you consider relevant factors. Always [contact us](#) if you need further advice.



Click on the links below to see details of the scenario, factors to consider, and relevant principles and guidance.

<b>You get a complaint from a vulnerable client</b>	<b>You're asked to handle your client's money</b>	<b>You realise your complaints procedure isn't compliant</b>
<b>You notice signs of possible economic crime</b>	<b>Your client asks you to do something unprofessional</b>	<b>The interests of your clients conflict with each other</b>
<b>The person you're supervising does something wrong</b>	<b>You witness disrespectful behaviour, bullying or harassment at work</b>	<b>Your instructing solicitor makes an error</b>

## Other resources

<b>Costs Lawyers and the rule of law</b>	<b>Reporting ethical issues</b>	<b>Economic crime</b>
<b>Compliance with sanctions against Russia and Belarus</b>	<b>Balancing the interests of your ultimate client and your professional client</b>	<b>Managing risks to your clients</b>

<b>Learnings from the Post Office Horizon scandal</b>	<b>Costs Lawyer Handbook: Rules and Guidance</b>	<b>Disciplinary outcomes: how we deal with unethical conduct</b>
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The resources on this page will be added to in the future. Please [let us know](#) what additional information would be helpful to you.

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## Ethics Hub

# Scenario: You're asked to handle your client's money

You are a Costs Lawyer working in a small costs firm. You are acting for Janet Dickens in an acrimonious divorce case. She has been ordered to pay costs. She accepts the order but refuses to pay the costs to her ex-husband directly. She says she doesn't trust him and insists that if she sends him the money herself "he'll just spend it straightaway and then make out I never sent it to him". She asks if she can transfer the money to you instead, so that you can then transfer the money to her husband.

**How would you advise Mrs Dickens in this situation?**

**Would your answer differ if you were working in an SRA-regulated firm?**

**+** Factors to consider

**+** Relevant principles and guidance

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## Ethics Hub

# Scenario: You get a complaint from a vulnerable client

You have been representing Mr Singh, a lay client. He wants to challenge a bill given to him from a firm of solicitors who acted for him on a conveyance of his property.

At the start of the case, you met Mr Singh in person to discuss the issues at hand. After this meeting you provided him with a written estimate of costs for the whole matter. You also provided him with a letter of engagement, a copy of your complaints procedure, a detailed note of your meeting and a breakdown of your fees. You have been communicating regularly with Mr Singh by telephone and email, updating him on progress.

Last week, you succeeded in obtaining an order in Mr Singh's favour.

After receiving your bill, Mr Singh phones you to tell you he is extremely unhappy. He tells you that your bill is much higher than he was expecting. He says that, in his opinion, you are trying to take advantage of him because he is

## How would you go about addressing Mr Singh's complaint?

### What are your obligations under the Code of Conduct?

#### – Factors to consider

- Principle 3.2 of the Code of Conduct states that you must provide for an effective complaints procedure for handling complaints from clients, covering issues relating to your professional conduct as well as the service you provide, in line with the CLSB's Guidance Note on Complaints Procedures. Even though Mr Singh has called you rather than written to you, you will still need to deal with his concerns as a complaint and ensure that you follow your complaints procedure. If you need confirmation or clarification in relation to any of the issues Mr Singh has raised, you could ask him to set these out in writing, but this should not be a barrier to him making a complaint.
- Principle 3.3 of the Code of Conduct states that you should ensure that Mr Singh's complaint is responded to promptly, openly and fairly, and within eight weeks of you receiving it.
- Where reasonably possible, you should ensure that the person who investigates the complaint was not involved in the matter themselves, and has the appropriate seniority, training and understanding to provide a good complaints service.
- In line with Principle 3.7 of the Code of Conduct, you should ensure that the progress of the complaint and the outcome is communicated to Mr Singh in a form that is tailored to his needs, attributes and circumstances. As Mr Singh is a pensioner, he is potentially a vulnerable client and you should tailor your communications accordingly. You should also review the CLSB Guidance Note on Vulnerable Clients.
- If you are a sole practitioner, you may have to deal with a complaint yourself, but you may also be able to arrange for another practitioner to handle the complaint or review your own handling of it.
- There are numerous remedies that could be considered for Mr Singh, including an apology, an explanation of what went wrong, financial compensation, or other remedial steps to reduce the impact on the

## – Relevant principles and guidance

- Principle 3.2 – You must provide for an effective complaints procedure for handling complaints from clients, covering issues relating to your professional conduct as well as the service you provide, in line with the CLSB's Guidance Note on Complaints Procedures.
- Principle 3.3 – You must ensure that complaints are dealt with promptly (within a maximum eight week period from the date of receipt) openly and fairly and that appropriate provisions for redress exist.
- Principle 3.4 – You must ensure that new clients are advised in writing when instructions are first received of:
  - an estimate of fees/details of charging structure and where that estimate subsequently becomes inaccurate or that charging structure changes provide an updated estimate/notice of revised charges;
  - the right to complain;
  - how to complain i.e. the complaints procedure that applies to the services you will provide; and
  - if applicable, the client's right to refer their complaint to the Legal Ombudsman in certain circumstances.
- Principle 3.7 – You must ensure that the information you provide to each client or prospective client is in a form that is tailored to their attributes, needs and circumstances.
- Principle 4.5 – You must keep your client regularly informed as to the progress of the work and keep accurate records of that work.
- Principle 4.6 – You must ensure your client is able to make informed decisions about the work being undertaken on their behalf throughout the lifetime of a matter, including how it will be priced, the costs incurred and the likely overall cost of the matter (including any potential liability for the costs of any other parties).

See our Guidance Notes on the following topics in the [Costs Lawyer Handbook](#):

- Complaints Procedures
- Client Care Letters
- Dealing with Consumers

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## Ethics Hub

# Learnings from the Post Office Horizon scandal

The information on this page sets out considerations for Costs Lawyers arising from the Post Office Horizon scandal.

## What happened

Horizon was an online accounting system developed by Fujitsu and used by the Post Office from 1999/2000. Defects such as software errors and bugs led to balance discrepancies being recorded. Over 900 postmasters were wrongly prosecuted and convicted for theft, fraud and false accounting based on the incorrect information produced by the Horizon system. Cases were brought by the Post Office, Crown Prosecution Service and other bodies.

In 2017, a group of 555 subpostmasters took legal action against the Post Office. The Post Office agreed to pay £58 million in compensation. In *Bates and Others v Post Office Limited*, the High Court found that bugs, errors and defects

criticised.

In 2021, a [statutory inquiry](#), led by Sir Wyn Williams, was set up to establish an account of the implementation and failings of the Horizon IT system over its lifetime. The inquiry also considered issues such as the delivery of the mediation settlement agreed by the Post Office, and the governance and whistleblowing controls in place.

The [Post Office \(Horizon System\) Offences Act 2024](#) received Royal Assent on 24 May 2024. The Act will quash the convictions that meet the criteria set out in the Act.

You can find [more context and a timeline of events](#) on the Post Office website.

## The role of lawyers in the scandal

The conduct of lawyers involved in the Post Office Horizon scandal has been heavily criticised on a number of legal and ethical grounds. This includes the conduct of lawyers working in-house for the Post Office – from the General Counsel through to more junior team members carrying out instructions – as well as external legal advisers.

Allegations of misconduct have been made against the lawyers involved for the following kinds of behaviour, whether carried out by the lawyers themselves, facilitated by them or witnessed by them and not prevented or reported:

- drafting and advising on unfair, bad faith contracts with subpostmasters
- using threatening, oppressive and unethical litigation tactics
- filing misleading pleadings, misleading evidence, using excessive redaction and making aggressive and improper resistance of disclosure
- failing to disclose material evidence and destroying potentially relevant documents
- taking unfair advantage of litigants in person, including enforcing costs orders through to personal bankruptcy
- pursuing investigations and prosecutions without evidence or despite counter-evidence

#### Office in related matters

- obstructing the administration of justice through threats of defamation law suits and the improper use of non-disclosure agreements
- inhibiting the proper, independent investigation of the matters leading to the scandal
- relying without question on the advice of senior legal counsel or blindly following the instructions of superiors

## What Costs Lawyers should bear in mind

While no Costs Lawyers have been personally implicated in the Post Office Horizon scandal, many of the learnings for lawyers from the resulting litigation, statutory inquiry and regulatory interventions are relevant to Costs Lawyers' work. The main issues that you should be aware of are summarised below.

### ***Increased public awareness of, and scrutiny of, lawyers' conduct***

The Horizon court cases and statutory inquiry, and the success of the television drama *Mr Bates vs The Post Office*, have brought the legal and ethical issues involved to national attention. They have also raised public awareness of the role of lawyers in the scandal, including lawyers who provided advice to the Post Office over the years and those involved in the conduct of the litigation itself. This resultant increased public scrutiny of lawyers' conduct places even greater emphasis on the importance of acting in accordance with your professional and ethical obligations.

Costs Lawyers have a duty under Principle 1 of the Code of Conduct to act honestly and with integrity, not only in your professional life but also in your private life where your behaviour might reasonably be considered to undermine your adherence to the core ethical principles of the profession. This duty overrides a Costs Lawyer's duties to their client and applies to their work before the court, in advising clients and in conducting litigation. In addition, Costs Lawyers must not act in any way which is likely to diminish the trust the public places in them or in the profession of Costs Lawyers.

## **Maintaining your independence**

The Horizon scandal demonstrates the importance of maintaining your independence, including when employed in an in-house context. Although it can be challenging to provide advice that conflicts with an employer's business objectives or strategy, you must remember that your obligations to your client do not override your duty to promote the proper administration of justice and maintain independence, nor do they override your duty to uphold the rule of law and consider the public interest.

Principle 2 of the Code of Conduct also makes clear that a Costs Lawyer's duty to the court means that they cannot mislead the court, or knowingly allow their clients or their employer to do so, even inadvertently.

You must uphold these duties regardless of advice provided by external counsel, and regardless of the instructions of your manager or colleagues.

As a Costs Lawyer, you also have a duty of disclosure to the CLSB. You might need to disclose matters concerning your employment or business to us if they relate to compliance with our regulatory rules. An employer's contract with you should not prohibit you from disclosing information in accordance with your professional obligations.

For further information, see the Guidance Note on Unregulated Employers of Costs Lawyers in the [Costs Lawyer Handbook](#).

## **Unethical conduct and upholding the rule of law**

One of the key issues highlighted during the course of the Horizon scandal and resulting litigation was the challenge of balancing your client's commercial interests with upholding the rule of law and acting ethically.

The key principles of ethical conduct derive from the "professional principles" in the Legal Services Act 2007 and are enshrined in the Code of Conduct. Examples include maintaining your independence, acting with honesty and integrity, and keeping the affairs of your client confidential.

ranging. It encompasses behaviour and values that you should exemplify when carrying out your work, such as treating others with dignity and respect, recognising how your professional conduct affects the culture and society that you work in, and considering broader issues of corporate and social responsibility.

For more information, visit our Ethics Hub page on [Costs Lawyers and the rule of law](#).

### **Conduct of litigation/aggressive litigation tactics**

The Post Office's approach to securing convictions, the huge number of prosecutions it brought, and its conduct during hearings have all attracted criticism.

In his second judgement in *Bates and Others v Post Office Limited*, Justice Fraser criticised the "extremely aggressive litigation tactics" being used in the proceedings, adding that "it is both very expensive, and entirely counter-productive, to proper resolution of what is so far an intractable dispute".

When advising clients on, and acting in, litigation and advocacy, Costs Lawyers should bear in mind the requirements of Principles 1 of 2 of the Code of Conduct. These include that you must not act in any way which is likely to diminish the trust the public places in you or in the profession of Costs Lawyers, and that you must support the proper administration of justice by promoting the appropriate and cost-effective use of the resources of the court and the parties.

### **Disclosure failures and misleading evidence**

There were several disclosure and evidence-related issues arising in the scandal, including the Post Office's failure to disclose known software errors and bugs in Horizon's software, and misleading evidence being presented. The Horizon scandal has also highlighted how the use of non-disclosure agreements can frustrate the proper administration of justice.

Costs Lawyers also have duties of disclosure to the CLSB under Principle 5 of the Code of Conduct. Costs Lawyers might need to disclose matters relating to their employment or business to us if they relate to compliance with our regulatory rules.

### ***Reporting serious concerns to the regulator***

The Solicitors Regulation Authority is [investigating](#) several solicitors and law firms who were working on behalf of the Post Office or Royal Mail Group. Some matters have also been referred to the Bar Standards Board for [investigation](#).

The Horizon scandal serves as a reminder of Costs Lawyers' obligation to promptly notify the CLSB of any breach of its regulatory arrangements by you or other Costs Lawyers and notify any other approved regulator, as appropriate, if you reasonably believe there has been a breach of their regulatory arrangements by any person regulated by them (including you).

Whilst notifying a regulator of your concerns may feel daunting, it is important to remember that not raising concerns with the relevant body at an early stage risks further harm being caused and potentially breaches your professional and ethical obligations. In addition, self-reporting and transparency with your regulator may be taken into account as a mitigating factor when considering whether to impose sanctions for breaches of regulatory rules.

For more information, visit our Ethics Hub page on [Reporting ethical issues](#).

## **Further reading**

[The Role of Lawyers in the Post Office scandal](#) (Counsel Magazine, April 2024)

[UK's Post Office scandal shines spotlight on lawyers and rule of law](#) (International Bar Association, February 2024)

[Post Office scandal: Lawyers in the frame](#) (The Gazette, January 2024)

[What does it mean for lawyers to uphold the rule of law?](#) (University of Exeter, October 2023)

[First class effort: How justice was done in the Post Office scandal](#) (The Lawyer, June 2021)


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## Ethics Hub

# Reporting ethical issues


You can always [contact us](#) to discuss ethical issues that arise in your professional life. However, in some situations you have an **obligation** to contact us. In particular:

- You must tell us when you experience a disclosable event. Disclosable events are listed in the Practising Rules and include things like becoming bankrupt, being charged with a crime or being subject to disciplinary proceedings by a regulatory body.
- You must notify us of a breach of our regulatory rules, whether by you or someone else.


Failure to notify us of something when you are obliged to do so could constitute a breach of your professional duties under the Code of Conduct. This page provides information about reporting in different circumstances, including what to report, when to report and how to decide whether to make a report.



Disclosable events under the Practising Rules



Reporting breaches of our regulatory rules



Reporting breaches of our regulatory rules – Types of breaches the CLSB will investigate



- + [Reporting breaches of our regulatory rules – Weighing reporting obligations against other duties](#)
- + [How to report](#)
- + [When to report](#)
- + [What happens after you report](#)
- + [Self-reporting as a mitigating factor](#)
- + [Costs Lawyers working in SRA regulated firms](#)
- + [Compulsory reporting to other regulators](#)
- + [Related obligations](#)

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# Guidance Note

## Undertakings



**DRAFT TO BOARD: [X] July 2024 (version 1)**

## Costs Lawyer Standards Board

CLSB  


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## What is an undertaking?

1. An undertaking is a commitment by a Costs Lawyer to do something or not to do something. More specifically, an undertaking is:
  - a statement given orally or in writing (even though it may not include the word “undertake” or “undertaking”);
  - to someone who reasonably places reliance upon it;
  - that a Costs Lawyer or a third party will do something, cause something to be done or refrain from doing something.

## Do I have to honour an undertaking?

2. Yes. Principle 1 of the [Code of Conduct](#) requires that you act with honesty and integrity and maintain your independence. Failure to comply with an undertaking may be regarded as a failure to act with integrity and could lead to [disciplinary action](#) being taken against you by the CLSB.
3. You must perform all undertakings given by you within any agreed timescale, but if no timescale has been agreed then you must perform the undertaking within a reasonable amount of time.

## Why do I have to honour an undertaking?

4. There is an expectation that professional people will be held to a higher standard than the standard applying to others outside the profession. This is established in case law (see, for example, *Williams v Solicitors Regulation Authority* [2017] EWHC 1478 (Admin), *Beckwith v Solicitors Regulation Authority* [2020] EWHC 3231 (Admin)).
5. The leading authorities concern solicitors, but the same overarching principles will be relevant to other parts of the legal profession, including Costs Lawyers.

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## Are all promises undertakings?

6. On its face, a promise by a Costs Lawyer given in their professional life – and in some circumstances, in their private life – could amount to an undertaking. You should exercise caution before making promises that you might not be able to honour.
7. In *Harcus Sinclair v Your Lawyers* [2021] UKSC 3, the Supreme Court set out a twofold test for determining whether a promise is an undertaking. Applying this test to Costs Lawyers, it will be relevant to ask:
  - Is the subject matter of the undertaking, and what the undertaking requires the Costs Lawyer to do (or not do), something that Costs Lawyers regularly carry out (or refrain from carrying out) as part of their ordinary professional practice?
  - Does the reason for giving the undertaking, and the cause or matter to which it relates, involve the sort of work that Costs Lawyers regularly carry out as part of their ordinary professional practice?

If both questions are answered affirmatively, then the promise is likely to be a Costs Lawyer's undertaking.

8. In relation to promises made in your private life, the court observed in the case of *Beckwith v Solicitors Regulation Authority* [2020] EWHC 3231 (Admin) that the relevant principles (in relation to solicitors' conduct):

“may reach into private life only when conduct that is part of a person's private life realistically touches on his/her practise of the profession ... or the standing of the profession ... Any such conduct must be qualitatively relevant. It must, in a way that is demonstrably relevant, engage one or other of the standards of behaviour which are set out in or necessarily implicit in [the Code of Conduct].”

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9. Given the above, generally speaking the personal dealings of a Costs Lawyer are likely to fall outside of the definition of an undertaking, as are any practice-related (as opposed to client-related) activities.

## What if I cannot honour an undertaking I have already made?

10. In some cases, it might become impossible for you to honour an undertaking. Similarly, honouring an undertaking might require breaching another one of your professional obligations, such as Principle 7 of the Code of Conduct which requires you to keep the affairs of your clients confidential.
11. It is imperative that you take care not to give undertakings that you might not be able to perform. If it is likely or even possible for circumstances to change such that you could be prevented from doing (or not doing) something as promised, then you should refrain from making the promise, or should qualify it sufficiently to ensure the recipient understands the scope of your undertaking.
12. If you will need your client's instructions in order to perform an undertaking, then you must secure those instructions before the undertaking is given. You should explain to the client the consequences of you giving an undertaking, including that the client will not be able to revise or revoke their instructions on that issue later on, since you will be bound to fulfil the undertaking.
13. Our Guidance Note on [Client confidentiality and acting with integrity](#) might be helpful in circumstances where your duties to your client and your duty to honour an undertaking conflict with one another.

## Dealing with ethical issues relating to undertakings

14. Below are three examples of situations relating to undertakings in which you would need to balance your professional duties in order to comply with the Code of Conduct. These examples are not exhaustive or comprehensive, and you must decide how to meet your professional obligations on a case by case basis. The examples aim to guide you and help you consider relevant factors.

### Example 1

**Scenario:** You act for a lay client who stopped instructing the firm of solicitors she had previously engaged. The firm of solicitors agrees to provide you with all the information necessary to prepare a Bill of Costs, but seeks an undertaking that the firm will be provided with the Final Costs Certificate reflecting the work they had undertaken on behalf of the lay client. The Costs Lawyer gives that undertaking. When the client becomes aware of this, she refuses to authorise release of the Final Costs Certificate to the solicitors.

**Analysis:** You must comply with your undertaking to supply the Final Costs Certificate to the solicitors. Although, ordinarily, a Costs Lawyer must act on a client's instructions, that duty is superseded by (i) the obligation to fulfil a personal undertaking/the duty of integrity, and (ii) the requirement not to act in a way that is likely to diminish the trust the public places in the Costs Lawyer or the profession of Costs Lawyers.

### Example 2

**Scenario:** In order to prepare a Bill of Costs for a firm of solicitors, Law LLP, you need to access further documents that are in the possession of a solicitor who no longer works with, or for, Law LLP. Before the solicitor will agree to provide the documents, he requires an undertaking from you that upon completion of the Bill of Costs the documents will be returned to him. You promise to return the documents to the solicitor. However, before the documents are returned, Law LLP asserts that it is the lawful owner of the documents and tells you that you must not return them to the solicitor.

**Analysis:** In this scenario, you have given an undertaking that you must perform, and therefore you are obliged to return the documents to the solicitor. Your duty to Law LLP is overridden by your duty to act with integrity and perform your undertaking.

This situation could have been avoided if the Costs Lawyer had, when the undertaking was requested, sought the instructions of the client who could at that stage have taken action against the solicitor as it thought appropriate, avoiding the Costs Lawyer being placed in a situation of conflict between competing regulatory obligations. The failure to obtain instructions before giving the undertaking may result in a complaint against the Costs Lawyer.

### Example 3

**Scenario:** You are employed by a firm of solicitors, which is regulated by the Solicitors Regulation Authority. As such, it can accept clients' money on account of fees. You are contacted by a client, for whom you are the firm's relationship manager. The client asserts that an unnamed partner in the firm from another department undertook to return his deposit of £10,000 within seven days because of the firm's inefficient handling of his

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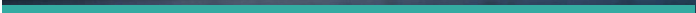
business. He states that the period has now elapsed and, as relationship manager, you must comply with the firm's undertaking and arrange for his deposit to be returned immediately.

**Analysis:** Only individuals give undertakings. If you did not give the undertaking yourself, you do not have to comply with it from a regulatory perspective. You should take appropriate steps to have the matter resolved in the interests of the client, for example by treating it as a complaint and following your firm's complaints procedure, or escalating the matter to a senior partner, as appropriate.

**END**



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# In this guidance note

Introduction..... 3

What is economic crime?..... 3

When might Costs Lawyers come across economic crime?..... 4

Do Costs Lawyers have to comply with anti-money laundering laws? ..... 4

Do I need to report economic crime? ..... 5

Types of economic crime ..... 6

    Offences under the Proceeds of Crime Act 2002..... 6

    Offences under the Terrorism Act 2002 ..... 8

    Sanctions ..... 9

    Proliferation financing ..... 10

How to protect yourself against involvement in economic crime ..... 10

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# Introduction

1. In 2023, a new regulatory objective of “promoting the prevention and detection of economic crime” was added to the Legal Services Act 2007, following the Economic Crime and Corporate Transparency Act 2023 coming into effect. This new regulatory objective places a duty on the CLSB and Costs Lawyers to help prevent and detect economic crime.
2. Costs Lawyers have a duty, reflected in the professional principles in the Costs Lawyer [Code of Conduct](#), to take action to prevent and report economic crime, and to comply with legislation and regulation aimed at preventing economic crime. The CLSB will take disciplinary action if you are found to have breached your duties in this regard.
3. This guidance note sets out your obligations regarding the prevention and detection of economic crime, key legislative requirements, and the steps you can take to guard against risks in this area.

## What is economic crime?

4. The UK government defines economic crime as:

*Activity involving money, finance or assets, the purpose of which is to unlawfully obtain a profit or advantage for the perpetrator or cause loss to others.*

This includes criminal activity that damages the UK financial system and the UK’s position as an international financial centre, and criminal activity that poses a risk to the UK’s prosperity, national security and reputation. It includes – but is not limited to – criminal activity such as money laundering, terrorist financing and breaching financial sanctions.

5. The new regulatory objective is similarly broad in scope. It extends beyond the confines of the formal anti-money laundering regime to other types of economic crime, such as fraud and non-compliance with economic sanctions.

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## When might Costs Lawyers come across economic crime?

6. The 2020 National Risk Assessment carried out by HM Treasury and the Home Office identified the risk of legal services being abused for money laundering and other financial crime purposes as high overall, with conveyancing, trust and corporate services identified as the areas of highest risk.
7. While Costs Lawyers do not tend to practise in these areas specifically, and are prohibited from handling client money, criminals may still attempt to use your services to move criminal property from one individual to another without attracting the attention of law enforcement. There are several activities that Costs Lawyers carry out on behalf of their clients that carry risks associated with economic crime. These include activities like conducting the costs aspects of litigation, advising on transactions relating to costs (such as settlement agreements) and making representations to the court on a client's behalf (for example, about the source of funds used to meet a costs award).
8. The CLSB's economic crime risk chart – which is available as part of the economic crime resources in our [Ethics Hub](#) – maps the types of work that Costs Lawyers do against the risk of economic crime and non-compliance with the sanctions regime, as well as measures that have been taken to mitigate those risks. The risk chart can help you consider whether any of your own professional activities carry risks associated with economic crime.

## Do Costs Lawyers have to comply with anti-money laundering laws?

9. Costs Lawyers do not fall into the regulated sector for money laundering and the CLSB is not a supervisor for those purposes. Therefore, the risk management and client identification regime established by The Money Laundering, Terrorist

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Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (the regulations) does not apply to Costs Lawyers directly.

10. However, you might work in an organisation to which the regulations do apply (such as a solicitors' firm), in which case you should follow any guidance provided by your employer and your employer's regulator.
11. Costs Lawyers, like anyone else, are subject to the Proceeds of Crime Act 2002 and the Terrorism Act 2000, which set out offences and reporting obligations in relation to money laundering. These are summarised below.
12. The Legal Sector Affinity Group (LSAG), which includes all the legal sector supervisors for money laundering, has produced detailed guidance for lawyers on anti-money laundering which can be found [here](#).

## Do I need to report economic crime?

13. If you are involved in economic crime – including by facilitating it or failing to report it – or you otherwise commit an offence in relation to money laundering or economic crime, you are likely to be in breach of the following provisions of the [Code of Conduct](#):

- You must act honestly and with integrity, not only in your professional life but also in your private life where your behaviour might reasonably be considered to undermine your adherence to the core ethical principles of the profession (principle 1.1).
- You must not act in any way which is likely to diminish the trust the public places in you or in the profession of Costs Lawyers (principle 1.7).
- You must at all times act within the law (principle 2.1).

Potential breaches of the Code of Conduct will be dealt with under the [Disciplinary Rules and Procedures](#).

14. If you have knowledge or a reasonable suspicion that an economic crime is taking place, you must act. This may involve making a report to the relevant authorities, notifying your firm's money laundering reporting officer (if it has one), or

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contacting the police. This is not just important for ensuring that economic crime is prevented; it is also important because taking action in this way can be a defence to a money laundering offence (see the next section below).

15. If you have concerns about repercussions from your client or employer when reporting an economic crime, the relevant reporting authority can help you understand your rights and obligations in the specific scenario. You can also use the resources of Protect ([protect-advice.org.uk](https://protect-advice.org.uk)), which provides free and confidential whistleblowing advice.

## Types of economic crime

### Offences under the Proceeds of Crime Act 2002

16. Money laundering is generally considered to be the process by which the proceeds of crime, and the true ownership of those proceeds, are changed so that the proceeds appear to come from a legitimate source. Under the Proceeds of Crime Act 2002 (POCA) the definition is broader and includes even passive possession of criminal property.
17. POCA creates a number of offences which also apply to those outside of the regulated sector for money laundering, including Costs Lawyers. When considering the principal money laundering offences, it is important to be aware that it is also an offence to conspire or attempt to launder the proceeds of crime, or to counsel, aid, abet or procure money laundering. You should keep this in mind in the context of your client work.
18. The principal money laundering offences under POCA relate to:
  - **Concealing** (section 327) – you commit an offence if you conceal, disguise, convert or transfer criminal property, or remove criminal property from England and Wales, Scotland or Northern Ireland.
  - **Arrangements** (section 328) – you commit an offence if you enter into or become concerned in an arrangement which you know or suspect facilitates

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the acquisition, retention, use or control of criminal property by or on behalf of another person.

- **Acquisition, use or possession** (section 329) – you commit an offence if you acquire, use or have possession of criminal property.

19. You will have a defence to a principal money laundering offence if:

- You make an authorised disclosure to the National Crime Agency prior to the offence being committed and gain appropriate consent.
- You intended to make an authorised disclosure but had a reasonable excuse for not doing so.

In relation to section 329, you will also have a defence if adequate consideration was paid for the criminal property.

20. There are also “failure to disclose” offences that apply to those in the regulated sector for money laundering. Those offences are committed when someone fails to provide information to their organisation’s nominated officer, or when a nominated officer fails to disclose information to the appropriate authorities.

21. An organisation that does not carry out relevant activities (and so is not in the regulated sector for money laundering) may nevertheless decide, on a risk-based approach, to set up internal disclosure systems and appoint a person as the nominated officer to receive internal disclosures. A nominated officer in the non-regulated sector commits an offence under section 332 of POCA if, as a result of a disclosure, they know or suspect that another person is engaged in money laundering and they fail to make a disclosure as soon as practicable.

22. For further details, see chapter 16 of the LSAG guidance.

23. Where you have a suspicion of money laundering, you should make a report to the National Crime Agency. While Costs Lawyers are not within the regulated sector for money laundering purposes, any person outside the regulated sector may make a Suspicious Activity Report (SAR) about suspected money laundering or terrorist financing (see below for more information on terrorist financing).

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24. Guidance on making a SAR to the National Crime Agency, including what information to include, is set out in chapter 11 of the LSAG guidance. It is important to consider issues of legal privilege, which are discussed in chapter 13. Reports can be made via a dedicated online system on the [National Crime Agency website](#).

## Offences under the Terrorism Act 2002

13. Terrorist organisations require funds to plan and carry out attacks, train militants, pay their operatives and promote their ideologies. The Terrorism Act 2000 (as amended) criminalises not only participation in terrorist activities but also the provision of monetary support for terrorist purposes.
14. The main offences under the Terrorism Act concerning monetary support relate to:
- **Fundraising** (section 15) – it is an offence to be involved in fundraising if you have knowledge or reasonable cause to suspect that the money or other property raised might be used for terrorist purposes.
  - **Use or possession** (section 16) – it is an offence to use or possess money or other property for terrorist purposes, including when you have reasonable cause to suspect the money or property might be used for these purposes.
  - **Money laundering** (section 18) – it is an offence to enter into or become concerned in an arrangement facilitating the retention or control of terrorist property by, or on behalf of, another person (unless you did not know, and had no reasonable cause to suspect, that the arrangement related to terrorist property).
15. The main defences under the Terrorism Act are contained in sections 21ZA to 21ZC as follows:
- **Prior consent defence** – you make a disclosure to an authorised officer before becoming involved in a transaction or an arrangement, and you act with the consent of an authorised officer.

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- **Consent defence** – you are already involved in a transaction or arrangement and you make a disclosure, so long as there is a reasonable excuse for your failure to make a disclosure in advance.
  - **Reasonable excuse defence** – you intended to make a disclosure but have a reasonable excuse for not doing so.
16. Section 19 provides that anyone, whether they are a nominated officer or not, must make a disclosure to the authorities as soon as reasonably practicable if they know or suspect that another person has committed a terrorist financing offence based on information which came to them in the course of a trade, profession or employment. The test is subjective.
17. For further details, see chapter 17 of the LSAG guidance.

## Sanctions

18. All Costs Lawyers must play their part in safeguarding the UK and protecting the reputation of the legal services industry. This includes ensuring compliance with sanctions regimes put in place under the Sanctions and Anti-Money Laundering Act 2018 and any other UK legislation. Breaching the financial sanctions requirements can result in criminal prosecution or a fine, and is also likely to constitute a breach of the Code of Conduct.
19. Financial sanctions prevent law firms from doing business or acting for listed individuals, entities or ships. Costs Lawyers should check the financial sanctions lists before offering services to clients, or ensure that their firm has systems in place to carry out these checks.
20. Lists and other information about the UK sanction regimes in force are constantly updated and [published online](#). Further [guidance is available on exemptions](#), for which a licence may be sought from the Office of Financial Sanctions Implementation (OFSI). If you want to act for an entity or person subject to sanctions, you will need to apply for a licence from OFSI before proceeding. You should also inform the CLSB.



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21. More detailed information about the UK government's sanctions against Russia and Belarus, including factors for Costs Lawyers to keep in mind when working for clients with a Russian nexus, can be found in our [Ethics Hub](#).

## Proliferation financing

22. Proliferation financing relates to providing funds or financial services to groups and countries who may use them for obtaining or developing nuclear, chemical, biological or radiological weapons.
23. The CLSB considers the risk of Costs Lawyers being used for proliferation financing to be low, but you should still consider whether you are exposed to risk in this area, particularly as many of the risk indicators are similar to those for money laundering.
24. The CLSB's risk chart and chapter 5 of the LSAG guidance provide further information on the risk of proliferation finance and how to mitigate this.

## How to protect yourself against involvement in economic crime

20. Whilst a Costs Lawyer's practice will usually be low risk for money laundering and other types of economic crime, you should not assume this will always be the case. As well as making a report to the National Crime Agency in appropriate cases, you can help protect your practice by voluntarily undertaking some of the measures required of the regulated sector for money laundering under the regulations. These could include:
- Carrying out a money laundering, proliferation financing and terrorist finance risk assessment on the practice, if you are in a position to do so (see chapter 5 of the LSAG guidance).
  - Obtaining evidence of identity if you are not familiar with a client and cannot verify their authenticity through other means (see chapter 6 of the LSAG guidance).
  - Nominating someone within the practice to receive internal disclosures.

- 
21. The CLSB's economic crime risk chart – which is available as part of the economic crime resources in our [Ethics Hub](#) – maps the types of work that Costs Lawyers do against the risk of economic crime and non-compliance with the sanctions regime. You might find this to be a useful starting point for assessing any risks presented by your own practice.
  22. We also recommend that you undertake training on money laundering and economic crime issues at a level of detail that is commensurate with your role and the risk profile of your practice.

**END**

## Guidance Note

### Setting up a practice



**DRAFT TO BOARD: [X] July 2024 (version 1)**

## Costs Lawyer Standards Board

CLSB  


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## Who should read this guidance?

1. This guidance is for Costs Lawyers who are considering setting up a costs law practice, either alone or with others, that is not authorised by another legal regulator such as the Solicitors Regulation Authority (SRA).
2. A costs law practice could be a sole trader, a partnership or a limited company.

## Does my practice need to be authorised?

3. Transitional arrangements under Schedule 5 of the Legal Services Act 2007 (LSA) allow Costs Lawyers to provide reserved legal activities through an unauthorised body. This means that, while you as an individual Costs Lawyer are authorised by the CLSB, your costs law practice does not need to be authorised by any of the legal services regulators.
4. You will need to seek authorisation for your costs law practice if you want to undertake certain activities. In particular, you must seek authorisation if you intend to carry out reserved legal activities that are outside the scope of your authorisation as a Costs Lawyer. The next section considers in more detail the scope of services your costs law practice can provide without authorisation.
5. If you do want to carry out activities that require your costs law practice to be authorised, you will need to contact one of the legal regulators that regulates entities (firms) to see whether your practice will meet their authorisation criteria. Guidance can be found on the [SRA website](#) or [CILEx Regulation website](#) to help you get started.

## What services can my practice offer?

6. As a Costs Lawyer, you can conduct litigation and exercise rights of audience in relation to a costs matter (LSA Schedule 4 Part 1). You can also administer oaths. You are not allowed to carry on any other [reserved legal activities](#) through your practice. See our [Guidance Note](#) on Reserved Legal Activity Rights for further details.

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7. If you employ a person authorised under the LSA who is not a Costs Lawyer (for example, a solicitor, barrister or CILEx Practitioner) you will need to be aware of the restrictions on their practising rights. The transitional provisions under the LSA that allow you to provide reserved legal activities through an unauthorised body will not apply to that other authorised person. They will therefore not be able to provide reserved legal services to the public through your practice because the practice is not authorised under the Legal Services Act. So they will not be able to conduct litigation or exercise rights of audience on your or your firm's behalf.
  8. You are able to carry out any non-reserved legal activities that you wish through your practice, but must obtain the appropriate professional indemnity insurance (see below).

## What arrangements do I need to put in place for a new practice?

9. When setting up your practice, you must put arrangements in place to comply with all of your regulatory and legal obligations. The following table, which is not exhaustive, contains a list of some of the core requirements when setting up your practice, and tells you where you can find those requirements and any further guidance. You can find information on additional requirements in the [Cost Lawyer Handbook](#), including our Guidance Note on Unregulated Employers of Costs Lawyers.

Requirement	Regulatory reference and further guidance
<b>Professional Indemnity Insurance (PII)</b> Your practice must have PII that covers all of the practice's work (not just the reserved legal activities). The minimum level must be £100,000 for any one claim to include loss of documents. You must assess all financial risk associated with your work on a continuous basis and make sure that PII is available in excess of the minimum commensurate with that risk.	Practising Rules 1.1(d) and 9  <a href="#">Guidance Note:</a> Indemnity Insurance

<p><b>Client money</b></p> <p>If you are practising as a sole practitioner or in partnership, you are not allowed to hold client money. If necessary, you can consider making arrangements for dealing with client money through a Third Party Managed Account (TPMA).</p> <p>If your practice is a limited company, the company (just like any other unauthorised corporation) is allowed to hold client money in its name. Client money must be kept in a separate bank account and not mixed with the company's own money (or used for the company's running expenses). There will need to be appropriate security measures in place for the account, full records kept and the PII must be adequate to include the risk of loss of client money (e.g. through third party fraud). The company may also use an appropriate TPMA as an alternative.</p>	<p><a href="#">Code of Conduct</a> Principles 1.1, 1.7 and 3.6</p> <p><a href="#">Guidance Note:</a></p> <ul style="list-style-type: none"> <li>• Handling Client Money</li> <li>• Unregulated Employers of Costs Lawyers</li> </ul> <p><a href="#">Ethical scenario: You're asked to handle your client's money</a></p>
<p><b>Financial and business planning</b></p> <p>The failure or disorderly closure of a practice can bring a number of serious consequences, for example:</p> <ul style="list-style-type: none"> <li>• clients are prejudiced, left without representation, and court proceedings are disrupted;</li> <li>• confidential client files and information, including personal data, are not properly safeguarded;</li> <li>• client money is put at risk; and</li> <li>• you face regulatory action from the CLSB as well as complaints or civil action from your clients.</li> </ul> <p>You should therefore make sure that you have adequate funding and a proper business plan for your practice to minimise the risk of a disorderly closure. The plan should include financial projections for your</p>	<p><a href="#">Code of Conduct</a> Principles 1 and 3</p> <p><a href="#">Guidance Note:</a> Regulatory issues when shutting down a practice</p> <p><a href="#">Ethics Hub resources on managing risks to your clients</a></p>

<p>firm, covering at least the next 12 months but ideally a three-year period.</p>	
<p><b>Economic crime</b></p> <p>You should have appropriate procedures in place to ensure that you are not involved in economic crime. These could include:</p> <ul style="list-style-type: none"> <li>• carrying out a money laundering, proliferation financing and terrorist finance risk assessment on the practice, based on the nature of the practice’s intended work areas and client profile;</li> <li>• obtaining evidence of identity if you are not familiar with a client and cannot verify their authenticity through other means;</li> <li>• nominating someone within the practice to receive internal disclosures.</li> </ul>	<p><a href="#">Code of Conduct</a> Principles 1.1, 1.7 and 2.1</p> <p><a href="#">Guidance Note: Economic Crime</a></p> <p><a href="#">Ethical scenario: You notice signs of possible economic crime</a></p> <p><a href="#">LSAG Anti-Money Laundering Guidance for the Legal Sector</a></p>
<p><b>Data Protection</b></p> <p>Your practice must comply with data protection legislation. This includes keeping your clients’ personal data secure, only using data for legitimate purposes and informing clients of their rights.</p> <p>You should complete the data protection fee self-assessment with the Information Commissioner’s Office, as you will be handling personal data (even if you are not acting directly for individuals) and this may incur a registration fee.</p> <p>You should have a privacy policy available on your website and to prospective and current clients. A privacy policy should include details of what types of data you collect, on what lawful basis, what you do with the data, how long you keep it and how people can exercise their rights (for example, to view their data or have it deleted).</p>	<p><a href="#">Data protection fee self-assessment</a></p> <p><a href="#">UK General Data Protection Regulations</a></p> <p><a href="#">The Information Commissioner’s Office Guidance and Resources</a></p> <p><a href="#">ICO guidance on how to write a privacy policy</a></p>



<p>You should consider obtaining cybersecurity insurance (whether as part of your PII or separately) to cover you against claims for loss of data or money through online fraud or another cyber incident, as well to cover any disruption to your business.</p> <p>If you operate through paper files you will need to have physically secure arrangements for storage and retrieval.</p>	
<p><b>Your website and other promotional material</b></p> <p>Ensure that your website (and any other promotional material) is accurate, complies with consumer law and gives appropriately transparent price information. The website should contain a privacy notice/policy and comply with requirements for collecting data by cookies – telling clients what data is collected and giving them the option of rejecting non-essential cookies.</p> <p>If you collect payments via your website, you must have appropriate security in place and comply with the PCI Data Security Standard (PCI DSS). You can help achieve this by using an established payment gateway for your website.</p>	<p><u><a href="#">Guidance Notes:</a></u></p> <ul style="list-style-type: none"> <li>• Dealing with Consumers</li> <li>• Vulnerable Consumers</li> <li>• Price Transparency</li> </ul> <p><u><a href="#">ICO guidance on cookies and similar technologies</a></u></p> <p><u><a href="#">PCI Security Standards Council – Protect payment data with industry-driven security standards, training, and programs</a></u></p>
<p><b>Client care arrangements</b></p> <p>You must have procedures in place to make sure that you comply with your obligations to clients.</p> <p>These must contain a procedure for dealing with complaints which includes informing clients of their right to go to the Legal Ombudsman and the timeframe during which you will resolve the complaint, which must be within eight weeks of receipt.</p> <p>You must also have client care letters in place so that clients are given appropriate information, including on</p>	<p><u><a href="#">Code of Conduct</a></u></p> <p>Principles 1.4, 3.1-3.4, 4.5 and 4.6</p> <p><u><a href="#">Guidance Notes:</a></u></p> <ul style="list-style-type: none"> <li>• Client Care Letters</li> <li>• Complaints Procedures</li> <li>• Conflicts of Interest</li> <li>• Dealing with Consumers</li> <li>• Unregulated Employers of Costs Lawyers</li> </ul>



<p>costs and complaints, and can make informed decisions about their case. The information should also include your terms and conditions of business, data protection rights and details of your individual regulation by the CLSB and how to complain to us. If an unauthorised employee will be dealing with aspects of a matter, the client care letter should also make this clear and explain the consequences to the client.</p> <p>You must have procedures in place for identifying and dealing with conflicts of interest.</p>	<p>Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013</p> <p>Provision of Services Regulations 2009</p> <p><a href="#">Ethical scenario: You realise your complaints procedure isn't compliant</a></p> <p><a href="#">Ethical scenario: You get a complaint from a vulnerable client</a></p> <p><a href="#">Ethical scenario: The interests of your clients conflict with each other</a></p>
<p><b>Treating people fairly and equitably</b></p> <p>You should have procedures in place to make sure you treat all clients, colleagues and third parties fairly and equally, and with dignity and respect.</p> <p>If you are an employer, you must:</p> <ul style="list-style-type: none"> <li>• have and adhere to a written policy which prevents discrimination and harassment and must investigate any allegation of discrimination, victimisation, or harassment and take disciplinary action where appropriate; and</li> <li>• make reasonable adjustments for those with a disability to ensure they are not at a disadvantage in comparison with those without disabilities.</li> </ul>	<p><a href="#">Code of Conduct</a> Principles 6.1-6.3</p> <p><a href="#">Guidance Note:</a> Vulnerable Consumers</p> <p><a href="#">Ethical scenario: You witness bullying and harassment at work</a></p>

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## Can I say that my practice is regulated by the CLSB?

10. No. The CLSB authorises and regulates individual Costs Lawyers. Since we are not able to regulate firms or other organisations, you should not tell clients that your practice as a whole is regulated by the CLSB. To do so would be incorrect and could give clients a false impression of the protections they are entitled to. This applies to statements made, for example, on your website, email signature, letterhead or promotional material.

## Can I say that my practice is a “firm of Costs Lawyers” (or similar)?

11. The title “Costs Lawyer” was created specifically to identify those members of the Association of Law Costs Draftsmen (now the Association of Costs Lawyers) who were authorised to provide services under the Legal Services Act 2007. “Costs Lawyer” is the title used in the Act to describe those costs advisers who are regulated by the CLSB. The courts, the legislature, the legal profession and wider public all therefore understand that the title Costs Lawyer refers to an individual regulated by us. This is especially so given that there are other titles commonly used to identify someone who specialises in costs law but is not regulated, such as costs draftsman, costs draftsperson or costs consultant.
12. Consequently, your practice should not refer to anyone as a Costs Lawyer if they are not regulated by the CLSB. If all costs advisers within your practice are Costs Lawyers, it will likely be appropriate to refer to your practice as a firm of Costs Lawyers (or similar). If your practice employs a mix of regulated and unregulated costs advisers, referring to the practice as a firm of Costs Lawyers (or similar) is likely to be misleading.

## Can my practice use the CLSB’s Mark of Regulation?

13. The Mark of Regulation is a logo indicating that a Costs Lawyer is regulated by the CLSB. You can use it as a badge of professionalism to highlight your regulatory status. The Mark can be used by all Costs Lawyers who have a current practising certificate, subject to the [Terms of Use](#). You can download a high resolution image of the Mark of Regulation [from our website](#).

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14. Since the CLSB regulates individuals, and not organisations, the Mark of Regulation is intended primarily for use by Costs Lawyers personally. However, the Mark can be used by a costs law practice to promote the regulatory status of any Costs Lawyers it employs, so long as this does not cause confusion for clients or members of the public about the scope of regulation.
  15. By way of example, generic use of the Mark on the website homepage of a business that employs both regulated and unregulated individuals is likely to be misleading. However, use of the Mark on a page of the same business' website that relates only to regulated Costs Lawyers is less likely to be misleading.

**END**

## Client confidentiality and acting with integrity



## Costs Lawyer Standards Board

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## The purpose of this guidance

1. This guidance aims to assist Costs Lawyers in identifying and dealing with conflicts that might arise between the following core principles in the [Code of Conduct](#):
  - Principle 1: Act with honesty and integrity and maintain your independence
  - Principle 3: Act in the best interests of your client
  - Principle 7: Keep the affairs of your client confidential
2. There can at times be a tension between the conduct required to act with integrity and promote the proper administration of justice on the one hand, and the need to maintain your client's confidence and act in their interests on the other. While every situation is unique, and you must decide how to meet your professional obligations on a case by case basis, this guidance aims to help you consider the relevant factors.

## Integrity in the context of legal professionals

3. Integrity means adhering to the ethical standards of your own profession. There is an expectation that professional people will be held to a higher standard than the standard applying to others outside the profession. This is established in case law (see, for example, *Beckwith v Solicitors Regulation Authority* [\[2020\] EWHC 3231 \(Admin\)](#)). The leading authorities concern solicitors, but the same overarching principles will be relevant to other parts of the legal profession, including Costs Lawyers.
4. "Integrity" is a useful shorthand expression to denote the higher standards that society expects from professional persons and which the professions expect from their own members. The underlying rationale is that professions have a privileged and trusted role in society. In return, they are required to live up to their own professional standards. The duty to act with integrity applies not only to what professional persons say but also to what they do. In every instance professional integrity is linked to the manner in which that particular profession serves the public (see *Solicitors Regulation Authority v Wingate* [\[2018\] 1 WLR 3969](#)).

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5. The High Court has held that lack of integrity arises when, objectively judged, a professional person fails to meet the high professional standards to be expected of that professional. It does not require an element of conscious wrongdoing (see *Williams v Solicitors Regulation Authority* [\[2017\] EWHC 1478 \(Admin\)](#)).

## Clients and confidentiality

6. Principle 7 of the Code of Conduct requires that Costs Lawyers keep the affairs of clients confidential, unless disclosure is required or allowed by law or if the client consents in writing to disclosure, having had the consequences of such consent explained to them. You must ensure that your client is able, in your reasonable opinion, to give informed consent to waiving their right to confidentiality.
7. Principle 3 of the Code of Conduct requires you to act in the best interests of your client at all times. As a general rule, acting in the best interests of your client includes keeping their affairs confidential, as prescribed by Principle 7. These principles are clearly related.

## Conflicts between the principles

8. In relation to the costs aspects of a dispute, there will often be several stakeholders with an interest in the outcome, or with a claim to part or all of the costs recovered. Those stakeholders might include the parties to the litigation, the solicitors acting for them, former solicitors or other legal professionals who acted at certain stages of the matter, litigation funders, and so on. Depending on the circumstances, the interests of those stakeholders may or may not align.
9. The Code of Conduct makes it clear that, where interests do not align, a Costs Lawyer must act in the interests of their ultimate client in preference to the interests of other stakeholders. Principle 3.1 provides:

*“You must act at all times in the best interests of your client, except where this conflicts with your duty to act independently in the interests of the proper administration of justice or where otherwise permitted by law. You must act in the*

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*best interests of your client regardless of the consequences for your professional client or other intermediary. You must not permit a professional client, employer or any other person to limit your ability to fulfil this duty.”*

10. However, the existence of different stakeholders with competing interests in costs disputes can create conflicts between your duties to your own client and your duty to act with integrity. Here is a hypothetical example. You are instructed by a client who is the receiving party in costs proceedings. The client has fallen out with their former solicitor, who acted for the client in the substantive litigation, and wants nothing to do with them. The client therefore instructs you not to provide information to, or deal in any way with, the former solicitor in relation to the costs aspects of the proceedings. However, the former solicitor has a legitimate interest in accessing information that is now in your possession, because they are entitled to the portion of the recovered costs that relates to their fees and the client is attempting to obstruct that process.
11. Examples will vary, but in circumstances like the above, you must consider carefully how to balance the conflicting professional principles. Every case must be considered on its own facts, but you should always recognise the higher-priority principles of acting with integrity, not diminishing the confidence that the public places in you or the profession, and upholding the rule of law and the proper administration of justice.
12. In the above example, providing information to the former solicitor might appear to involve you preferring the solicitor’s interests to your own client’s interests. However, that conduct might nonetheless be necessary to promote the proper administration of justice in the specific circumstances of the case.
13. Maintaining the correct balance will not always be easy. It will help you evaluate the situation if you bear in mind that a Costs Lawyer, just like a solicitor, is not a hired gun. It is important to recognise those wider duties and not to rationalise misconduct under the mistaken belief that the only duty is to the client.

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14. Additional resources in our [Ethics Hub](#) might help you identify relevant factors to consider. Always [contact us](#) if you need further advice.

**END**



## Complaints received by the CLSB about unregulated costs advisers

### Board report

June 2024

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#### Section A – number of complaints

The CLSB does not hold records of complaints received against unregulated costs advisers prior to summer 2019. However, the document Advice on Regulation written by Mark Friston for the CLSB in November 2012 notes “I am told that the CLSB has turned away well over half of the complaints that have been referred to it, this being because many of those complaints have been about persons who are not Regulated Costs Lawyers”.

Some ad hoc data on such complaints is held for the period between August 2019 and September 2021.

From October 2021, complaints relating to the conduct of unregulated advisers have been recorded more systematically. From 2024 we will also capture all complaints relating to an unregulated adviser holding themselves out as a Costs Lawyer.

Number of complaints by year (subject to data limitations)	
2023	7
2022	7
2021	1
2020	4
2019	4
Total	23

Of the total 23 complaints, 6 were about an unregulated person, or persons, holding themselves out to be a Costs Lawyer, and 17 were about their conduct.

Of these 17 about the conduct of an unregulated adviser 1 was from a Costs Lawyer, 5 were from solicitors and 11 were from lay people. Some of the solicitors were shocked to realise that those doing such work could be unregulated.

4 of the 16 complaints were about the same individual. 2 other individuals each had two complaints.

Before 2023 we did not routinely capture data on the number of complaints we dealt with about Costs Lawyers that did not proceed to a formal process. In addition, as each complaint

relates to a unique set of circumstances it is sometimes hard to categorise these. However, the data below shows that the total number of complaints about unregulated advisers received by the CLSB is equivalent to those received about regulated Costs Lawyers.

	Complaints about CLs	Formal investigation (CLSB, LeO or other)
2023	8	3
2022	4	2
2021	0	0
2020	8	5
2019	3	2
Total	23	12

## Section B – case studies of conduct complaints about unregulated advisers

### **Case study 1 – Complaint from lay person against an unregulated individual in a costs law firm with some Costs Lawyers**

The complainant, a lay person, was disputing the fees charged and a delay in sending the bill of costs she had instructed a costs law firm to draft in a long running litigation case. The complainant's main contact was an unregulated costs adviser in the firm. A Costs Lawyer was also involved in preparing the bill of costs, and provided a second, lower estimate of fees.

The Managing Director of the costs law firm (a regulated Costs Lawyer) investigated the complaint and did not uphold it, asking the complainant to pay their outstanding invoices. The complainant was unhappy with this outcome, and brought her complaint to the CLSB.

The CLSB determined it had jurisdiction only to investigate if the Costs Lawyer who drafted the bill had taken excessive time to do so, and if the Managing Director had followed the firm's complaints procedures in dealing with the complaint. The investigation found that the time taken to prepare the bill was reasonable, and the fees charged were in line with the original estimate. It found that whilst the complaint had been handled by the firm in line with its complaints procedure, there was no evidence that the complainant was provided with a copy of the firm's complaint procedure at the start of instructions. The initial correspondence and instructions were handled by the unregulated costs adviser. The investigation concludes "...any fault – if there is any – must lay at the feet of the unqualified assistant against whom there is no remedy."

### **Case study 2 – Complaint from Costs Lawyer against an unregulated individual in a costs law firm with some Costs Lawyers**

The complainant, a Costs Lawyer, contacted CLSB regarding the conduct of a costs law firm who had drafted bills of costs in a number of cases on the instructions of an SRA regulated firm where they represented the opposing party. In his judgement the Judge found that the SRA firm's bills were "intentionally misleading" as time was claimed for work not done, and it was implied only part of the time claimed was estimated, when virtually all of it was. The

Judge noted that “the draftsman of the bill... would have known that virtually all time was estimated” and had claimed costs to which their clients were not entitled and attempted to mislead the court. A complaint about the SRA regulated firm was also made to the SRA.

The CLSB contacted the costs law firm and was advised that the cases were handled by an unregulated adviser without any involvement of the then sole Costs Lawyer at the firm, and also that the individual had since left the firm. The firm said they had taken the judgement very seriously, and conducted internal investigations.

The complainant was unhappy with the outcome, and that no action could be taken against the individual or the firm, and commented later about their complaint “...the CLSB were powerless to act and the costs lawyer firm proceeded without sanction. The immediate issue is there is no sense in employing costs lawyers, you might as well employ unqualified and unregulated draftsman because you cannot be held accountable for their actions.”

### **Case study 3 – Complaint from solicitor against an unregulated individual**

The complainant, a solicitor, appointed a costs adviser on the recommendation of a barrister. His firm were acting for a claimant in a case where the defendant had appealed and been awarded costs. The costs adviser said the bill was defective, but did not explain why, made a counter offer without explanation, and failed to respond to the judge’s request to raise issues with the interim order within 21 days resulting in the end client having to pay an additional £12,000. The costs adviser did not respond to the complainant's request for their complaints procedure.

When the CLSB advised the complainant, a legally qualified professional) that the costs adviser was unregulated they were unaware that this was possible.

The CLSB received two separate complaints about this individual within one year. The individual’s website lists advocacy, a reserved legal activity, as one of the services they provide.

The complainant subsequently contacted the CLSB to clarify the regulatory protection offered when another costs law firm offered an experienced costs draftsman working under the management of a Costs Lawyer on another matter, as this was unclear to him (a legally qualified client).

### **Case study 4 – Complaint from lay person against an unregulated individual**

The complainant, a lay person, contacted the CLSB about a costs adviser who was on the Court record as representing him, and with whom he had signed an (online) agreement. The costs adviser subsequently denied any agreement to act, refused access to the signed online agreement, or to return the documentation provided.

The CLSB received three complaints about this individual in less than four years.

### **Case study 5 – Complaint from lay person against a costs law firm with no Costs Lawyers**

The complainant, a lay person, instructed a costs law firm with no regulated Costs Lawyers. They told the CLSB that ever since sending all their documentation to the firm they had been “fobbed off”, and that dealing with the “unprofessional” firm had become more stressful than their experience in court. The firm later refused to return sensitive information he had provided to the client.

The complainant said they were “shocked” to be told by the CLSB that there was no regulatory protection available to them.



## **Press Release**

**Embargoed until 10:00 on 23 May 2024**

### **Legal Services Board announces new Chief Executive**

The Legal Services Board (LSB) today announces the appointment of Craig Westwood as its new Chief Executive Officer. Craig joins the LSB from the Electoral Commission, where he is currently Director of Communications, Policy and Research.

The Board appointed Craig following an open recruitment process. He brings a wealth of experience in policy, research, public affairs, and stakeholder engagement.

Before joining the Commission, Craig was a partner in the corporate communications agency Pagefield, leading corporate affairs accounts for clients ranging from major multinational brands to UK public institutions. He spent the preceding decade in a series of roles in the civil service, including working on public body financing and oversight, digital innovation and literacy improvement, and international cultural engagement programmes. His final post was as a ministerial private secretary in the first years of the coalition government.

Craig will join the LSB on 19 August 2024. He will also become a Board Member and hold the role of Accounting Officer.

Alan Kershaw, Chair of the Legal Services Board, said:

‘I am delighted that Craig will be joining us. We are impressed not only with his experience but also with his passion, enthusiasm, and commitment to the public interest. He will bring to the Board an excellent blend of leadership, people focus and drive to take our organisation forward and ensure that regulation supports people to access the legal services they need.’

Craig Westwood said:

‘I am excited to be taking up the role of Chief Executive at the Legal Services Board this summer. The legal sector plays a fundamental role in both our society and our economy but is facing significant challenges. Effective regulation can support it to develop and thrive, maintaining the consumer and wider public interest, including through coordinated work across the professions.’

‘I look forward to joining the expert and dedicated team at the LSB, and its Board, to sustain and extend the impact of the organisation in addressing its strategic priorities.’

-Ends

Kate Wellington, Chief Executive  
CLSB

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[www.legalservicesboard.org.uk](http://www.legalservicesboard.org.uk)

17<sup>th</sup> June 2024

Dear Kate,

### **Meeting expectations with LSB statement of policy on empowering consumers**

I write further to the [Statement of policy on empowering consumers](#) ('the Statement') given by the LSB under section 49 of the Legal Services Act 2007, which came into effect on 11 April 2022.

The Statement sets out general and specific expectations for regulators in empowering consumers and the principles it expects regulators to consider in doing so. The [consultation response document](#) made clear our views on implementation - *We expect the regulators to take steps promptly to meet the expectations set out in the statement of policy, though we recognise this will be an iterative process.*

As you know, at the [last meeting](#) of the Market Transparency Co-ordination and Oversight Group (MTCOG) on 26 July 2023, all regulators confirmed that they expected to meet the Statement's expectations by September 2024. We also reviewed and commented on regulators' progress on meeting its expectations in our latest [Regulatory Performance Assessment Report](#), published in February this year.

I am writing to you now to formally request that you provide us with assurance from your Board by 30 September 2024 about how you are meeting the expectations set out in the Statement. This should include details of the positive impact on consumers from the actions taken, with supporting evidence. We appreciate each regulator's approach will differ depending on the characteristics of its regulated community, those of the consumers it serves and the range and nature of legal services it offers.

We thought it would be helpful at this stage to set out the areas we would expect you to address when you formally provide us with assurance about how you are meeting the expectations.

Before doing so, I wanted to highlight that the LSB considers it crucial that regulators have made real progress on developing tools that could provide useful and comparable

information to consumers about the quality of legal services. We recognise that the existence of several different regulated professions offering a varying range of services present challenges to the development of quality indicators. However, in our view these are not insurmountable and we note the concerns the [Legal Services Consumer Panel](#) has about the limited progress on this issue since it was identified by the CMA in its [2016](#) and [2020](#) reviews. We share the concerns about the impact on consumers from delays in implementing tangible measures such as those set out in the Statement and expect to see that regulators are taking concrete steps to address them.

We consider that the timeframe for implementation of the empowering consumers policy statement's expectations has been reasonable and proportionate. Through our assessments of regulators' performance and engagement via MTCOG we have sought and received assurances from regulators that this work is progressing. We understand that each regulator expects to meet the Statement's general and specific expectations by the deadline of 30 September 2024 (allowing in some cases for evaluation work that is planned for after 2024). Where a regulator has not met the expectations or explained what other steps have been taken to address the areas set out in the Statement, the LSB may go on to consider what, if any action it may take, including under its Statement of policy for enforcement.

### ***General expectations and outcomes***

We require evidence from you as to how you are meeting outcomes a(i) and a(ii) and meeting outcome a(iii) and general expectations b and c. You should also explain how your activities address these outcomes and expectations and how you are assessing their effectiveness.

### ***Specific expectations***

The Statement also sets out specific expectations for the following areas which build on these general expectations and outcomes:

- Public legal education
- Information about price
- Information about quality
- Information about service, redress and regulation
- How information is made available to consumers.

We will be looking for evidence about the activities you are undertaking to meet each outcome.

### ***Principles***

In providing us with assurance about how you are meeting the outcomes and meeting the general and specific expectations set out in the Statement, you will also need to explain and provide evidence about how you have taken account of the Principles set out in the Statement. In particular, how you have adapted your approach to (1) address the needs of individuals and small businesses and (2) the characteristics of your regulated profession or specific practice areas within it. We also would expect to see evidence about how you have tested proposed measures with consumers to evaluate their effectiveness and about how you have collaborated with other regulators to work more efficiently and effectively.

### ***First-tier complaints***

As you know, the LSB recently published new statutory Requirements, Guidance and a Statement of Policy on First Tier Complaints, which is intended to improve consumers' experience when they need to complain about legal services providers. Regulators are to comply with these by November 2025. We consider that the publication of first-tier complaints data will provide consumers with a key source of information about legal service providers' quality, which will in the longer term contribute towards meeting the Empowering Consumers Statement of Policy's expectations.

### ***Next steps***

The next MTCOG meeting has been scheduled for 16 July 2024 at which we look forward to hearing from you and other regulators about your progress on meeting the expectations of the empowering consumers policy statement and progress on the Regulatory Information Service workstream, which will provide consumers with service, regulatory status and complaints information.

If you have any questions please contact your LSB relationship manager, Suganya Suriyakumaran.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Orpin', written in a cursive style.

Richard Orpin  
**Interim Chief Executive**



Kate Wellington, Chief Executive  
Costs Lawyers Standards Board

**ceokw@clsb.info**



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28 May 2024

Dear Kate

## **Regulatory Performance**

I write further to the LSB's latest Regulatory Performance Assessment Report, which we published in February 2024.

### ***Next performance assessment***

Our next performance assessment process will begin in September 2024. It will cover the period June 2023 to September 2024. We intend to send you our request for assurance and specific information in mid-September. Your response will be due in early November. As usual, we will provide you with an opportunity to comment on our draft assessment's substance and factual accuracy and to raise any confidentiality concerns. We anticipate this will take place in February 2025, ahead of the publication of our final report in March 2025.

As we noted in our February 2024 report, our upcoming assessment will cover all three of our regulatory performance framework's standards: Well-Led, Effective Approach to Regulation and Operational Delivery. It will also focus on the common performance issues we identified in our February 2024 report. You will recall that the issue of transparency was among the common performance issues identified in our report, and that we committed to write to regulators to set out our expectations in this area.

### ***Transparency***

The LSB considers that openness and transparency are key to an effective system of regulation. The need for progress on transparency has been a consistent theme of our regulatory performance reports in recent years, and while some regulators have made good progress, in some cases there is still a need for significant improvement.

In our February 2024 report, we again highlighted the need for regulators to increase transparency and said we would write to regulators about this. Our report highlighted that some regulators do not provide meaningful transparency about the decisions they take that affect their regulated communities, consumers, and the public. Despite regulators having

policies that should enable them to provide sufficient transparency, in practice not enough information is published or not published in a clearly accessible form. Lack of transparency of decision-making also impedes the LSB's ability to have assurance about the effectiveness of legal services regulation and to hold regulators accountable for their performance.

We expect regulators, in discharging their regulatory functions, to meet the regulatory objectives in section 1 of the Legal Services Act 2007, including protecting and promoting the public interest and the interests of consumers, and to have regard to the better regulation principles, including transparency. Those regulatory objectives and the transparency principle are reflected in Characteristic 5 of the Well-led Standard in our Regulatory Performance Framework, which states that regulators need to deliver high levels of transparency, including ensuring decisions are clear and accessible to all those with an interest, such as their regulated communities, consumers and the public.

We expect all regulators to be able to demonstrate high levels of transparency by the start of our next assessment in September 2024. Below, we set out our expectations of the steps legal services regulators should take to provide sufficient transparency about their decision making.

- Board papers should be published. They should include sufficient descriptions of evidence used to (1) inform regulatory activities and (2) support policy development to provide stakeholders with a clear understanding of the evidence regulators are relying on and their analysis of it. In this regard, any redactions in Board papers should be carefully considered, clearly reasoned and minimised wherever possible, having regard to legal and other obligations.
- Regulatory matters, such as consultations on proposals for changes to regulatory arrangements, responses to consultations and decisions on changes to regulatory arrangements, should be considered at Board meetings and minuted so it is clear how decisions have been reached.
- Any decisions taken outside of a Board or committee meeting should be clearly noted in the next set of minutes.
- Minutes of Board and other committee meetings should record key points of discussion. Where personnel, finance or other restricted matters are discussed, the minutes should describe the substance of the discussion in general terms.
- Minutes of Board and other committee meetings should be published promptly once approved with any redactions carefully considered.
- Regulators should publish consultation documents, non-confidential responses to consultation documents and decision documents.

I trust that setting out our expectations in this way is useful to you. If you have any questions about the matters raised in this letter, please don't hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Orpin', written in a cursive style.

Richard Orpin  
**Interim Chief Executive**

## Compliance with LSB transparency expectations

June 2024

	LSB expectation	CLSB approach	Gap analysis / recommendation
1.	Board papers should be published. They should include sufficient descriptions of evidence used to (1) inform regulatory activities and (2) support policy development to provide stakeholders with a clear understanding of the evidence regulators are relying on and their analysis of it. In this regard, any redactions in Board papers should be carefully considered, clearly reasoned and minimised wherever possible, having regard to legal and other obligations.	<ul style="list-style-type: none"> <li>• CLSB board papers are published.</li> <li>• Material evidence relied upon but not documented in a board paper is recorded in the minutes and/or board decision note.</li> <li>• We have not redacted any part of a board paper or board minute in the last five years.</li> <li>• We withhold some papers from publication. This is always in line with our publication policy. The agenda makes it clear to stakeholders which documents have been withheld and on what basis, so our approach can be scrutinised by stakeholders.</li> </ul>	No action needed.
2.	Regulatory matters, such as consultations on proposals for changes to regulatory arrangements, responses to consultations and decisions on changes to regulatory arrangements, should be considered at Board meetings and minuted so it is clear how decisions have been reached.	<ul style="list-style-type: none"> <li>• The CLSB board always approves proposals for changes to regulatory arrangements prior to consultation.</li> <li>• Usually, consultation documents are prepared following the board's approval of the proposed changes. Unless there is a board meeting scheduled, the consultation documents themselves are not usually put to the board for approval prior to publication (other than the annual PCF consultation).</li> <li>• Consultation outcome reports are always provided to the board. The board's approval for the outcome report is not usually sought prior to publication unless the outcome departs materially from the proposed changes previously signed-off by the board.</li> <li>• Decisions of the board about changes to regulatory arrangements are always minuted. Where the board is updated by email (i.e. no decision is taken), this is not usually minuted.</li> </ul>	<p>Recommendation:</p> <ul style="list-style-type: none"> <li>• Seek board approval, by email, prior to publication of: <ul style="list-style-type: none"> <li>- consultation documents; and</li> <li>- consultation outcome reports.</li> </ul> </li> <li>• Minute the board's consideration / approval of the above documents at the next scheduled board meeting.</li> </ul>

3.	Any decisions taken outside of a Board or committee meeting should be clearly noted in the next set of minutes.	<ul style="list-style-type: none"> <li>The CLSB board infrequently takes decisions outside of scheduled meetings. Most project milestones are aligned to board meeting dates.</li> <li>Where a decision is taken outside of a board (or committee) meeting, this is always noted in the minutes of the next scheduled meeting.</li> </ul>	No action needed.
4.	Minutes of Board and other committee meetings should record key points of discussion. Where personnel, finance or other restricted matters are discussed, the minutes should describe the substance of the discussion in general terms.	<ul style="list-style-type: none"> <li>Minutes of CLSB board meetings are highly detailed, in line with our publication policy. We have not redacted any part of the board minutes in the last five years.</li> <li>The nature of finance and personnel matters discussed are always described in the minutes.</li> </ul>	No action needed.
5.	Minutes of Board and other committee meetings should be published promptly once approved with any redactions carefully considered.	<ul style="list-style-type: none"> <li>Draft minutes of board meetings are published on the website within two weeks of the meeting, marked as “draft” but approved by the Chair, in line with our publication policy.</li> <li>The minutes are agreed by the full board at its next scheduled meeting. The draft minutes are replaced with the final version on the website upon approval.</li> <li>We have not redacted any part of the board minutes in the last five years.</li> <li>The only committee of the CLSB board is the Remuneration Committee (Rem Com). We do not currently publish the minutes of Rem Com meetings, however the annual Rem Com report to the board is recorded in the minutes of the relevant board meeting.</li> </ul>	Recommendation: <ul style="list-style-type: none"> <li>Consider publishing Rem Com minutes.</li> </ul>
6.	Regulators should publish consultation documents, non-confidential responses to consultation documents and decision documents.	<ul style="list-style-type: none"> <li>We have a dedicated consultation page on our website. Here, we publish all consultation documents, CLSB responses to other organisations’ consultations, and consultation outcome reports.</li> <li>We do not publish non-confidential responses to consultation documents in full. Rather, we collate all responses into the detailed consultation outcome report. This allows us to address all responses on an issue-by-issue or question-by-question basis and explain how the CLSB has taken each response into account.</li> </ul>	Recommendation: <ul style="list-style-type: none"> <li>Consider publishing non-confidential, formal responses to consultations that are received from organisations, while continuing to summarise responses from individual respondents in the</li> </ul>

		<ul style="list-style-type: none"> <li>• For most consultations, we receive feedback from individual Costs Lawyers by way of email, often with a short response addressing just one point that they are interested in.</li> <li>• Note that we do not publish a consultation outcome report for the annual PCF consultation as this information is included in the PCF application to the LSB, which is published.</li> </ul>	consultation outcome report.
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**Minutes of the ACL Council Meeting**  
**held on 26<sup>th</sup> March 2024**  
via Teams



Council members present: Jack Ridgway (JR), David Bailey-Vella (DBV), Stephen Averill (SA), Kris Kilsby (KK), Julian Caddick (JC), Stephanie McBride (SM) & Amy Dunkley (AD)

The meeting started at 10:00

Item	
1	Welcome and apologies
1.1	Apologies were received from Victoria Morrison-Hughes, Laura Rees and Carol Calver JR welcomed all to the meeting and welcomed Stephanie McBride back to council after a short break.
2	Minutes of the council meeting held on 27 February 2024
2.1	It was unanimously agreed that the draft minutes of 27 February 2024 were an accurate reflection of the meeting. It was agreed that items 7.1 & 7.2 should be redacted before publishing on the website.
3	Actions arising from the council meeting held on 27 February 2024
3.1	Actions were reviewed and updated.
4	Chairman's Report
4.1	2023 Business Plan review fully signed off by council.
4.2	2024 Business Plan fully signed off by council.
4.3	JR summarised the recent ACL AGM attended by <i>redacted due to confidentiality</i> members and council. Council discussed suggestions from membership for a revival of the annual gala dinner, the reinstatement of a paper costs lawyer journal and the potential for a special interest group for sole practitioners.
4.4	JR will circulate changes to ACL Articles & Bye-Laws to council for final review before April council meeting with the intention to launch the member consultation at the Manchester costs conference on 26/04.
4.5	Council briefly discussed a letter received to the Association from Minister Hands (Dept of Business & Trade) regarding recognition of professional qualification in free trade agreements between the UK, Australia and New Zealand. Policy will review with the CLSB.
5	PR & Marketing Committee Report
5.1	DBV updated council on preparations for the upcoming Manchester Costs conference on 26/04, confirming the breakout sessions and speakers.
5.2	Irwin Mitchell has contacted Operations with regards to collaborating with the ACL in creating an annual Costs Awards and ceremony. Council discussed the implications of partnerships along with potential conflicts of interest and member / sponsor bias.

5.3	<i>Item 5.3 redacted due to confidentiality.</i>
6	Policy Committee Report
6.1	KK detailed the LAG submission on RoCLA
6.2	A new contact has been established at the LSB following a change in personnel – Policy have had a full discussion on our relationship with CLSB, the ACL Business Plan and the petitioning on judicial appointment of CLs. Upcoming ACL involvement and liaison is likely in diversity, pricing services and AI.
6.3	The CLSB have shared their draft application to the MoJ on judicial appointments of CLs with the ACL providing suggested additional information for inclusion.
7	Education Committee Report
7.1	DBV detailed intent to improve collaboration between ACL & ACL Training when attending events – Women in Costs, Costs in the City etc.
7.2	ACLT to fully investigate possible work experience exemptions with the CLSB for future students.
7.3	<i>Item 7.3 redacted due to confidentiality.</i>
7.4	KK suggested to council the potential of an ACLT scholarship fund for 1 / 2 students a year, <i>redacted due to confidentiality?</i> Council discussed at length and operations will provide further data on student costs <i>redacted due to confidentiality</i> to council.
8	Finance & Internal Policy Committee Report
8.1	SA reported that the investment portfolio continues to improve following the re-investment of underperforming funds.
8.2	SA also detailed the changeover of business credit card from Lloyds to Barclaycard <i>redacted due to confidentiality.</i>
9	Operations Report
9.1	On CC's behalf, DBV requested an eBulletin advertising cost review – CC to provide further data regarding demand and price history.
9.2	Council discussed access limitations of Costs Lawyer articles. Council approved a one week release whereafter articles are only available to members within the members area.
9.3	Council discussed and agreed a change to the London Conference date from 11 <sup>th</sup> to 18 <sup>th</sup> October, enabling the ACL to re book Leonardo Royal, St Paul's, a well-received and economic venue from 2023.
9.4	Council discussed the proposal for ACL to provide members with bespoke CPD through short videos made in collaboration with Chambers, SCCO, ACLT etc. for members to assist in completing the new regulatory requirement for Ongoing Competency Framework. Council suggested bi-monthly or quarterly provision due to levels of organisation required and CPD conflicts.
10	Any other business
10.1	AD confirmed Costs in the City Manchester – 13/06



11	Date of next meeting
11.1	Next meeting is 25th April 2024 in-person, 19:00 Pizza Express, Salford Quays There being no further business the meeting ended at 11:45

# **Consultation Paper – Articles & By-laws of the Association of Law Costs Draftsman t/a Association of Costs Lawyers**

## **Foreword**

The Articles of Association and By-laws of the Association were last adopted over 10 years ago, since which there has been significant change to the legal profession and to the roles which Costs Lawyers undertake.

The Council has considered it appropriate to update the Articles and By-laws with three key aims:

- Compliance with current legislation
- Easy to read and navigate
- Modern governance and membership structure

A perfect example of the archaic nature of the current Articles of Association, is that it does not allow for votes to be taken electronically (e.g. via email) rather than in person. The By-laws also refer to now redundant categories of membership.

The Articles and By-laws affect all members of the Association, therefore the Council considers that before the membership is asked to vote on these changes, then a consultation be held, to enable an honest, and constructive exchanges of ideas.

## **Articles of Association**

The current Articles of Association is a large and unwieldy document. While the final content is subject to legal advice to ensure compliance with legislation and best practice, the document for membership consideration has been created with aim of reducing duplication, that it reflects the current governance relationship with the regulatory body (Costs Lawyers Standards Board) and ensuring that where the Articles and By-laws both address an issue, that it is addressed consistently.

Some key changes at a glance:

- Gender neutral language has been adopted where possible
- Grouped relevant articles together
- Allow for General Meetings and Votes to be held virtually/electronically
- Updated distribution of any assets following dissolution to an institution with aims similar to the Association
- Moved regulatory matters from the By-laws to the Articles

## **By-laws**

The current By-laws are not always consistent with the Articles of Association and do not address current working practices, the current categories of membership, the approach to the Annual General Meeting, or how Special Interest Groups or Regional Meetings are governed. The aim of this update is to provide a clear document, which is consistent with the Articles of Association and ensure that all areas of the Association come under the same.

This also allows for the potential introduction of new categories of membership, which form part of the consultation and will be addressed in more detail below.

Some key changes at a glance:

- Regulatory arrangements moved to the Articles
- New Classes of membership proposed
- Minimum period of Association membership before becoming an Officer or Ordinary Member of Counsel
- Removed the role of Honorary Vice-President
- Included rules on Committees, Regional Meetings, and Working parties
- Introduced rules on Annual General Meetings

## **Governance**

How the Association is governed is of great importance. As part of our review, the Counsel has given consideration as to how the Association is currently governed and how other representative bodies are governed, which is shown in the below table;

**Table 1**

<b>Body</b>	<b>Officers</b>	<b>Term</b>	<b>Method / Criteria</b>	<b>Body</b>	<b>Term</b>	<b>Method</b>
Association of Costs Lawyers	Chairman Vice Treasurer	3 years	Chair elected by members, Vice and Treasurer elected by Council from itself	Council	3 years	Elected by members
Bar Council (Inns of Court)	Chair, Vice, Treasurer, Chair of Young Barristers Committee	3 years	Elected by Council from itself	Council	3 years	Elected by members
C.i.Lex	President, Vice, Deputy-Vice	6 years	Officers must be Fellows	Board	6 years	Elected by members

Law Society	President, Vice-, Deputy-Vice	3 years	Elected by members then replaces position above after 1 year	Council	4 years	Elected by members
Patent Attorneys	President, Vice, Immediate past President	3 years	Elected by members then replaces position above after 1 year	Council	3 years	Elected by members
Trade Mark Attorneys	President, Vice, Treasurer	2 years	Elected by Council from itself	Council		Elected by members

The Licensed Counsel of Conveyancers were excluded from this review as they are not a representative body but a regulatory body.

It was clear from this review that there are no significant differences between the representative bodies but that some had adopted a more layered approach to leadership. While such an approach is not currently considered appropriate for the Association, a

The period of service on the governance bodies is also largely similar, with only C.i.Lex members being notably different.

The Council is currently of the view that significant change to the current governance structure is not required and that the Articles, and By-laws, provide sufficient flexibility to enable effective governance.

The Council proposes three changes to the current governance arrangements.

1. That a member should have two years membership before applying for the role of Chair of the Association
2. That a member should have six months membership before applying for the role of Ordinary Member (Council member)
3. That Special Interest Groups and Regional Meetings are formally recognised within the By-laws to enable oversight and support

The purpose of these proposed changes is to ensure that those applying to be a part of the Association's governance structure have been members for sufficient time to understand the Association, its membership, and the commitment required to the role.

## **Membership**

The Association has seen many significant changes since the current Articles and By-laws were constituted. The title of Fellow was phased out and there has been a significant shift in Costs Lawyers working in firms regulated by the Solicitor's Regulatory Authority.

The Council has therefore considered what current membership categories we have, what rights they have, and what categories of membership are held in other representative bodies. The below table is illustrative of this:

**Table 2**

<b>Body</b>	<b>Student</b>	<b>Qualified</b>	<b>Other</b>
Association of Costs Lawyers	Trainee	Costs Lawyer	Affiliate, Honorary, Retired
Bar Council (Inns of Court)	Student	Barrister	Academic, Honorary, Royal
Council of Licensed Conveyancers	Technician	Lawyer	
C.i.Lex	Student, Paralegal Advanced Paralegal	Fellow Lawyer Associate Prosecutor	Affiliate Companion
Law Society	Trainee Solicitor	Solicitor, Solicitor-Advocate	
Patent Attorneys	Student, Paralegal	Fellow European	Associate, Overseas
Trade Mark Attorneys	Student, Paralegal	Ordinary Fellow	Allied, Associate, Honorary, Overseas,

It is clear that a variety of membership grades are used, with terminology being used differently by different representative bodies, and that many have membership grades for members who are not legally qualified.

For example, the use of Fellow varies significantly, a Fellow Trade Mark Attorney is equivalent to a C.i.Lex Companion; whereas a Fellow Patent Attorney or C.i.Lex is equivalent to a Costs Lawyer.

The Council proposed two new categories of membership, Fellow Costs Lawyer, and Costs Draftsman.

The purpose of Fellow is to recognise Cost Lawyer members with over eight years' post-qualification experience that have shown a long-term commitment to the Association. This will, in the Council's opinion, assist the Association with lobbying for Costs Lawyers to be recognised as capable of receiving Grade A Guideline Hourly Rates.

The purpose of Costs Draftsperson is to allow for those who are supervised by a Costs Lawyer but are not studying for their qualification as a Costs Lawyer, to participate as members of the Association. The Council considers that this strikes an appropriate balance between ensuring that all those working in legal costs are able to join the Association, while protecting the title which members have worked so hard to gain. It is also considered that this will assist the Association in leading more Costs Draftspeople to consider gaining formal qualification as Costs Lawyers.

## **Consultation**

The consultation is on the entirety of the Articles of Association and the By-laws, and comments are invited by way of a questionnaire/poll, and written responses.

# **BY-LAWS OF THE ASSOCIATION OF LAW COSTS DRAFTSMEN LIMITED TRADING AS THE ASSOCIATION OF COSTS LAWYERS**

## **Index**

## **By-laws**

### **1. BY-LAWS**

1.1. These By-laws govern the Members of the Association of Law Costs Draftsmen trading as the Association of Costs Lawyers ("ACL") and the Council of the Association ("the Council") by Resolutions dated 6 September 1996 and 13 October 2011, under the powers vested in the Council by the Articles of Association of the Association.

1.2. These By-laws will come into effect in respect of the Members and the Council on XX XX XX. They replace any and all existing by-laws and appendices.

### **2. Interpretation**

2.1. Words and expressions shall have the meanings as defined at Article 1.1 of the Articles of Association, except where defined below:

"Accredited Study provider"	means a training provider accredited by the CLSB to provide the Costs Lawyer Qualification;
"Appendices"	means the various documents appended to these By-laws as amended from time to time by the Council;
"Costs Lawyer Qualification"	A court of study to ensure that all Costs Lawyers meet the requisite standard of competency for authorisation;
"CLSB"	means the Costs Lawyer Standards Board Limited, to which the Association has delegated its regulatory functions;
"LeO"	means the Legal Ombudsman;
"Ordinary Member"	means a Council Member who is not an Officer;
"Qualifying work experience"	means work undertaken in costs law and practice for a period of two years under the supervision of a qualified person;

- 2.2. expressions referring to writing include references to printing, email and other methods of representing or reproducing words in a visible form;
- 2.3. reference to the singular includes the plural and vice versa;
- 2.4. reference to an Act of Parliament includes any statutory modification or reenactment of it for the time being in force;
- 2.5. the headings in these By-laws are for convenience only and do not affect their interpretation.

### **3. Classes of Membership**

- 3.1. There shall be the following classes of Membership of the Association:
- 3.1.1. Costs Lawyer;
  - 3.1.2. Trainee Costs Lawyer;
  - 3.1.3. Fellow Costs Lawyer
  - 3.1.4. Costs Draftsperson
  - 3.1.5. Affiliate;
  - 3.1.6. Honorary;
  - 3.1.7. Retired.

### **4. COSTS LAWYER**

- 4.1. A person may apply for the class of membership of Costs Lawyer if they meet the general requirements for membership as defined at Article 4.3 of the Articles, and they meet the following specific requirement(s);
- 4.1.1. Hold, or will hold, a valid Practicing Certificate to practice as a Costs Lawyer at the commencement of their membership
  - 4.1.2. Shall not have had their membership terminated by the Association in the previous 12 months
- 4.2. A person who holds the membership class of Costs Lawyer shall be entitled to:
- 4.2.1. receive notice of all general meetings of the Association and to attend, speak and vote at such meetings.
  - 4.2.2. receive all membership benefits, as determined by the Council
  - 4.2.3. be entitled to take part in the management of the Association

- 4.2.4. to use the nomenclature “Costs Lawyer”;
- 4.2.5. to use the Association's logo on on company stationery and in electronic communications where they are specifically named in those communications.
- 4.2.6. to advertise the fact that they are a Costs Lawyer.

## **5. Trainee Costs Lawyers**

- 5.1. A person may apply for the class of membership of Trainee Costs Lawyer if they meet the general requirements for membership as defined at Article 4.3 of the Articles, and they meet the following specific requirement(s);
  - 5.1.1. Are studying the Costs Lawyer Qualification with an Accredited Study Provider; or
  - 5.1.2. Have completed the Costs Lawyer Qualification but have yet to complete the pre-exquisite qualifying work experience
- 5.2. A person who holds the membership class of Trainee Costs Lawyer shall:
  - 5.2.1. be entitled to notice of, or to attend, general meetings,
  - 5.2.2. not be entitled to vote at, general meetings
  - 5.2.3. not be entitled to take part in the management of the Association except where an Office, or role, is specifically created for the membership class of Trainee Costs Lawyer
  - 5.2.4. receive limited membership benefits, as determined by the Council
  - 5.2.5. be entitled to use the nomenclature “Trainee Costs Lawyer”, but not the nomenclature “Costs Lawyer”,
  - 5.2.6. and shall not be entitled to use the Association’s full logo but can use the Association’s Trainee Logo if they wish.

## **6. Fellow Costs Lawyer**

- 6.1. A person may apply for the class of membership of Fellow of the Association of Costs Lawyers (or Fellow Costs Lawyer), if they hold the class of membership of Costs Lawyer, as set out within Article 4 of the By-laws, and they meeting the following specific requirements;
  - 6.1.1. They have held a practicing certificate for a period of not less than eight years.
  - 6.1.2. They have been a member of the Association of Costs Lawyers, in whichever category, for a period of five years prior to application for Fellow;



6.1.2.1. The Council may apply its discretion to shorten the period in Article 6.1.2 of the By-laws when determining the period of five years, to allow for short absences, career breaks, or parental leave.

6.2. A person who holds the membership class of Fellow Costs Lawyer shall be entitled to:

6.2.1. receive notice of all general meetings of the Association and to attend, speak and vote at such meetings.

6.2.2. receive all membership benefits, as determined by the Council

6.2.3. be entitled to take part in the management of the Association

6.2.4. to use the nomenclature “Fellow of the Association of Costs Lawyers” and “Fellow Costs Lawyer”;

6.2.5. to use the Association's logo on company stationery and in electronic communications where they are specifically named in those communications.

6.2.6. to advertise the fact that they are a Fellow Costs Lawyer.

## **7. Costs Draftsperson**

7.1. A person may apply for the class of membership of Costs Draftsperson if they meet the general requirements for membership as defined at Article 4.3 of the Articles, and they meet the following specific requirement(s);

7.1.1. Are supervised by a member who is a Costs Lawyer or Fellow Costs Lawyer;

7.2. A person who holds the membership class of Costs Draftsperson shall:

7.2.1. Not be entitled to notice of, or to attend, general meetings,

7.2.2. not be entitled to vote at, general meetings

7.2.3. not be entitled to take part in the management of the Association except where an Office, or role, is specifically created for the membership class of Costs Draftsperson

7.2.4. receive limited membership benefits, as determined by the Council

7.2.5. be entitled to use the nomenclature “Costs Draftsperson”, but not the nomenclature “Costs Lawyer”,

7.2.6. and shall not be entitled to use the Association’s logo

## **8. Affiliates**

8.1. A person may apply for the class of membership of Affiliate Member if they meet the general requirements for membership as defined at Article 4.3 of the Articles, and they meet the following specific requirement(s);

- 8.1.1. Are regulated by another Authorised Regulator as defined by the Legal Services Act 2007; Financial Conduct Authority, Financial Reporting Council; and
- 8.1.2. Hold, or will hold, a valid Practising Certificate to practice as an Authorised Individual, other than Costs Lawyer, at the commencement of their membership; or
- 8.1.3. Are a serving member of the judiciary, except for those sitting as a lay Magistrate

8.2. A person who holds the membership class of Affiliate shall:

- 8.2.1. be entitled to notice of, or to attend, general meetings,
- 8.2.2. be entitled to vote at, general meetings
- 8.2.3. not be entitled to take part in the management of the Association except where an Office, or role, is specifically created for the membership class of Affiliate Member
- 8.2.4. receive limited membership benefits, as determined by the Council
- 8.2.5. be entitled to use the nomenclature "Affiliate Member of the Association of Costs Lawyers", but not the nomenclature "Costs Lawyer",
- 8.2.6. and shall not be entitled to use the Association's logo

## **9. Honorary Members**

9.1. The Council may as its discretion appoint Honorary Members of the Association for such period as the Council may determine.

9.2. A person who holds the membership class of Honorary Member Lawyer shall:

- 9.2.1. be entitled to notice of, or to attend, general meetings,
- 9.2.2. not be entitled to vote at, general meetings
- 9.2.3. not be entitled to take part in the management of the Association, except as a coopted Council Member for a period not exceeding six months
- 9.2.4. receive no membership benefits
- 9.2.5. not be entitled to use any nomenclature to indicate they are a member of the Association
- 9.2.6. and shall not be entitled to use the Association's logo

## **10. Retired Members**

- 10.1. A person who holds the membership class of Costs Lawyer, or Fellow Costs Lawyer, at the date of their retirement shall be entitled to be a Retired Member of the Association.
- 10.2. A person who holds the membership class of Retired Member Lawyer shall:
  - 10.2.1. be entitled to notice of, or to attend, general meetings,
  - 10.2.2. not be entitled to vote at, general meetings
  - 10.2.3. not be entitled to take part in the management of the Association
  - 10.2.4. receive limited membership benefits, as determined by the Council
  - 10.2.5. not be entitled to use any nomenclature to indicate they are a member of the Association
  - 10.2.6. and shall not be entitled to use the Association's logo

## **11. The Council of Management**

- 11.1. The Council of Management shall be comprised of:
  - 11.1.1. The Officers of the Council; and
  - 11.1.2. Not less than two, or more than nine, Ordinary members
- 11.2. The Officers of the Council of Management are:
  - 11.2.1. Chair
  - 11.2.2. Vice-Chair
  - 11.2.3. Treasurer
- 11.3. The Officers of the Council of Management shall be selected in the following ways;
  - 11.3.1. The Chair shall be elected by a vote of all members
  - 11.3.2. The Vice-Chair shall be appointed by the Council
  - 11.3.3. The Treasurer shall be appointed by the Council
- 11.4. A Chair or Ordinary Member shall hold office for a fixed term of three calendar years. There is no limit to the number of terms a member may serve as a Chair or Ordinary member

11.5. A Vice-Chair or Treasurer's term will run concurrent to their fixed term as an Ordinary Member.

11.6. No less than 30 calendar days before the Chair or Ordinary Members term is due to expire, the Council will invite nominations for the next term.

11.7. A nomination of Chair or Ordinary Member must be made by the nominee, and shall be done by the format, time, and date, prescribed by the Council.

11.8. A nominee for Chair must;

11.8.1. Hold membership as a Costs Lawyer or Fellow Costs Lawyer

11.8.2. Have been a member of the Association for a period of not less than two years

11.8.3. Not have been removed from their Office or Ordinary Member within the last three years

11.9. A nominee for Ordinary Member must;

11.9.1. Have a category of membership eligible to take part in the management of the Association

11.9.2. Have been a member of the Association for a period of not less than six months

11.9.3. Not have been removed from their Office or Ordinary Member within the last two years

11.10. Where the number of nominees exceeds the number of positions to be filled, a ballot of members eligible to vote will determine the appointment.

11.11. In the event of equality of voting, the Chair, shall have a second or casting vote.

11.12. If the Office of Vice-Chair is vacated as a result of that Officers fixed term expiring, then the Council will elect a new Vice-Chair from its number, by a simple majority vote.

11.13. An Ordinary Member or Officer except Chair, may nominate themselves for the new fixed term as Chair without resigning their Ordinary Membership, or current Office.

11.14. If the term of an Ordinary Member becomes vacant due to their appointment to the Office of Chair, then the Council may, at its discretion, offer the vacant term to other nominees for the office of chair, in order of most ballots received.

## **12. Honorary President**

12.1. Council may, by a simple majority vote, appoint an Honorary President of the Association for such periods as the Council may determine, of not more than three consecutive years.

12.2. An Honorary President shall have the same membership rights as an Honorary member.

## **13. Committees, Regional Meetings, and Working Parties**

13.1. Further to Article 5.14 of the Articles, the following committees shall be constituted

13.1.1. Commercial Costs Group

13.1.2. Court of Protection Group

13.1.3. Legal Aid Group

13.1.4. Solicitor / Client Groups

13.2. Committees will be governed by Appendices to these By-laws and subject to amendment by simple majority vote of the Council

13.3. A Committee can be dissolved by a work of the members of said Committee, with the consent of the Council

13.4. Regional Meetings shall be held for all members by Cost Lawyers or Fellow Costs Lawyers with approval of the Council

13.5. The Council may in its absolute discretion, from time to time, establish Working parties to undertake a specific task, work, project.

13.6. The purpose, duration, and membership, of a Working party is at the absolute discretion of the Council.

## **14. General Meetings**

- 14.1. The Council shall hold at least one general meeting, each calendar year.
- 14.2. The Council shall, subject to Article 13 of the Articles, ensure that all members eligible to attend are given 21 days' notice
- 14.3. The time, place, and/or format of the general meeting is at the discretion of the Council
- 14.4. The following must be presented at the General Meeting:
  - 14.4.1. Annual Business Plan
  - 14.4.2. Previous years Annual Accounts (in draft if not yet submitted to HMRC)
  - 14.4.3. Budget for the calendar year