



## Costs Lawyer Standards Board

### AGENDA

Wednesday 18 June 2024 @ 9:30am

UCEA Boardroom

Woburn House

20 Tavistock Square, London

<b>Board:</b>	Rt Hon David Heath CBE	Lay NED (Chair)
	Stephanie McIntosh	Lay NED (Vice-Chair) (apologies)
	Andrew Harvey	Lay NED
	Andrew McAulay	Non-Lay NED
	Paul McCarthy	Non-Lay NED
<b>In attendance:</b>	Paul Mosson	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 (26 March 2025) 2.2 Matters arising (26 March 2025)	Item 2.1 -	Yes -	DH DH
3	<b>Strategy</b> 3.1 Feedback from strategy day (17 June 2025) 3.2 Progress against Business Plan: Q2 2025 3.3 2026 Business Plan	- Item 3.2 Item 3.3	- Yes Yes	DH PM PM
4	<b>Board matters</b> 4.1 2026 board dates 4.2 Verify identity for Companies House	- -	- -	PM PM

<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 2025</a> 5.2 2024 accounts, including audit report 5.3 2026 budget and PCF consultation 5.4 Revised Reserves Policy	Item 5.1 Item 5.2A-C Item 5.3A-E Item 5.4	No (D, E) Not 5.2A (D, E) Not 5.3B (D, E) Yes	JC JC PM/JC JC
6	<b>Risk management</b> 6.1 Annual Risk Outlook 6.2 <a href="#">Review of risk register</a>	Item 6.1 Item 6.2	Yes Yes	DH DH
7	<b>Regulatory matters</b> 7.1 CPD audit outcome report 7.2 Conditions on return to practising	Item 7.1 Item 7.2A+B	Yes Yes	JC PM
8	<b>Legal Services Board (LSB)</b> 8.1 <a href="#">Work updates</a>	Item 8.1	Yes	PM
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 -	PM PM PM
10	<b>Operations</b> 10.1 Cyber Security improvements	Item 10.1	No (D, F)	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="#">17 September 2025</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**  
**Wednesday 26 March 2025 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>	Jacqui Connelly	Director of Operations
	Lori Frecker	Director of Policy
	Paul Mosson	(Incoming CEO)

**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.
- 1.3** The Chair welcomed Paul Mosson to the meeting as an observer in preparation for taking up the role of CEO on 1 May 2025.
- 1.4** The Chair congratulated Andrew M on being named as the inaugural Costs Lawyer of the Year at the Modern Law Awards 2025.

**2. MINUTES**

**2.1 Minutes dated 12 December 2024**

The board considered the minutes of its last scheduled quarterly meeting on 12 December 2024. The board agreed the minutes as being a true record for signing.  
**Action: Publish approved minutes on CLSB website.**

**2.2 Matters arising**

The board considered the matters arising from the minutes of its meeting on 12 December 2024. There were no matters arising that had not been scheduled as agenda items or otherwise dealt with.

### **3. STRATEGY**

#### **3.1 Governance during the interregnum**

The board confirmed its decision, made in February by email, that in the period up until Paul Mosson taking up the role of Chief Executive Officer on May 1st 2025, it authorises the Chair to take any actions as required that would usually be taken by the CEO.

#### **3.2 Progress against Business Plan: Q1 2025**

The board noted the progress against the 2025 Business Plan in Q1 to date. Board members noted that although executive resources had been stretched in the period between CEOs work on all but three of the 2025 priorities had been commenced.

Lori informed the board of the positive engagement CLSB has had from the Ministry of Justice in relation to making Costs Lawyers eligible for judicial appointment, in line with their aim of increasing diversity in the judiciary, and the process and timescale for approval by statutory instrument once ministers are in agreement.

The board thanked Jacqui and Lori for keeping the Business Plan moving forwards in the period between CEOs.

#### **3.3 Annual report against performance indicators**

The board was presented with a report summarising the organisation's performance against its new performance indicators document, aligned with the current mid-term strategy. Given that the report presents good outcomes against our governance and strategy metrics the board requested the font colour be changed from red.

The board also noted the updated operational metrics in the annual performance dataset published on the website, including a new metric for processing completion of Qualifying Experience evidence submissions. Jacqui told the board how incremental improvements to the practising certificate renewals process mean that this work can now be completed alongside other on-going operational matters, including complaint handling and determining Qualifying Experience; the dataset shows over 90% of renewal applications were processed by the end of the day following receipt.

***Action: Update and publish performance indicators on CLSB website.***

### **4. BOARD MATTERS**

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

Board members considered the updated register of interests, and also an additional interest notified by Andrew H that was omitted from the papers circulated. 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: Update and publish updated register of interests.***

## **5. FINANCE**

### **5.1 Quarterly report: Q4 2024**

The board noted the financial position at the end of 2024, namely a small surplus arising almost entirely from higher than budgeted income. Jacqui explained that this surplus will be taken into account when calculating the 2026 practising fee.

### **5.2 Quarterly report: Q4 2024**

The board noted the financial position in the current year to date, and the revised forecasts. Jacqui explained that some of the savings arising from the CEO interregnum will be spent on other essential personnel costs (including increases to employers NI contributions). This, together with an increase in the consultancy expenditure forecast (based on the cost of complaint handling in the year to date), mean the overall forecast remains broadly similar to the original budget.

The board thanked Jacqui for the reassurance that her careful scrutiny and attention to detail give the board in its financial oversight.

## **6. RISK MANAGEMENT**

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

The board carried out its quarterly review of the risk register, and noted that no updates to the register were being recommended by the executive this quarter. The Chair suggested that it would be helpful for Paul Mosson to make an early review of the risk register after taking up his post with the benefit of fresh eyes. Paul agreed that this would be one of his top priorities. The impact of complaints in the last year was noted. The board suggested a review of the complaints handling process to ensure that all complaints can be dealt with efficiently.

The board discussed the increase of private equity funding in the wider legal market and the interest in acquisition of law firms, including costs law firms. The board noted that rising costs faced by all firms, including in compliance and the impact of technology, are likely to lead to market consolidation, and may increasingly affect Costs Lawyers. The board agreed to monitor the situation to assess whether it might become a risk in future.

The board did not consider that any risks should be added or amended in the register.

**Actions: Publish risk register; review risk register and complaints handling once new CEO in post.**

## **7. REGULATORY MATTERS**

### **7.1 Client care letters guidance**

The board was presented with a revised Guidance Note, intended to make it easier for Costs Lawyers to understand and meet their complex regulatory and other obligations in relation to client care letters.

The board welcomed the clarity and utility of the document, and felt it was easy to follow. Andrew M agreed to send some minor technical amendments in the section on fees, which do not affect the sense of the guidance, to Jacqui directly.

The board approved the new Guidance Note and FAQs, and revoked the existing Guidance Note.

The board noted that a Supervision Framework for Client Care letters was the next part of the work of this project, in line with the actions it approved in December 2024, which would be completed before the end of the year.

***Action: Publish new Guidance Note (after final revisions) and FAQs; develop framework for monitoring compliance.***

## **7.2 Guidance Note on Qualifying Experience**

The board was presented with a revised Guidance Note, in line with Business Plan priority 10 which includes “developing additional guidance and materials on the regulatory aspects of qualifying, based on student feedback”. Jacqui explained the existing Guidance Note had not been reviewed since the first version was published following approval of the 2023 Training Rules. The document has now been revised with (i) minor changes to reflect the determination process, and (ii) an appendix, to be used as a stand alone document by ACLT, to help students (and their supervisors) ensure evidence meets the requirements of the Training Rules.

Jacqui explained that the quality of evidence submitted varies considerably, and on-going discussions with individuals creates additional workload for both them and the executive. As evidence is submitted only at the end of Qualifying Experience, it is vital to ensure students understand the requirements at the beginning of the process. The board made it clear that trainees should be expected to meet the requirements for Qualifying Experience, in line with the instructions provided, without excessive hand holding.

Jacqui said work to review the range of guidance as well as the determination process will continue to ensure everyone, including the Qualified Persons supervising trainees, can meet the requirements.

***Action: Publish new Guidance Note.***

## **7.3 Annual complaints look-across**

The board was provided with the second annual report on second tier complaints against Costs Lawyers in 2024, expanded to include second tier complaints handled by bodies other than the CLSB.

The board was also provided with a draft Board Decision Note recording the Board’s discussion in and after the December 2024 meeting on the treatment of disciplinary decisions by other regulators for the Board’s approval. The board approved this Decision Note.

The board discussed the level of detail provided in CLSB disciplinary outcomes, which had been raised with the Chair with the suggestion that there was less detail than provided by other legal regulators making it harder to understand the circumstances of the investigation and outcome.

The board noted that in recent years it had deliberately moved to being as open and transparent as possible, and that understanding the nature of a complaint, the factors considered in the investigation, and the reason for the outcome is helpful for both the public and the profession, and crucial for the complainant and Costs Lawyer. It asked the executive to review the level of detail provided in published disciplinary outcomes.

The Board noted that the Chair had responded to a complaint against a member of the executive in February 2025 from a member of the public relating to the handling of their complaint against a Costs Lawyer. A Subject Access Request was also made at the same time, and the executive took specialist advice to be able to respond in line with the requirements. The board supported the use of expert advice where appropriate to protect the executive and ensure appropriate action in complex areas.

The large increase in the number of complaints to the SRA that they have recently reported was noted, and possible reasons for this discussed.

The Board noted that a direct line of access into SRA investigations has been established. In future the CLSB will be able to both directly make our own reports to the team, as a fellow regulator, and get better updates on their investigations into Costs Lawyers working in SRA firms.

**Action: Publish Board Decision Note; review publication of disciplinary outcomes.**

#### **7.4 Costs Lawyer Profession in 2024**

The board was provided with the latest annual report compiling statistics about the Costs Lawyer profession, covering 2024. Jacqui highlighted key statistics for consideration.

#### **7.5 Career pathways: 2024 diversity report and next steps**

Lori introduced this item, providing an overview of the results of the career pathways survey carried out in Q4 alongside the practising certificates renewal process, and explaining next steps. She noted that the low response rate was disappointing, but that nevertheless some clear trends had emerged, highlighted in the report. Notably most respondents found out about a career in costs law once they were already in the workplace, showing that there is more to do in highlighting careers in costs law in schools and universities.

Board members discussed the survey data, including the challenge of how to keep the profession engaged with diversity surveys given the large number of surveys everyone receives, and what might be done to improve response rates. The board considered whether qualitative research (as planned) might be more valuable than making responding to the surveys mandatory for Costs Lawyers.

Board members also discussed wider issues of diversity and inclusion in the profession, and noted the opportunity of attracting more well qualified people into the profession.

The board noted the updated diversity data on students who enrol in the Costs Lawyer Qualification, recently published on the website.

**Action: Publish the report; commission qualitative research.**

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

### **8.1 Work updates**

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

- the recent stepping down of Alan Kershaw from his post as Chair of the LSB with immediate effect and interim management arrangements;
- last year's LSB's policy paper on Financial Protections requiring regulators to undertake research and analysis to establish their own evidence base, and consider any required changes to their regulatory arrangements, together with the executive's proposed project to review our indemnity insurance arrangements;
- the LSB's current consultation on upholding professional ethical duties, proposing a statutory instrument of policy leading to five proposed outcomes, together with the executive's initial assessment of action that would be required to comply with any future requirements;
- the CLSB's response to the LSB's consultations on its Business Plan and Budget, and on Economic Crime, which highlighted the challenge of monitoring effectiveness in this area;
- feedback from David and Lori on the LSB's annual Reshaping Legal Services Conference on 6 March 2025.

The board approved the project to review indemnity insurance arrangements including a survey of Costs Lawyers and developing an understanding of how the profession buys insurance before considering whether our minimum requirements remain fit for purpose.

In relation to the LSB's upholding professional ethical duties consultation the Chair noted the importance of ensuring the ethical obligations of Costs Lawyers are recognised by their employers who may be part of a different regulatory community, or none. Lori agreed to liaise with the Chair in responding to the LSB's upholding professional ethical duties consultation, and circulate to Paul McC following submission.

In relation to the LSB's budget Lori reported that at the stakeholder event she attended prior to the consultation closing, the LSB were keen to assure that the increase was not likely to be repeated, as some of the costs are one off, including the office move and contingency. The board agreed that it expects the LSB budget to reduce next year once these one off costs have been met.

**Action: begin indemnity insurance requirements project; respond to upholding professional ethical duties consultation.**

### **8.2 2024 regulatory performance assessment**

The board was provided with a draft version of the LSB's 2024 regulatory performance assessment for the CLSB, and discussed the outcome. The board was pleased to see



that the CLSB had again provided the LSB with sufficient assurance across all three standards, and the Chair noted the hard work of the executive and board.

The board noted the areas in which the LSB would be following up in 2025 including “any changes that may arise from a new CEO”.

## **9 STAKEHOLDER UPDATES**

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

The board noted the minutes of ACL Council meetings held in October, November and December 2024, and January 2025.

### **9.2 Work updates**

The board received updates in relation to:

- **LeO first tier complaint handling**  
The board noted the work LeO are doing with all legal regulators to try and get a single model complaints procedure for all legal service providers. The board considered that a model framework might be workable, but had concerns that a model detailed procedure for all providers would not be helpful for providers or consumers.
- **Costs Lawyer Apprenticeships**  
Jacqui reported that after much bureaucracy and delay the CLSB has now been added to the register of End Point Assessment Organisations, enabling ACL Training to begin the process of registering as the training provider and starting to accept apprentices.
- **RIS (Regulatory Information Service)**  
The board noted delays to the “design and build” phase of the project due to concerns that without reviews the tool will not meet user needs and expectations. The Governance Board, attended by David in lieu of the CEO, were asked to approve work on an additional tool with a view to providing data from all legal regulators to third party review providers, subject to resolution of a range of concerns. However, the Governance Board agreed work should continue on the planned verification website only.
- **SRA Chief Executive**  
The SRA have announced that Paul Philip will retire before the end of 2025. Recruitment for his successor is underway.

## **10 OPERATIONS**

### **10.1 Practising certificate renewals data**

The board was provided with a report summarising data from the 2024 practising certificate renewals round. Jacqui highlighted key statistics, summarised changes that have improved the efficiency of the process for both the CLSB and Costs Lawyers, and noted positive feedback from Costs Lawyers.

## 10.2 Finance Audit

The board noted the forthcoming audit of the 2024 accounts, being undertaken in line with the SRA recommendation. The board was provided with the terms of engagement from the auditors, and approved the document.

**Action: Chair to sign the terms of engagement.**

## 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 18 June 2025, with a strategy session on 17 June, in London.

There being no further business, the Chair declared the meeting closed at 12:29.

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Chair

### Related documents

Item	Document	Publication location (CLSB website)
2.1	Board minutes	About ⇒ Our board
3.2	2025 Business Plan	About ⇒ Strategy and governance
3.3	Performance Indicators	About ⇒ Strategy and governance
3.3	Annual performance datasets	About ⇒ Strategy and governance
4.1	Consolidated register of interests	About ⇒ Our Board ⇒ Board members
6.1	Risk register	About ⇒ Strategy and governance
7.1, 7.2	Guidance Notes	For Costs Lawyers ⇒ Costs Lawyer Handbook
7.4	Costs Lawyer Profession in 2024	Regulatory ⇒ Reports and research
7.5	Career pathways survey report	Regulatory ⇒ Reports and research
8.1	CLSB response to LSB Business Plan consultation	Regulatory ⇒ Consultations

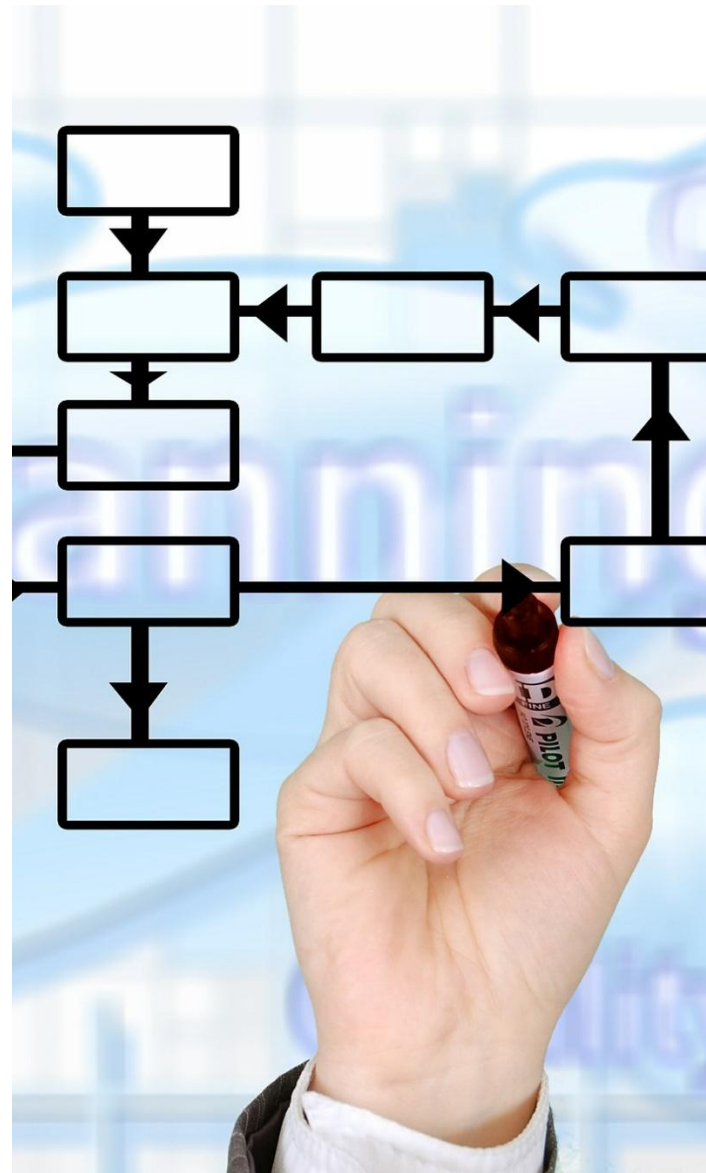
8.1	CLSB response to LSB Economic Crime consultation	Regulatory ⇒ Consultations
11.1	Board papers	About ⇒ Our board
<b>Item</b>	<b>Document</b>	<b>Publication location (other)</b>
8.1	LSB consultation on upholding professional ethical duties	LSB website <a href="#">here</a>
8.2	2024 regulatory performance assessment	LSB website <a href="#">here</a>

DRAFT

# Business Plan 2025

## Q2 board update

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18 June 2025

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Costs Lawyer Standards Board

CLSB

# Annual priorities

## Improving our regulatory arrangements

	Initiative	Progress status / expected completion
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.	<p><b>In train (expected Q4)</b></p> <p>Achieved: <i>The CEO met with Consumer Voice in May to review the strategy and kick start the plan to develop the toolkit for Costs Lawyers to use. Cross-sector collaboration discussions were opened up with the LawtechUK group, Legal Neurodiversity Network (LNN) and Legal Futures to begin awareness raising of CLs and the CLSB across the wider legal sector.</i></p> <p>Outstanding: <i>Interview in ACL newsletter with Neil Rose planned post Board meeting to report on priorities for rest of year and the look ahead to 2026. Delivery of the finalised toolkit.</i></p>
2.	<p>Identify and deliver workstreams to comply with the Legal Services Board's anticipated new policy tools in the following areas:</p> <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>	<p><b>In train (expected Q4)</b></p> <p>Achieved: <i>We have published new resources about the rule of law in the Ethics Hub. The Board Chair sits on LSB working group on the rule of law. We have been liaising with the LSB in relation to disciplinary and enforcement processes through workshops and regulatory interviews. We responded to the LSB consultation on economic crime regulatory objective (February). We have developed an action plan in response to the Hook Tangaza report on Technology and AI, and implementation is on-going.</i></p> <p><i>We responded to the LSB consultation on Upholding Professional Ethical Duties in May. We have also added new scenarios to the Ethics hub.</i></p> <p><i>We are waiting for the LSB to publish a final response to the economic crime regulatory objective before updating our guidance note, and will at that time add in some further information about sham litigation.</i></p> <p><i>We attended the second meeting of the LSB Technology and Innovation Forum in May.</i></p> <p>Outstanding: <i>Implementation of any recommendations of the working group on the rule of law once it has reported. We are awaiting the final LSB proposals on</i></p>

		<i>disciplinary and enforcement processes (no change here).</i>
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.	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: We contacted MoJ in February 2025. The updated Judicial Diversity Forum Action Plan was published earlier in February 2025. Action 3.2 (Work to review the barriers faced by professional groups such as legal academics and those regulated legal professions who are not currently eligible for judicial office) mentions broader consultation following feedback from the JDF in November 2024, that will be ongoing in 2025. We understand from MoJ that the proposal to expand eligibility was well received in principle by the Judicial Diversity Forum, but that MoJ has not yet been in a position to put anything in front of Ministers and determine how they want to proceed.</i></p> <p><i>Outstanding: Meeting arranged/held between CEO and Director of Policy with the MoJ to discuss next steps to move this forward and seek ministerial time.</i></p>
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.	<p><b>Achieved (Q2)</b></p> <p><i>Achieved: We have added material on whistleblowing, complaints handling, AI, and bullying and harassment, as well as further ethical scenarios to the Ethics Hub. Sham litigation will be addressed when the LSB next responds on the economic crime regulatory objective.</i></p>
5.	Develop new guidance to support the materials in the Ethics Hub on (i) whistleblowing and (ii) bullying and harassment.	<p><b>Achieved (Q1)</b></p> <p><i>We published these two pieces of guidance in the Other resources section of the Ethics Hub.</i></p>
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.	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: We have been approved as the End Point Assessment Organisation for the Costs Lawyer Apprenticeship and continue to liaise with the ACLT and Trailblazer Group developing the apprenticeship.</i></p> <p><i>Outstanding: ACLT has applied to deliver the new Costs Lawyer apprenticeship standard. The Trailblazer Group must now put a case to DfE for ACLT to apply as an apprenticeship provider as a gap in provision. Only once this is approved can ACLT register to deliver the</i></p>

		<i>training. The process continues to be highly bureaucratic and fraught with delay due to post-election DfE reorganization.</i>
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.	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: We are in the regulatory dialogue group established in conjunction with the MoJ in relation to the Australia-UK free trade agreement, and have made it clear that Costs Lawyers should be considered as part of any arrangements.</i></p> <p><i>Outstanding: We are waiting for the arrangements of the Australia-UK free trade agreement to be finalised, along with details of the other recent FTAs announced. We will continue to monitor any new trade agreements through the year.</i></p>
8.	Extend our work on ongoing competency to explore whether competency checks are warranted for practitioners returning to authorised practice.	<p><b>Achieved (Q2)</b></p> <p><i>Achieved: The audit of 2024 CPD is complete and five Costs Lawyers self-identified as an experienced practitioner, a people manager, and/or a business manager. Of these, three demonstrated that they had engaged with the skills in the Ongoing Competency Framework. The fact that the CLSB's template for planning and recording CPD is not mandatory, means that it has been of limited value in evaluating engagement with the framework this year. We are reviewing this for the upcoming PC renewal process.</i></p>
9.	Deepen our understanding of services offered by Costs Lawyers into and out of the market in Wales.	<p><b>In train</b></p> <p><i>Achieved: We commissioned a Spotlight blog from Andrew Felton in the Welsh Government's Justice Policy team, who wrote about Welsh devolution, future changes to the Senedd, and the challenges and opportunities this presents for Costs Lawyers in Wales. The Director of Policy participated in the Welsh Legal Regulators Forum in May 2025.</i></p> <p><i>Outstanding: We are progressing discussions with ReciteMe with the aim of adding Welsh language accessibility to the CLSB website.</i></p>
10.	In collaboration with ACL Training, evaluate the second year of delivery of the new Costs Lawyer Qualification, including by:	<p><b>In train (expected Q3)</b></p> <p><i>Achieved: We continue to add to the FAQs on Qualifying Experience in response to student queries. We delivered our induction session on Qualifying</i></p>

	<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; and</li> <li>communicating the responsibilities and benefits of regulation to new student cohorts.</li> </ul>	<p><i>Experience to new students and a new session on becoming a regulated Costs Lawyer to students awaiting results in February 2025. We revised our Guidance Note on Qualifying Experience in light of experience with students over the last two years. Already noted is a reduction in % of those with a LLB (14% in 2024 vs. 42% in 2021) and increase in % of female entrants (54% in 2024 compared with 48% in 2021).</i></p> <p><i>Outstanding: Complete the annual monitoring process, scheduled for H2.</i></p>
11.	Consider the resources required to develop a light-touch Annual Report for future years, to support our communications strategy.	<p><b>Achieved (expected Q2)</b></p> <p><i>Achieved: This has been incorporated into the Communications workplan to enable the CLSB to develop an Annual Report for 2025, which would be H1 2026 Business Plan action. This has been included in the Business Plan for 2026.</i></p>
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.	<p><b>In train (expected Q4)</b></p> <p><i>Achieved: We are looking at the results of our career pathways survey, which will help us frame this research.</i></p> <p><i>Outstanding: We have identified two specialist agencies to approach regarding quotes for conducting the qualitative research stage.</i></p>
13.	Review and update our processes for making reasonable adjustments.	<p><b>Pending (expected Q3)</b></p> <p><i>Outstanding: Review the CLSB's own reasonable adjustments policy, and draft a separate topic note on reasonable adjustments for the CLSB Ethics Hub.</i></p>
14.	Engage an independent agency to undertake a full financial audit.	<p><b>Achieved (Q2)</b></p> <p><i>Achieved: A full and independent financial audit has been carried out, and is included in the draft 2024 accounts for Board approval in June.</i></p>
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</li> </ul>	<p><b>In train (expected Q3)</b></p> <p><i>Achieved: We have completed our review of the upgrades to the online application forms. Users report they like the system and improvements made. We have completed the project to move all online application</i></p>



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	<p>over the last three years are meeting functionality requirements and identifying areas for future improvement;</p> <ul style="list-style-type: none"> <li>• reviewing options for taking credit card payments.</li> </ul>	<p><i>forms to a sub-domain of the website, and updated the underlying website code. This will ensure we can continue to meet future functionality requirements, and the website remains secure, robust and reliable.</i></p> <p><i>Outstanding: Complete viability review for credit card payments.</i></p>
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# Foreword

## Rt Hon David Heath CBE, Chair

The legal system in England and Wales continues to operate under intense public and political scrutiny. Persistent court backlogs, pressure on legal aid provision, and wider access-to-justice concerns have cast a long shadow over confidence in the justice system. This environment has elevated the importance of professional integrity and the regulatory frameworks that underpin the delivery of legal services.

In this context, questions about the future of legal services regulation have moved higher up the national agenda. The Justice Committee's recommendations in 2024 signalled a growing consensus that the Legal Services Act 2007 may no longer provide a coherent or sustainable framework for modern legal regulation. While the government's formal response remains pending, the momentum for legislative reform is building, with implications for all legal regulators, including the CLSB.

Meanwhile, public trust in the legal profession has been tested further by the findings emerging from the Post Office Horizon IT Inquiry. The inquiry revealed troubling lapses in ethical standards among legal professionals, including failures to challenge injustice and act independently in the face of institutional pressure. These events reinforce the need for an ethical culture within legal services that is resilient, principled, and centred on public interest.

Against this backdrop, the CLSB has taken proactive steps to reaffirm the centrality of professional ethics to the Costs Lawyer profession. In 2024, we strengthened the Costs Lawyer Code of Conduct, placing greater emphasis on independence and the overriding duty to the court and the proper administration of justice. Through our necessarily evolving **Ethics Hub**, we are supporting Costs Lawyers with practical guidance and real-world scenarios to help them navigate ethical complexity with confidence.

These developments come at a time when the role of Costs Lawyers is expanding and diversifying. With the new Costs Lawyer Professional Qualification now in place, plans for the opening of the apprenticeship route, and a growing emphasis on pathways for costs advisors to become regulated, the profession is becoming more accessible, visible, and accountable. The CLSB's regulatory approach is evolving in parallel; agile, risk-based, and focused on enabling high standards through clarity and support.

Looking ahead, our commitment to the rule of law and to ethical practice will remain a cornerstone of our strategy. The CLSB will continue to play an active and principled role in shaping a regulatory environment that protects the public and supports a modern, independent Costs Lawyer profession.

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# Introduction

## Paul Mosson, Chief Executive

Building on the CLSB's ongoing work to uphold the standing and reputation of the Costs Lawyer profession, we continue to support the profession in upholding robust standards and, where necessary, effective enforcement. These remain essential as demand grows for a diverse range of regulated costs services that meet the needs of increasingly informed clients. The CLSB Annual Risk Outlook for 2025 highlights opportunities for Costs Lawyers to provide advice around the eight poles in the Government's growth strategy, and the CLSB is committed to supporting the profession thrive.

Our 2022 research identified significant untapped potential within the Costs Lawyer profession, including opportunities to attract more costs advisors into regulation. We are strengthening our focus on consumer protection by clearly communicating the benefits and safeguards that come with using a regulated Costs Lawyer over an unregulated provider.

In 2024, we launched a new regulatory framework for qualification, with ACL Training accredited to deliver the new Costs Lawyer Professional Qualification. We remain committed to supporting students through this transition, including expanding our FAQs on Qualifying Experience, revising our guidance based on recent student practice, and delivering targeted induction and information sessions.

A major step forward was our approval as the External Quality Assurance Provider for the Costs Lawyer apprenticeship in 2024, followed by recognition as the End Point Assessment Organisation in 2025. These milestones should now enable the apprenticeship route to open, with ACL Training registering as the first provider. We will continue to support the Apprenticeship Trailblazer Group in promoting this route.

Our commitment to equality, diversity and inclusion (EDI) continues to evolve. Through our Ethics Hub, collaborative partnerships, and practical leadership, we aim to enhance the profession's inclusivity so that it can respond to, and reflect, the diversity of the communities it serves. We will look at how we regulate through a neurodiverse lens to ensure we are a neuro-affirmative regulator.

We will continue to advocate for legislative change to enable Costs Lawyers to apply for judicial appointments, including both costs-specific and generalist roles. In addition, we will look to identify opportunities to support Costs Lawyers in Wales. Expanding recognition of Costs Lawyers across the legal landscape remains a priority. These interconnected initiatives reflect our ambition to expand career pathways and ensure the profession is equipped to meet the future needs of 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 2026 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 2026 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; and*
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.	Progress the second phase of 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.	Continue to collaborate with the Ministry of Justice, Judicial Appointments Commission and other key partners to expand current statutory eligibility requirements for judicial appointment to include Costs Lawyers.	<b>Strategic</b> A, B <b>Regulatory</b> 1, 3, 6	Access Diversity
3.	Expand the guidance and resources to support Costs Lawyers in upholding their professional ethical duties, in collaboration with strategically aligned expert partners and groups, where appropriate.	<b>Strategic</b> A, B <b>Regulatory</b> 6, 7, 8	Fairness Diversity
4.	Work with ACL Training and the employer Trailblazer Group to progress the Costs Lawyer apprenticeship standard.	<b>Strategic</b> A, C, E <b>Regulatory</b> 3, 4, 6	Quality Access Diversity
5.	Engage an external agency to undertake a full cyber-security review of the CLSB operations to bolster defenses to address the aggressively progressive nature of cybercrime.	<b>Strategic</b> E <b>Regulatory</b> 1, 4, 9	Privacy
6.	Identify opportunities to support the current and future profession in Wales.	<b>Strategic</b> A, B <b>Regulatory</b> 5, 6	Access Diversity
7.	In collaboration with ACL Training, evaluate the third year of delivery of the new Costs Lawyer Qualification by carrying out the annual monitoring process under the	<b>Strategic</b> C, E <b>Regulatory</b> 3, 4, 6, 8	Quality Access Diversity

	<p>Accredited Study Provider Scheme Handbook.</p> <p>Provide new guidance to Qualified Persons built out from feedback and assessment in 2025.</p>		
8.	<p>Publish an Annual Report for 2025 to support our communications strategy.</p>	<p><b>Strategic</b> A, B, C, D</p> <p><b>Regulatory</b> Supports all</p>	Supports all
9.	<p>Act upon the quantitative and qualitative career pathways research to:</p> <ul style="list-style-type: none"> <li>• Inform how the apprenticeship is promoted;</li> <li>• Guide the engagement strategy with prospective entrants to the profession; and</li> <li>• Review any unintended barriers to becoming a Costs Lawyer.</li> </ul>	<p><b>Strategic</b> A, B, C, E</p> <p><b>Regulatory</b> 3, 4, 5, 6, 8</p>	<p>Price</p> <p>Quality</p> <p>Access</p> <p>Diversity</p>
10.	<p>Monitor compliance with new guidance on:</p> <ul style="list-style-type: none"> <li>• Dealing with consumers; and</li> <li>• Client Care Letters.</li> </ul>	<p><b>Strategic</b> D, E</p> <p><b>Regulatory</b> 6</p>	Quality
11.	<p>Deliver the next phase of our digital workplan, by:</p> <ul style="list-style-type: none"> <li>• Implementing improved accessibility for the website; and</li> <li>• Delivering the secure area of the website for Costs Lawyer only content/ benefits.</li> </ul>	<p><b>Strategic</b> E</p> <p><b>Regulatory</b> Supports all</p>	Supports all
12.	<p>Explore options for the creation of online and in-person resources and opportunities, otherwise not easily available to Costs Lawyers, that aids them develop the skills required in the Ongoing Competency Framework, supports professional ethics, and progresses diversity and inclusion.</p>	<p><b>Strategic</b> C, D</p> <p><b>Regulatory</b> Supports all</p>	<p>Quality</p> <p>Innovation</p>
13.	<p>Use the levers at our disposal to address diversity gaps and barriers to inclusion within</p>	<p><b>Strategic</b></p>	Fairness



	the profession, in collaboration with the ACL where appropriate. Developing a strategic approach to EDI that addresses short, medium and long term goals.	A, B, D <b>Regulatory</b> 6, 7, 8	Diversity
14.	Implement the next stage of our action plan to respond to the recommendations from the <i>Costs Lawyers, Technology and Regulation report 2024</i> , including guidance for Costs Lawyers on the professional and ethical considerations of using AI.	<b>Strategic</b> A, B, C, D <b>Regulatory</b> 3, 4, 5	Access Quality Innovation
15.	Review the Competency Statement to ensure that it remains current and relevant, and the Assessment Outcomes and Guidance to ensure they remain fit for purpose.	<b>Strategic</b> B, D <b>Regulatory</b> 1, 4, 8	Quality Innovation Fairness

Our budget for 2026, which will facilitate delivery of this Business Plan, can be [found on our website](#).

AGP Chartered Accountants  
Sycamore House  
Sutton Quays Business Park  
Sutton Weaver  
Runcorn  
Cheshire  
WA7 3EH

Dear Sirs

This representation letter is provided in connection with your audit of Costs Lawyer Standards Board Limited for the year ending 31 December 2024 for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material aspects in accordance with applicable financial reporting framework.

We confirm that the following representations are made on the basis of enquiries of the directors, management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the following representations to you:

- (a) We have fulfilled our responsibilities as directors under the Companies Act 2006 for preparing financial statements, in accordance with the applicable financial reporting framework.

We confirm that in our opinion the financial statements give a true and fair view and in particular that where any additional information must be disclosed in order to give a true and fair view that information has in fact been disclosed. We confirm that the selection and application of the accounting policies used in the preparation of the financial statements are appropriate, and we approve these accounts for the year ended 31 December 2024.

- (b) We confirm that all accounting records have been made available to you for the purposes of your audit, in accordance with your terms of engagement, and that all transactions undertaken by the company have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all management and shareholders' meetings, have been made available to you. We have given you unrestricted access to persons within the company in order to obtain audit evidence and have provided any additional information that you have requested for the purposes of your audit.

- (c) We acknowledge that it is a criminal offence to make a false statement in this regard, and where any director either makes a false statement; is aware that the statement is false; is reckless in preventing this statement; or fails to take reasonable steps to prevent the directors' report from being approved, we acknowledge that each director will be guilty of a criminal offence.

- (d) We confirm that the company is controlled by The Association of Law Costs Draftsmen Limited, the professional body for the company.

- (e) We confirm the company has satisfactory title to all assets and there are no liens or encumbrances on the assets, except for those disclosed in the financial statements.

- (f) We confirm that the methods, significant assumptions and data used by us in making accounting estimates, and the related disclosures, are appropriate to achieve recognition, measurement or disclosure that is in accordance with the applicable financial reporting framework.
- (g) We confirm that we have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.
- (h) We confirm that the company has no liabilities or contingent liabilities other than those disclosed in the financial statements.
- (i) We confirm that all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to you and accounted for in accordance with the applicable financial reporting framework
- (j) We confirm that there have been no events since the balance sheet date which require disclosing or which would materially affect the amounts in the financial statements, other than those already disclosed or included in the financial statements.
- (k) We confirm that we are aware of the definition of a related party for the purpose of the accounting framework being applied in the preparation of the accounts. We confirm that all related party relationships and transactions have been accounted for and disclosed in accordance with the applicable financial reporting framework.
- (l) We confirm that the company neither had, at any time during the year, any arrangement, transaction or agreement to provide credit facilities (including advances and credits) for directors, nor provided guarantees of any kind on behalf of the directors.
- (m) We confirm that the company has not contracted for any capital expenditure other than as disclosed in the financial statements.
- (n) We confirm that the company has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance.
- (o) We confirm that we are not aware of any possible or actual instance of non-compliance with those laws and regulations which provide a legal framework within which the company conducts its business and which are central to the company's ability to conduct its business, except as explained to you and as disclosed in the financial statements.
- (p) We acknowledge our responsibility for the design, implementation and maintenance of controls to prevent and detect fraud. We confirm that we have disclosed to you the results of our risk assessment of the risk of fraud in the business. There have been no deficiencies in internal control of which we are aware.
- (q) We confirm that there have been no actual or suspected instances of fraud involving the management or employees who have a significant role in internal control that could have a material effect on the financial statements. We also confirm that we are not aware of any allegations of fraud by employees, former employees, analysts, regulators or others.

- (r) We confirm that, in our opinion, the company's financial statements should be prepared on the going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the company's needs. In reaching this conclusion, we have taken into account all relevant matters of which we are aware, including the availability of working capital and have considered a future period of at least one year from the date on which the financial statements will be approved.
- (s) We confirm that in our opinion the effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.
- (t) We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that:
- so far as each director is aware, there is no relevant audit information of which you as auditors are unaware, and
  - each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that you are aware of that information.
- (u) We acknowledge that it is a criminal offence to knowingly or recklessly make you as an auditor, a statement (oral or written) that conveys, or purports to convey, information or explanations that you require in your capacity as auditor, or are entitled to require, that is misleading, false or deceptive in a material particular.

We confirm to the best of our knowledge and belief that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each director has taken all the steps that he ought to have taken as director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

Signed on behalf of the board of directors by:

.....  
D Heath

18 June 2025

The Board of Directors  
Costs Lawyer Standards Board Limited  
Sycamore House  
Sutton Quays Business Park  
Sutton Weaver  
Runcorn  
Cheshire  
WA7 3EH

Dear Sirs

## AUDIT FOR THE YEAR ENDED 31 DECEMBER 2024

In accordance with our normal practice, we are writing to draw your attention to various matters which arose during the course of the audit of the company's financial statements for the year ended 31 December 2024.

### (1) *Qualitative Aspects of Accounting Practices and Financial Reporting*

We have no comments to make concerning the qualitative aspects of the company's accounting practices and financial reporting.

### (2) *Significant Difficulties*

There were no significant difficulties encountered during the audit.

### (3) *Significant Findings*

We are aware that the majority of the finance roles are undertaken by one person and we would usually suggest that there is a segregation of duties, however we are aware that this is not always practical within small companies.

For good practice, we would recommend that any purchase invoices that require authorisation from a director are marked as authorised.

There were no significant findings identified during the course of the audit.

### (4) *Written Representations*

No specific representations have been made and all other aspects of the letter are routine.

(5) *Unadjusted Misstatements*

There were no unadjusted errors found during the course of the audit.

(6) *Expected Modifications to the Audit Report*

The audit report does refer to the fact that the prior year's accounts have not been audited.

There are no further expected modifications to the auditors' report.

(7) *Other Matters Required by Auditing Standards to be Communicated*

There are no matters required by auditing standards that we are required by auditing standards to communicate to you.

(8) *Other Relevant Matters of Interest*

We have discussed with you the fact that we provide accounting services in addition to acting as auditors. We wish to confirm to you that in our opinion the provision of such services do not affect our independence as the additional services provided are of a routine compliance nature and the Board takes any decision where judgement is required.

Please note that this report has been prepared for the sole use of Costs Lawyer Standards Board Limited. It must not be disclosed to third parties, quoted or referred to, without our prior written consent. No responsibility is assumed by us to any other person.

The purpose of the audit was to enable us to express an opinion on the financial statements; The audit included consideration of internal control relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control; and the matters reported above are limited to the deficiencies that the auditor has identified during the audit and that the auditor has concluded are of sufficient importance to merit being reported to those charged with governance.

If you would like to discuss any further points please do not hesitate to contact us.

Yours faithfully

Rachel Palombella  
Director  
AGP

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**CLSB**

# Budget for the 2026 practising year

Category	Budget provision (£)
Staff costs	146,565
Travel and subsistence	7,000
Rent and room hire	3,752
Telephone	534
Printing, postage and stationery	300
Equipment	1,000
Levies and contributions (LSB, LeO, Legal Choices)	29,880
Licences, subscriptions and fees	4,086
Office services	2,911
Consultancy services	23,000
IT services	6,828
Business Plan priorities	16,500
Miscellaneous	1,500
<b>TOTAL EXPENDITURE</b>	<b>243,337</b>
Transfer to reserves	2,500
<b>TOTAL DEBITS</b>	<b>245,837</b>
<i>Practising fee</i>	<i>312</i>
<i>Estimated number of renewals</i>	<i>730</i>
Renewal income	227,760
Other practising fee income (reinstatements, new qualifiers and late payment fees)	10,680
<b>ESTIMATED INCOME</b>	<b>238,440</b>
In-year surplus/deficit	-7,397
2024 surplus	7,025
Final surplus/deficit	-372





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# Proposed Practising Certificate Fee

## 2026

We propose setting the practising certificate fee for Costs Lawyers at £312 for the 2026 practising year, representing an increase of £7 (2.3%) compared to the current fee. This follows increases of 5% in 2025 and 3% in 2024.

In line with the Legal Services Board (LSB) Practising Fee Rules, any surplus from a previous year must be used to offset future expenditure, thereby reducing the fee that would otherwise be charged. The £7,025 surplus generated in 2024 has therefore been applied to the 2026 budget. Without this surplus, the proposed fee would have been £322.

Although our operational costs have risen—as they have across the sector—we have worked to mitigate their impact and are therefore proposing a below-inflation increase in the 2026 fee. While we have applied a general 3% inflationary assumption, the overall expenditure for 2026 is expected to rise by 7.5% compared to 2025. This increase is driven by several key factors:

**Resourcing pressures:** We have allocated funding for an additional 0.1 FTE (Full Time Equivalent) to support our small and efficient executive team. Demands on the team continue to grow, particularly following the transfer of responsibility for determining Qualifying Experience from ACLT to the CLSB. In 2026, the introduction of two new supervision frameworks—for client care letters and work involving consumers—will add further pressure. A rise in complaints during 2025 has also impacted the team's capacity, despite our continued reliance on external specialist consultants.

**Board turnover:** Over the next three years, our entire non-executive board will be replaced. To support effective recruitment and succession planning, additional funds have been allocated for NED recruitment.

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**Travel and stakeholder engagement:** While we continue to operate without permanent office space, there is a growing need for in-person engagement with both stakeholders and the profession. We have therefore made a modest increase to the travel budget to support this.

**IT and digital services:** We have increased our IT budget to strengthen cybersecurity measures and to implement accessibility improvements across our website.

**Cost savings:** Where possible, we have reduced expenditure, including a reduction in our annual transfer to reserves—from £5,000 to £2,500—as we near our target reserve level.

**LSB levy:** Like all legal regulators in England and Wales, we must budget for an increase in the levy paid to the LSB on behalf of the profession. For 2025/26, the LSB’s budget has increased by 11%, which equates to an additional £3.05 per practising Costs Lawyer.

This consultation paper provides further detail on the proposed practising fee and how the associated income will be used. We encourage all Costs Lawyers to review this information carefully and to share their views.

We welcome all feedback, whether or not it addresses the specific questions listed at the end of this paper. **Consultation responses should be submitted to [enquiries@clsb.info](mailto:enquiries@clsb.info) by 5pm on Wednesday 6 August 2025.**

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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.

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# 2026 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;
- 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 2026 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 2024 we delivered all our Business Plan priorities and a summary of the anticipated and actual benefits of our 2024 work programme is available [with this consultation](#).

## Levies and contributions

Our proposed budget for 2026 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.

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In 2026, the cost per Costs Lawyer of these contributions will be approximately:

- £26 for the Legal Services Board (8.4% of your practising fee);
- £6 for the Legal Ombudsman (2.2% of your practising fee); and
- £8 for Legal Choices (2.5% of your practising fee).

## 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”.

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## 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 2025, we revised our target level of uncommitted reserves following a review of the financial risks we face and the extent to which those risks are insurable. Our target remains six months' operating expenditure (or roughly six months' gross income from annual practising fees). The level of our uncommitted reserves will meet this target over the next two practising years.

We also hold separate reserves reflecting the amount of our paid up share capital, as well as committed reserves for planned future special regulatory projects. For IT development 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



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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.

## 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; and
- 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 advisors 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 £312 for 2026? 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 2026? 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 Wednesday 6 August 2026**.

## 2026 practising fee: Summary of activity funded by the 2024 practising fee

## Costs Lawyer Standards Board



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# Purpose

This report is intended to help Costs Lawyers understand how their practising fees were used in 2024, and the value delivered through that investment. It is published in line with the Legal Services Board's guidance on the use of practising fees and aims to support transparency, accountability, and confidence in how those funds are managed.

In the 2024 regulatory assessment, the CLSB was assessed as providing sufficient assurance on all effective regulation standards. The LSB said: "the CLSB has provided assurance that it engages meaningfully with stakeholders as part of its approach to regulation" and that the "CLSB considers how to deploy the full range of regulatory oversight (formal arrangements, guidance, resources, engagement, etc.) in a targeted and responsive way." Satisfaction scores amongst the profession in 2024 also remain high, with 89.62% (87.01% last year) saying the CLSB is "effective".

In particular, the following report:

- Sets out the CLSB's priorities for the year, as defined in the 2024 Business Plan;
- Explains how, and to what extent, those priorities were achieved;
- Links our work to the CLSB's strategic objectives and the regulatory objectives of the Legal Services Act 2007; and
- Highlights indicators that demonstrate the impact and value of the activities undertaken.

We hope this report provides assurance that practising fees are being used effectively to uphold high standards in the profession and to protect the public interest.

You may also wish to read this report alongside the CLSB's consultation on the proposed Costs Lawyer practising fee for 2026, which is open until 14 August 2025.

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# 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 2024 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.*

# Strategic objectives

Below are the CLSB's strategic objectives for 2024 to 2027, as set out in our [mid-term strategy](#) that applied during the 2024 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 2024 were intended to help us achieve 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.*

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- 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.*

# Annual priorities

	Initiative	Progress status	Intended benefits	Example indicators of the benefits achieved
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>Achieved (Q4)</b></p> <p><i>The CLSB has been integrated into the induction process for students, through a presentation on the mechanics and purpose of regulation. The CLSB presents on ethics and the new Code of Conduct as part of the professional ethics module.</i></p> <p><i>The Accreditation Panel completed the annual monitoring process in November 2024 and reported to the CLSB Board.</i></p>	<p><b>Strategic objectives:</b> B, E</p> <p><b>Regulatory objectives:</b> 1, 4, 6, 8</p>	<ul style="list-style-type: none"> <li>• Transition arrangements for completion of Qualifying Experience ended in December 2023, and in 2024 all trainees were required to have their successful completion of Qualifying Experience determined by the CLSB in accordance with the new Training Rules. Responses to enquiries about students' individual circumstances has allowed us to augment our guidance around the transitional arrangements and FAQs, and update parts of the process.</li> <li>• We delivered an induction webinar to each of the 2 new student cohorts and a webinar to completing students covering the benefits and responsibilities of regulation, as well as Qualifying Experience.</li> <li>• We completed the first annual monitoring process which found that ACLT are fulfilling the requirements and expectations of an accredited provider, and made recommendations in the report to offer actionable steps for ACLT to build</li> </ul>

				on its strengths and to address identified challenges.
2.	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.	<b>Achieved (Q2)</b> <i>We carried out a review of our enquiries logs and case studies to consider whether we had sufficient evidence for publication, and liaised with the ACL to share information. A report was presented to the Board in July 2024 and the Board agreed we would continue to collate data of the kind set out in the report for use once more evidence was available.</i>	<b>Strategic objectives:</b> B, E <b>Regulatory objectives:</b> 1, 3, 4, 6, 8	<ul style="list-style-type: none"> <li>While we did not gather sufficient evidence for publication, it established a baseline for future work.</li> </ul>
3.	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.	<b>Achieved (Q3)</b> <i>The Board approved a series of appetite statements relating to communication risks. We then engaged a consultancy to assist with the project, leading to approval of a final communication strategy by the board in October.</i>	<b>Strategic objectives:</b> Supports all <b>Regulatory objectives:</b> Supports all	<ul style="list-style-type: none"> <li>The strategy sets out we will support Costs Lawyers articulate, and amplify the value of being regulated, grow awareness of the opportunity to become a qualified Costs Lawyer among employers, students and unregulated costs advisers, and encourage referring solicitors and clients to choose Costs Lawyers over unregulated costs advisers.</li> </ul>

4.	Embed the B2C regulatory framework with the group of Costs Lawyers that deliver services directly to consumers.	<p><b>Achieved (Q3)</b></p> <p><i>We analysed the data about Costs Lawyers' clients captured during the 2024 PC renewal round to give us an understanding of which practitioners to target through this workstream.</i></p> <p><i>Later in 2024, we received a letter from the LSB to all approved regulators outlining expectations for compliance with the policy statement on consumer empowerment. We reviewed these expectations against our workplan and responded to the LSB's information request by the end of September.</i></p>	<p><b>Strategic objectives:</b> B, E</p> <p><b>Regulatory objectives:</b> 1, 4, 6, 8</p>	<ul style="list-style-type: none"> <li>• We improved the accessibility of our guidance by turning it into web content in time for 2025 Practising Certificate renewals.</li> <li>• We sent individual communications to the Costs Lawyers involved, highlighting their obligations and inviting a dialogue.</li> <li>• We put evaluation measures in place for use going forward, using proxies where it will be difficult to engage directly with end consumers.</li> </ul>
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. That research was analysed to produce a publishable version, which was approved by the board in April.</i></p>	<p><b>Strategic objectives:</b> Supports all</p> <p><b>Regulatory objectives:</b> Supports all</p>	<ul style="list-style-type: none"> <li>• The Risk Outlook was published and promoted and is now housed in the Ethics Hub. This is linked to our Ongoing Competency Framework as a way of identifying gaps in competency.</li> </ul>
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 following liaison with the LSB. All published guidance, policy statements and regulatory arrangements were reviewed. References to the Code in the Disciplinary Rules and Procedures – which form part of our regulatory</i></p>	<p><b>Strategic objectives:</b> B, E</p> <p><b>Regulatory objectives:</b> Supports all</p>	<ul style="list-style-type: none"> <li>• Updated versions have been published that correctly cross-reference the new version of the Code.</li> <li>• Additional support resources for the Code were developed and published in the new Ethics Hub.</li> </ul>



		<p><i>arrangements – have been amended by exemption in line with the LSB’s ED181.</i></p> <p><i>Work continued throughout the year on developing additional material for the Ethics Hub.</i></p>		
7.	Carry out the next two-year review of changes to the Disciplinary Rules and Procedures (‘DR&P’), 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.	<p><b>Achieved (Q3)</b></p> <p><i>We carried out this review and following consideration of the report, the Board approved four recommendations that would be taken forward in 2025, although none of those required amendments to the DR&amp;P themselves. These were:</i></p> <ol style="list-style-type: none"> <li><i>1. Improved Board reporting on complaints</i></li> <li><i>2. Improved reasonable adjustments policy</i></li> <li><i>3. Addressing neurodivergence</i></li> <li><i>4. Engagement with the LSB’s new policy tool.</i></li> </ol>	<p><b>Strategic objectives:</b> A, B, E</p> <p><b>Regulatory objectives:</b> 1, 4, 6, 8</p>	<ul style="list-style-type: none"> <li>The CLSB used the recommendations generated by the review to deliver targeted and proportionate action in these areas.</li> </ul>
8.	Carry out the first phase of evaluation activities relating to the new framework for qualifying as a Costs Lawyer.	<p><b>Achieved (Q4)</b></p> <p><i>This work was carried out as part of the annual monitoring event in Q4 and a series of recommendations have been made for continuous improvement.</i></p>	<p><b>Strategic objectives:</b> B, E</p>	<ul style="list-style-type: none"> <li>ACLT’s compliance with the Accredited Study Provider Requirements was measured by the standards set in the CLSB Scheme Handbook.</li> </ul>

			<b>Regulatory objectives:</b> 1, 4, 6, 8	<ul style="list-style-type: none"> <li>• ACLT are fulfilling the requirements and expectations of an accredited provider of the Costs Lawyer Professional Qualification (CLPQ).</li> <li>• ACLT has demonstrated a proactive approach to addressing challenges in delivering a new qualification.</li> <li>• Recommendations have been made for ACLT to build on its strengths.</li> </ul>
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 line with our commitments to the LSB. Our CPD resources, including our forms and guidance, have been updated to integrate with the new Framework.</i>	<b>Strategic objectives:</b> Supports all <b>Regulatory objectives:</b> Supports all	<ul style="list-style-type: none"> <li>• We updated our suggested template for planning and recording CPD to make Costs Lawyers aware of the Ongoing Competency Framework and the skills required post qualification to assist with career planning.</li> </ul>
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>Achieved (Q3)</b> <i>We developed guidance for setting up a new practice, which was considered and approved by the Board in July. Instead of developing new guidance for costs firms, we decided to repurpose our existing guidance for unregulated employers. The updated guidance was approved by the board in October.</i>	<b>Strategic objectives:</b> B, E <b>Regulatory objectives:</b> 1, 3, 4, 5, 6, 8	<ul style="list-style-type: none"> <li>• Costs Lawyers now have access to resources and signposting to help set up a new compliant practice.</li> <li>• Our guidance for unregulated employers seeks to improve protection for consumers by ensuring firms are aware of the regulatory obligations of individual Costs Lawyers as well as the benefits of regulation.</li> </ul>

11.	Develop the next phase of our diversity and inclusion workplan by reference to the new mid-term strategy.	<b>Achieved (Q3)</b> <i>We analysed the results of our 2023 diversity survey and a report on the data was published in Q2. Our follow-up work from the gender pay gap survey was completed in Q3 with the production of resources to help Costs Lawyers. We have identified our EDI priorities for 2025, which will focus on gathering and publishing lived experience data, and we have developed a diversity survey for 2024 that will provide initial quantitative data to support that project. The survey was launched alongside practising certificate renewals in November.</i>	<b>Strategic objectives:</b> Supports all  <b>Regulatory objectives:</b> Supports all	<ul style="list-style-type: none"> <li>Guidance now helps Costs Lawyers approach their employers about pay gap issues.</li> <li>The portfolio of EDI resources now includes guidance on bullying and harassment, and updated EDI guidance.</li> </ul>
12.	Investigate whether a new supervision framework for client care letters is warranted based on evidence of client outcomes.	<b>Achieved (Q4)</b> <i>We engaged a consultant to carry out a thematic review of client care letters in Q4. A report of the project findings was reviewed by the Board, which found that the sample, although small, showed a lack of consistency in the standard terms and conditions, with almost all of the practices missing information in some areas.</i>	<b>Strategic objectives:</b> B, E  <b>Regulatory objectives:</b> 1, 4, 8	<ul style="list-style-type: none"> <li>Costs Lawyers were reminded of their current obligations.</li> <li>Revised and more user friendly Guidance Note on Client Care Letters was commissioned, along with an expanded FAQs section of our website.</li> </ul>
13.	Modernise the way we track enquiries from external	<b>Achieved (Q1)</b> <i>A new process was implemented allowing us to check previous advice to</i>	<b>Strategic objectives:</b> B, D, E	<ul style="list-style-type: none"> <li>We enhanced the Ethics Hub with anonymised example scenarios for Costs</li> </ul>

	sources to facilitate reporting and trend analysis.	<i>ensure consistency across different practitioners, spot trends and report on particular issues. We improved tracking of communications with/requests to Costs Lawyers and their areas of regulatory interest.</i>	<b>Regulatory objectives:</b> 1, 4, 8	<p>Lawyers and consumers, based on enquiries received from Costs Lawyers.</p> <ul style="list-style-type: none"> <li>These scenarios were used in training, so that students benefited from real world anonymised scenarios.</li> </ul>
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>Achieved (Q3)</b></p> <p><i>During 2024 we developed a new Operations Manual to document key processes and capture institutional knowledge. This is a comprehensive account of how we work, which will continue to be a “living” document as processes evolve over time. We have also developed flowcharts to map the different user journeys through our online application forms.</i></p>	<p><b>Strategic objectives:</b> Supports all</p> <p><b>Regulatory objectives:</b> Supports all</p>	<ul style="list-style-type: none"> <li>Robust procedures and continuity planning benefits all who rely on the CLSB, from Costs Lawyers to their clients to the regulated community at large.</li> </ul>
15.	Review our data protection arrangements to ensure they remain robust and fit for purpose following extensive improvements to our digital operations.	<p><b>Achieved (Q3)</b></p> <p><i>Contract records, privacy policy, Data Protection Manual and other privacy resources were reviewed and updated providing the Board with sufficient assurance.</i></p>	<p><b>Strategic objectives:</b> B, E</p> <p><b>Regulatory objectives:</b> 1, 4, 6, 8</p>	<ul style="list-style-type: none"> <li>We ensured that the CLSB had sufficient expertise and information to ensure compliance and best practice.</li> </ul>
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</li> </ul>	<p><b>Achieved (Q3)</b></p> <p><i>We updated our suite of online application forms to standardise the wording, content and layout of forms. This included updating the PC renewal</i></p>	<p><b>Strategic objectives:</b> B, E</p> <p><b>Regulatory objectives:</b></p>	<ul style="list-style-type: none"> <li>Costs Lawyers rely on a more robust and secure self-serve website easier than before, saving them time.</li> </ul>

	<p>the CLSB database, in line with our principles of ease of use, security of data, utility of reports, and consistency of approach. In particular:</p> <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> <ul style="list-style-type: none"> <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><i>form ready for the annual renewals process in November.</i></p> <p><i>Our IT consultant completed updates to the underlying code of the online forms system to allow easier annual updates. This will save considerable development and admin testing time.</i></p> <p><i>We also undertook a review of the read-only version of the database. The review concluded that this was working well in its current form, and it was not necessary to expend resources on changes at this time.</i></p>	1, 4, 6, 8	<ul style="list-style-type: none"> <li>• We further enhanced the security of unpublished data we hold in our database about Costs Lawyers.</li> <li>• The CLSB continued to operate lean through smarter ways of working, keeping practicing costs lower than otherwise may be the case.</li> </ul>
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# Consultation

## 2026 practising fee: Initial equality impact assessment

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**DRAFT TO BOARD [18 June 2025]**

**Costs Lawyer Standards Board**

**CLSB**  
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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 2026. The consultation closes on 6 August 2025.

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 2026 (£312) 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	7.8% of Costs Lawyers report having a disability. We have 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	We have not asked this question of the profession since 2023 as the number of respondents who answered that their gender was different to their sex registered at birth, and the number who preferred not to say, were both less than 5 and therefore this data was not sufficiently reliable to include in the survey report. We did not collect data on this question in 2024. We have no data that would indicate any	Not applicable



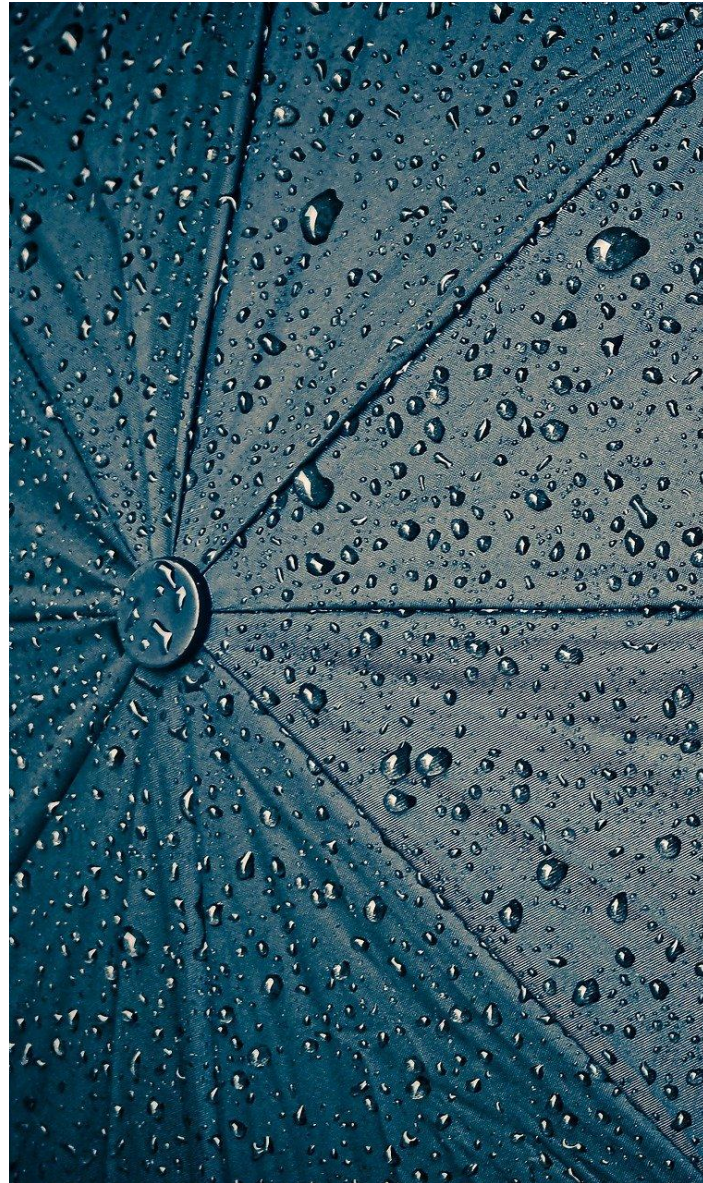
		disproportionate impact of the practising fee on this group.	
Marriage or civil partnership	No	We do not collect data on the marital status of practitioners, however as our fee is set at the same level for all practitioners and marital status does not impact ability to practise, we have not identified 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	9.8% of Costs Lawyers identify as Black, Asian or Other Minority Ethnic background. Our EDI work continues to identify how the CLSB can influence greater diversity from these groups but there is no data that suggests that the practising fee presents a barrier or evidences 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 – 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	Not applicable

		this. <i>*we did not collect this data in 2024. The data shared is from 2023.</i>	
Sexual orientation	No	4.6% of Costs Lawyers identify as LGBTQIA+. We have no evidence that a practising fee has any differential impact on this group.	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 (12.4%) are under the age of 35, and 27.5% 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

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# Reserves Policy

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Updated: 18 June 2025 (version 6)

Costs Lawyer Standards Board



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## Purpose

1. The Costs Lawyer Standards Board (CLSB) holds financial reserves to ensure it has sufficient capital to respond appropriately to risks and maintain business continuity, as well as to fund projects that are planned for the future. This policy sets out the CLSB's current approach to accumulating and managing reserves.

## Type of reserves

2. The CLSB primarily holds uncommitted reserves. Uncommitted reserves are not allocated or ring-fenced for a specific purpose, and they are not required to meet "business as usual" annual expenditure. The CLSB may also hold committed reserves from time to time, as set out at paragraph 17 below.
3. The CLSB's uncommitted reserves are divided into two categories based on the sources from which they are derived, namely practising fee reserves and share capital reserves.
4. Share capital reserves reflect the value of the share capital paid up by the CLSB's parent company and sole shareholder, The Association of Law Costs Draftsmen Limited (trading as the Association of Costs Lawyers (ACL)). The level of share capital reserves is maintained at £15,000.
5. Uncommitted practising fee reserves (as well as any committed reserves held from time to time) are derived from the practising fees paid annually by regulated Costs Lawyers.<sup>1</sup>
6. Reserves derived from practising fees are used only in fulfilment of the CLSB's regulatory functions and for the permitted purposes set out in the Legal Services Board's Practising Fee Rules 2021.

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<sup>1</sup> The CLSB's income is generated almost exclusively from practising fees and therefore all budget items, including transfers to reserves, are met with practising fee funds. The CLSB generates a de minimis amount of income from accrediting Costs Lawyers to provide CPD activities. Given the small size and unpredictable nature of that income, it is not allocated to any particular item of expenditure and is not included in budgeted income.

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## Holding reserves

7. The CLSB holds its practising fee reserves, share capital reserves and committed reserves in designated accounts, separate from each other and separate from the CLSB's operating (current account) funds.
8. The CLSB, through its officers and employees, has exclusive management and control of its reserves. All reserve accounts are held in the CLSB's name. ACL may not access the CLSB's reserves nor direct how they are used.
9. Reserves may be invested (for example, in interest bearing accounts) at the discretion of the CLSB's executive. However, any investment will be very low risk and will ensure funds are kept sufficiently liquid to be called upon if required.

## Practising fee reserves target

10. Practising fee reserves are accumulated up to a target level, which is set to insure against reasonable risks without unnecessarily inflating costs.
11. The CLSB's target level of practising fee reserves is six months' operating expenditure – which equates to roughly half of one year's gross income from annual practising certificate fees (net of any contribution to reserves) – plus a 10% contingency to account for annual fluctuations in expenditure. When this policy was last reviewed, the reserves target was £113,000 plus a 10% contingency (£124,000 in total).
12. In setting the target, the CLSB has been mindful that it is a small organisation. While the target is at the upper end of the range recommended by the Legal Services Board as a proportion of annual expenditure, it is not high in absolute terms. A minimum level of reserves is needed to ensure financial resilience in the face of major risks, many of which create the same liability for a small regulator as they do for a larger one. The target is set at a level that will ensure the CLSB can deliver its full regulatory remit and/or meet its obligations in the event that a major risk materialises.



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13. To achieve the target level of practising fee reserves, the CLSB will make provision in its annual budget for a contribution to reserves each practising year until the target is met. The CLSB may also make contributions to practising fee reserves from any underspend on its annual budget.

## Risks mitigated through practising fee reserves

14. The practising fee reserves target has been set at a level that is adequate to insure against, but is not disproportionate to, the risks recorded in the CLSB's [risk register](#). These include the following major strategic risks:
- (i) An unexpected decrease in practising fee income (because, for example, an economic crisis restricts Costs Lawyers' ability to pay practising fees or the Legal Services Board refuses to approve the annual practising fee).
  - (ii) The CLSB ceasing to exist or being unable to act as an approved regulator under the Legal Services Act 2007 (with potential costs including redundancy, contract terminations, LSB and Legal Ombudsman levies which are paid one year in arrears, accounting and Companies House liabilities).
  - (iii) Involvement in litigation (for example, a decision of the CLSB being challenged by way of judicial review, an action for damages being brought by or against the CLSB or injunctive relief being sought for a breach of the Legal Services Act 2007).
  - (iv) Duplication of staffing costs in the event of long term absence.
15. The CLSB will consider the extent to which any major strategic risks are insurable and will balance the cost and availability of insurance against the cost to the regulated community of accumulating reserves.

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## Committed reserves target

16. In addition to insuring against risks, reserves may be used to meet one-off items of expenditure that cannot be met appropriately through an increase in the practising fee for the relevant year. Such items of expenditure might include, for example, the cost of implementing significant new systems or processes, responding to legislative changes or purchasing substantial assets. Where plans are made to use reserves in this way, the relevant funds are ring-fenced as committed reserves.
17. The CLSB currently holds committed reserves for planned future IT development work. That work has been at approximately £30,000 in 2021 and, accordingly, our target level of committed reserves at this time was set at £30,000. Allowing for inflation over the period this target level has been increased to £36,500.
18. To achieve the target level of committed reserves, the CLSB will make provision in its annual budget for a contribution to reserves each practising year until the target is met. The CLSB may also make contributions to committed reserves from any underspend on its annual budget.

## Review of this policy

19. This policy will be reviewed by the CLSB's board periodically and when all reserves targets have been achieved.

# Audit of 2024 CPD – Report to the Board

18 June 2025

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## Introduction

This report provides the Board with an overview of the audit of 2024 CPD which was undertaken February-March 2025.

This year the audit also included an evaluation of our Ongoing Competency Framework in line with the 2025 Business Plan priority 10.

## Process

The audit was undertaken in line with the [Supervision Framework for CPD Audit](#). The process is intended to be supportive, with the aim of improving standards and compliance with the Rules.

The audit comprised of 20 randomly selected Costs Lawyers, and three Cost Lawyers who failed the audit of 2022 or 2023 CPD<sup>1</sup>. All were asked to provide evidence of both their individual CPD activities in 2024, as well as their written CPD record identifying their training needs, setting CPD objectives and evaluating the effectiveness of their CPD ("Full CPD Records"), as required by the Rules. Their Full CPD Records were assessed using the Audit Checklist in the [Supervision Framework for CPD Audit](#).

## Outcomes

1. 21 of the 23 Costs Lawyers audited passed the audit. The two that failed had not kept a written record of training needs, objectives and evaluation of the year's CPD.
2. Most but not all those audited used the CLSB example template for planning and recording their CPD.
3. As usual some written records are cursory and only just meet the requirements; others demonstrate genuine engagement with and reflection on the individual Costs Lawyer's training and development, for example:

*Although I have worked in costs law for over 20 years, there are always developments that require ongoing training. I will continue to focus on ensuring I am up to date on all areas in which we practice as well as trying to develop knowledge in certain types of practice that I am less familiar in order to expand*

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<sup>1</sup> Another Costs Lawyer who failed the audit of 2023 CPD and was due to be audited again this year did not renew their practising certificate for 2025.



*my knowledge. I will also try to improve my ongoing capability as a people manager by continuing to build the skills in the Ongoing Competency Framework in that area next year.*

4. The written records show that the requirement to assess CPD needs and plan CPD objectives for the practising year continues to have a positive impact on the effectiveness of CPD, for example:

*Planning my CPD at the beginning of the year affords me the ability to stay on top of developments in this area of law whilst periodic online training courses provided internally ensures best practice and knowledge is kept up to date*

5. In response to the question “have you identified any other training needs to help you comply with the Principles going forward?” one Costs Lawyer said:

*An advisor or experienced Costs Lawyer, even with my many years of experience, would be helpful.*

6. The focus of the CPD audit continues to be on education rather than sanction, and Costs Lawyers whose Records were lacking in specific objectives or detail were encouraged to address this in future years.
7. The two Costs Lawyers who failed the audit were asked to submit written objectives for 2025 within 2 weeks (as asking them to submit objectives for 2024 would not be meaningful at this stage), and advised that their full CPD records would be reviewed as part of next year’s audit. Both submitted written objectives, but one of these still did not meet the requirements, and they were advised again what would be expected when the full written record is submitted next year.
8. We did not take disciplinary action against any of the Costs Lawyers who did not pass this year’s audit, particularly given that the Costs Lawyers cooperated with our requests and there were no aggravating circumstances in individual cases (such as previous audit failures or competency concerns raised through complaints). We continue to believe that providing guidance on the Rules, and following up with certain individuals through a further audit is a proportionate approach that is most likely to yield positive compliance outcomes in the longer term.

## **Ongoing Competency**

9. The CLSB’s Ongoing Competency Framework was published in March 2024. As part of our implementation activities we updated the suggested template for planning and recording CPD available on the website, to include questions about the three career stages in the Ongoing Competency Framework.
10. We told the LSB (in the 2024 Regulatory Performance Assessment) that our evaluation of this Framework for 2025 and 2026 would be based on using the annual CPD audit to assess to what extent Costs Lawyers are self-identifying as an experienced

practitioner, a people manager, and/or a business manager, and then applying the Ongoing Competency Framework as intended. We are then due to consider whether any further activity is required to embed the Ongoing Competency Framework in order to meet the objectives of the LSB's policy statement.

11. In the audit five Costs Lawyers self-identified as an experienced practitioner, a people manager, and/or a business manager, five did not identify as such, and nine did not address the issue as they used an old or adapted template without the new questions.
12. Of those who did identify as an experienced practitioner, a people manager, and/or a business manager three demonstrated that they had engaged with the skills in the Ongoing Competency Framework, for example:

*I re-considered the Ongoing Competency Framework at the beginning of the year when setting my CPD objectives for the year and in particular, focused on 'Practicing scenario 1: Experienced practitioner' in light of dealing with primarily phone-hacking claims to also broaden and update my knowledge in other areas. In addition, I also considered 'Practicing scenario 2: People manager' with a view to being able to manage/supervise a team or junior fee earners in the future.*

13. The others had clearly not looked at the Ongoing Competency Framework as directed:

*I have been working in costs for around 40 years and been in practice on my own account for around 20 years. I feel it is as important as ever to ensure professional standards are upheld. This means that I continue to strive to deliver high quality work, to embrace change and seek ways to enhance knowledge, skills, and effectiveness through training.*

14. The fact that the CLSB's template for planning and recording CPD is not mandatory, means that it has been of limited value in evaluating engagement with the framework this year (see actions below).
15. The audit provides a snapshot of CPD activities each year, and allows us to spot trends. This year many Costs Lawyers set an objective in relation to staff management/supervision/mentoring, and recorded that they were unable to meet it due to time/work pressure or lack of suitable training.
16. Work pressure and the need for better time management was also a common theme.
17. 7 of the 15 skills in The Ongoing Competency Framework relate to staff management and mentoring. Another skill, managing own performance and contribution, includes managing "time and resources effectively". The CPD records confirm that the skills included in the Ongoing Competency Framework are indeed those that Costs Lawyers require as they progress in their careers, and it is disappointing that training in these areas is not more readily available. One Costs Lawyer said they would like to find:

*some alternative, competent, and qualified providers to gain a greater breadth of knowledge.*

### **Related disciplinary outcome**

18. In December 2024 a Costs Lawyer who had failed a previous CPD audit applied for reinstatement. They had been told that they would be reaudited the following year, but did not renew their practising certificate. When their reinstatement was processed they were reminded of this and agreed to submit CPD objectives for 2025 by the end of January 2025, and their full CPD record by the end of 2025.
19. Due to the Costs Lawyer's failure to respond adequately, or at all, to a number of chasing emails an investigation was opened by our independent investigator. Even with reminders from both the investigator and the CLSB executive it took until 11 April for him to provide the required objectives.
20. The investigation upheld that the Costs Lawyer was in breach of Principle 5 of the Code of Conduct, to deal with regulators and the Legal Ombudsman in an open and cooperative way. The Costs Lawyer received a warning letter and a fixed costs order of £500.

### **Actions**

21. Explore options for the development of high quality training for Costs Lawyers in the skills of the Ongoing Competency Framework.
22. Explore how we might encourage mentoring within the profession.
23. Find ways to encourage greater engagement with the Ongoing Competency Framework, to meet LSB expectations. The following are proposed:
  - a. Make the (currently optional) CLSB template for planning and recording CPD mandatory (like the Qualifying Experience evidence templates)? We can then update the template to encourage meaningful reflection on individual CPD needs and the Ongoing Competency Framework, and circulate this to all Costs Lawyers at the start of each practising year. (As currently this will only be requested in the event of audit.)

We believe that this is possible within the existing [CPD Rules](#), which state that Costs Lawyers must "Submit a CPD record on the prescribed form to the CLSB upon request and cooperate fully with the CLSB in the annual CPD audit process."
  - b. Include some new questions about CPD and competency in the annual practising certificate renewal application form. (There has been no change in the CPD reporting requirements to reflect the CPD Rules effective from 2021. This would highlight those changes to those still unaware, as well as allow us to encourage reflection on the Ongoing Competency Framework.

24. Review the [Lessons learned](#) webpage following the outcome of this year's audit. (DONE)
25. Include a Spotlight article on the benefits of planning and recording CPD effectively, in particular the importance of setting specific and measurable objectives, in a 2025 newsletter (this is outstanding from 2024).

# Conditions on return to practising

18 June 2025

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## Purpose

Item 8 of the 2025 Business Plan sets out that we will, “*Extend our work on ongoing competency to explore whether competency checks are warranted for practitioners returning to authorised practice.*” Following an internal review by the executive we are proposing making an amendment to [Conditions on Practising Guidance Note](#) and the related process.

## Context

Under the current process, there are no restrictions on a Costs Lawyer returning to practice regardless of the length of time since the practitioner held a Practising Certificate. Whereas, Costs Lawyers who held a Practising Certificate in the practising year beforehand have to show how they completed at least the mandatory 12 hours of CPD. This means that we have a stricter competency framework for continuing practitioners than we do for those who are returning. Fairness aside, this has a potentially poorer consumer outcome that needs to be addressed.

## Proposed amendment

We therefore propose amendments to [Conditions on Practising Guidance Note](#) under Rule 3.4 (d) ahead of the 2026 practising certificate renewal process. This will tighten client protection measures, improve fairness for all practitioners, and ensure we have ongoing competency checks in place for **all** practitioners regardless of any gap in practising.

**Rule 3.4** states that the CLSB may refuse the application or impose conditions on the issue of a Practising Certificate if satisfied that:

(a) the applicant is unsuitable to practise as a Costs Lawyer (or in the case of a condition, is unsuitable to undertake certain activities or engage in certain business or practising arrangements);

(b) the applicant is putting, or is likely to put, at risk the interests of clients, third parties or the public;

(c) the applicant will not comply with the CLSB’s Regulatory Arrangements (and/or in the case of a condition, will require monitoring in relation to compliance with the CLSB’s Regulatory Arrangements);

**(d) in the case of a condition, the applicant should take specified steps conducive to the Regulatory Objectives; or**

(e) it is otherwise in the public interest to do so in light of the Regulatory Objectives.

The proposed new process will only apply if a Costs Lawyer is returning to practice after a gap of two years or more. They then will have to comply with an enhanced competency check process as below.

- If you are returning to practice more than 2 years since you were last regulated you must:
  - submit your CPD objectives for the current practising year to the CLSB with your application for a practising certificate; AND
  - EITHER have completed a minimum of 12 hours of CPD in costs law and practice in the 12 months prior to the date of your application OR, if you have not done this, practice under the supervision of a Costs Lawyer until the end of the practising year by which you must have attained 12 CPD points. This will be noted as a condition on your practising certificate.
- If you have been regulated within the last two years you must provide details of the CPD that you completed in the last practising year in which you were regulated. You need a minimum of 12 CPD points (or 1 point for each full month worked).

Revised FAQs included in this paper<sup>1</sup>.

### **Communication with those not renewing**

If, at practising certificate renewal, a Costs Lawyer does not renew their Practising Certificate then they will be sent information about this reinstatement process. This will allow the practitioner the opportunity to reflect on the potential consequences of their decision.

### **Equality, Diversity and Inclusion implications**

The maximum term of two years that a Costs Lawyer can surrender their Practising Certificate without having this new process applied has been calculated to allow for absence related to paternity, illness, and disability<sup>2</sup>.

### **Action**

The Board is asked to approve this amendment to the process and related Guidance Note.

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<sup>1</sup> Appendix 1 – Revised FAQs

<sup>2</sup> Appendix 2 - Equality impact assessment

## **Appendix 1 - Reinstating your practising certificate FAQs**

**Q** I'm returning to costs law practice after gap in regulation, when should I apply for a practising certificate?

**A** You should apply for a practising certificate as soon as you return to work in costs law, so that you are authorised and regulated.

**Q** How do I apply for a practising certificate if I don't currently hold one?

**A** You should request an Application for Reinstatement on the Forms page of our website. The application form is personal to you and for speed and ease of use will contain the most recent data we hold on you. You can update this as part of the application.

The practising certificate fee will be pro-rated to reflect the fact that your certificate is required for only part of the year. A £30 administration charge will be applied as a contribution to the cost of processing the application.

**Q** Will I need to show any CPD when I apply for reinstatement?

**A** Yes.

If you are returning to practice more than 2 years since you were last regulated you must

- submit your CPD objectives for the current practising year to the CLSB with your application; AND
- EITHER have completed a minimum of 12 hours of CPD in costs law and practice in the 12 months prior to the date of your application OR, if you have not done this, practice under the supervision of another Costs Lawyer until the end of the practising year by which you must have attained 12 CPD points. This will be noted as a condition on your practising certificate.

If you have been regulated within the last two years you must provide details of the CPD that you completed in the last practising year in which you were regulated. You need a minimum of 12 CPD points (or 1 point for each full month worked). If you did not practice up to the end of the practising year (because you began a period of long term leave during the year) you will need to provide evidence of this for CPD point remission.

**Q** How do I get a condition to work under supervision until I have completed the required CPD lifted?

**A** As long as you have completed, or planned to complete, 12 CPD points by the time you apply for the following year's practising certificate, the condition will be removed automatically.

**Q** What if I have not completed 12 CPD points by the time I apply for my next practising certificate?

**A** You will continue to have a condition on your practising certificate to work under supervision. The CPD requirement for returning to practice (12 hours) will not affect the minimum CPD requirement for the new practising year (12 hours). You may only have a maximum of a one year extension.

**Q** Can I have the condition lifted earlier than the following year if I complete the 12 CPD points well in advance of the end of the practising certificate year?

**A** Yes. Please email [enquiries@clsb.info](mailto:enquiries@clsb.info) with full details of the CPD you have completed AND a statement from your supervising Costs Lawyer providing their written support that the condition should be lifted.

**Q** If I reinstate in the middle of a practising year what are my CPD requirements for that year?

**A** You will need a minimum of 1 CPD point for each full month in which you practice. Note that if you are reinstating after a gap of more than 2 years this is in addition to the 12 CPD points you require before/by the end of the first year in which you reinstate.



## Appendix 2 - Equality impact assessment

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	Yes	7.8% of Costs Lawyers report having a disability.	The new process will only apply to gaps in practising of over two years.
Gender reassignment	No	We have not asked this question of the profession since 2023 as the number of respondents who answered that their gender was different to their sex registered at birth, and the number who preferred not to say, were both less than 5 and therefore this data was not sufficiently reliable to include in the survey report. We did not collect data on this question in 2024. We have no data that would indicate any disproportionate impact on this group.	Not applicable
Marriage or civil partnership	No	We do not collect data on the marital status of practitioners, however we have not identified any risk of differential impact based on this characteristic.	Not applicable
Pregnancy and maternity	No	As this new process will only apply to gaps in practising of over two years, we do not believe this will impact this group.	Not applicable
Race	No	9.8% of Costs Lawyers identify as Black, Asian or Other Minority Ethnic background. Our EDI work continues to identify how the CLSB can influence greater diversity from these groups but there is no data that suggests that this presents a barrier or evidences differential impact.	Not applicable
Religion or belief	No	43.4%* of Costs Lawyers report having no religion or being atheist and a further	Not applicable

		46.3% identify as Christian. The proportion of practitioners from other faith groups is small – 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 this policy on smaller faith groups. <i>*we did not collect this data in 2024. The data shared is from 2023.</i>	
Sexual orientation	No	4.6% of Costs Lawyers identify as LGBTQIA+. We have no evidence that this has any differential impact on this group.	Not applicable
Sex (gender)	Yes	There is potential for women to be disproportionately impacted by this policy whilst on parental leave with a gap of less than two years. 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.	The new process will only apply to gaps in practising of over two years.
Age	No	Due to the profile of qualifying Costs Lawyers, only a small proportion (12.4%) are under the age of 35, and 27.5% are 55 or older. The majority of Costs Lawyers fall in the middle age ranges. There is no evidence to suggest that a policy which is the same for all practitioners has any differential impact on the younger or older groups.	Not applicable



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# General

1. This guidance note should be read in conjunction with the CLSB's Practising Rules, which can be found in the [Costs Lawyer Handbook](#).
2. Under Practising Rule 3.4, the CLSB may impose a condition or conditions on a practising certificate either when the certificate is issued or during its currency. In addition, Conduct Committees and Conduct Appeal Committees have the power to impose conditions on a practising certificate under the CLSB's Disciplinary Rules and Procedures.
3. We are only likely to impose conditions under Rule 3.4 where:
  - the relevant facts are not in dispute;
  - we do not consider it necessary or proportionate to bring disciplinary proceedings in order to impose, or ask a Conduct Committee to impose, a disciplinary sanction; and
  - in the case of an application for a practising certificate, we do not consider it more appropriate to refuse the application.
4. Broadly speaking there are two types of conditions:
  - those that restrict the Costs Lawyer's ability to practise; and
  - those that specify steps that the Costs Lawyer must follow.

## Grounds for imposing a condition

5. There are several grounds upon which the CLSB can impose conditions on a practising certificate, as set out in Practising Rule 3.4. Note that a condition may be imposed on more than one ground, and more than one condition may be imposed at any given time.
6. Where a Costs Lawyer is returning to practice after a gap of two years or more, they will have to comply with an enhanced competency check process as below.

- 
- a. They must show 12 CPD points in the previous 12 months and set and submit CPD objectives for the rest of the current practising year in which they are returning, or
  - b. They return to practising with a special condition “to practice under supervision” by another Costs Lawyer applied. The duration of the special condition will be one of the following:
    - i. Until the next Practising Certificate renewal when they would be expected to show 12 CPD points, or
    - ii. Sooner if they can show 12 CPD points and have written support from their supervising Costs Lawyer.

~~5.~~

~~6.7.~~ Below are examples of situations in which we might impose conditions, relating to each of the grounds in Rule 3.4. The most common situation in which we might impose conditions is where a Costs Lawyer (or a non-Costs Lawyer applicant for a practising certificate) discloses an event as required under Practising Rule 4.

~~7.8.~~ The examples given below are indicative only, aimed at helping practitioners and their clients to understand the nature and purpose of conditions on practising. We will always treat each case individually and consider all material facts before imposing conditions. We will also give the Costs Lawyer an opportunity to provide additional evidence or information in writing before we make a decision about conditions.

**Ground (a): The lawyer is unsuitable to undertake certain activities or engage in certain business or practising arrangements**

~~8.9.~~ **EXAMPLE:** Prior to qualifying as a Costs Lawyer, an applicant for their first practising certificate entered into an individual voluntary arrangement in relation to their personal debts. The event is disclosed to us under Practising Rule 4, as part of the practising certificate application process.

~~9.10.~~ **CONSIDERATIONS:** The event occurred before we regulated the applicant, so it does not constitute a breach of our regulatory rules. Nevertheless, we have

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concerns about the applicant's financial management capabilities. The applicant confirms to us that they have a job offer as a Costs Lawyer with a solicitors' firm and will not be running their own business. They also provide us with information about steps they have taken to better manage their finances in the future. We do not believe that we should refuse to allow the applicant to practise altogether.

~~10.11.~~ 11.11. OUTCOME: We grant the application but impose a condition that the applicant can only practise as a Costs Lawyer as an employee, and not on their own account, for a period of 12 months. After that period, we will ask for further information from the applicant and assess whether a condition should be imposed on their following year's practising certificate. The condition is shown on their practising certificate when issued.

Ground (b): The lawyer is putting, or is likely to put, at risk the interests of clients, third parties or the public

~~11.12.~~ 11.12. EXAMPLE: The Information Commissioner's Office (ICO) has investigated a data breach involving a Costs Lawyer and has made a number of regulatory determinations. These determinations are immediately disclosed to us by the Costs Lawyer, as required by Practising Rule 4.

~~12.13.~~ 12.13. CONSIDERATIONS: In general, we are likely to refuse an application for a practising certificate where the applicant is putting someone else's interests at risk, unless we are satisfied that conditions can deal with the risk adequately. A regulatory finding against a practitioner by another regulator is a good example of a situation in which the relevant risk might have been mitigated to a large extent already, through processes outside of our regulatory framework.

~~13.14.~~ 13.14. OUTCOME: We are content that the ICO has dealt with the disciplinary aspects of the Costs Lawyer's conduct and decide that there is no need for us to duplicate the ICO's processes by conducting a further disciplinary investigation. However, we consider that conditions on practising are appropriate for the ongoing protection of the Costs Lawyer's current and prospective clients. We impose

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conditions relating to the handling and security of clients' personal data. We issue the Costs Lawyer with a replacement practising certificate, showing the conditions imposed.

**Ground (c): The lawyer will not comply with the CLSB's regulatory arrangements and/or will require monitoring in relation to compliance with the CLSB's regulatory arrangements**

14.15. **EXAMPLE:** An audit reveals that a Costs Lawyer has not been complying properly with the CLSB's continuing professional development (CPD) requirements. The Costs Lawyer acknowledges their error, explains that they had misunderstood their obligations and asks for help in putting things right.

15.16. **CONSIDERATIONS:** The Costs Lawyer's explanation is consistent with the information they provided to the CLSB in their annual CPD records. There is no evidence that they have been dishonest or tried to cover up their mistake. We do not consider that the problem is yet placing clients at risk in terms of the Costs Lawyer's competency.

16.17. **OUTCOME:** We impose a condition that the Costs Lawyer must submit evidence of their CPD attainment to us annually, in addition to the usual CPD record.

**Ground (d): The lawyer should take specified steps conducive to the regulatory objectives**

18. EXAMPLE: A Costs Lawyer has not been practicing for over two years and reapplies for a new practising certificate. In order to comply with the CLSB's continuing professional development (CPD) requirements at renewal, the Costs Lawyer needs to be able to show 12 CPD points. The Costs Lawyer has not undertaken any CPD in over two years so cannot satisfy this expectation.

19. CONSIDERATIONS: The Costs Lawyer's gap in practising involved no CPD training or work in Costs. They have now joined a Costs Firm and will be under the supervision of an experienced Costs Lawyer who is will monitor performance. The



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supervising Costs Lawyer is willing to be responsible for the returning Costs Lawyer satisfying all regulatory requirements, including attaining 12 CPD points.

20. OUTCOME: We impose a condition that the Costs Lawyer will remain under the supervision of the experienced Costs Lawyer until the next Practising Certificate renewal when they would be expected to show 12 CPD points, or sooner if they can show 12 CPD points and have written support from their supervisor.

Grounds ~~(d) and (e): The lawyer should take specified steps conducive to the regulatory objectives, or~~ it is otherwise in the public interest to impose a condition in light of the regulatory objectives

~~17.21.~~EXAMPLE: The Legal Ombudsman has reported to us the outcome of a recent complaint against a Costs Lawyer. Ultimately, the case was determined in favour of the Costs Lawyer. However, the Legal Ombudsman's findings show that the Costs Lawyer did not follow their internal complaints procedure properly when handling the complaint. When we approach the Costs Lawyer about this, they acknowledge that they sometimes take an early assessment of the merits of a complaint and, if they think it has no merit, dismiss it without following their complaints procedure. On reflection, they recognise that this could lead to unsatisfactory outcomes for their clients. They promise to make changes to their internal processes so this does not occur again.

~~18.22.~~CONSIDERATIONS: In order to promote the regulatory objective of "protecting and promoting the interests of consumers", Costs Lawyers should follow their internal complaints procedure in all cases, regardless of whether they subjectively believe a complaint to have merit. We are therefore concerned that the Costs Lawyer's approach is not conducive to the regulatory objectives. We note that no other conduct issues were identified by the Legal Ombudsman in the context of the complaint, and that the Costs Lawyer appreciates the need to address shortcomings in their processes.



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19-23. **OUTCOME:** We impose conditions requiring the Costs Lawyer to follow their internal complaints procedure in all cases, to notify the CLSB of any complaints received during the year, and to explain how those complaints are being handled. We work with the Costs Lawyer to support them in improving their approach to complaint handling.

## The effect of a condition

20-24. Where a condition on practising is imposed, this is published against a Costs Lawyer's entry on the register of Costs Lawyers (Practising Rule 5.3). This means that members of the public who search the register will be alerted to the fact that a condition on practising exists. Further information about the nature of the condition can be accessed on our website.

21-25. A Costs Lawyer must comply with any conditions imposed. Failure to do so is likely to lead to a disciplinary sanction – which could include suspension or revocation of the practising certificate – and/or refusal of an application for renewal of the certificate. A Costs Lawyer may be asked to provide evidence of compliance with a condition, either when they apply to renew their practising certificate or at appropriate junctures throughout the practising year.

## The duration of a condition

22-26. A condition will remain in place for such period as the CLSB considers necessary to meet its original purpose. This means that we may reimpose the condition when the practising certificate is renewed. We may amend the condition if we consider this appropriate, provided that the amended condition meets one or more of the grounds for imposition. A condition may be imposed for less than a full practising year, such that it expires on a specified date or upon completion of a specified event.

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~~23.~~27. Under Practising Rule 3.6, the CLSB may remove a condition on a practising certificate if it considers, on written application of the Costs Lawyer or on its own initiative, that there has been a change of circumstances such that it is no longer satisfied that any of the grounds in Rule 3.4 apply.

~~24.~~28. Under Practising Rule 10, a Costs Lawyer also has a right of appeal against the CLSB's decision to impose a condition or to refuse to remove one.

## Conditions relating to Qualifying Experience

~~25.~~29. There is a special process for imposing conditions relating to Qualifying Experience, although our power to impose such conditions still derives from Practising Rule 3.

~~26.~~30. The CLSB's Training Rules set out the requirements for qualifying as a Costs Lawyer. Training Rule 3.1 provides that, in order to qualify, a Trainee must have successfully completed the Costs Lawyer Qualification and have completed, or be currently undertaking, two years of Qualifying Experience.

~~27.~~31. This means that a Trainee can apply for their first Costs Lawyer practising certificate even if they have not yet completed their Qualifying Experience, so long as they are working towards completing it and can provide an indication of when they expect it to be complete.

~~28.~~32. If an applicant for a first practising certificate indicates that they have not yet completed their Qualifying Experience, or if the CLSB determines that they have not met the requirements for Qualifying Experience in the Training Rules and thus a further period of experience is required, they will be issued with a practising certificate that is subject to a condition. The condition will require the applicant to practise under supervision and to complete their Qualifying Experience by a specified date.

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~~29.33.~~ More information about this type of condition – including how to have the condition removed once Qualifying Experience is complete – can be found in our Guidance Note on Qualifying Experience and associated FAQs, which are available on our [How to become a Costs Lawyer](#) webpage.

**END**

## Costs Lawyer Standards Board



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# General

1. This guidance note should be read in conjunction with the CLSB's Practising Rules, which can be found in the [Costs Lawyer Handbook](#).
2. Under Practising Rule 3.4, the CLSB may impose a condition or conditions on a practising certificate either when the certificate is issued or during its currency. In addition, Conduct Committees and Conduct Appeal Committees have the power to impose conditions on a practising certificate under the CLSB's Disciplinary Rules and Procedures.
3. We are only likely to impose conditions under Rule 3.4 where:
  - the relevant facts are not in dispute;
  - we do not consider it necessary or proportionate to bring disciplinary proceedings in order to impose, or ask a Conduct Committee to impose, a disciplinary sanction; and
  - in the case of an application for a practising certificate, we do not consider it more appropriate to refuse the application.
4. Broadly speaking there are two types of conditions:
  - those that restrict the Costs Lawyer's ability to practise; and
  - those that specify steps that the Costs Lawyer must follow.

## Grounds for imposing a condition

5. There are several grounds upon which the CLSB can impose conditions on a practising certificate, as set out in Practising Rule 3.4. Note that a condition may be imposed on more than one ground, and more than one condition may be imposed at any given time.
6. Where a Costs Lawyer is returning to practice after a gap of two years or more, they will have to comply with an enhanced competency check process as below.

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- a. They must show 12 CPD points in the previous 12 months and set and submit CPD objectives for the rest of the current practising year in which they are returning, or
    - b. They return to practising with a special condition “to practice under supervision” by another Costs Lawyer applied. The duration of the special condition will be one of the following:
      - i. Until the next Practising Certificate renewal when they would be expected to show 12 CPD points, or
      - ii. Sooner if they can show 12 CPD points and have written support from their supervising Costs Lawyer.
  7. Below are examples of situations in which we might impose conditions, relating to each of the grounds in Rule 3.4. The most common situation in which we might impose conditions is where a Costs Lawyer (or a non-Costs Lawyer applicant for a practising certificate) discloses an event as required under Practising Rule 4.
  8. The examples given below are indicative only, aimed at helping practitioners and their clients to understand the nature and purpose of conditions on practising. We will always treat each case individually and consider all material facts before imposing conditions. We will also give the Costs Lawyer an opportunity to provide additional evidence or information in writing before we make a decision about conditions.

### Ground (a): The lawyer is unsuitable to undertake certain activities or engage in certain business or practising arrangements

9. **EXAMPLE:** Prior to qualifying as a Costs Lawyer, an applicant for their first practising certificate entered into an individual voluntary arrangement in relation to their personal debts. The event is disclosed to us under Practising Rule 4, as part of the practising certificate application process.
10. **CONSIDERATIONS:** The event occurred before we regulated the applicant, so it does not constitute a breach of our regulatory rules. Nevertheless, we have

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concerns about the applicant's financial management capabilities. The applicant confirms to us that they have a job offer as a Costs Lawyer with a solicitors' firm and will not be running their own business. They also provide us with information about steps they have taken to better manage their finances in the future. We do not believe that we should refuse to allow the applicant to practise altogether.

11. OUTCOME: We grant the application but impose a condition that the applicant can only practise as a Costs Lawyer as an employee, and not on their own account, for a period of 12 months. After that period, we will ask for further information from the applicant and assess whether a condition should be imposed on their following year's practising certificate. The condition is shown on their practising certificate when issued.

Ground (b): The lawyer is putting, or is likely to put, at risk the interests of clients, third parties or the public

12. EXAMPLE: The Information Commissioner's Office (ICO) has investigated a data breach involving a Costs Lawyer and has made a number of regulatory determinations. These determinations are immediately disclosed to us by the Costs Lawyer, as required by Practising Rule 4.
13. CONSIDERATIONS: In general, we are likely to refuse an application for a practising certificate where the applicant is putting someone else's interests at risk, unless we are satisfied that conditions can deal with the risk adequately. A regulatory finding against a practitioner by another regulator is a good example of a situation in which the relevant risk might have been mitigated to a large extent already, through processes outside of our regulatory framework.
14. OUTCOME: We are content that the ICO has dealt with the disciplinary aspects of the Costs Lawyer's conduct and decide that there is no need for us to duplicate the ICO's processes by conducting a further disciplinary investigation. However, we consider that conditions on practising are appropriate for the ongoing protection of the Costs Lawyer's current and prospective clients. We impose



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conditions relating to the handling and security of clients' personal data. We issue the Costs Lawyer with a replacement practising certificate, showing the conditions imposed.

### Ground (c): The lawyer will not comply with the CLSB's regulatory arrangements and/or will require monitoring in relation to compliance with the CLSB's regulatory arrangements

15. EXAMPLE: An audit reveals that a Costs Lawyer has not been complying properly with the CLSB's continuing professional development (CPD) requirements. The Costs Lawyer acknowledges their error, explains that they had misunderstood their obligations and asks for help in putting things right.
16. CONSIDERATIONS: The Costs Lawyer's explanation is consistent with the information they provided to the CLSB in their annual CPD records. There is no evidence that they have been dishonest or tried to cover up their mistake. We do not consider that the problem is yet placing clients at risk in terms of the Costs Lawyer's competency.
17. OUTCOME: We impose a condition that the Costs Lawyer must submit evidence of their CPD attainment to us annually, in addition to the usual CPD record.

### Ground (d): The lawyer should take specified steps conducive to the regulatory objectives

18. EXAMPLE: A Costs Lawyer has not been practicing for over two years and reapplies for a new practising certificate. In order to comply with the CLSB's continuing professional development (CPD) requirements at renewal, the Costs Lawyer needs to be able to show 12 CPD points. The Costs Lawyer has not undertaken any CPD in over two years so cannot satisfy this expectation.
19. CONSIDERATIONS: The Costs Lawyer's gap in practising involved no CPD training or work in Costs. They have now joined a Costs Firm and will be under the supervision of an experienced Costs Lawyer who will monitor performance. The



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supervising Costs Lawyer is willing to be responsible for the returning Costs Lawyer satisfying all regulatory requirements, including attaining 12 CPD points.

20. OUTCOME: We impose a condition that the Costs Lawyer will remain under the supervision of the experienced Costs Lawyer until the next Practising Certificate renewal when they would be expected to show 12 CPD points, or sooner if they can show 12 CPD points and have written support from their supervisor.

Grounds (e): It is otherwise in the public interest to impose a condition in light of the regulatory objectives

21. EXAMPLE: The Legal Ombudsman has reported to us the outcome of a recent complaint against a Costs Lawyer. Ultimately, the case was determined in favour of the Costs Lawyer. However, the Legal Ombudsman's findings show that the Costs Lawyer did not follow their internal complaints procedure properly when handling the complaint. When we approach the Costs Lawyer about this, they acknowledge that they sometimes take an early assessment of the merits of a complaint and, if they think it has no merit, dismiss it without following their complaints procedure. On reflection, they recognise that this could lead to unsatisfactory outcomes for their clients. They promise to make changes to their internal processes so this does not occur again.
22. CONSIDERATIONS: In order to promote the regulatory objective of "protecting and promoting the interests of consumers", Costs Lawyers should follow their internal complaints procedure in all cases, regardless of whether they subjectively believe a complaint to have merit. We are therefore concerned that the Costs Lawyer's approach is not conducive to the regulatory objectives. We note that no other conduct issues were identified by the Legal Ombudsman in the context of the complaint, and that the Costs Lawyer appreciates the need to address shortcomings in their processes.
23. OUTCOME: We impose conditions requiring the Costs Lawyer to follow their internal complaints procedure in all cases, to notify the CLSB of any complaints

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received during the year, and to explain how those complaints are being handled. We work with the Costs Lawyer to support them in improving their approach to complaint handling.

## **The effect of a condition**

24. Where a condition on practising is imposed, this is published against a Costs Lawyer's entry on the register of Costs Lawyers (Practising Rule 5.3). This means that members of the public who search the register will be alerted to the fact that a condition on practising exists. Further information about the nature of the condition can be accessed on our website.
25. A Costs Lawyer must comply with any conditions imposed. Failure to do so is likely to lead to a disciplinary sanction – which could include suspension or revocation of the practising certificate – and/or refusal of an application for renewal of the certificate. A Costs Lawyer may be asked to provide evidence of compliance with a condition, either when they apply to renew their practising certificate or at appropriate junctures throughout the practising year.

## **The duration of a condition**

26. A condition will remain in place for such period as the CLSB considers necessary to meet its original purpose. This means that we may reimpose the condition when the practising certificate is renewed. We may amend the condition if we consider this appropriate, provided that the amended condition meets one or more of the grounds for imposition. A condition may be imposed for less than a full practising year, such that it expires on a specified date or upon completion of a specified event.
27. Under Practising Rule 3.6, the CLSB may remove a condition on a practising certificate if it considers, on written application of the Costs Lawyer or on its own initiative, that there has been a change of circumstances such that it is no longer satisfied that any of the grounds in Rule 3.4 apply.

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28. Under Practising Rule 10, a Costs Lawyer also has a right of appeal against the CLSB's decision to impose a condition or to refuse to remove one.

## Conditions relating to Qualifying Experience

29. There is a special process for imposing conditions relating to Qualifying Experience, although our power to impose such conditions still derives from Practising Rule 3.
30. The CLSB's Training Rules set out the requirements for qualifying as a Costs Lawyer. Training Rule 3.1 provides that, in order to qualify, a Trainee must have successfully completed the Costs Lawyer Qualification and have completed, or be currently undertaking, two years of Qualifying Experience.
31. This means that a Trainee can apply for their first Costs Lawyer practising certificate even if they have not yet completed their Qualifying Experience, so long as they are working towards completing it and can provide an indication of when they expect it to be complete.
32. If an applicant for a first practising certificate indicates that they have not yet completed their Qualifying Experience, or if the CLSB determines that they have not met the requirements for Qualifying Experience in the Training Rules and thus a further period of experience is required, they will be issued with a practising certificate that is subject to a condition. The condition will require the applicant to practise under supervision and to complete their Qualifying Experience by a specified date.
33. More information about this type of condition – including how to have the condition removed once Qualifying Experience is complete – can be found in our

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Guidance Note on Qualifying Experience and associated FAQs, which are available on our [How to become a Costs Lawyer](#) webpage.

**END**

## Consultation response

### Legal Services Board consultation on upholding professional ethical duties

29 May 2025

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#### Introduction

The Costs Lawyer Standards Board (“CLSB”) is the regulator of Costs Lawyers in England and Wales. We exist to serve the public interest by setting and maintaining the standards of professional conduct by which Costs Lawyers must abide. Our mission is to “provide effective, proportionate regulation of Costs Lawyers in a way that promotes consumer choice and understanding, and engenders justified public trust.”

The CLSB is pleased to respond to the LSB’s consultation on upholding professional ethical duties.

#### Q1. Do you agree with our proposed definition of *professional ethical duties*?

In the consultation paper, the LSB proposes the following definition of professional ethical duties for authorised persons:

- *Act with independence and integrity;*
- *Maintain proper standards of work;*
- *Act in the best interests of their clients;*
- *Comply with their duty to the court to act with independence in the interests of justice; and*
- *Keep the affairs of clients confidential.*

The consultation paper goes on to say that, “*authorised persons must ensure that the duty to act in the best interests of their clients does not override their duty to the court, or their duty to act with independence and integrity where these come into conflict.*”

The CLSB broadly agrees with the proposed definition of professional ethical duties, which are already duties for Costs Lawyers under the CLSB Code of Conduct. The equivalence between the LSB’s proposed definition and the duties set out in the Costs Lawyer Code of Conduct is illustrated in the table below.

LSB proposed definition	CLSB Code of Conduct
<i>Act with independence and integrity</i>	Principle 1 – Act with honesty and integrity and maintain your independence.  Principle 1.1 - 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.

	<p>Principle 1.1a - You must act independently in the interests of the proper administration of justice. This duty overrides your duties to your client and applies both to your work before the court, in advising clients, and in conducting litigation.</p>
<i>Maintain proper standards of work</i>	<p>Principle 4 – Provide a good quality and standard of work to your client.</p> <p>Principle 4.1 - You must ensure that you only undertake work for which you are properly qualified and which you are competent to undertake.</p> <p>Principle 4.2 - Work must be undertaken with due skill, care and attention, with proper regard for the technical standard expected of you. If you do not have the knowledge, skills or experience to undertake the work you must decline it.</p> <p>Principle 4.3 - You must ensure that you carry out your professional work in a timely manner with proper regard for standards of professional service and care.</p>
<i>Act in the best interests of their clients</i>	<p>Principle 3.1 - 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 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.</p>
<i>Comply with their duty to the court to act with independence in the interests of justice</i>	<p>Principle 2 - Comply with your duty to the court and promote the proper administration of justice.</p> <p>Principle 2.1 - You must at all times act within the law.</p> <p>Principle 2.2 - You must not knowingly or recklessly either mislead the court, attempt to mislead the court, or allow the court to be misled.</p>

	<p>Principle 2.3 - You must comply with any court order which places an obligation on you, and you must not be in contempt of court.</p> <p>Principle 2.4 - You must ensure that clients understand when your duties to the court will override duties owed to them and you must advise clients to comply with court orders made against them.</p> <p>Principle 2.5 - 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.</p>
<i>Keep the affairs of clients confidential.</i>	<p>Principle 7 - You must keep the affairs of your client 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.</p>

We would suggest two amendments to the proposed professional ethical duties, as set out below.

First, we would suggest that ‘honesty’ be added into the first duty, so that it reads “act with honesty, integrity and independence”. Honesty is one of the core values in Principle 1 of the CLSB Code of Conduct, and referred to in the Codes of Conduct of other approved regulators, such as the Bar Standards Board and CILEx.

Second, we note that the proposed definition does not include a professional ethical duty relating to supporting equity, diversity and inclusion. The Costs Lawyer Code of Conduct places a duty on Costs Lawyers to treat everyone fairly, and with dignity and respect (Principle 6). It emphasises that Costs Lawyers must not bully, harass, or unfairly discriminate against anyone, and must not engage in or facilitate counter-inclusive conduct or harassment.

The detailed principles in the CLSB Code of Conduct mirror the protected characteristics in the Equality Act 2010 and incorporate the commitment of legal regulators in their joint statement “Tackling Counter-Inclusive Misconduct Through Disciplinary Processes” (May 2022).

Given that all legal regulators – including the LSB – committed to that joint statement, we would suggest that the definition of professional ethical duties should include a duty relating to upholding the principles of equity, diversity and inclusion.

**Q2. Do you agree with our proposal to set general outcomes?**

The CLSB agrees that setting general outcomes for regulators is the right approach. We welcome the LSB's recognition that the approved regulators regulate different professions, reserved legal activities and authorised persons (including both individuals and entities), and as a consequence may adopt different approaches to pursuing the stated outcomes (paragraph 9 of the consultation paper). Each regulated community is different, and an outcomes-focussed approach will enable each regulator to develop guidance and resources that are appropriate and sensible for its own regulated community. This approach empowers regulators to design frameworks that meet the existing needs, challenges and opportunities of their own regulated communities, but which are also flexible enough to encompass potential future risks and developments.

**Q3. Do you agree these proposed outcomes address the harms and unethical behaviours presented in the evidence? Are there any further outcomes we should consider?**

The CLSB believes that the proposed outcomes highlight the importance of professional ethical conduct, and its centrality to the proper administration of justice, rule of law and consumer protection. We believe the proposed outcomes will contribute to addressing the harms and unethical behaviours presented in the evidence.

**Q4. Do you agree that the proposed general outcomes should be met by regulators through a set of specific expectations?**

The CLSB recognises that developing a set of general expectations that would be applicable across legal regulators would have the benefit of harmonising approaches across the sector, bringing consistency for consumers and authorised persons alike.

As explained in our response to question 2, we welcome the LSB's recognition that the approved regulators regulate different professions, reserved legal activities and authorised persons (including both individuals and entities), and as a consequence may adopt different approaches to pursuing the stated outcomes (paragraph 9 of the consultation paper). We also welcome the LSB making clear that regulators will have discretion in how they pursue alternatives to meeting the outcomes, where this is appropriate for their regulated community. This flexibility is essential for ensuring that regulators are able to design guidance, resources, and policies that best meet the existing needs, challenges and opportunities of their own regulated communities.

**Q5. Do you agree that regulators should demonstrate that evidence-based decisions have been taken about which expectations are appropriate to implement for those they regulate?**

The CLSB agrees that regulators should take an evidence-based approach in this area.

**Q6. Do you agree with the proposed outcome 1?**

Proposed Outcome 1 is that "authorised persons have the right knowledge and skills on professional ethical duties, both at the point of qualification and throughout their career."

The CLSB agrees with this proposed outcome.



### **Q7. Do you agree with the specific expectations proposed under outcome 1?**

The CLSB agrees with the expectations proposed under outcome 1. These expectations align with much of what the CLSB is already doing to ensure that Costs Lawyers have the right knowledge and skills on professional ethical duties at all stages of their career.

Year 1 of the Costs Lawyer Professional Qualification includes an 8-week module on Professional Standards & Ethics, which is assessed through an assignment and seminar. This is a compulsory module that is delivered by the CLSB, and includes Costs Lawyers' obligations under the Code of Conduct, how the CLSB monitors and ensure compliance, and how the CLSB handles breaches of the Code. Resources from the CLSB Ethics Hub are used for break-out discussion groups as part of the training module.

'Professional standards and ethics' is a key area of the 'Knowledge' component of the CLSB [Competency Framework](#); Costs Lawyers are expected to have a 'detailed knowledge and understanding' in this area, as well as depth and breadth of knowledge of the key concepts and general principles. The Competency Framework explains that this is "necessary to preserve the reputation of the profession, retain an individual's regulated status and protect the interests of clients and the wider public." Failing to recognise – or ignoring – ethical behaviour is specified as a negative behavioural indicator against the competencies of 'self management' and 'agile thinking'.

Professional ethical duties are also integral to the CLSB's [Ongoing Competency Statement](#) for Costs Lawyers, with expectations around honesty, fairness, trust, integrity and ethical conduct woven throughout. For example, "act as a role model in upholding professional integrity and standards" is a positive behavioural indicator for Costs Lawyers aspiring to business leadership. Conversely, willingness to "overlook non-compliance or unethical conduct in pursuit of business objectives" is listed as a negative indicator against this skill. Similarly, "Maintains ethical standards and upholds professional integrity in all client interactions" is a positive behavioural indicator for the 'Customer service and client relationships' skill,

Finally, as set out in our answer to question 9, the CLSB has developed a wide range of resources on professional and ethical duties that can be used by Costs Lawyers at all stages of their career.

### **Q8. Do you agree with the proposed outcome 2?**

Proposed Outcome 2 is that "regulators have a framework of rules, regulations, guidance and other resources which make clear that *professional ethical duties* are integral to the way authorised persons are expected to behave and act throughout their careers."

The CLSB agrees with this proposed outcome. It is vital to the administration of justice, rule of law, and consumer protection, that all authorised persons are clear about their professional and ethical obligations, and how to apply these throughout their career.

### **Q9. Do you agree with the specific expectations proposed under outcome 2?**

The CLSB agrees with the specific expectations proposed under outcome 2. These expectations align with the resources that the CLSB has already developed to help Costs Lawyers understand their professional and ethical duties at all stages of their career.

The CLSB has developed a wide range of guidance and support on professional ethical duties to support Costs Lawyers. The resources in the CLSB [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.

The resources include detailed information on topics such as ‘Costs Lawyers and the Rule of Law’, ‘Learnings from the Post Office Horizon Scandal’, ‘Balancing the interests of your professional client and ultimate client’, ‘Whistleblowing’ and more. They also include ethical scenarios that are fictional, but based on real enquiries and complaints received by the CLSB. These scenarios are not intended to provide concrete answers to ethical questions, but aim to guide Costs Lawyers and help them consider relevant factors.

The resources emphasise that, regardless of the situation a Costs Lawyer may be facing, they should always consider their obligations under the Costs Lawyer Code of Conduct, and ensure that they are familiar with the CLSB’s Guidance Notes in the [Costs Lawyer Handbook](#). Costs Lawyers can also contact the CLSB directly for assistance.

#### **Q10. Do you agree with the proposed outcome 3?**

Proposed Outcome 3 is that “authorised persons are supported and empowered to uphold their professional ethical duties when they are challenged.”

The CLSB agrees with this outcome in principle.

Costs Lawyers have obligations under the [Code of Conduct](#) to act in the best interests of their client and Costs Lawyers will usually have a contractual duty to act in the best interests of their employer. They also have wider obligations to act with honesty and integrity, and to promote the proper administration of justice and the rule of law. They also must keep the public interest, and public perception of the profession, in mind at all times. That said, there may be times when upholding those duties in the face of challenge may feel daunting, and it is important that authorised persons are supported in such cases, especially as raising concerns an early stage may prevent further harm being caused.

#### **Q11. Do you agree with the specific expectations proposed under outcome 3?**

Paragraph 69 (i) of the consultation paper states that regulators would be expected to: “Set clear reporting expectations for authorised persons, their managers and employees within authorised firms on any breach or anticipated risk of breach of *professional ethical duties*, to facilitate an environment of openness and speaking up.”

The CLSB provides detailed guidance for authorised persons on their reporting obligations. We have a specific note in the Ethics Hub on whistleblowing for Costs Lawyers who may find themselves in a situation where they may need to blow the whistle.

Where a Costs Lawyer reports a disclosable event to the CLSB, we will – where appropriate - also report to other regulators and authorities, which could include the police where a report includes evidence of a crime.

The consultation paper does not explain whether the expectations for regulators are intended to go beyond regulators’ existing duties and policies in this regard if they are notified of a breach

or anticipated breach of a professional ethical duty by an authorised person. It would be helpful if this could be clarified.

#### **Q12. Do you agree with the proposed outcome 4?**

Proposed Outcome 4 is that “regulators identify and use appropriate tools and processes to monitor and supervise the conduct of authorised persons, and where necessary take effective action to address non-compliance with *professional ethical duties*.”

The CLSB agrees in principle with this outcome.

Ethical conduct is an important part of upholding the rule of law and the proper administration of justice. By upholding the rule of law and acting ethically, Costs Lawyers help to ensure access to justice, the protection of human rights, the equal application of the law to all, and public trust in the legal system. Conversely, unethical conduct undermines the rule of law and access to justice, and diminishes public trust in the profession as a whole.

The CLSB’s [Disciplinary Outcomes](#), and our Policy Statement on Enforcement and Sanctions, set out how we will investigate breaches of our rules and standards, and our approach to imposing sanctions on authorised persons where an allegation of a breach is upheld. Costs Lawyers whose conduct falls below the expected standard may find themselves subject to a complaint or disciplinary sanctions by the CLSB under our existing policies and procedures. As set out in our [Policy Statement on Enforcement and Sanctions](#), the CLSB is primarily concerned with taking enforcement action against serious breaches. Behaviour involving dishonesty, lack of integrity, significant harm to consumers, or behaviour that poses a high risk to the public interest, the reputation of the profession or the administration of justice, will always be serious. Our guidance on [Reporting Ethical Issues](#) provides information about reporting in different circumstances, including what to report, when to report and how to decide whether to make a report.

We are therefore somewhat surprised that the consultation paper states, “The regulators’ responses to our information request show that currently there is no specific focus through monitoring, compliance or enforcement on professional ethics.”

#### **Q13. Do you agree with the specific expectations proposed under outcome 4?**

The CLSB agrees that addressing gaps in compliance with ethical duties is important. However, there are potential practical challenges to monitoring compliance in this area that apply to all regulated communities.

Where a report of an alleged breach of rules or standards is made to an approved regulator, that is recorded and investigated. However, if a regulator’s approach to helping authorised persons comply with their ethical duties is working effectively, then this should mean that authorised persons are able to resolve ethical problems appropriately, and consequently would not need to self-report to their regulator, or be the subject of an investigation regarding an alleged breach of the relevant professional ethical duties. Conversely, the absence of reports of authorised persons breaching professional ethical duties does not of itself mean that authorised persons have not encountered ethical problems or not complied with their duties; it may simply mean that an ethical issue has not been recognised or reported.

On the other hand, the fact that an authorised person is involved in a breach of ethical duties does not necessarily mean that a regulator's standards or activities are ineffective. The very nature of ethical dilemmas is that they arise when the best course of action is not clear-cut. For example, when the ethical course of action may have a negative outcome, or when the needs of different parties are in conflict. Ethical dilemmas may pose questions of conflict between an authorised person's duty to promote the proper administration of justice and the requirement to protect the interests of their client. In practice, every ethical challenge will have unique characteristics, and an authorised person must decide how to meet their professional obligations on a case-by-case basis. This means that they must exercise professional and situational judgement, and give consideration to any ethical issues at hand, when considering how to act.

What is considered ethical conduct and values are shaped by societal and cultural expectations that are constantly evolving. There is sometimes no 'right' answer to complex ethical questions that occur in professional and legal contexts, which are themselves complicated and nuanced. Each scenario will be different, and the ethical challenges that arise in one area of law may not occur in another. For example, an ethical question that arises in a costs context may be very different to that which arises in substantive family law litigation. In such situations, the effectiveness of a regulator's reporting and disciplinary processes are key.

From a regulatory perspective, this means that monitoring compliance could present practical challenges of trying to prove a negative (i.e. that an absence of any ethical breaches is evidence that an approach is working), or demonstrating that individual cases are not necessarily indicative of broader regulatory ineffectiveness. It would be helpful if the guidance could reflect the challenges inherent in monitoring compliance in an area where subjective, individual judgement means that any number of approaches could be deemed appropriate when addressing a particular challenge.

Finally, in multi-disciplinary environments where there may be members of several professions working together, effective cooperation between regulators where one regulated community is exposed to risk that may affect the others is vital for protecting the public and other authorised persons. This could be achieved through the Framework Memorandum of Understanding that is in place between the approved regulators regarding information sharing and investigations.

#### **Q14. Do you agree with the proposed outcome 5?**

Proposed Outcome 5 is that "regulators regularly evaluate the impact of their measures to pursue outcomes 1 to 4 above to and make changes, if required, to ensure that they remain fit for purpose."

The CLSB agrees with this proposed outcome.

#### **Q15. Do you agree with the specific expectations proposed under outcome 5?**

We agree that regulators should regularly review their guidance, resources and reporting procedures regarding professional ethical duties, subject to the concerns that we have set out in answer to question 13 above.

**Q16. Do you agree with our proposed timelines for implementation?**

The CLSB agrees with the proposed timelines for implementing outcomes 1 to 3. We believe that the requirements of our Code of Conduct, our Economic Crime guidance note and related resources, and our Disciplinary Framework already meet many aspects of the draft guidance. We further believe that any aspects of the draft guidance which are not explicitly covered by our existing regulatory arrangements could be swiftly incorporated.

The CLSB agrees with the proposed timelines for implementing outcomes 4 to 5, subject to the concerns we have set out in question 13 above.

**Q17. Is there any reason why a regulator would not be able to meet the statement of policy outcomes within the timeframes proposed? Please explain your reasons.**

Please see our response to question 16.

**Q18. Have you identified any equality impacts, we haven't considered which, in your view, may arise from our proposed statement of policy?**

The CLSB has not identified any other equality impacts arising from the proposed statement of policy.

**Q19. Do you have any evidence relating to the potential impact of our proposals on specific groups with certain protected characteristics, and any associated mitigating measures that you think we should consider?**

The CLSB does not have any evidence of potential impact of the proposals on specific groups with protected characteristics.

**Q20. Are there any other wider equality issues or impacts that we should take into account and/or any further interventions we should take to address these in our statement of policy?**

The CLSB has not identified any wider equality issues or impacts that should be taken into consideration.

**Q21. Do you have any comments on the potential impact of the draft statement of policy, including the likely costs and anticipated benefits?**

Ethical conduct is an important part of upholding the rule of law and the proper administration of justice. By upholding the rule of law and acting ethically, authorised persons help to ensure access to justice, the protection of human rights, the equal application of the law to all, and public trust in the legal system. Conversely, unethical conduct undermines the rule of law and access to justice, and diminishes public trust in the profession as a whole.

In addition to its vital relationship to the rule of law, ethical conduct also has positive benefits for the profession, firms and individual authorised persons. Being perceived as a professional or firm with high ethical standards and values can help to attract new business and retain existing clients, and have positive benefits for recruitment into the profession. For example, a recent [study](#) showed that a firm's perceived ethics and values have an impact on recruitment, with three quarters of study respondents agreeing that they would not join an organisation whose values did not match their own, even if they were offered more money.

**Q22. Do you have any further comments?**

The CLSB notes that, as drafted, the expectations say, “regulators **must**”. The use of ‘must’ in this context gives the impression that the expectations are, in fact, requirements. The use of ‘must’ in this context is also inconsistent with previous LSB policy statements, which have used phrasing such as “regulators should” (LSB policy statement on [first tier complaints](#), May 2024) or “regulators are expected to” (LSB policy statement on [empowering consumers](#), April 2022). We would therefore expect to see the language around the expectations softened in the final version of the policy statement, and the use of the word “must” amended.

**Minutes of the ACL Council Meeting**  
**held on 25<sup>th</sup> February 2025**  
Shakespeare Martineau, Birmingham, 10am



Council members present: Jack Ridgway (JRid), David Bailey-Vella (DBV), Stephen Averill (SA), Kris Kilsby (KK), Julian Caddick (JC), Victoria Morrison-Hughes (VMH), Amy Dunkley (AD), Nathan Cameron (NC) & Jane Risley (JRis)

Also present: Carol Calver (CC) Head of Operations

The meeting started at 10:00

Item	
1	Welcome and apologies
1.1	JR welcomed all to the meeting.
2	Minutes of the council meeting held on 28 <sup>th</sup> January 2025
2.1	It was unanimously agreed that the draft minutes of 28 <sup>th</sup> January 2025 were an accurate reflection of the meeting. It was agreed that items 4.1, 5.3 and 8.1 should be partially redacted before publishing on the website.
3	Actions arising from the council meeting held on 28 <sup>th</sup> January 2025
3.1	Actions were reviewed and updated.
4	Chairman's Report
4.1	JRid confirmed closing of Chair nominations on 16/2 resulting in one nomination. Uncontested David Bailey-Vella will become Chair of the Council of the Association of Costs Lawyers on 1 <sup>st</sup> April 2025. JRid and Council congratulated DBV. Partial handover will take place at the EGM on 12/03.
4.2	JRid has shared the final version of the amended Articles & By-Laws for Council review – this was fully approved. CC will incorporate the final versions into the EGM pack which will be sent to attendees prior to the meeting.
4.3	JRid and SA have reviewed and fully updated the Member Code of Conduct, Council discussed and agreed all changes. CC to advise Council on all new membership applications and to investigate ways of capturing disciplinary information as recorded by the CLSB.
5	PR & Marketing Committee Report
5.1	Council were updated on plans for the Manchester Conference, confirmed as 9 <sup>th</sup> May. Discussions took place covering venue, speakers and sponsors along with ticket and sponsorship pricing being agreed for the event.
5.2	CC advised the Leonardo London City were willing to honor the DDR price from 2024, Council agreed to book this early to secure the rate.

6	Policy Committee Report
6.1	KK updated Council on the extension to the CJC Litigation Funding consultation, now closing end of February. Policy have used additional time to review and refine response. Policy will attend a further open meeting for this before making any final changes and sending to Council for review and to Black Letter for inclusion into articles and the eBulletin. Once complete Policy focus will return to the completion and submission of the Prec G review.
7	Education Committee Report
7.1	A full update on ACL Training will be circulated to Council following the ACLT board meeting later the same week.
7.2	DBV provided a brief summary detailing enrollment numbers for the February intake that were in general encouraging, with plans in place to mitigate shortfall in the coming months ahead of the next intake. It was however noted higher than anticipated numbers for 1:1 and 1:2 would improve numbers as these students progressed through the course. Station Road marketing have provided encouraging improved engagement statistics for LinkedIn campaigns – impressions, followers, clicks and shares.
7.3	JRis updated Council on a request from ACLT for her to record promotional videos to add to the marketing library, these will be shared with ACL once complete.
8	Finance & Internal Policy Committee Report
8.1	SA detailed to Council a current investment fund value <i>redacted due to confidentiality</i> .
8.2	SA provided a summary of the December 24 management accounts alongside a review with Operations to the 2025 budget as now in receipt of actuals, Council agreed the budget should remain as originally set as fluctuations have already been seen within the subscription levels.
9	Operations Report
9.1	CC asked advice on whether Council thought it necessary to continue the hosting of a member forum on the website – this is due to lack of engagement on the website. The LinkedIn forum page is more widely used. A review will take place in March, once the site has been live for a full 12 months.
9.2	CC asked for Council volunteer(s) to review data from recent member data survey and provide necessary actions from it. JRis will work with Ops going forward.
9.3	If timings are aligned, Council agreed the Association could look to purchase a copy of Friston on Costs, 5 <sup>th</sup> Edition as a ‘give-away’ at conference.
10	Any other business
10.1	n/a
11	Date of next meeting
11.1	The next meeting is 25 <sup>th</sup> March, via Teams at 10am



**Minutes of the ACL Council Meeting**  
**held on 25<sup>th</sup> March 2025**  
 via Teams - 10am



Council members present: Jack Ridgway (JRid), David Bailey-Vella (DBV), Stephen Averill (SA), Kris Kilsby (KK), Julian Caddick (JC), Victoria Morrison-Hughes (VMH), Amy Dunkley (AD), Nathan Cameron (NC) & Jane Risley (JRis)

Also present: Carol Calver (CC) Head of Operations

The meeting started at 10:00

Item	
1	Welcome and apologies
1.1	JR welcomed all to the meeting.
2	Minutes of the council meeting held on 25 <sup>th</sup> February 2025
2.1	It was unanimously agreed that the draft minutes of 25 <sup>th</sup> February 2025 were an accurate reflection of the meeting. It was agreed that item 8.1 should be partially redacted before publishing on the website.
3	Actions arising from the council meeting held on 25 <sup>th</sup> February 2025
3.1	Actions were reviewed and updated.
4	Chairman's Report
4.1	JRid confirmed that the members voted in the 2025 Association Articles and By-Laws at the Extraordinary General Meeting on 12 <sup>th</sup> March with no questions or queries raised. Council formally adopted the Articles of Association in a vote called by David Bailey-Vella, seconded by Stephen Averill.
5	PR & Marketing Committee Report
5.1	AD updated Council on speakers for the Manchester conference, with alternatives discussed where invitations had been declined. Overnight accommodation requirements for Council the evening before were confirmed.
5.2	Regarding orders for CLR reports <i>redacted due to confidentiality</i> . Council suggested further promotion at the Manchester Conference, via slides and perhaps attendance by CLR as an expo slot.
5.3	Council reviewed the sponsorship of the Modern Law Awards and the awards ceremony itself. <i>Redacted due to confidentiality</i> .
6	Policy Committee Report
6.1	KK confirmed the formal response to the CJC consultation had been submitted and focus would now return to the WP review of Prec G.

7	Education Committee Report
7.1	VMH advised a full update had been provided following the latest ACLT Meeting.
7.2	KK raised a concern regarding the perspectives and suitability of social media messages and posts on the ACLT pages. Council will put to the ACLT Board for discussion and comment.
8	Finance & Internal Policy Committee Report
8.1	SA provided Council with an update on investments and ACL Bank Accounts. <i>Redacted due to confidentiality.</i> Annual review meeting with Enable is scheduled for late April.
9	Operations Report
9.1	CC advised Council that Andrew Gordon-Saker had accepted Honorary membership of the Association.
9.2	Council approved a suggestion from CC to close the website forum, providing an archive of posts / threads that members can review if needed. Functionality to remain within back end in case required in future however promotion of LinkedIn forum will continue.
9.3	Council reviewed the changes in membership categories in the 2025 by-laws, agreeing subscription rates and member entitlements.
10	Any other business
10.1	Council discussed an email from the CLSB regarding the Association becoming a member of the Professional Mortgages scheme. It was decided that the scheme does not comprehensively cover all mortgage providers and would only appeal to a small proportion of our members. Scheme is likely based on a salary structure and predication scale, data that is currently unavailable for Costs Lawyers.
11	Date of next meeting
11.1	The next meeting is 15 <sup>th</sup> April, via Teams at 10am

**Minutes of the ACL Council Meeting**  
**held on 15<sup>th</sup> April 2025**  
 via Teams - 10am



Council members present: David Bailey-Vella (DBV), Stephen Averill (SA), Kris Kilsby (KK), Julian Caddick (JC), Victoria Morrison-Hughes (VMH), Amy Dunkley (AD), Nathan Cameron (NC) & Jane Risley (JR)

Also present: Carol Calver (CC) Head of Operations

The meeting started at 10:00

Item	
1	Welcome and apologies
1.1	DBV welcomed all to the meeting.
2	Minutes of the council meeting held on 25 <sup>th</sup> March 2025
2.1	It was unanimously agreed that the draft minutes of 25 <sup>th</sup> March 2025 meeting were an accurate reflection. It was agreed that items 5.2, 5.3 & 8.1 should be partially redacted before publishing on the website.
3	Actions arising from the council meeting held on 25 <sup>th</sup> March 2025
3.1	Actions were reviewed and updated.
4	Chairman's Report
4.1	DBV confirmed that following a Council vote on 14/04 <i>redacted due to confidentiality</i> Victoria Morrison-Hughes had been voted in as Vice-Chair. <i>Redacted due to confidentiality.</i>
4.2	DBV detailed the three Council vacancies (JRid Chair term completion and terms ending for JC & SA) confirming five nominees of: Julian Caddick, Claire Green, Sharn Khaira, Nicolas Lee and Nicola Thomas. A member ballot will take place (online) between 16/04 and 23/04.
4.3	DBV proposed re-allocation of roles on Council Sub-Committees, allowing for both Chair & Vice-Chair not sitting on any particular committee permitting them time to devote to any area needing assistance or direction, including Operations. Subsequently DBV will resign his position for the ACLT Board as of 30/04 with VMH remaining in place as hand over until a new Council member is elected and placed on the sub-committee.  Current Council Sub-Committees are: Finance & Internal Policy: Julian Caddick Policy: Kris Kilsby & Amy Dunkley PR-AM: Nathan Cameron & tbc (new Council member) Education: Jane Risley & tbc (new Council member)
5	PR & Marketing Committee Report
5.1	AD provided an update of speakers confirmed for the upcoming Manchester Conference, detailing the need for a replacement speaker for the CoP breakout session <i>redacted due to confidentiality</i> . KK will host the breakout session on a topic tbc once all other speaker topics

	are confirmed. CC confirmed minor conference specifics with Council.
6	Policy Committee Report
6.1	KK updated Council on the re-focus of the Prec G review, with a further WP meeting anticipated prior to presenting to the membership at the Manchester Conference, requesting engagement from members to formally comment on suggestions before submitting to the SCCO.
6.2	KK detailed a request from the LSB seeking suggestion on collaborative initiatives, growth and barriers – KK & AD to review and formalise response.
6.3	JC brought to Councils attention an anticipated consultation of the Solicitors Act following the publication of the Litigation Funding consultation. JC to work with both ACL & CJC in response, as CJC expected to form part of WP.
7	Education Committee Report
7.1	VMH offered ongoing support to JR on the Education sub-committee and proposed a possible review of frequency of ACLT Council meetings. CC also suggested additional interim meetings between the Education sub-committee and JR/Operations.
8	Finance & Internal Policy Committee Report
8.1	SA updated Council on both bank balance and investment fund value. A sharp drop in value has been experienced within the investment fund, with current levels the same as 12 months previous <i>redacted due to confidentiality</i> – this is not unexpected due to global market uncertainty with further variances predicted.
9	Operations Report
9.1	CC asked Council to consider the detail of Fellow Costs Lawyer membership applications. Council reviewed the consultation documents along with the articles and by-laws and concluded some leniency should be provided for those with a break in ACL membership <i>redacted due to confidentiality</i> . VMH to support Operations with application reviews ahead of formal Council approval going forward.
10	Any other business
10.1	AD requested holding a CitC event prior to the Manchester Conference. This was discussed and while it has merit, it would require management to ensure it did not detract from the conference. An event before conference could potentially be sponsored by the ACL and may replace or reduce post conference drinks in offering delegates opportunity to travel home earlier in the day. Due to timings this will be explored in full for London Conference in November.
11	Date of next meeting
11.1	The next meeting is 8 <sup>th</sup> May, 19:00 Voco Hotel Manchester

12 May 2025

**By E-mail to:**

Paul Mosson, CEO, Costs Lawyer Standards Board  
[enquiries@clsb.info](mailto:enquiries@clsb.info)

Dear Paul

**CILEX Charter Amendment has received Royal Approval**

I write to share the news that CILEX has received the Privy Council's agreement to amend its Royal Charter.

This is a significant public interest development which will benefit consumers, by increasing access to, and visibility of, regulated professionals who can deliver cost-effective services. Aspiring paralegals, CILEX Lawyers and their employers benefit through a clearer and more structured career pathway. The new Charter introduces:

- **CILEX Chartered Paralegal** status to those who have demonstrated at least five years of validated legal work experience, meeting high standards of competence and conduct, and who will appear on a new CILEX Professional Paralegal Register alongside CILEX Paralegals. This will provide a clear and robust framework for competence, ethics, and accountability—ensuring that CILEX Chartered Paralegals are properly equipped to support the delivery of legal services that are safe, efficient, and responsive to public need.
- **A more inclusive governance structure** which allows full participation and voting rights for all levels of members in our AGMs and SGMs and for representation of those levels on our Professional Board for the first time.
- **An updated suite of CILEX Lawyer titles** which will, amongst other things, enable Chartered Legal Executives to call themselves CILEX Chartered Lawyers (a term more familiar to the public), and enable a Legal Technologist membership grade to recognise emerging specialisms in the legal sector. This is an enabling change which it is anticipated will actually go live in the medium term.

These developments are important steps forward in professionalising and simplifying the legal sector in the public interest, and recognising the value of more diverse contributions of legal professionals working under the highest standards. We would welcome a future discussion with you on how we might work together on such initiatives for continuous improvement of the legal sector.

Yours sincerely



Yanthe Richardson  
President