



## Costs Lawyer Standards Board

### AGENDA

Wednesday 26 March 2025 @ 10:30am  
Remotely via videocall

**Board:**

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

**In attendance:**

Jacqui Connelly	Director of Operations
Lori Frecker	Director of Policy
Paul Mosson	Incoming CEO

*Note: Agenda items in blue are standing items*

	Agenda item	Paper	Publish <sup>1</sup>	Lead
1	<b>Opening matters</b> 1.1 <a href="#">Quorum and apologies</a> 1.2 <a href="#">Declarations of interest on agenda items</a> 1.3 Welcome to Paul Mosson	- - -		DH DH DH
2	<b>Minutes</b> 2.1 <a href="#">Approval of minutes</a> (12 December 2024) 2.2 <a href="#">Matters arising</a> (12 December 2024)	Item 2.1 -	Yes	DH DH
3	<b>Strategy</b> 3.1 Governance during the interregnum 3.2 <a href="#">Progress against Business Plan: Q1 2025</a> 3.3 Annual report against performance indicators	- Item 3.2 Item 3.3	Yes No (B)	DH JC/LF JC
4	<b>Board matters</b> 4.1 Consolidated register of interests	Item 4.1	Yes	DH

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

5	<b>Finance</b> 5.1 <a href="#">Quarterly report: Q4 2024</a> 5.2 <a href="#">Quarterly report: Q1 2025 to date</a>	Item 5.1 Item 5.2	No (D, E) No (D, E)	JC JC
6	<b>Risk management</b> 6.1 <a href="#">Review of risk register</a>	Item 6.1	Yes	DH
7	<b>Regulatory matters</b> 7.1 Guidance Note on Client Care Letters 7.2 Guidance Note on Qualifying Experience 7.3 Annual complaints look-across 7.4 Costs Lawyer profession in 2024 7.5 Career pathways: 2024 diversity report & next phase of research	Item 7.1A+B+C Item 7.2 Item 7.3A+B Item 7.4 Item 7.5	Yes Yes No (B, E) Yes Yes	JC JC JC JC LF
8	<b>Legal Services Board (LSB)</b> 8.1 <a href="#">Work updates</a> 8.2 2024 Regulatory performance assessment outcome	Item 8.1A+B Item 8.2	Yes No (B)	LF DH
9	<b>Stakeholder updates<sup>2</sup></b> 9.1 <a href="#">ACL Council meeting minutes</a> 9.2 <a href="#">Work updates</a>	Item 9.1 -	Yes	JC JC/LF
10	<b>Operations</b> 10.1 2025 practising certificate renewals report 10.2 Financial Audit	Item 10.1 Item 10.2	Yes Yes	JC 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> <a href="#">Date: 16-17 June</a> <a href="#">Venue: London</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.

Company number: 04608905

**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**  
**Thursday 12 December 2024 at 10:30 am**  
**Remotely via Teams**

<b>Board:</b>	Rt Hon David Heath CBE	Lay NED (Chair)
	Stephanie McIntosh	Lay NED (Vice-Chair)
	Andrew Harvey	Lay NED
	Andrew McAulay	Non-Lay NED
	Paul McCarthy	Non-Lay NED
<b>In attendance:</b>	Kate Wellington	CEO
	Jacqui Connelly	Director of Operations
	Craig Westwood	Legal Services Board (item 1)
	Suganya Suriyakumaran	Legal Services Board (item 1)

**1. OPENING MATTERS**

- 1.1** The Chair declared the meeting quorate. There were no apologies from board members. Lori Frecker, Director of Policy, sent her apologies.
- 1.2** There were no declarations of interest on any agenda item.
- 1.3** The board hosted Craig Westwood and Suganya Suriyakumaran from the Legal Services Board for a meet-and-greet session. Craig described the LSB's current priorities and intended approach to oversight going forward, as well as his initial impressions having started as CEO in August. The board discussed with Craig issues such as:
- how best to work within the complexities of the regulatory framework for legal services and achieve the most impact;
  - challenges for the CLSB that make its regulatory task unique amongst the legal services regulators;
  - drivers behind the LSB's budget increase for next year and likely future costs;
  - helping consumers navigate the regulatory landscape and the various bodies;
  - getting value from small teams and ensuring proportionality in information requests;
  - ways to build on the existing constructive relationship between the organisations.

David thanked Craig and Suganya for a useful session and emphasised the benefits of ongoing open dialogue. Craig also thanked Kate for her collaboration with the LSB during her time as CEO and wished her well for the future.

## **2. MINUTES**

### **2.1 Minutes dated 21 October 2024**

The board considered the minutes of its last scheduled quarterly meeting on 21 October 2024. The board agreed the minutes as being a true record for signing.

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

### **2.2 Matters arising**

The board considered the matters arising from the minutes of its meeting on 21 October 2024. There were no matters arising that had not been scheduled as agenda items or otherwise dealt with.

## **3. STRATEGY**

### **3.1 Progress against Business Plan: 2024 annual roundup**

The board was provided with a progress update against the 2024 Business Plan to year end. Kate explained that the team had delivered the remaining Business Plan priorities in Q4, completing all Business Plan activities for the year.

Board members expressed their appreciation for the executive's ambition and diligence in delivering all aspects of the 2024 Business Plan, especially given new events and pressures that inevitably arose throughout the year.

The board considered and approved the executive's proposed strategic priorities for Q1 of 2025.

### **3.2 Recruitment update**

David updated the board on arrangements for recruiting a new CEO following Kate's decision to step down in October. This followed the board's approval of an updated job description and advertisement for the role by email between meetings.

Stephanie – who would chair the first round interview panel – agreed to provide feedback to the board by email once the first round had concluded.

***Action: Stephanie to feed back outcome of first round interviews in December.***

## **4. BOARD MATTERS**

### **4.1 Board member reappointment**

David left the meeting. Stephanie, as Vice Chair, explained that David's term as Chair of the board was due to expire on 17 March and he was eligible for reappointment.

The board resolved to reappoint David for a further three years, to 17 March 2028. David returned to the meeting and was informed of the board's decision.

### **4.2 Remuneration Committee member reappointments**

The board resolved to reappoint the two members of the Remuneration Committee – Andrew Harvey and Paul McCarthy – until the end of their board appointment terms, namely to 23 January 2027 and 24 January 2026 respectively.

The board felt that this would help with continuity and succession planning by allowing a new member to join the Committee in 2026 under Andrew H's continued

chairmanship. That new member would then provide continuity when Andrew H departed in 2027.

#### **4.3 Remuneration Committee update**

Andrew H provided an update on the business of the Remuneration Committee and the board was provided with the minutes of the Committee's meeting in November. Andrew H noted that a cost of living pay rise of 3% had been awarded to staff and office holders with effect from 1 March 2025.

### **5. FINANCE**

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

Jacqui introduced the quarterly finance report. The board noted the financial position to the end of the year. Expenditure was almost exactly in line with budget, with just an £18 variance. The final position for the year was a small surplus of £4,982 due to higher than anticipated income. This would be used to offset the practising fee for 2026, as required under the LSB's Practising Fee Rules.

#### **5.2 2024 contribution to reserves**

The board approved a £5,000 contribution to the CLSB's committed reserves as anticipated in the 2024 budget.

Jacqui noted that committed reserves were now close to the target level, so the executive and board would need to take that into account when considering how much to contribute to reserves in 2025. The board also noted there were several projects being scoped that might necessitate drawing on the committed reserves (in the tech and IT space), which would deplete the reserves in 2025.

### **6. RISK MANAGEMENT**

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

The board carried out its quarterly review of the risk register. The board noted that risks relating to the Axiom Ince report would be considered at item 8.3 below. The board also agreed that section C of the risk register should be updated to reflect the CLSB's new mitigation activities under the 2025 Business Plan.

### **7. REGULATORY MATTERS**

#### **7.1 ACL Training annual monitoring outcome**

The Accreditation Panel carried out the annual monitoring process in Q4 as a key mechanism for overseeing ACL Training's delivery of the Costs Lawyer Qualification. The board was provided with the Accreditation Panel's report, based on information and evidence provided by ACL Training, as well as a letter communicating the outcome of the annual monitoring process to ACL Training.

Kate emphasised that this was the first time the annual monitoring process had been tested and it had worked well for both parties, with positive feedback from ACL Training about the usefulness of the Panel's recommendations. Andrew M also fed back on how he found the process, as the third member of the Accreditation Panel.

The board reflected on the extent of the journey that CLSB and ACL Training had come on together to create the new framework for qualification and the new course; the Panel's report evidenced the success of that journey and the quality of course delivery.

The board also discussed how the CLSB's work on accreditation and monitoring could be better socialised, to give ACL Training credibility and help showcase the CLSB's contribution in this area.

## **7.2 First tier complaints guidance**

The board was provided with proposed amendments to five Guidance Notes. These amendments aimed to ensure the CLSB complied with the LSB's new requirements for first tier complaints and would also bring the guidance into line with the Legal Ombudsman's document "An Ombudsman's view of good costs services", which was updated in June 2024. Kate noted that the executive had also produced a spreadsheet tracking compliance with the LSB's and Legal Ombudsman's expectations; this had not been provided to the board due to its size but was available on request.

The board discussed the requirement in the Guidance Note on Complaints Procedures for Costs Lawyers to provide their complaints procedure to clients at the outset and close of every matter, and considered whether this was proportionate and realistic. Kate agreed to check the source of that requirement and, if it would not render the guidance noncompliant, the requirement would be adjusted before publication.

Subject to the above, the board approved the amendments to the Guidance Notes for publication. Board members discussed with Jacqui how best to get the Guidance Notes in front of the right practitioners at the right time.

The board noted the ambitions set out in a letter from the Legal Ombudsman to the regulators regarding better complaint handling, dated 4 December. It was agreed that the CLSB should engage constructively with the Legal Ombudsman and other legal regulators on the issues raised in the letter, as led by the Ombudsman.

**Action: Publish updated Guidance Notes subject to the agreed amendment.**

## **7.3 Technology and AI workplan**

The board was provided with a proposed workplan on technology and AI based on the recommended activities in the CLSB's recent report "Costs Lawyers, technology and regulation". The board was also provided with a cover paper explaining the approach the executive had taken to turning the recommendations into actionable outputs.

The board considered and agreed the workplan.

**Action: Executive to commence activities in the workplan in H1 2025.**

## **7.4 Disciplinary investigation update**

The board was provided with an update on two open disciplinary matters that could raise issues of policy which the board would need to consider. The detail of the discussion is not included in these minutes on the grounds that publication would:

- (i) disclose legal advice obtained in relation to confidential matters (ground E under the CLSB’s publication policy); and
- (ii) amount to processing personal data in a way that is not permitted by data protection laws or is contrary to best practice (ground A).

More information about grounds for non-publication can be found on the [What we publish](#) page of the CLSB’s website.

## **7.5 Client care letters thematic review**

The board was provided with a report setting out the findings of a thematic review of client care letters. The board discussed the next steps, timings and costings in the report and approved the next steps for action in 2025.

The board also discussed a presentation given by the Legal Ombudsman at the ACL conference on good practice around client care letters. Jacqui confirmed that she was speaking to ACL about potentially hosting a joint event with the Legal Ombudsman on this topic.

**Action: Carry out next steps on client care letters in 2025.**

## **7.6 Updated guidance note on retention of client files**

Kate introduced this item and noted that the CLSB had received several enquiries from Costs Lawyers in 2024 relating to the ownership of client files. Uncertainty appeared to arise particularly where a Costs Lawyer held a solicitor’s file in order to carry out costs-related work on a matter, and a dispute then arose between the solicitor, the client and/or a second solicitor about ownership of the file in the possession of the Costs Lawyer. There was also uncertainty around a Costs Lawyer’s right to exercise a lien over the client file for unpaid professional fees.

To address this, new guidance had been developed to augment the existing Guidance Note on Retention of Client Data and Files. The board considered and approved the new guidance for publication.

**Action: Publish updated Guidance Note.**

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

### **8.1 Work updates**

The board received updates in relation to:

- engagement with the LSB’s consultation on its 2025 Business Plan and budget;
- participation in the new Technology and Innovation Forum;
- the LSB’s consultation on proposed guidance for the new economic crime regulatory objective.

Board members discussed the LSB’s proposed budget and agreed the intended increase warranted a formal response this year. This would be prepared after David and Lori attended the stakeholder event in the new year.

**Action: Prepare response to budget consultation in early 2025.**

## **8.2 Regulatory performance assessment submission**

The board was provided with the CLSB's response to the LSB's request for information to inform the 2024 regulatory performance assessment. The board discussed the volume of information that was requested and the resource implications of this, and otherwise noted the content of the submission.

## **8.3 Axiom Ince report**

The board was provided with a letter from the LSB to the legal regulators, encouraging them to consider whether they needed to take action in response to the recommendations in the LSB's recent report setting out the findings of an "Independent review of the regulatory events leading up to the SRA's intervention into Axiom Ince Ltd". The board was also provided with a discussion paper exploring how the findings of the review might apply to the CLSB's regulated community.

The board discussed the issues raised in the paper, including anecdotal reports of challenges within acquisitive costs firms, which could potentially impact clients. The board considered the risks from acquisitive firms and steps that could be taken despite the CLSB not regulating entities. The board agreed to record those risks in the risk register, and to pursue the issues outlined in the discussion paper.

***Actions: Update risk register; Pursue issues in discussion paper.***

## **9 STAKEHOLDER UPDATES**

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

The board noted the minutes of ACL Council meetings held in September and October. Jacqui fed back ACL's decision not to share unredacted minutes.

### **9.2 Work updates**

The board received an update on the OLC's consultation on the proposed 2025/26 business plan and budget for the Legal Ombudsman.

## **10 OPERATIONS**

### **10.1 Practising certificate renewals feedback**

Jacqui provided the board with an update on practising certificate renewals for 2025. The application window closed on 30 November. Jacqui reported near-budget levels of renewals, several reinstatements, and a higher number of terminations than last year. Early indications were that several terminating practitioners were now dual qualified. Full statistics, including the results of this year's exit survey, would be compiled for the March board meeting.

The board also discussed a suggestion made by two practitioners to create a non-practising status for Costs Lawyers, similar to that available for solicitors. Board members discussed the potential risks and benefits of this option, and considered which regulatory arrangements would apply to this category of practitioners. Overall, the board agreed this option was worth pursuing further and the executive agreed to look into it in 2025.

***Action: Look into non-practising status and bring proposal back to the board.***

## 10.2 Amendment to supervision framework

The board was provided with a paper setting out a proposal to expand the supervision framework for complaints procedures to cover procedures used by Costs Lawyers in SRA-regulated firms. The board considered and approved the proposed amendment to the supervision framework for implementation as part of the 2025 audit.

**Action: Publish updated supervision framework for complaints procedures.**

## 10.3 Project scoping: Log-in area for the CLSB website

Kate introduced this item. She summarised previous discussions of the board about potentially creating a log-in area for the CLSB website to host “value add” material. The board was provided with a paper setting out the IT development work needed for the project, including costings and timescales.

The board approved the first stage of work outlined in the paper, relating to a software upgrade for the website. The board discussed what kind of functionality would be desirable for a log-in system. The board agreed that completing stage 2.1 in the paper would be relatively risk free and would allow an incremental approach to ensure no unintended barriers were put up on the site. Further stages could be considered once these initial actions were complete.

**Action: Proceed with stages 1 and 2.1 in the paper.**

## 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 Wednesday 26 March and would be held remotely via video call.

There being no further business, the Chair declared the meeting closed at 13:10.

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Chair

### Related documents

Item	Document	Publication location (CLSB website)
2.1	Board minutes	About ⇒ Our board
3.1	2024 Business Plan	About ⇒ Strategy and governance

4.3	Remuneration Committee minutes	About ⇒ Our board
6.1	Risk register	About ⇒ Strategy and governance
7.2 + 7.6	Guidance Notes	For Costs Lawyers ⇒ Costs Lawyer Handbook
7.3	Costs Lawyers, technology and regulation project page	Regulatory ⇒ Reports and research
10.2	Supervision framework for complaints procedures	Regulatory ⇒ Supervision
11.1	Board papers	About ⇒ Our board
<b>Item</b>	<b>Document</b>	<b>Publication location (other)</b>
8.1	LSB consultation on business plan and budget	LSB website <a href="#">here</a>
8.1	LSB consultation on economic crime	LSB website <a href="#">here</a>
8.3	LSB's Axiom Ince report	LSB website <a href="#">here</a>
9.2	OLC consultation on business plan and budget	LeO website <a href="#">here</a>



# 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>Pending (expected Q4)</b></p> <p><i>This priority is scheduled for H2 following the arrival of the new CEO.</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><i>Achieved: 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>Outstanding: 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 disciplinary and enforcement processes. We will respond to the recently published LSB consultation on upholding professional ethical duties (closes May).</i></p>
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</i></p>

		<p><i>position to put anything in front of Ministers and determine how they want to proceed.</i></p> <p><i>Outstanding: We will continue to liaise with MoJ regarding how to push this forward.</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>In train (on-going)</b></p> <p><i>Achieved: We have added material on whistleblowing and bullying and harassment to the Ethics Hub.</i></p> <p><i>Outstanding: Additional resources on complaints handling, AI, and sham litigation to be developed, as well as further ethical scenarios.</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 Q3)</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: Review and implement any changes to our regulatory arrangements and other resources once the apprenticeship is developed.</i></p>
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 included.</i></p> <p><i>Outstanding: We are waiting for the arrangements of the Australia-UK free trade agreement to be finalised. 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>In train (expected Q1)</b></p> <p><i>Achieved: The audit of 2024 CPD is almost complete and we have been able to identify those Costs Lawyers self-identifying as an experienced practitioner, a people manager, and/or a business manager.</i></p>

		Outstanding: <i>Complete the audit and assess the level of engagement with our approach to ongoing competency.</i>
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>Achieved: <i>We have had a demo from ReciteMe, a specialist web accessibility company, to investigate adding Welsh language accessibility to the CLSB website. We have commissioned a Spotlight blog from Andrew Felton in the Welsh Government’s Justice Policy, who will write about Welsh devolution, future changes to the Senedd, and the challenges and opportunities this presents for Costs Lawyers in Wales</i></p> <p>Outstanding: <i>We will participate in the next Welsh Legal Regulators Forum in 2025.</i></p>
10.	<p>In collaboration with ACL Training, evaluate the second year of delivery of the new Costs Lawyer Qualification, including by:</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;</li> </ul> <p>communicating the responsibilities and benefits of regulation to new student cohorts.</p>	<p><b>In train (expected Q3)</b></p> <p>Achieved: <i>We continue to add to the FAQs on Qualifying Experience in response to student queries. We delivered our induction session on Qualifying Experience to new students and a new session on becoming a regulated Costs Lawyer to students awaiting results in February 25. We revised our Guidance Note on Qualifying Experience in light of student practice over the last two years.</i></p> <p>Outstanding: <i>Complete the annual monitoring process, and the evaluation of the new Training Rules in line with our application.</i></p>
11.	Consider the resources required to develop a light-touch Annual Report for future years, to support our communications strategy.	<p><b>Pending (expected Q4)</b></p> <p><i>This priority is scheduled for H2 following the arrival of the new CEO.</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>Achieved: <i>We are looking at the results of our career pathways survey, which will help us frame this research. We are currently developing the project brief, and identifying specialist agencies to conduct the research.</i></p>

		Outstanding: <i>Appoint someone to undertake and report on the research.</i>
13.	Review and update our processes for making reasonable adjustments.	<b>Pending (expected Q2)</b> Outstanding: <i>Review the CLSB’s own reasonable adjustments policy, and draft a separate topic note on reasonable adjustments for the CLSB Ethics Hub.</i>
14.	Engage an independent agency to undertake a full financial audit.	<b>In train (expected Q3)</b> Achieved: <i>We have engaged a firm to provide an independent audit of our 2024 accounts.</i> Outstanding: <i>The audit will be undertaken following completion of the 2024 accounts.</i>
15.	Deliver the next phase of our digital workplan, including by: <ul style="list-style-type: none"> <li>• reviewing whether the database and e-form upgrades implemented over the last three years are meeting functionality requirements and identifying areas for future improvement;</li> <li>• reviewing options for taking credit card payments.</li> </ul>	<b>In train (expected Q3)</b> Achieved: <i>We have completed our review of the upgrades to the online application forms. Users report they like the system and improvements made. To continue to meet functionality requirements into the future we have begun a project to separate the underlying code in the forms from the rest of the website. We have begun investigating options for taking credit card payments.</i> Outstanding: <i>Complete the project to separate and update the underlying website code. Complete viability review for credit card payments.</i>

## Consolidated Register of Interests

At 26 March 2025

Name	Rt Hon David Heath CBE, Chair
Employment in last year	<ul style="list-style-type: none"> <li>Independent Chair, MCS Standards Board</li> <li>Chair, Policy Advisory Group, Institute and Faculty of Actuaries</li> <li>Member, Disciplinary Committee, Royal College of Veterinary Surgeons</li> <li>Chair, Disciplinary Committee, Institute and Faculty of Actuaries (from 1 April 2025)</li> <li>Member, Regulatory Board, Institute and Faculty of Actuaries (from 1 April 2025)</li> </ul>
Businesses in which partner or sole proprietor	
Company Directorships	
Charity Trusteeships	
Memberships (with control or management)	<ul style="list-style-type: none"> <li>Vice-President, Frome Festival</li> </ul>
Immediate family declarations of interest	
Breach of CLSB Board Code of Conduct?	No
ACL decision-making role?	No
Gifts or hospitality from external bodies?	No
Any other personal or professional interests	No

Name	Stephanie McIntosh, Vice Chair
Employment in last year	<ul style="list-style-type: none"> <li>The Parole Board of England &amp; Wales</li> <li>Judicial Appointments Commission</li> <li>Bar Tribunal &amp; Adjudication Service</li> <li>Royal College of Veterinary Surgeons</li> </ul>
Businesses in which partner or sole proprietor	

Company Directorships	
Charity Trusteeships	
Memberships (with control or management)	
Immediate family declarations of interest	
Breach of CLSB Board Code of Conduct?	No
ACL decision-making role?	No
Gifts or hospitality from external bodies?	No
Any other personal or professional interests	No

<b>Name</b>	<b>Andrew Harvey</b>
Employment in last year	<ul style="list-style-type: none"> <li>• General Pharmaceutical Council - Deputy Chair, Investigating Committee</li> <li>• Judicial Appointments Commission - Independent Selection Panel Member and Chair</li> <li>• Nursing and Midwifery Council - Chair, Fitness to Practise Committee (appointment ends 16 June 2025)</li> <li>• Registers of Scotland - Non-Executive Director and Chair, Audit and Risk Committee (appointment ends 30 September 2025)</li> <li>• Recruitment and Employment Confederation - Chair, Remuneration and Appointments Committee</li> <li>• General Osteopathic Council - Chair, Professional Conduct Committee and Health Committee</li> <li>• Institute of Chartered Accountants of England and Wales - Chair, Disciplinary Committee</li> <li>• First Tier Tribunal, Health and Social Entitlement Chamber (Mental Health) - Specialist Member and Judicial Assessor</li> <li>• Civil Nuclear Policy Authority - Non-Executive Director</li> <li>• Legal Practitioners Disciplinary Tribunal (Ireland) – Tribunal Member and Chair</li> </ul>

	<ul style="list-style-type: none"> <li>Governance Review Lead for the Scottish Legal Complaints Commission (appointment ends 30 April 2025)</li> </ul>
Businesses in which partner or sole proprietor	<ul style="list-style-type: none"> <li>Sole trader as governance and communications consultant (no legal service regulation clients)</li> </ul>
Company Directorships	
Charity Trusteeships	
Memberships (with control or management)	
Immediate family declarations of interest	<ul style="list-style-type: none"> <li>Spouse, employed by Smart Multi Academy</li> <li>Daughter, employed by Derbyshire County Council</li> <li>Son, employed by West Northamptonshire Council</li> <li>Son, employed by The Chartered Institute of Environmental Health</li> <li>Brother, employed by NatWest Group plc</li> </ul>
Breach of CLSB Board Code of Conduct?	No
ACL decision-making role?	No
Gifts or hospitality from external bodies?	No
Any other personal or professional interests	No

<b>Name</b>	<b>Andrew McAulay</b>
Employment in last year	<ul style="list-style-type: none"> <li>Clarion Solicitors</li> </ul>
Businesses in which partner or sole proprietor	<ul style="list-style-type: none"> <li>Clarion Solicitors</li> </ul>
Company Directorships	<ul style="list-style-type: none"> <li>VAYNOL RMC LTD (residential property management)</li> </ul>
Charity Trusteeships	
Memberships (with control or management)	
Immediate family declarations of interest	
Breach of CLSB Board Code of Conduct?	No

ACL decision-making role?	No
Gifts or hospitality from external bodies?	No
Any other personal or professional interests	No
<b>Name</b>	<b>Paul McCarthy</b>
Employment in last year	Horwich Farrelly Limited
Businesses in which partner or sole proprietor	
Company Directorships	
Charity Trusteeships	
Memberships (with control or management)	
Immediate family declarations of interest	
Breach of CLSB Board Code of Conduct?	No
ACL decision-making role?	No
Gifts or hospitality from external bodies?	No
Any other personal or professional interests	No



## CLSB Risk Register

Last reviewed: 12 December 2024

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

This risk register is divided into four sections:

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

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

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

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

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

## B. Risk areas for ongoing monitoring

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

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

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

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

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

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

## C. Key risk areas for mitigation

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

	Regulatory risks	Current priority initiatives for mitigating risks
1.	Poor client outcomes arise from substandard conduct, inadequate service or lack of competence amongst Costs Lawyers.	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 2: <i>Identify and deliver workstreams to comply with the Legal Services Board’s anticipated new policy tools in the following areas: professional ethics and the rule of law; the economic crime regulatory objective; disciplinary and enforcement processes; technology and AI.</i></li> <li>• 2025 Business Plan priority 4: <i>Build out and promote the new Ethics Hub, creating additional materials in response to emerging risks and themes identified through complaints and supervisory activities.</i></li> <li>• 2025 Business Plan priority 8: <i>Extend our work on ongoing competency to explore whether competency checks are warranted for practitioners returning to authorised practice.</i></li> <li>• 2025 Business Plan priority 10: <i>In collaboration with ACL Training, evaluate the second year of delivery of the new Costs Lawyer Qualification, including by: carrying out the annual monitoring process under the Accredited Study Provider Scheme Handbook; developing additional guidance and materials on the regulatory aspects of qualifying, based on student feedback; communicating the responsibilities and benefits of regulation to new student cohorts..</i></li> <li>• Update and augment supporting materials for CPD and complaints procedures, and publish “lessons learned” for the profession, following supervisory audits (H1 2025).</li> <li>• Implement new supervision framework for client care letters (H1 2025).</li> </ul>
2.	Costs Lawyers offer new areas of service without adequate consumer	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 2: See above.</li> </ul>

	protections or assessment of risk to consumers.	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 7: <i>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.</i></li> <li>• 2025 Business Plan priority 9: <i>Deepen our understanding of services offered by Costs Lawyers into and out of the market in Wales.</i></li> </ul>
3.	Regulatory deterrents or barriers to innovation limit the Costs Lawyer profession.	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 2: See above.</li> <li>• 2025 Business Plan priority 3: <i>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.</i></li> <li>• 2025 Business Plan priority 6: <i>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.</i></li> <li>• 2025 Business Plan priority 9: See above.</li> </ul>
4.	Independence of the profession is compromised through capture by certain types of clients or practising arrangements.	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 4: See above.</li> <li>• 2025 Business Plan priority 5: <i>Develop new guidance to support the materials in the Ethics Hub on (i) whistleblowing and (ii) bullying and harassment.</i></li> <li>• 2025 Business Plan priority 6: See above.</li> </ul>
5.	New Costs Lawyer Qualification fails to attract sufficient student numbers or sufficiently diverse cohorts.	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 1: <i>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.</i></li> <li>• 2025 Business Plan priority 6: See above.</li> <li>• 2025 Business Plan priority 7: See above.</li> <li>• 2025 Business Plan priority 10: See above.</li> </ul>
6.	The Costs Lawyer Competency Statement or Costs Lawyer	<ul style="list-style-type: none"> <li>• 2025 Business Plan priority 8: See above.</li> </ul>

	Qualification fails to ensure that newly qualified Costs Lawyers are equipped for modern practice.	
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#### D. Risk areas for longer-term structural reform

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

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



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## The purpose and scope of this guidance

1. This guidance aims to help Costs Lawyers understand the importance of information in their client care letter (CCL). You should refer to this guidance when drafting, modifying or updating your CCL.
2. You should also refer to the separate CLSB guidance referenced throughout this document which can be accessed [here](#). This includes guidance on:
  - Dealing with consumers
  - Complaints procedures
  - Contingency retainers
  - Price transparency
  - Client money
  - Vulnerable consumers
3. If you work for an organisation that is authorised by another legal services regulator, such as the Solicitors Regulation Authority, that regulator’s rules and guidance will apply to your organisation’s CCL. However, you should check that your organisation’s CCL is sufficient to meet your individual obligations as a Costs Lawyer in the Code of Conduct.
4. This guidance uses the term CCL to refer to this type of contractual document, but you might also use terms such as “engagement letter” or “confirmation of instructions”. This guidance applies in the same way regardless of the words you use to describe your CCL.

## Why is a CCL important?

5. [Research](#) completed in 2016 on the effectiveness of CCLs revealed that they can be seen as “impenetrable, with limited signposting and an emphasis on generic

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rather than personalised information.”<sup>1</sup> This can add to the perception that legal services communications are complex, imposing a “major barrier to engagement, particularly for more vulnerable consumers.”

6. The Legal Ombudsman has reported seeing a number of complaints arising as a result of ineffective CCLs, with lack of clarity often at the heart of the issue. Information about the cost of services remains one of the most common complaints in legal services. The Legal Ombudsman has therefore developed its own [guidance](#) on costs information which we draw upon in this guidance.
7. As well as being important for clients, a good CCL is important for your business. It forms the basis of the relationship between you and your client and provides an opportunity to set out your standard or case-specific terms and conditions.
8. By ensuring this information is communicated to your client at the outset of an instruction, you establish clarity and certainty for both parties, and your client is appropriately protected.

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**TOP TIP**

Ask clients for a signed copy of the CCL to keep on file as evidence that your client has received and agreed to the terms out in the CCL.

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<sup>1</sup> In 2016, the approved regulators jointly commissioned research to understand how clients engage with CCLs with a view to improving their effectiveness.

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# Your regulatory obligations under the Code of Conduct

9. Under paragraph 3.4 of the Code of Conduct, you must advise new clients in writing when instructions are first received of:
  - an estimate of fees / details of charging structure, and where that estimate subsequently becomes inaccurate or that charging structure changes, an updated estimate / notice of revised charges;
  - the client's right to complain;
  - how to complain (that is, your first-tier complaints handling procedure);
  - if applicable, the client's right to refer their complaint to the Legal Ombudsman in certain circumstances.
  
10. Under paragraph 4.6 of the Code of Conduct you must ensure that clients are able to make informed decisions about the work being undertaken on their behalf throughout the lifetime of the matter, including how it will be priced, the costs incurred and the likely overall cost of the matter (including any potential liability for the costs of other parties).

## Wider obligations – consumer protection law

11. When dealing with consumers you have a number of legal obligations under consumer protection law. While there are similarities between these obligations and the CLSB's regulatory rules, it is essential that you and your firm recognise and understand these distinct consumer law rules and how they relate to formation of a contract between you and your client. We cover these obligations in detail in separate [CLSB guidance on dealing with consumers](#). They include informing the consumer client of their right to cancel the contract within 14 days if the agreement was not reached in person on your premises.

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12. These obligations do not necessarily all need to be met through the CCL, but you need to be aware of them and meet them in some way. In many cases, your contract is likely to be your CCL.
  13. We suggest below that it may be helpful to clients to provide some of the more generic information in a separate document that sits alongside the CCL. You could refer to this document as your ‘terms of business’ or similar. This would enable you to personalise the CCL and focus it on the most relevant information at the start of the engagement whilst ensuring you meet your duties to provide the required contractual information up front.
  14. While it is obviously of paramount importance that consumers understand the key terms of your contract with them, consumer law goes further than this. In addition to requiring that all your contract terms are fair, consumer law also requires that you draft all your terms in such a way that consumers can be expected to understand the potential consequences to them of entering a contract with you.

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**TOP TIP**

Ensure you are familiar with your wider obligations to provide information and review CLSB guidance and consumer law regularly to see if anything has changed.

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**TOP TIP**

Keep your CCL short by providing only the key information, tailored to the client and their instruction.

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### TOP TIP

Move any additional contractual information that you need to provide up front into a separate document and refer to that information in the CCL itself.

### TOP TIP

Use the checklist provided at the end of this guidance to help ensure that all information is presented clearly and in a way that your client can understand.

## What information do you need to provide?

### Contact details

15. You must provide the client with the name and contact details of the primary contact for the instruction as well as an alternative contact.
16. If your work on the matter is being supervised by another person, the CCL should also provide their name and contact details.
17. This information should be in the CCL to ensure it is clear to the client who the agreement is with and who to contact should they have a query or complaint.

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## Scope of work

18. You must provide an outline of your understanding of the client's instructions and the course of action they have chosen.
19. Consumer law requires that certain pre-contract information is provided to the consumer. What constitutes the contract for these purposes will be determined on the facts and by the form of your agreement with your client. It is therefore important that the CCL is clear on the work you will and will not do for the client.
20. It may be helpful to detail the information or other assistance you will need from the client including a description of what will happen next.
21. You should also advise the client of the scope and relevant terms of any proposed outsourcing arrangements (if applicable).

## Fees

22. You must provide clients with a detailed estimate of fees and any associated costs they will incur. This must include any potential liability for the other side's costs.
23. It is an obligation of both consumer law and your regulatory requirements that you provide information on the anticipated costs of the work.
24. It is helpful to present a clear, concise breakdown of the likely costs of a matter toward the beginning of the CCL. If fees are to be charged based on an hourly rate, you should indicate both the rate and the number of hours you expect to spend working on the matter, as well as factors that might impact your estimate. Any known or likely disbursements should also be included.
25. The Legal Ombudsman has made clear in its [guidance](#) that the level of VAT (currently 20%) should be stated when quoting costs and the gross figure should be given to ensure that clients are clear on the likely total costs.

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26. Below are two simple examples of approaches you could take, as appropriate:

Example 1:

Our professional fees	£750
Court fees	£500
VAT	£250
<b>Total fixed fee</b>	<b>£1,500</b>

Example 2:

Based on the information you have provided to me, I estimate that your total bill for dealing with this matter will be between £900 and £1500 including VAT, in addition to court fees of between £360 and £600 including VAT. The final cost will depend upon the volume of material I will need to review before I can provide my advice and whether specialist advice will be needed on the tax issue arising from your instructions. I will be able to confirm the costs more precisely as the matter progresses.

27. For guidance on entering into contingency retainers (conditional fee agreements and damages based agreements), see our separate [guidance note on contingency retainers](#).
28. For guidance on price transparency and how to communicate with clients about costs, see our separate [guidance note on price transparency](#).
29. Where you carry out work for a client on a pro bono basis, this should be made clear in the CCL. The following wording is suggested by the [Access to Justice Foundation](#):

*Pursuant to section 194 of the Legal Services Act 2007 and Civil Procedure Rule 46.7, in the event you are successful in this matter or any of its stages, we will seek to recover “pro bono costs” from your opponent. This is a sum of money that represents how much the legal representation would have*

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*cost if we had charged for our services and can be ordered by the court or be included in a settlement agreement. When pro bono costs are obtained the legislation requires such costs be paid to the prescribed charity, the Access to Justice Foundation, which supports the provision of free help to yet more people.*

30. As stated, you must also provide information to clients on any potential liability for the other side's costs.

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**TOP TIP**

Ensure the information on fees is near the start of your CCL and is clear on the total anticipated costs including VAT.

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## Service and likely timescales

31. **You must set out for the client how long you think the work will likely take.**
32. Whilst this can be difficult to estimate, we suggest that your CCL sets out the average timescales and, if necessary, also sets out examples of why this might not apply in their case. For example, delay by the other side or delay by the client in providing documents.
33. It may be helpful to set out briefly how you intend to communicate progress on the matter (including any changes to your original cost estimates and timescales) and any reasonably foreseen risks that could affect the outcome.

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## Regulatory status

34. You must be clear about your regulatory status as a Costs Lawyer, including that you are authorised and regulated by the Costs Lawyer Standards Board.
35. Where the CCL is issued in the name of your organisation, such that the client is contracting with your firm or company rather than you as an individual, the CCL should make clear the regulatory status of the organisation and any other individuals that will be working on the matter.

## Right to terminate

36. You must refer to the client's right to terminate the agreement and any potential liabilities they face in the event they terminate prior to conclusion of the matter.
37. Consumer law also provides consumers with the right to cancel when they enter into an agreement. You can find more information on cancellation rights in the separate CLSB [guidance note on dealing with consumers](#).
38. We suggest you provide this information in the main CCL.

## Complaints

39. You must set out what a client can do in the event they have a complaint, including the information prescribed in paragraph 3.4 of the Code of Conduct.
40. You should do this by including your complaints procedure in, or with, your CCL.
41. For guidance on what to include in your complaints procedure, see our separate [guidance note](#), which includes a template you can adapt.

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42. If you decide to provide the complaints procedure separately, we suggest you refer to the right to complain in the main CCL and send a copy (or weblink) with the CCL.

## Client money

43. You must make clear that you cannot accept client money as a Costs Lawyer save for incurred disbursements and payment of your invoiced professional fees. If you offer clients the option of using a third-party managed account (TPMA), explain how the TPMA works.
44. This is a requirement under paragraph 3.6 of the Code of Conduct. For further information, see our separate [guidance note](#) on client money.
45. This is the sort of detail that you may find helpful to provide separately alongside the CCL.

## Professional indemnity insurance

46. Under the Provision of Service Regulations 2009, you must provide consumers with details of your professional indemnity insurance provider and the territorial coverage of that insurance.
47. While this is only a legal requirement for individual consumers, we recommend that all clients are informed of your professional indemnity insurance arrangements.
48. You are not required to disclose information on your level of cover but we consider it best practice to do so, especially where you restrict your liability to the level of your professional indemnity insurance.

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49. As this information may seem less relevant to clients at the beginning of the process, you might consider providing the information in a separate document which clients can refer to if something goes wrong.

## Data protection

50. You must explain the arrangements you have in place to ensure compliance with data protection laws, including how you will process and store personal data.
51. You should also notify the client of your right to keep copies of documents for your professional records (subject to the client's data protection rights) and your arrangements in place for the return of originals, if relevant.
52. The General Data Protection Regulation (GDPR) requires you to provide certain information to clients about how their data is used, such as how long it is kept for, who it will be shared with and their data protection rights.
53. You might need to consider whether you are a "data controller" or a "data processor" in relation to a particular client. If you are dealing with a lay client directly, then you will likely be a data controller in relation to their personal information. However, if you are instructed by a professional firm acting on behalf of an individual client (such as a firm of solicitors) then you might be acting as a data processor in relation to the underlying client's personal data, with the professional firm being the data controller. The GDPR requires that certain contractual provisions (for example, as to how the data will be processed and the protections that the processor will put in place) are instituted between a data controller and a data processor when personal data is shared. If you believe you will be acting exclusively as a data processor, you should ensure that this arrangement is documented appropriately and that all parties are clear about the extent of your role upfront.
54. This is a complex area. Please refer to ICO guidance such as that for [controllers and processors](#).

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55. Telling the client how their personal data will be collected, stored and used under the GDPR, as well as their rights in relation to that data, could be covered in your terms of business or in your organisation’s privacy policy. However, it is advisable to use the CCL to refer to this information and identify any third parties that personal data might be shared with, such as the CLSB in the event of a complaint, your auditors or your insurance company in the event of a claim. For further information, please refer to our [Guidance Note on Retention of Client Data and Files](#) and the [Information Commissioner’s Office \(ICO\) Guide to the UK General Data Protection Regulation \(UK GDPR\)](#).

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**TOP TIP**

Review your CCL and any associated documents using this guidance as a checklist to ensure it contains all the required information.

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**TOP TIP**

Consider the needs of vulnerable consumers by thinking about what steps can be taken to improve their experience and engagement depending on their specific circumstances. For example, by adapting information into braille, audio, or easy read format, or offering the opportunity to discuss the content by telephone. The CLSB has a separate [guidance note](#) on vulnerable consumers which might be useful.

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## Checklist

56. The following checklist will help you review the information you provide to your clients and see whether you need to make improvements. It is based on the key

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principles identified from research to understand how clients engage with CCLs with a view to improving their effectiveness.

**a. Does your CCL show a clear purpose?**

- Is it obvious to the client that the letter should be read up front?
- Is the title appropriate? For example, “Instruction Confirmation Letter” might have more resonance with certain clients than “Client Care Letter”.

**b. Is it concise?**

- How long is the letter? An ideal length would be one to two pages.
- If longer, consider breaking down the information into smaller sections and use short, to the point sentences. Subheadings can also be helpful to draw the reader’s attention.
- You may find it works better if you move generic contractual terms into separate document and retain details of the service and likely costs in the CCL.

**c. Do you use plain language?**

- Seek to avoid using legal terms, or archaic or complex language.
- Minimise the use of vague and/or heavily caveated sentences.
- Remember that accessible language is key to ensuring that all clients can understand CCLs regardless of their background.

**d. Do you prioritise information?**

- Costs information should be provided near the start of the CCL.
- If you choose to keep all the information in one CCL, make sure that generic information is provided towards the end.

**e. Have you personalised the letter to your client?**

- Information on the scope of work should be specific to the individual case rather than generic.
- Try to exclude any information that is irrelevant to the client.

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- Language should also be tailored to the needs of the client. For example, it might be appropriate to use technical legal terminology when preparing a CCL for a client who is a fellow legal professional, while plain language is likely to be preferable for an individual client without legal training.

**f. Is It easy to read?**

- Use line spacing and avoid small font sizes.
- Use headings to make information easy to navigate and avoid dense paragraphs.
- Break down information by using bold text, headers, summary boxes, tables, or diagrams to make it easier for clients to pick out key points.

**END**

## FAQs For the Public

New section of FAQs after Once you have found a Costs Lawyer FAQs:

### **What should I ask my Costs Lawyer?**

#### **Who will carry out the work and when?**

You can ask who will be doing the work and when they expect to complete it. You might also want to ask how you will be kept informed of progress including any changes to timescales or cost estimates.

#### **Can my Costs Lawyer give me an idea of cost and are there additional costs outside of your quote?**

Cost Lawyers should be able to give you a cost estimate based on either an hourly rate or a fixed cost for all the work. You should also make sure you are clear if things like VAT or expenses such as court fees are included.

#### **What professional indemnity insurance does my Costs Lawyer have in place?**

Asking this will help you find out whether you would be entitled to claim compensation if something went wrong. You may also want to ask if their insurance covers you if you find a problem with the outcome of the work and the law firm is no longer open.

#### **What happens if I want to terminate the agreement with my Costs Lawyer?**

The client care letter should set out the basis on which you can terminate your agreement with your Costs Lawyer. If it is not clear, then you should discuss this with your Costs Lawyer before proceeding to ensure you understand your position.



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## The purpose and scope of this guidance

1. This guidance aims to help Costs Lawyers understand the importance of information in their client care letter (CCL). You should refer to this guidance when drafting, modifying or updating your CCL.
2. If you work for an organisation that is authorised by another legal services regulator, such as the Solicitors Regulation Authority, that regulator’s rules and guidance will apply to your organisation’s CCL. However, you should check that your organisation’s CCL is sufficient to meet your individual obligations as a Costs Lawyer in the Code of Conduct.
3. A CCL forms the basis of the relationship between you and your client, and provides an opportunity to set out your standard or case-specific terms and conditions. By ensuring this information is communicated to your client at the outset of an instruction, you establish clarity and certainty for both parties, and your client is appropriately protected.
4. This guidance uses the term CCL to refer to this type of contractual document, but you might also use terms such as “engagement letter” or “confirmation of instructions”. This guidance applies in the same way regardless of the words you use to describe your CCL.

## Your obligations

5. Under paragraph 3.4 of the Code of Conduct, you must advise new clients in writing when instructions are first received of:
  - an estimate of fees / details of charging structure, and where that estimate subsequently becomes inaccurate or that charging structure changes, an updated estimate / notice of revised charges;
  - the client’s right to complain;
  - how to complain (that is, your first-tier complaints handling procedure);

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- if applicable, the client’s right to refer their complaint to the Legal Ombudsman in certain circumstances.
6. Under paragraph 4.6 of the Code of Conduct you must ensure that clients are able to make informed decisions about the work being undertaken on their behalf throughout the lifetime of the matter, including how it will be priced, the costs incurred and the likely overall cost of the matter (including any potential liability for the costs of other parties).
  7. You also have obligations to provide information under consumer protection law. The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 require legal services providers, including Costs Lawyers, to provide certain clients with certain specified pre-contract information. For example, the main characteristics of the service, the best possible information about the overall cost of the matter, whether there are likely to be any disbursements, contact details of your regulator and the right to cancel within 14 days where a contract is made “off premises” or “at a distance”. This applies to instructions from “consumers”, which are defined in the legislation as individuals acting for purposes which are wholly or mainly outside their trade, business, craft or profession. For more information, see the separate [guidance note](#) on dealing with consumers.
  8. Under the Provision of Services Regulations 2009, you must provide clients with the contact details of your professional indemnity insurance provider and the territorial coverage of that insurance.
  9. The General Data Protection Regulation (GDPR) requires you to provide certain information to clients about how their data is used, such as how long it is kept for, who it will be shared with and their data protection rights.
  10. These obligations do not necessarily all need to be met through the CCL, but you need to be aware of them and meet them in some way.

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# Key principles to encourage engagement with the client

11. In 2016, the approved regulators jointly commissioned research to understand how clients engage with CCLs with a view to improving their effectiveness. It was found that “the perceived complexity of legal services communications is a major barrier to engagement, particularly for more vulnerable consumers” and that, while “there are limitations in terms of how CCLs can be made visually appealing without detracting from perceived professionalism, the consensus is that CCLs can be seen as impenetrable, with limited signposting and an emphasis on generic rather than personalised information”.
12. Eight key principles were identified from the 2016 research to encourage client engagement with CCLs and the information provided within them:
  - i. **Show a clear purpose** – provide a clear rationale as to the role of the CCL and the importance of reading it upfront. Consider the title you use. For example, “Instruction Confirmation Letter” might have more resonance with certain clients than “Client Care Letter”.
  - ii. **Keep it concise** – recognise that the ideal length would be one to two pages. If this is not feasible, break information down into smaller sections and use a short, to the point sentence structure. The research evidenced that headings are a good tool to engage the client’s attention. Consider whether some of the information would be better conveyed in a separate document such as a client care leaflet.
  - iii. **Use plain language** – seek to avoid using legal terms, or archaic or complex language. Minimise the use of vague and/or heavily caveated sentences. Remember that accessible language is key to ensuring that all clients can understand CCLs regardless of their background.
  - iv. **Prioritise information** – focus on the information which is perceived to be most relevant to your client and ensure a logical flow. Avoid putting generic

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information such as terms of business or complaints procedures on the first page of a CCL.

- v. **Personalise information** – using the CCL to demonstrate knowledge and understanding of your client’s case is important to build confidence. Use the CCL to provide details unique to your client’s case and estimated costs. Tailor the CCL so that irrelevant information is excluded. Use personal pronouns so that it is clear you are talking to the individual.
- vi. **Make it easy to read** – use line spacing and avoid small font sizes. Use headings to make the CCL easy to navigate and avoid dense paragraphs. Break down information by using tables or bullet points.
- vii. **Highlight key information** – use visual tools such as bold text, headers, summary boxes, tables, or diagrams to make it easier for clients to pick out key points.
- viii. **Additional opportunities to engage clients** – it has already been suggested that some generic information, such as terms of business and complaints procedures, could be explained in a separate leaflet and referred to in the CCL. Remind your client of this information once your service is being provided when they might be more receptive.

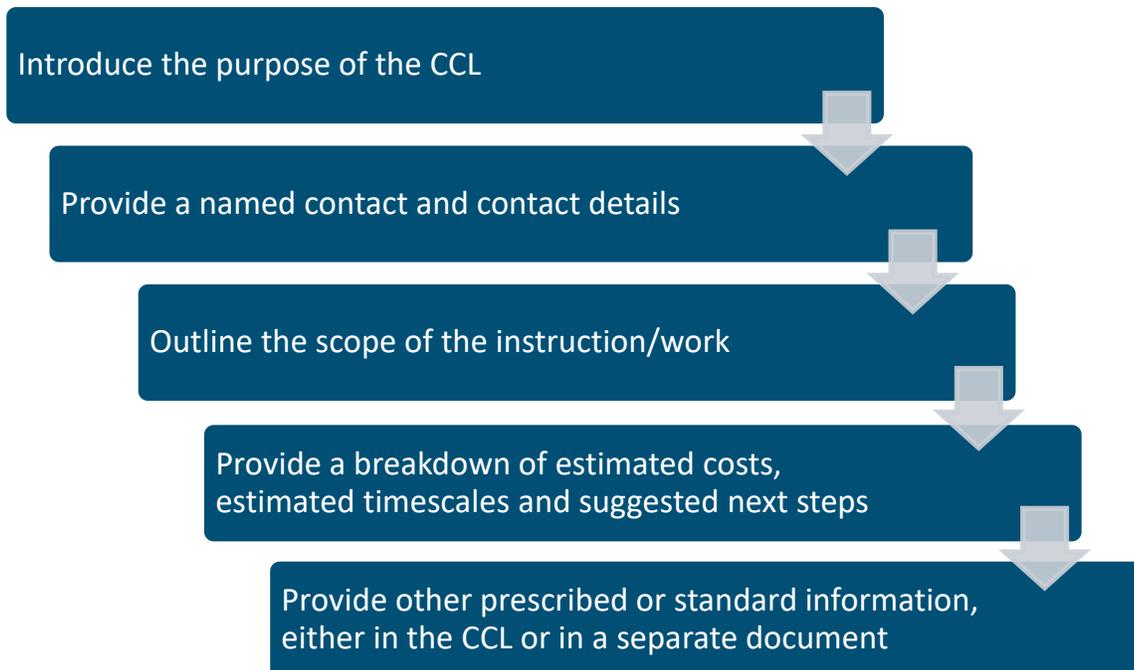
## Vulnerable consumers

- 13. Engaging with CCLs may be particularly challenging for certain vulnerable clients. The CLSB has a separate [guidance note](#) on vulnerable consumers which might be useful in this regard.
- 14. It is important to consider each client and whether steps can be taken to improve their experience and engagement depending on their specific vulnerability, for example by adapting information into braille, audio, or easy read format, or offering the opportunity to discuss the content by telephone.

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# Essential information to be provided in a CCL

15. A suggested order for the provision of information in a CCL is shown below.



## Contact details

16. You should provide the name and contact details of the client's primary contact for the instruction, as well as an alternative contact in case the primary contact becomes unavailable.
17. You should explain your regulatory status as a Costs Lawyer, including that you are authorised and regulated by the Costs Lawyer Standards Board. If your work on the matter is being supervised by another person, the CCL should also provide their name and contact details.
18. Where the CCL is issued in the name of your organisation, such that the client is contracting with your firm or company rather than you as an individual, the CCL

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should make clear the regulatory status of the organisation and any other individuals that will be working on the matter.

## Scope of work

19. The CCL should include:
  - an outline of your understanding of the client’s instructions;
  - a description of the work you will and will not do for the client;
  - details of the information or other assistance you will need from the client;
  - a description of what will happen next.
  
20. This information should be clear and specific to the individual case, rather than generic. The language and presentation used should be tailored to the needs of the client. For example, it might be appropriate to use technical legal terminology when preparing a CCL for a client who is a fellow legal professional, while plain language is likely to be preferable for an individual client without legal training.

## Fees

21. It is helpful to present a clear, concise breakdown of the likely costs of a matter toward the beginning of the CCL. If fees are to be charged on the basis of an hourly rate, you should indicate both the rate and the number of hours you expect to spend working on the matter, as well as factors that might impact your estimate. Any known or likely disbursements should also be included. VAT should also be made clear.
  
22. Below are two simple examples of approaches you could take, as appropriate:

Example 1:	<i>Our professional fees</i>	<i>£750</i>
	<i>Court fees</i>	<i>£500</i>
	<i>VAT</i>	<i>£250</i>
	<i>Total fixed fee</i>	<i>£1,500</i>

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Example 2: *Based on the information you have provided to me, I estimate that your total bill for dealing with this matter will be between £750 and £1,250 plus VAT, in addition to disbursements of between £300 and £500 plus VAT. The final cost will depend upon the volume of material I will need to review before I can provide my advice and whether specialist advice will be needed on the tax issue arising from your instructions. I will be able to confirm the costs more precisely as the matter progresses.*

23. For guidance on entering into contingency retainers (conditional fee agreements and damages based agreements), see our separate [guidance note on contingency retainers](#).
24. For guidance on price transparency and how to communicate with clients about costs, see our separate [guidance note on price transparency](#).

## Likely timescale

25. Whilst this can be difficult to estimate, due to factors outside of your control, there are average timescales for dealing with different types matters and clients would like to know what these are. We suggest that your CCL sets out the average timescales and, if necessary, also sets out examples of why this might not apply in their case, for example delay by the other side or delay by the client in providing documents.

## Provision of other required information

26. Some types of information are seen by clients as less relevant than others at the beginning of the legal process. These include terms and conditions of business, complaint information, data protection information and regulatory information. However, such information still needs to be provided upfront for a number of reasons. One important reason is that, in relation to clients who are lay individuals, the Consumer Rights Act 2015 creates a presumption that a contract term is unfair (and thus unenforceable) if it purports to bind a consumer to terms with which the consumer had no real opportunity of becoming acquainted before

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the contract was concluded. Another reason is that, at the moment when the client needs the information, the relationship with their adviser might have broken down.

27. While such information should be provided upfront to allow you to comply with your obligations and ensure the client understands all your contractual terms, in order to engage the client more successfully with the information in the CCL, it is recommended that this information is either placed at the end of the CCL or provided in a separate leaflet which is referred to in the CCL. The latter option provides the client with a reference document that can be referred to at a later date, when the information might be more relevant. It is open to you to use the CCL to draw your client's attention to, or highlight, certain aspects of the leaflet – for example, any conditions attached to your services.

## Service levels

28. Your CCL should explain that you will communicate (and, if relevant, how and when you will communicate):
- progress on the matter;
  - changes to cost estimates and timescales;
  - important changes in the law that affect the matter; and
  - reasonably foreseeable risks that could affect the outcome.

## Complaints

29. As noted above, the CCL should state your regulatory status and any supervision arrangements in relation to the client's matter. It should also explain what a client can do in the event they have a complaint, including the information prescribed in paragraph 3.4 of the Code of Conduct. You can do this by including your complaints procedure in, or with, your CCL.
30. For guidance on what to include in your complaints procedure, see our separate [guidance note on complaints procedures](#).

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## Execution

31. In order to provide evidence that your client has received and agreed to the terms set out in your CCL, it is good practice to ask them to sign a copy for you to keep on file.

## Other information to be provided either within the CCL or by including a separate document

32. Below is a summary of generic information that should be included in, or alongside, the CCL. This is not an exhaustive list and you should consider whether other information needs to be provided for each matter. For example, if you are offering your client after the event (ATE) insurance, you might need to provide additional information as prescribed by the Financial Conduct Authority.

Professional indemnity insurance	Provide contact details of your insurer and the territorial scope of cover. Provide further details on request (for example, the level of cover).
Clauses limiting liability	Set out any limitations on the liability of the professional services provider.
Client money	Make clear that, in accordance with paragraph 3.6 of the Code of Conduct, you cannot accept client money save for incurred disbursements and payment of your invoiced professional fees. If you offer clients the option of using a third party managed account (TPMA), explain how the TPMA works. For further information, see our separate <a href="#">guidance note</a> on client money.
Documents	Notify the client of your right to keep copies of documents for your professional records (subject to the client's data protection rights) and your arrangements in place for the return of originals, if relevant.
Obligations	Explain how you are required to act in accordance with the Costs Lawyer Code of Conduct and other rules issued by the CLSB as your regulator.

Data protection	Explain the arrangements you have in place to ensure compliance with data protection laws, including how you will process and store personal data. There is more information on this in the next section below.
Outsourcing	Advise the client of the scope and relevant terms of any proposed outsourcing arrangements (if applicable).
Contract term and termination	Advise how the instruction may be brought to an end and what liabilities the client might face in the event they terminate the retainer prior to conclusion of the matter.

## A note on data protection

33. Telling the client how their personal data will be collected, stored and used under the General Data Protection Regulation (GDPR), as well as their rights in relation to that data, could be covered in the separate leaflet suggested above or your organisation’s privacy policy. In the CCL itself, it is advisable to refer to this information and identify any third parties that personal data might be shared with, such as the CLSB in the event of a complaint, your auditors or your insurance company in the event of a claim. For further information, please refer to the Information Commissioner’s Office (ICO) [Guide to the UK General Data Protection Regulation \(UK GDPR\)](#).
34. You might need to consider whether you are a “data controller” or a “data processor” in relation to a particular client. If you are dealing with a lay client directly, then you will likely be a data controller in relation to their personal information. However, if you are instructed by a professional firm acting on behalf of an individual client (such as a firm of solicitors) then you might be acting as a data processor in relation to the underlying client’s personal data, with the professional firm being the data controller. The GDPR requires that certain contractual provisions (for example, as to how the data will be processed and the protections that the processor will put in place) are instituted between a data controller and a data processor when personal data is shared. If you believe you will be acting exclusively as a data processor, you should ensure that this

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arrangement is documented appropriately and that all parties are clear about the extent of your role upfront.

35. This is a complex area. Please refer to ICO guidance such as:
- Controllers and processors
  - What needs to be included in the contract?

## Pro bono work

36. Where you carry out work for a client on a pro bono basis, this should be made clear in the CCL. The following wording is suggested by the Access to Justice Foundation:

*Pursuant to section 194 of the Legal Services Act 2007 and Civil Procedure Rule 46.7, in the event you are successful in this matter or any of its stages, we will seek to recover “pro bono costs” from your opponent. This is a sum of money that represents how much the legal representation would have cost if we had charged for our services and can be ordered by the court or be included in a settlement agreement. When pro bono costs are obtained the legislation requires such costs be paid to the prescribed charity, the Access to Justice Foundation, which supports the provision of free help to yet more people.*

**END**



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## What is Qualifying Experience?

1. 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 as a Costs Lawyer, a Trainee must:
  - (a) have successfully completed the Costs Lawyer Qualification; and
  - (b) have completed, or be currently undertaking, two years of Qualifying Experience.
2. The requirements for Qualifying Experience can be found in Training Rule 5. Training Rule 5.1 explains that Qualifying Experience is work undertaken in costs law and practice for a period of two years under the supervision of a Qualified Person. During the period of Qualifying Experience, the skills in the [Costs Lawyer Competency Statement](#) must be practised at work. The purpose of Qualifying Experience is to ensure that all qualifying Costs Lawyers have the support, mentorship and oversight needed to meet the standards in the Competency Statement in a day-to-day working environment.
3. This guidance explains the CLSB's processes for determining whether you have met the requirements for Qualifying Experience.

## What evidence of my Qualifying Experience will I need to provide?

4. In order for the CLSB to determine whether you have met the requirements for Qualifying Experience, you will need to submit information about your Qualifying Experience and supporting evidence.
5. You will be asked for information about the details of your Qualifying Experience, such as dates, organisations, the type of work undertaken and working arrangements. You will be asked for this information either when you apply for your first practising certificate or later on, as explained further below.

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6. You will also need to upload completed versions of the following documents with your application:
- A **Qualifying Experience Record** providing examples of how each of the skills in the Competency Statement has been practised during your period of Qualifying Experience.
  - A **Qualified Person Statement** from each qualified person who has supervised any part of your Qualifying Experience.
7. You are encouraged to populate your Qualifying Experience Record with relevant examples throughout the course of your Qualifying Experience, to ensure all the necessary skills are covered by the end of the period.
- ~~7.8.~~ Appendix 1 provides a summary of the key issues that you need to be aware of from the start of your period of Qualifying Experience, including guidance on how to complete your Qualifying Experience Record.

## When can I undertake my Qualifying Experience?

- ~~8.9.~~ Training Rule 5.4 provides that the two year period of Qualifying Experience may be carried out:
- while you are working toward completion of the Costs Lawyer Qualification;
  - during the 12 months prior to commencing the Costs Lawyer Qualification; and/or
  - after you have completed the Costs Lawyer Qualification.
- ~~9.10.~~ This means that you can apply for a Costs Lawyer practising certificate even if you have not yet completed your Qualifying Experience, so long as you are working towards completing it and can give us an indication of when you expect it to be complete.

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## What happens if I'm ready to apply for a practising certificate and I've already completed my Qualifying Experience?

~~10.~~11. When you make your first application for a Costs Lawyer practising certificate, you will be asked to indicate whether or not you have completed your Qualifying Experience.

~~11.~~12. If you have already completed your Qualifying Experience, you will be prompted to provide the evidence described in paragraphs 4 to 6 above. The CLSB will assess this evidence against the criteria in the Training Rules.

~~12.~~13. If the CLSB determines that satisfactory evidence of Qualifying Experience has been provided – and assuming that all other practising criteria are satisfied (see the [Practising Rules](#) for further details) – you will be granted your first practising certificate without any conditions.

~~13.~~14. If you would like advice or comfort that your Qualifying Experience meets the criteria in the Training Rules prior to applying for your first practising certificate, you can [contact us](#) about submitting your evidence early.

## What happens if I want to apply for a practising certificate but I have not yet completed my Qualifying Experience?

~~14.~~15. As explained above, when you make your first application for a Costs Lawyer practising certificate, you will be asked to indicate whether or not you have completed your Qualifying Experience.

~~15.~~16. If you indicate that you have not yet completed your Qualifying Experience, you will be asked to specify the date on which you expect to complete it (the completion date). The completion date will depend on how much Qualifying Experience you have already accrued and your expected working arrangements going forward (for example, whether you intend to work full-time or part-time).

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~~16.~~17. If you indicate that you have not yet completed your Qualifying Experience, or if the CLSB determines that you have not met the requirements for Qualifying Experience in the Training Rules and thus a further period of experience is required, you will be issued with a practising certificate that is subject to a condition (known as a conditional practising certificate). The condition will require you to practise under supervision and to complete your Qualifying Experience by a specified date, which will be based on your intended completion date or another date if appropriate in the individual circumstances.

~~17.~~18. The condition will be published on the [Register of Costs Lawyers](#).

~~18.~~19. At any time while the condition is imposed, you may make an application to the CLSB for removal of the condition on the basis that you have completed your Qualifying Experience. The application form is available [on our website and will be emailed to you one month prior to the scheduled completion date](#). You will be prompted to provide the evidence described in paragraphs 4 to 6 above. The CLSB will assess this evidence against the criteria in the Training Rules.

~~19.~~20. If the CLSB determines that satisfactory evidence of Qualifying Experience has been provided, you will be issued with an unconditional practising certificate and the condition will be removed from the [Register of Costs Lawyers](#).

21. [If you do not apply to have the condition removed from your practising certificate within one month of the scheduled completion date we will send you an email to remind you that this is overdue. If you do not respond we will contact you about the status of your Qualifying Experience.](#)

~~20.~~22. ~~If you do not apply to have the condition removed from your practising certificate by the completion date, we will contact you about the status of your Qualifying Experience.~~ Please tell us straight away if – at any time and for any reason – you do not expect to be able to fulfil the condition (i.e. if you are concerned you will not complete your Qualifying Experience by the indicated completion date or you cannot practise under supervision).

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~~21.~~23. If the condition has not been fulfilled in the time expected – for example, due to a period of extended leave, or because it has taken you longer than anticipated to be able to practice all the required skills – then the CLSB may extend or amend the condition as appropriate in the circumstances. If the condition has not been fulfilled in the time expected because you have not complied with the condition – for example, you have been practising without supervision – then your practising certificate may be revoked or other sanctions may be imposed. See the Practising Rules and Disciplinary Rules and Procedures in the Costs Lawyer Handbook for more details.

## Where can I find more information?

24. Additional resources, including detailed FAQs about Qualifying Experience, are available on the how to become a Costs Lawyer page of the CLSB website. If you would like advice about your individual circumstances, please contact us.

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## Appendix 1 Qualifying Experience: key issues

On completion of your Qualifying Experience you must submit evidence to the CLSB. The CLSB will use this determine whether or not your Qualifying Experience meets the requirements of the Training Rules. To ensure this, there are some things you must do **at the start** of your Qualifying Experience.

This document provides a brief summary of some key issues. Full information about Qualifying Experience is available on the CLSB website and you **must** refer to this to ensure you comply with the requirements.

### At the start of your Qualifying Experience you must:

- Find an Qualified Person to supervise your Qualifying Experience in line with the Training Rules requirements. If your intended Qualified Person is not a Costs Lawyer check our website to confirm their eligibility.
- Set a start date, a maximum of 12 months prior to your CLPQ start date. The scheduled end date will be no less than 2 years (full time equivalent) after this date.
- Obtain the Qualifying Experience Record template from the CLSB website to see what evidence you will need to provide.
- Attend the CLSB session for new students on the CLPQ organised by ACL Training. If you cannot attend in person watch the recording. This contains **essential** information you must know.

### When completing your Qualifying Experience Record you must:

- Provide one or more **detailed, specific and dated** examples of how you have practised each and **every** skill in the workplace. Refer to the worked example in the template to see the level of detail required. One or two detailed examples are better than multiple brief ones.
- Plan in good time how to evidence the advocacy skill if your job doesn't provide the opportunity to undertake advocacy. See our website for ideas.
- Provide examples that allow you to demonstrate use of at least some of the positive behavioural indicators listed in the template for each skill.
- Refer to the Competency Statement for more information about the skills.
- Reflect on what you have learned through the example, and how you might further improve your skills in future.
- Exclude general information about your role and responsibilities, your experience and your usual working practices, which is **not** required.
- Complete the Record throughout your Qualifying Experience – do not leave until the end!

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If you are not clear about how to apply the requirements to your own personal circumstances please contact the CLSB for advice by emailing [enquiries@clsb.info](mailto:enquiries@clsb.info).

**BOARD DECISION NOTE**  
**Costs Lawyer Standards Board**  
**Date of Decision: 19 December 2024**  
**Issue: Treatment of disciplinary decisions by other regulators**

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

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

In March 2024, the CLSB was notified by the Solicitors Regulation Authority (SRA) that it had opened an investigation into the conduct of two Costs Lawyers who held positions of control in a firm regulated by the SRA. The investigation related to potential breaches of the SRA Accounts Rules.

The conduct was admitted by the Costs Lawyers and a final determination was provided to the CLSB by the SRA in December 2024. The Costs Lawyers were found to have breached the SRA's regulatory arrangements and were subject to financial penalties.

The Costs Lawyers did not inform the CLSB of the SRA's regulatory activity either at the outset of the investigation or when applying for a 2025 practising certificate in November 2024, as required under the [Practising Rules](#). One Costs Lawyer did make a separate disclosure, however it was not clear on its face whether it related to the same facts as the SRA's investigation. This gave the CLSB cause to investigate whether that Costs Lawyer had breached his regulatory obligations under the CLSB Code of Conduct by failing to disclose, in addition to the findings of misconduct by the SRA. (The second Costs Lawyer did not renew his practising certificate for 2025.)

This represented the first time that a finding had been made by the SRA against a Costs Lawyer in his or her individual capacity since the CLSB's new [Disciplinary Rules and Procedures](#) (DR&P) were introduced in 2019. There is nothing in the DR&P that dictates how such decisions should be treated by the CLSB. In general, publication of disciplinary decisions made against Costs Lawyers is envisaged under DR&P 3, and that provision is supported by the [policy statement on publication of disciplinary decisions](#).

Notice of the SRA's decision was received shortly before the CLSB's scheduled board meeting on 12 December, however there was insufficient time to include a written recommendation in the board's papers as to how the decision should be treated. The board therefore discussed the issue in principle at its meeting on 12 December, and asked the executive to circulate a recommendation by email based on the board's initial feedback.

The key question for decision was whether the CLSB should publish determinations made by other regulators that contain findings against Costs Lawyers, or whether the CLSB should carry out its own investigation in relation to the same facts and publish the outcome of that

investigation instead (or as well). The board considered that either option was permissible under the existing provisions of the DR&P.

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

- Case study of the SRA decision received by the CLSB in December
- Publication requirements in the LSB's policy statement on empowering consumers, including the intended purpose of publication in regulators' registers
- MOU between the legal regulators for the sharing of disciplinary information

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

Based on the board's feedback during its discussion on 12 December, the executive recommended that the following approach be adopted:

- A disciplinary decision about a Costs Lawyer that is made by any regulator – whether a legal services regulator or otherwise – will be treated in the same way as a complaint; that is, the decision will be triaged through to an investigation.
- The investigator will adopt the facts found by the other regulator (following the determination of any appeal or the exhaustion of the time limit to appeal) and will consider whether those facts also constitute a breach of the CLSB's regulatory arrangements.
- If they do, the investigator will consider whether it is appropriate to impose a sanction, taking into account the purpose and impact of any sanctions already imposed by the other regulator in relation to the same conduct, and any other relevant factors in the [policy statement on enforcement and sanctions](#).
- This will generate a CLSB investigation outcome, which (if misconduct is found) will be published on the website. The published outcome will link to the decision of the other regulator, where relevant, by way of publication of the underlying facts.
- Any additional potential misconduct that has not been investigated by the other regulator (such as the non-disclosure in the case study above) will be considered as part of the same investigation.

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

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

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

- CLSB independence: This approach will ensure that the CLSB takes an independent assessment of the determined facts against its own regulatory arrangements.
- Furtherance of the regulatory objectives / consumers: Ensuring a robust process is carried out prior to publishing disciplinary decisions involving Costs Lawyers

supports the objectives of: (i) encouraging an independent, strong, diverse and effective legal profession; (ii) supporting the constitutional principle of the rule of law; and (iii) promoting adherence to the professional principles.

- CLSB's financial position: Additional resource will be required to implement this approach, compared with the alternative approach of simply publishing the other regulator's decision. However the volume of such investigations is likely to be low and the additional cost is outweighed by the benefits of the approach.
- Equality and diversity: This decision does not impact on equality and diversity.
- Data privacy: By carrying out its own investigation, the CLSB will ensure that disciplinary data published about individual Costs Lawyers is accurate and in line with the policy statement on publication of disciplinary decisions and its Privacy Policy.

## **5. Risk assessment**

The main risk of this approach relates to delay. That is, there is a risk that a client or potential client suffers detriment in the period between the other regulator making its determination and the outcome of the CLSB's subsequent investigation being published in the Register of Costs Lawyers. Consumers who are making purchasing decisions based on the regulatory information in the Register could be prejudiced by the delay.

This risk can be mitigated by ensuring that the CLSB's investigation is carried out promptly (and always within the timescales in the DR&P). If there is serious risk to the public from a delay in publication, the CLSB may also exercise its interim suspension powers to protect clients in the intervening period. It should be clear from the findings made by the other regulator whether it is necessary to consider the use of interim powers in individual cases.

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

The board considered and approved the executive's recommendation by emails dated 17, 18 and 19 December 2024.

Key factors taken into account in approving the recommendation included:

- that it was important, in the interests of natural justice, to fully document the reasons why sanctions are or are not warranted in individual cases, and to link findings of fact to the CLSB's own regulatory arrangements;
- that the approach was in line with the CLSB's existing rules and policies;
- that the approach would cover the decisions of all regulators consistently.

On the third point above, the board made it clear that the approach would cover the decisions of all other bodies with official duties or functions relating to the conduct of Costs Lawyers. This included decisions made by the legal services regulators in England and

Wales, but also the decisions of disciplinary Tribunals, courts, regulators outside the remit of the Legal Services Act 2007, and bodies in other jurisdictions.

In relation to adopting findings of fact made by the other decision-maker, the board clarified that this would not preclude a CLSB investigator from taking into account additional facts relevant to the CLSB's own investigation and/or not taking into account facts that were irrelevant to the CLSB's regulatory arrangements. This was in line with the investigator's existing powers under the DR&P and the usual processes for a first tier investigation.

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

N/A

**8. Provision of the Legal Services Act 2007, or other legislation, under which the decision was made**

Sections 28 and 51(4)(a) of the LSA.

**Board Decision Note approved by the Board on: 26 March 2025**

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# The Costs Lawyer profession in 2024

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Data to December 2024

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Costs Lawyer Standards Board

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# Introduction

The CLSB holds various types of data about the Costs Lawyer profession. We collect and analyse this data for a variety of purposes, such as:

- understanding the nature of our regulated community, including the service that Costs Lawyers provide, the challenges they face and how they interact with consumers and the public
- identifying areas of risk so that we can tailor our regulatory interventions accordingly
- monitoring the diversity of the profession and barriers to entry, promotion or inclusion
- supervising compliance with our regulatory rules
- sharing intelligence with other organisations, such as the Association of Costs Lawyers, to help with initiatives for the benefit of Costs Lawyers and the public.

Data we collect includes:

- information about the nature of Costs Lawyers' practice as part of their annual application for a practising certificate (the regulatory return)
- diversity statistics
- supervision and disciplinary information
- ad hoc information to help us fulfil our statutory obligations, such as opinions, feedback and predictions about market impacts.

The data we hold is [available on our website](#) or by [contacting us](#). This report provides an annual summary of core metrics.

Throughout this report, data is presented in a series of tables. Unless otherwise indicated, the figures in the tables show the percentage of Costs Lawyers that fall into each relevant category. By way of example, in the table on the next page that provides statistics on the age profile of the profession, the figures indicate that 8.5% of Costs Lawyers were aged between 20 and 29 in 2017. If you have any questions about interpreting the data, please [contact us](#).

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# About Costs Lawyers

## Age

The average age of Costs Lawyers has been similar for the last few years. The number of Costs Lawyers in the 20-29 age group was falling between 2019 and 2022 (in part due to the route of entry into the profession being closed 2017 to 2019) but has now increased for the second year running, and should continue to do so with the new CLPQ admitting students from 2023.

Year	20-29	30-39	40-49	50-59	60+	Age not given/prefer not to say
2017	8.5	37	26	18	8	2.5
2018	9.5	36.8	27.1	16.6	8.5	1.5
2019	7.4	37.3	27.2	18.2	9.2	1.5
2020	4.3	37.7	29	18.9	9	1
2021	4.1	35.6	28.2	18.5	7.6	5
2022	1.7	34.8	31.5	19.8	10.4	1.8
2023	2.2	32.7	33	20	10.5	1.6
2024	3.1	30.4	33.4	21.1	10.3	1.7

## Diversity

Data relating to the diversity of the Costs Lawyer profession across a wide range of metrics is [available on our website](#). An analysis of the data from our 2024 Survey will be published later this year.

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# About Costs Lawyers' practice

## Organisation type

Since 2011, the number of Costs Lawyers in each type of practice has fluctuated year on year. Overall, the proportions of Costs Lawyers working for costs law firms and as sole practitioners have fallen, while the number working in firms regulated by the Solicitors Regulation Authority (SRA) has increased. Since 2018, more Costs Lawyers have been working in SRA regulated firms than any other type of organisation, although there has been a small but continuing increase in the percentage of Costs Lawyers working in costs law firms since 2020.

Year	Unregulated costs law firm	Sole practitioner	SRA regulated firm	In-house	Not currently practising
2011	53.8	16.1	26.5		
2012	48.2	17.4	31.0		
2013	42.0	19.4	29.2		
2014	44.0	17.8	34.3		
2015	41.0	15.8	33.7		
2016	38.0	17.7	37.2		
2017	43.1	14.5	37.8		
2018	39.6	14.1	41.0		
2019	39.7	11.8	41.2		
2020	35.4	13.6	47.0	3.0	
2021	39.3	12.2	44.8	3.7	
2022	40.2	11.3	44.5	3.9	
2023	40	10.4	45.4	3.9	0.3
2024	41.7	9.7	44.7	3.9	0

### Notes:

1. In-house data is not available prior to 2020. Figures do not always total 100% because prior to 2020 data was not recorded for Costs Lawyers not working exclusively in one of the first three categories, and it was not obligatory for practitioners to provide this information.
2. Costs Lawyers were able to renew their practising certificate without currently practising for the first time in 2024.

## Practice areas

We started collecting information about the types of costs services that Costs Lawyers provide in applications for a 2023 practising certificate, and current practice areas are shown on the [Register of Costs Lawyers](#) to allow us to track trends over time.

Practice areas	Number of Costs Lawyers		Percentage of Costs Lawyers	
	2023	2024	2023	2024
Costs management and budgeting	595	634	90	90
Litigation funding	267	294	40	42
Personal injury or clinical negligence disputes	488	542	74	77
Insolvency disputes	100	113	15	16
International disputes	146	171	22	24
Solicitor/client disputes	387	432	58	61
Other civil litigation or ADR	376	430	57	61
Court of protection	225	279	34	40
Family	101	142	15	20
Crime	30	39	5	6
Probate	71	109	11	15
Legal aid	169	200	25	28
Public sector	95	117	14	17
Tribunals	121	166	18	24
Higher courts	215	256	32	36
Litigants in person	150	188	23	27
Practice management	142	162	21	23
Other	387	442	58	63

## Number of Organisations

With applications for a 2023 practising certificate we also began asking Costs Lawyers to provide us with details of all the organisations in which they work, rather than just their primary place of practice. Current additional organisations are shown on the [Register of Costs Lawyers](#).

Costs Lawyers with one or more additional organisation		
Year	Number regulated at 1 January	Number with one or more additional organisation
2024	663	13
2025	704	21

## Insurance

The CLSB collects data relating to the professional indemnity insurance policies held by Costs Lawyers working as sole practitioners or for costs law firms not regulated by the SRA. The minimum level of cover prescribed in the Practising Rules is £100,000.

Since 2014, the percentage of Costs Lawyers with higher levels of cover has been increasing. The percentage with cover of £2m or higher more than doubled between 2014 and 2022, with a significant rise in 2022. Almost half of all Costs Lawyers now have cover of £2m or more.

Cover level	2014	2015	2016	2017	2018	2020	2021	2022	2023	2024
£100,000	22.1	17.5	18.6	16.0	10.6	10.1	9.8	9.4	8.6	8.7
£100,001-£999,999	32.0	28.9	26.6	23.7	23.3	24.6	23.6	22.9	23.3	23.8
£1,000,000-£1,999,999	24.9	25.8	25.1	26.5	29.4	26.5	27.0	21.1	21.2	18.8
£2,000,000 or over	20.4	28.0	29.5	33.9	37.1	38.8	39.7	46.6	46.8	48.7

Note: This data was not collected in 2019.

## Other legal regulation

Since 2021 the CLSB has asked Costs Lawyers whether they hold a current practising certificate from any other legal regulator. The numbers reported have been gradually increasing.

Number regulated as	2021	2022	2023	2024
Chartered legal executive	13	16	22	22
CILEx Practitioner				1
Solicitor	13	15	16	18
Other	1	1	2	2
Total	27	32	40	43

Note: The two practitioners in the “other” category are also regulated as a foreign lawyer by the Law Society of Scotland, and by the LSRA (Gibraltar).

## Complaints

The number of complaints made at first tier has been increasing over the last few years but the total number remains low, which could be explained by a variety of factors such as strong client satisfaction, high levels of informal resolution or a lack of awareness about how to complain. To mitigate against the possibility that a lack of understanding is a barrier to complaints, in 2021 we introduced a [supervision framework](#) for auditing Costs Lawyers’ complaints procedures.

Year	Number of first tier complaints made
2015	6
2016	1
2017	3
2018	3
2019	5
2020	3
2021	4
2022	5
2023	8
2024	5

Similarly low levels of complaints are formally escalated to the second tier (namely the CLSB in relation to conduct complaints and the Legal Ombudsman in relation to service quality complaints and hybrid complaints relating to both service quality and conduct).

Second tier complaints				
Year	CLSB (Conduct)		Legal Ombudsman (Service)	
	Number made	Number upheld	Number made	Number upheld
2011		0		0
2012		2		1
2013		0		1
2014		1		0
2015		0		1
2016		0		0
2017		0		0
2018		2		0
2019		1		0
2020		0		0
2021		0		0
2022	3	1	0	0
2023	7	0	0	0
2024	2	2	1	0

Notes:

1. Due to the time taken to investigate complaints the number upheld in any one year does not directly relate to the number made in the same year.
2. The above figures do not include complaints made about Costs Lawyers regulated by other legal regulator made to that regulator.

## About Costs Lawyers' clients

### Sources of instructions

From 2020, we began to ask Costs Lawyers about the sources of their instructions as a proportion of total work. (Although we had asked questions about number of cases from different sources in the past, this data is not directly comparable.)

	Proportion of instructions from lay clients				
	2020	2021	2022	2023	2024
0%	80.77	80.79	79.73	81.46	82.00
1-10%	15.68	15.10	16.34	14.74	15.00
1-25%	1.78	1.76	1.82	1.61	1.14
26-50%	1.18	1.17	0.61	0.73	0.71
51-75%	0.00	0.00	0.30	0.44	0.43
76-90%	0.15	0.15	0.15	0.00	0.00
91-99%	0.30	0.29	0.00	0.29	0.14
100%	0.74	0.73	1.06	0.73	0.57

	Proportion of instructions from other legal service providers				
	2020	2021	2022	2023	2024
0%	22.34	26.54	18.91	20.88	13.43
1-10%	2.22	1.91	2.87	3.07	2.14
11-25%	1.48	1.47	1.21	0.88	1.14
26-50%	3.40	3.23	3.18	3.07	3.00
51-75%	2.66	2.64	2.72	3.21	3.00
76-90%	6.66	6.30	10.14	8.76	10.29
91-99%	10.50	10.26	9.83	8.32	9.00
100%	50.74	47.65	51.13	51.82	58.00

	Proportion of instructions from corporate clients				
	2020	2021	2022	2023	2024
0%	71.75	72.87	65.51	69.34	68.43
1-10%	8.14	7.77	10.44	9.20	10.86
11-25%	2.66	2.64	4.24	3.65	4.57
26-50%	3.40	3.37	4.08	4.23	4.29
51-75%	1.18	1.03	1.06	1.17	0.86
76-90%	1.48	1.32	1.82	1.61	1.57
91-99%	1.92	1.76	1.06	1.17	0.86
100%	9.47	9.24	11.8	9.64	8.57

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From 2024 we collected data on instructions from any other clients, to improve data accuracy and our understanding of the source of instructions. Only two Costs Lawyers reported any instructions from other clients, one from a litigation funder, and one unknown.

Over half of all Costs Lawyers were instructed exclusively by other legal services providers, such as solicitors or barristers, and this proportion increased significantly in 2024. The proportion of Costs Lawyers doing no work at all for other legal services providers also fell significantly in 2024.

Less than 20% of Costs Lawyers received any instructions from lay (individual) clients in all bar one of the last five years. Of those who do accept such instructions only about 3% do more than 10% of their total workload for lay clients. However, a very small number of Costs Lawyers receive all their instructions from lay clients.

The small uplift in the percentage of Costs Lawyers receiving some instructions from corporate clients in 2022 has not been sustained, and over two thirds of Costs Lawyers still received no corporate instructions at all in 2023 or 2024.

In 2023 the CLSB began asking Costs Lawyers about the number and nature of instructions they expected to receive from lay clients during the year. Capturing this data on a prospective basis – that is, asking Costs Lawyers about the instructions they expected to receive during the year rather than asking them about the instructions they actually received during the previous year – allowed us to identify those Costs Lawyers who would be captured by our regulatory framework for providing or marketing services directly to consumers.

Costs Lawyers expecting to provide or market services to consumers		
Year	Number	Percentage of total regulated at 1 Jan
2024	66	9.98
2025	59	8.43

Percentage of workload expected from consumers (of Costs Lawyers providing or marketing services to consumers only)		
	Number of Costs Lawyers - 2024	Number of Costs Lawyers - 2025
100	0	1
99-76	0	1
51-75	0	0
26-50	3	3
11-25	3	3
1-10	42	51

Using the raw data reported we are able to calculate the percentage of the total workload of all regulated Costs Lawyers expected to come from direct consumer instructions. In both years to date the figure has been less than 1%.

Year	Percentage of total Costs Lawyer workload from consumer instructions
2024	0.68
2025	0.98

## Legal aid

Between 2012 and 2020 the percentage of the profession undertaking exclusively legal aid work doubled from 2.5% to 5%. After decreases in 2021 and 2022, the percentage now seems to be slowly increasing again. However, the number of Costs Lawyers who do not undertake any legal aid work has increased significantly since 2012, almost doubling. This is likely to be driven by reforms and other pressures on legal aid more broadly.

Year	Proportion of workload comprising legal aid work					
	0%	1-25%	26-50%	51-75%	76-99%	100%
2012	38.8	28.7	5.2	8.9	9.9	2.5
2013	46.7	23.4	4.7	7.9	8.3	2.9
2014	49.1	27.4	3.4	6.6	6.7	3.2
2015	49.8	23.7	5	1.6	6.3	4.1
2016	50.3	15.6	1.4	3.5	2.6	3.8
2017	56.1	20.8	3.4	2.4	5.9	2.1
2018	55.2	24.0	2.8	3.2	5.1	2.8
2019	51.3	22.3	3.0	3.1	4.3	3.7
2020	70.2	17.3	2.4	2.8	1.9	5.0
2021	71.4	16.7	2.3	2.2	0.7	4.7
2022	70.2	17.9	2.9	2.3	2.9	3.9
2023	71.7	15.3	3.5	1.8	3.2	4.5
2024	72.4	14.0	3.6	1.6	2.7	5.7

Note: Where years do not total 100%, some Costs Lawyers did not provide this information.

The practice areas table above shows us the number of Costs Lawyers listing legal aid as a practice area rose from 25% to 28% in the last year.

## Pro bono work

The number of pro bono cases undertaken by Costs Lawyers rose between 2015 and 2019. In 2019 there were 97 pro bono cases in total, and 45 of these were dealt with by one Costs Lawyer; the next largest number of cases was just 6. The overall trend is likely to be explained by the changing nature of traditional work areas and the rise in litigants in person using the justice system generally.

Year	Number of cases
2015	0
2016	4
2017	77
2018	61
2019	97

To better capture how the trend may be changing over time, from 2020 we asked Costs Lawyers to report on the percentage of their instructions that were pro bono. The figures are very similar for the three years, with only around 3% of Costs Lawyers doing any pro bono work at all.

Proportion of workload comprising pro bono cases	% of the profession				
	2020	2021	2022	2023	2024
0%	97.2	97.2	97.1	96.6	97.3
1-25%	2.7	2.6	2.7	3.2	2.6
26-50%	0.0	0.0	0.0	0.0	0.1
51-75%	0.0	0.0	0.0	0.0	0.0
76-100%	0.2	0.2	0.2	0.1	0.0

We encourage all Costs Lawyers to engage with pro bono work and to consult our [guidance for Costs Lawyers](#) which was published in 2021.

## Vulnerable clients

This data has been collected since 2016. Generally Costs Lawyers deal with very few vulnerable clients, which reflects the low number of instructions received directly from individual consumer clients.

From 2020 the data has been collected as a percentage of total instructions rather than an absolute number of instructions to improve comparability. The vast majority of Costs Lawyers do not deal with vulnerable clients at all, although two individual Costs Lawyers deal almost exclusively with vulnerable clients. The nature of vulnerabilities in 2024 included protected parties, lay clients, language difficulties, the elderly and children.

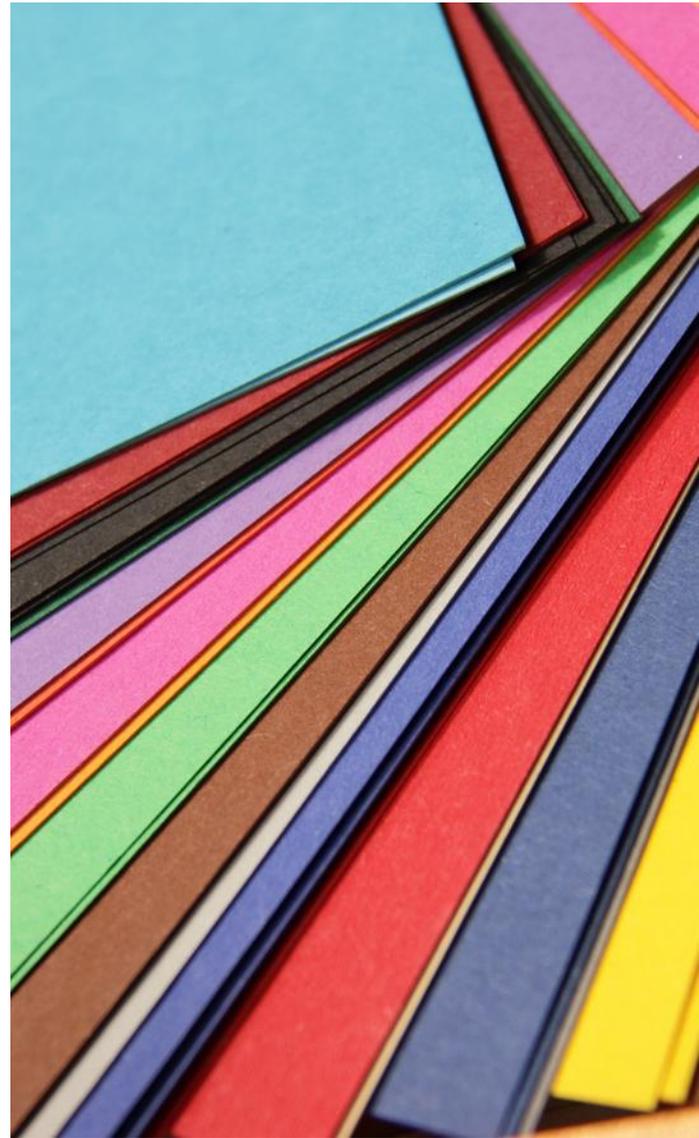
Year	Number of vulnerable clients
2016	2
2017	4
2018	16
2019	13

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Proportion of vulnerable clients	% of the profession				
	2020	2021	2022	2023	2024
0%	98.5	98.5	97.7	97.5	98.0
1 – 25%	1.0	1.0	1.7	1.9	1.4
26 – 50%	0.3	0.3	0.5	0.4	0.3
51 – 75%	0.0	0.0	0.0	0.0	0.0
76 -100%	0.2	0.2	0.2	0.1	0.3

# Costs Lawyers: Pathways to the Profession

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27 February 2025

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Costs Lawyer Standards Board

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## Introduction

The Costs Lawyer Standards Board, or 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.

As a regulator, we have a statutory objective to “encourage an independent, strong, diverse and effective legal profession” under the Legal Services Act 2007. We do this in various ways, including by monitoring the diversity of the profession in order to identify areas of under-representation and consider action that could be taken to address these.

Our 2024 survey focussed on entry into, and progression within, the Costs Lawyer profession. The aim of the survey was to find out more about the different paths that led individuals to a career in costs law. This is part of a wider programme of work aimed at understanding Costs Lawyers’ career experiences, and what steps the CLSB could take to strengthen the current profession and support the next generation of Costs Lawyers.

### About the data

The data on Costs Lawyers in this report was collected in a survey carried out in November to December 2024 alongside the annual practising certificate renewal process. We collect diversity data from practitioners on a voluntary basis; completing the diversity survey was not mandatory.

A total of 701 practitioners were contacted, of whom 159 responded, representing 23% of the profession. Because the sample size is therefore very small, it has not been possible to break down the data to enable further comparisons (for example, to identify if age, gender or other characteristics affect career pathways in any way).

As the data in this report does not reflect the entire regulated Costs Lawyer profession, caution should be taken when drawing conclusions from the data and/or making comparisons with other data sets.

### Declarations

The contents of this report are based on data that is explicitly and voluntarily declared by respondents.

All questions on the survey contained an option of ‘prefer not to say’ and not all respondents chose to provide their diversity information.

In the instances where a data set is too small to be meaningfully representative (i.e. fewer than five respondents) or there is the risk that an individual might be identifiable from the data, it has been excluded from the report.

Regarding ethnicity, we followed the approach adopted by the UK Census 2021 and used the following aggregate categories: Asian or Asian British, Black, Black British, Caribbean or African, Mixed or multiple ethnic groups, White, Other ethnic group.

### **Next steps**

We will continue our work on improving our data collection, with a particular focus on improving the response rate to enable us to analyse data in a more granular way.

We will work with the Association of Costs Lawyers, ACL Training, the Apprenticeship Trailblazer Group, and Costs Lawyers themselves, to identify practical steps that can be taken to support career progression and support future entrants.

The CLSB published its last full diversity report in 2023. We have published focused data on social mobility, and pay and earnings in the profession. We will continue to collect, analyse and publish data on discrete aspects of diversity, in line with our mid-term strategy and business plan. Previous diversity reports can be found on the CLSB [website](#).

## Key messages

- This year's survey provided interesting insights into how respondents found out about careers in costs law, the factors that influenced their decision to join the Costs Lawyer profession, and how they would like their careers to develop in the future.
- Almost half of respondents found out about costs law as a career option in the workplace or through another job they had at the time (44.5%, 69 individuals – see chart 5), and around a quarter of respondents said they chose to work in costs because they were encouraged to do so by their firm or manager (24.2%, 37 individuals – see chart 5). Just 2.6% of respondents (4 individuals) said that they chose to work in costs because it was a profession they were interested in while studying. This data suggests that more needs to be done to raise awareness of costs law as a career option at school and university level.
- The majority of respondents had not worked in another non-legal career before working in costs law (61.7%, 95 individuals – see chart 6), or been regulated in another branch of the legal profession before becoming a Costs Lawyer (chart 9). However, 94.8% of respondents had been worked as a costs draftsperson before becoming a regulated Costs Lawyer (chart 8).
- Being part of a regulated profession was an important factor in the decision to become a regulated Costs Lawyer for many respondents (chart 10). 71% of respondents identified 'personal pride in my regulatory status' as a very important factor in their decision to become a regulated Costs Lawyer. Almost 60% of respondents said that the 'ability to market myself to clients as a regulated professional' was a key factor in their decision. The majority of respondents also thought that greater clarity about the distinction between Costs Lawyers and unregulated costs advisors would help to support career progression and encourage new entrants into the profession (70.1%, 101 individuals – see chart 14).
- Most respondents had not had a mentor, coach or sponsor themselves, but over half had been a mentor, sponsor or coach to someone else during their career (see chart 11).
- Respondents were asked which, if any, factors they thought would help to support the career progression of current Costs Lawyers, and encourage new entrants into the profession in future (chart 14). As stated above, over 70% of respondents thought that more clarity about the distinction between Costs Lawyers and unregulated costs advisors was essential. Over half of respondents highlighted more training opportunities. More

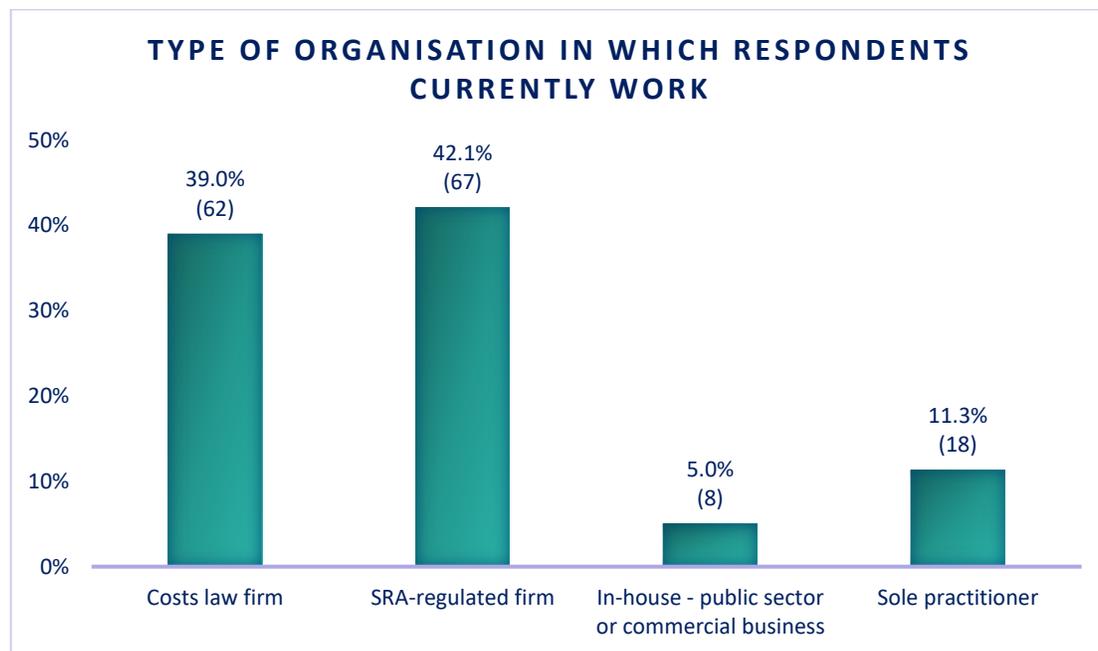
mentoring, sponsorship and coaching opportunities, as well as more management and leadership opportunities, were identified as important by over a third of respondents.

- Many respondents felt that more support for different groups within the profession would assist career progression and the new entrants, including those from non-traditional backgrounds. Over a third thought that more support for Costs Lawyers from non-traditional backgrounds, and more support for Costs Lawyers dealing with work-related stress was needed (chart 14). Respondents also identified wider recognition from the judiciary, Costs Lawyers becoming eligible to apply for judicial posts, and greater visibility for the profession as changes that would be beneficial for the current and future profession.
- The CLSB will work with the Association of Costs Lawyers, ACL Training, the Apprenticeship working group, and Costs Lawyers themselves, to identify practical steps that can be taken to support the career progression of Costs Lawyers and support future entrants, in line with the findings of this survey.

# The results

## 1. Current organisation

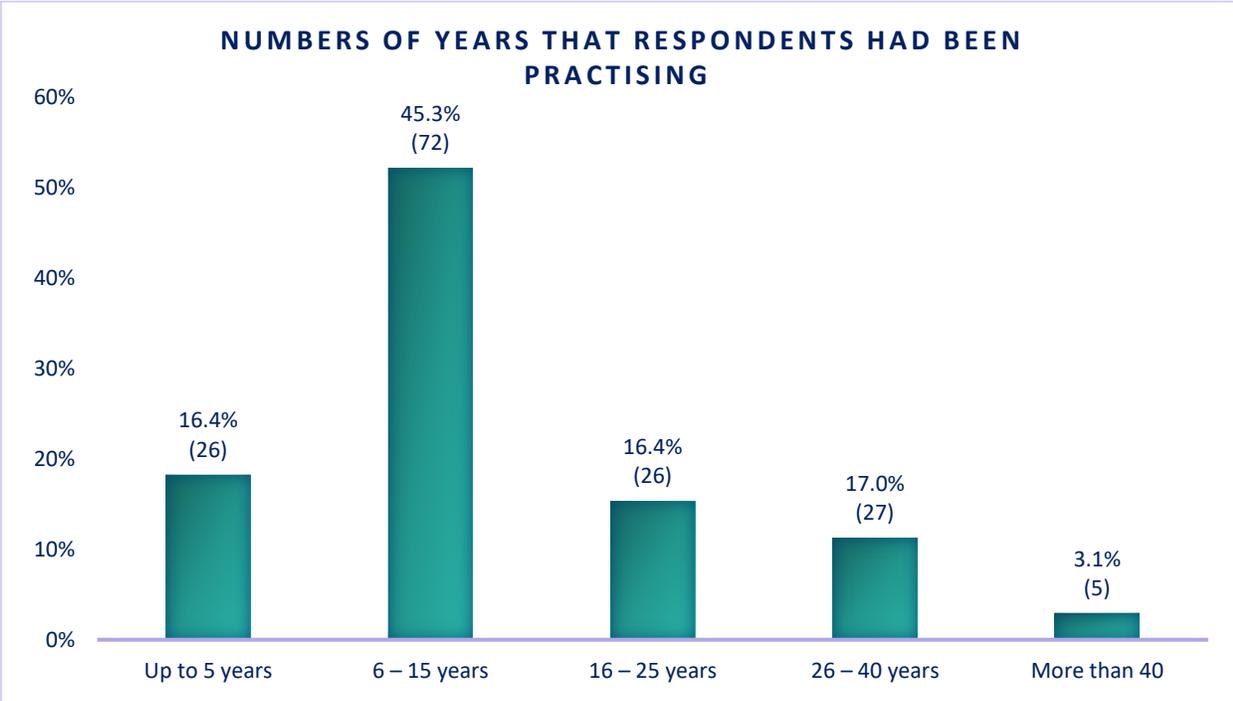
Chart 1



In 2024, the majority of respondents worked in an SRA-regulated firm (42.1%, 67 individuals). The proportion of respondents working in a costs law firm was 39.0% (62 individuals). 5.0% of respondents worked in-house in either the public sector or a commercial business (8 individuals). 11.3% (18) of respondents were sole practitioners.

## 2. Number of years practising

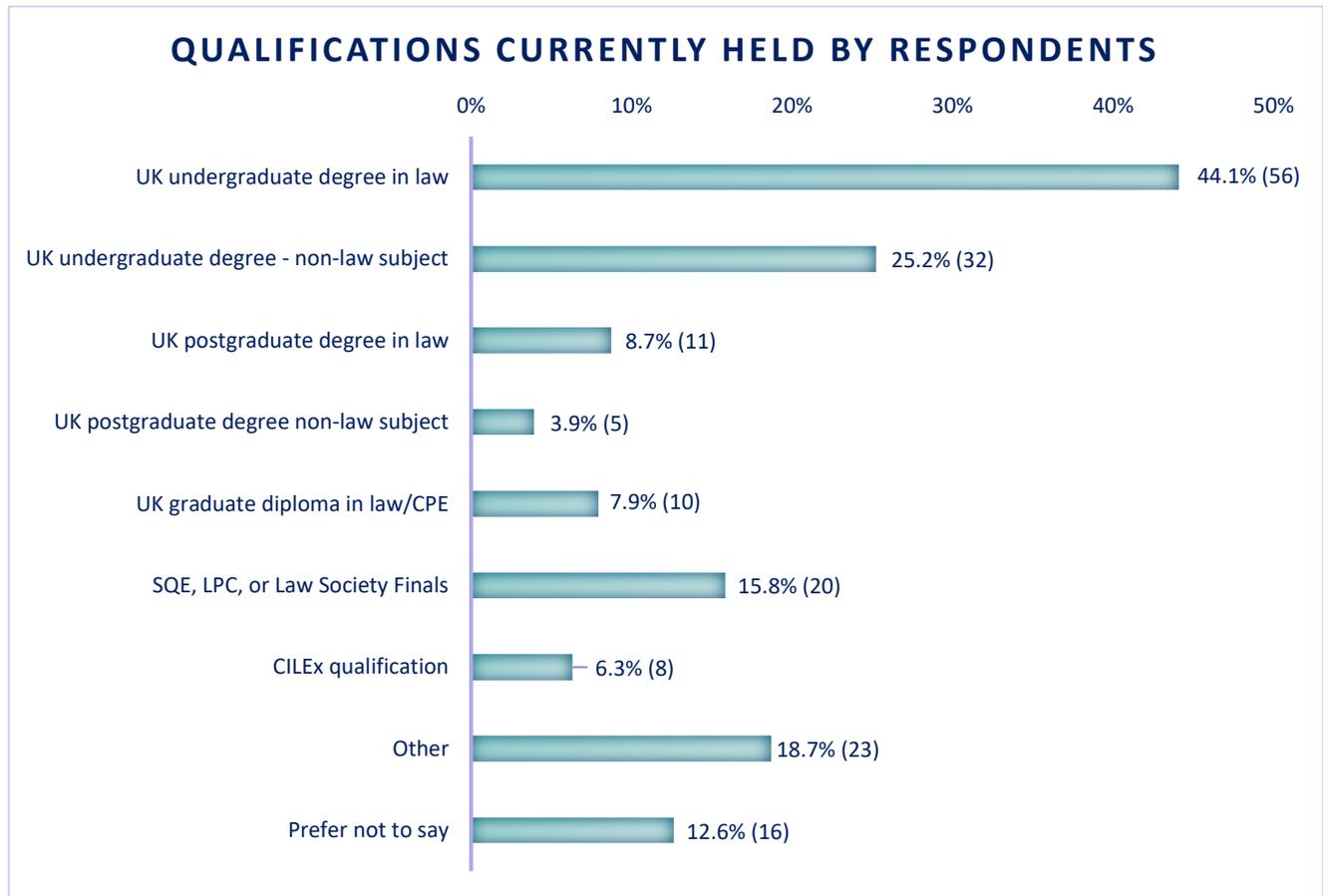
Chart 2



In 2024, the majority of respondents had been practising for 6 to 15 years (45.3%, 72 individuals). 16.4% of respondents had been practising for up to 5 years (26 individuals) and the same proportion and number had been practising for between 16 and 25 years. 17.0% of respondents had been practising for between 26 and 40 years, and 3.1% (5 individuals) had been practising for more than 40 years.

### 3. Qualifications currently held by respondents

Chart 3



In 2024, the majority of respondents held an undergraduate degree. Of those, the highest proportion held an undergraduate law degree (44.1%, 56 individuals). 25.2% of respondents held an undergraduate degree in a non-law subject (32 individuals).

12.6% of respondents held a postgraduate degree. Of those, 8.7% held a postgraduate law degree (11 individuals) and 3.9% held a postgraduate degree in a non-law subject (5 individuals).

Several respondents also held a professional qualification of some kind. Of those, 15.8% had completed the SQE, LPC or Law Society Finals (20 individuals), 7.9% had completed a UK graduate diploma in law or CPE (10 individuals) and 6.3% had completed a CILEx qualification (8) individuals.

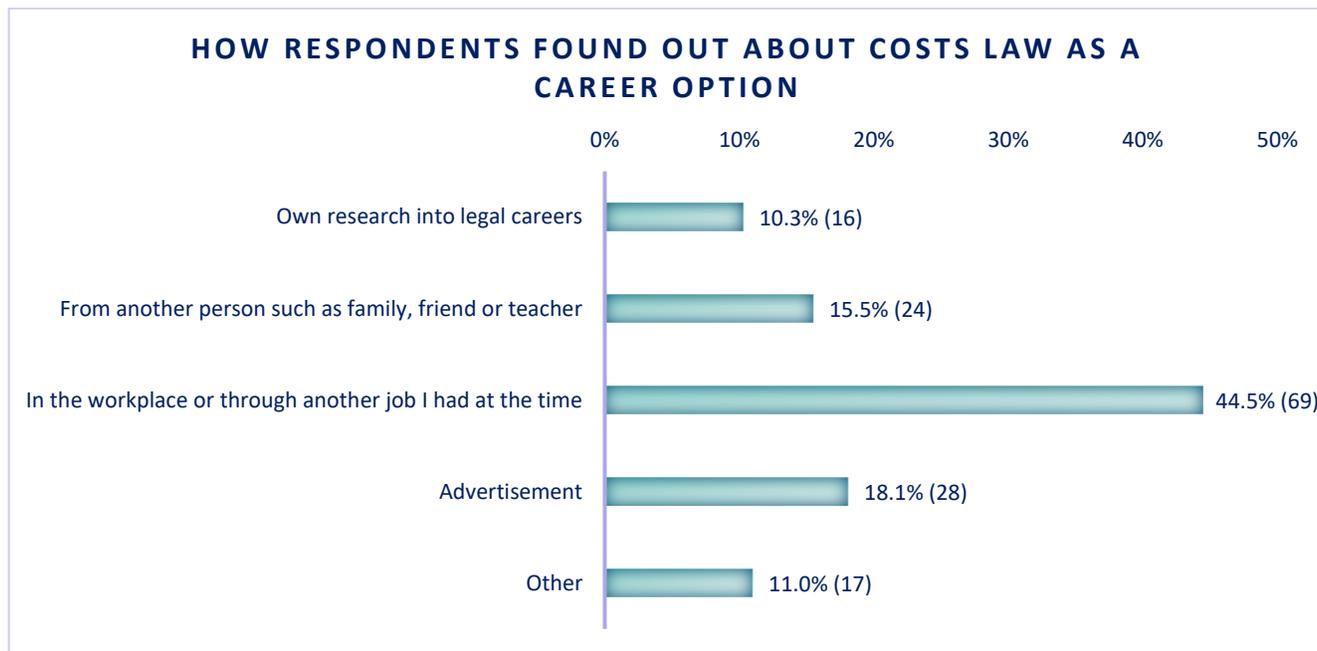
18.7% of respondents (23 individuals) held another kind of qualification. Those other qualifications included the BPTC, BVC or Bar Finals, paralegal diploma or other

paralegal qualifications, international qualifications at undergraduate or postgraduate levels, BTEC and costs lawyer qualifications.

12.6% of respondents preferred not to provide information about the qualifications they currently hold (16 individuals).

#### 4. How respondents found out about costs law as a career option

Chart 4



The majority of respondents said that they found out about costs law as a career option in the workplace or through another job they had at the time (44.5%, 69 individuals).

Almost a fifth of respondents found out about costs law as a career option through an advertisement (18.1%, 28 individuals).

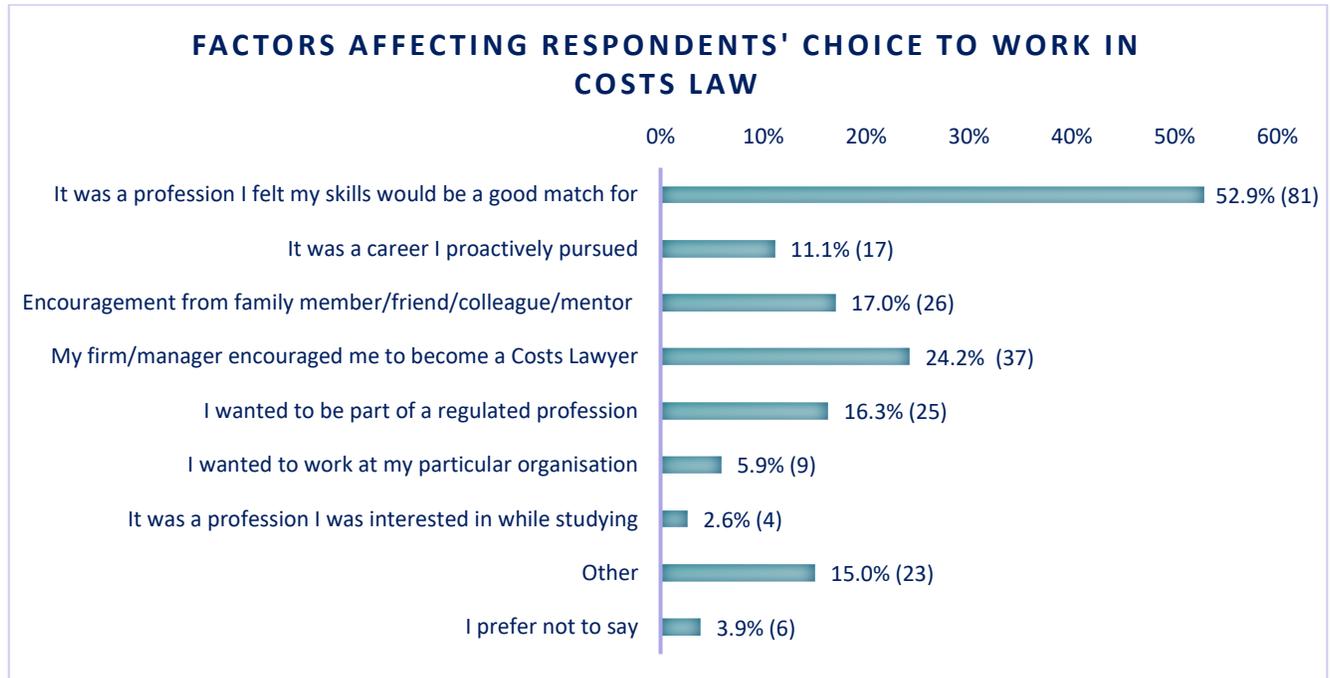
15.5% of respondents (24 individuals) found out about costs as a career option from another person such as a family member, friend or teacher.

10.3% of respondents (16 individuals) found out about costs careers through their own research into legal careers.

11.0% of respondents (17 individuals) found out about costs law as a career option through other sources. These other sources included job fairs, seminars, job agencies and recruitment consultants, finding out 'by accident', and finding out while studying for another professional qualification.

## 5. Factors affecting respondent's choice to work in costs law

Chart 5



Respondents were asked which factors affected their choice to work in costs law.

The majority of respondents said that they chose to work in costs because it was a profession for which they felt their skills would be a good match (52.9%, 81 individuals).

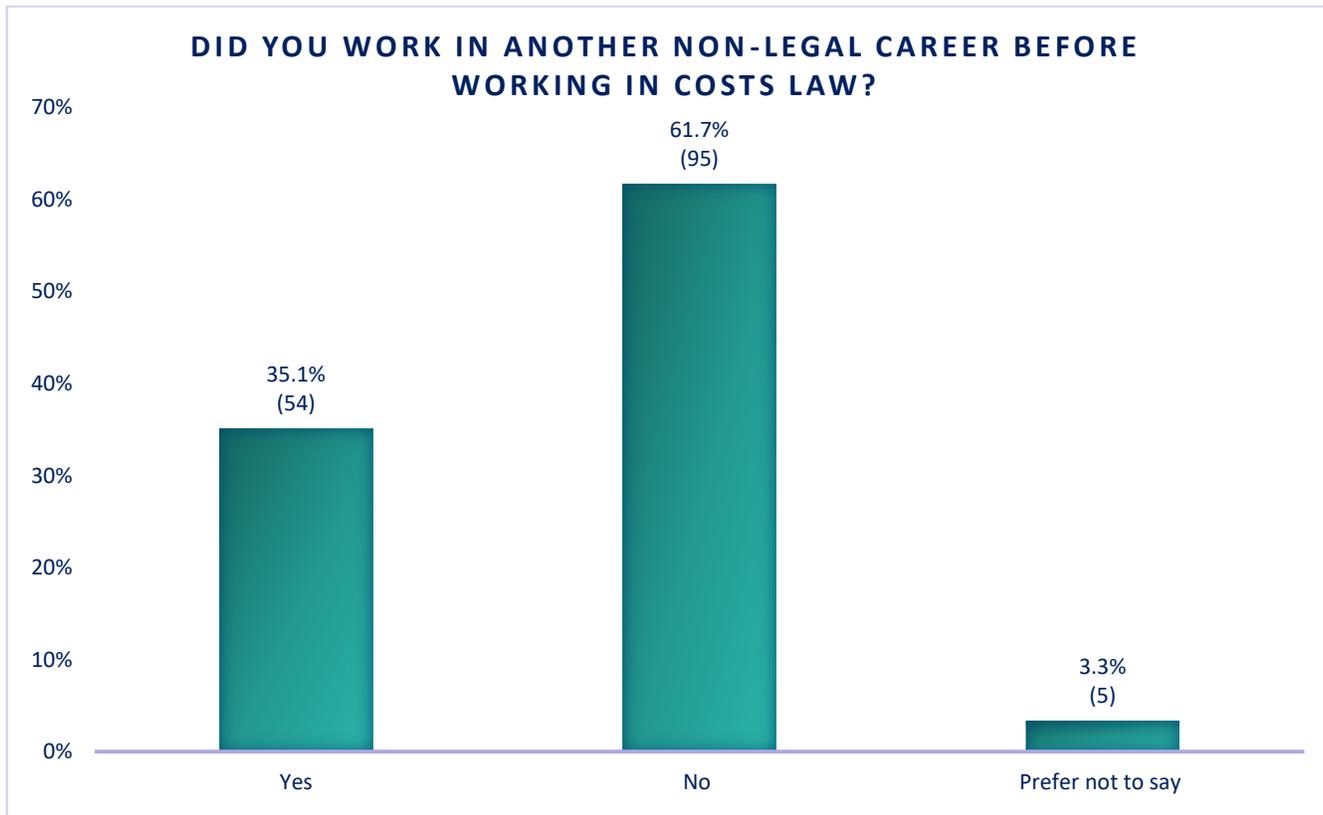
Encouragement from others was an important influence for many respondents. Almost a quarter of respondents said they chose to work in costs because they were encouraged to do so by their firm or manager (24.2%, 37 individuals). 17.0% of respondents (26 individuals) said that encouragement from a family member, friend, colleague or mentor was a key factor in their decision.

16.3% (25 individuals) said that they chose to work in costs because they wanted to be part of a regulated profession, 11.1% (17 individuals) said it was a career they actively pursued, and 5.9% (9 individuals) said that they chose to work in costs because they wanted to work at their particular organisation. 2.6% of respondents (4 individuals) said that they chose to work in costs because it was a profession they were interested in while studying.

15.0% of respondents said that other factors affected their choice to work in costs law. Those factors included financial necessity, looking for a new job or career change, and work-life balance. Several respondents who responded 'other' mentioned that they 'fell into' costs law in some way, but stayed in the profession because they enjoy it.

## 6. Working in other careers before costs law

Chart 6



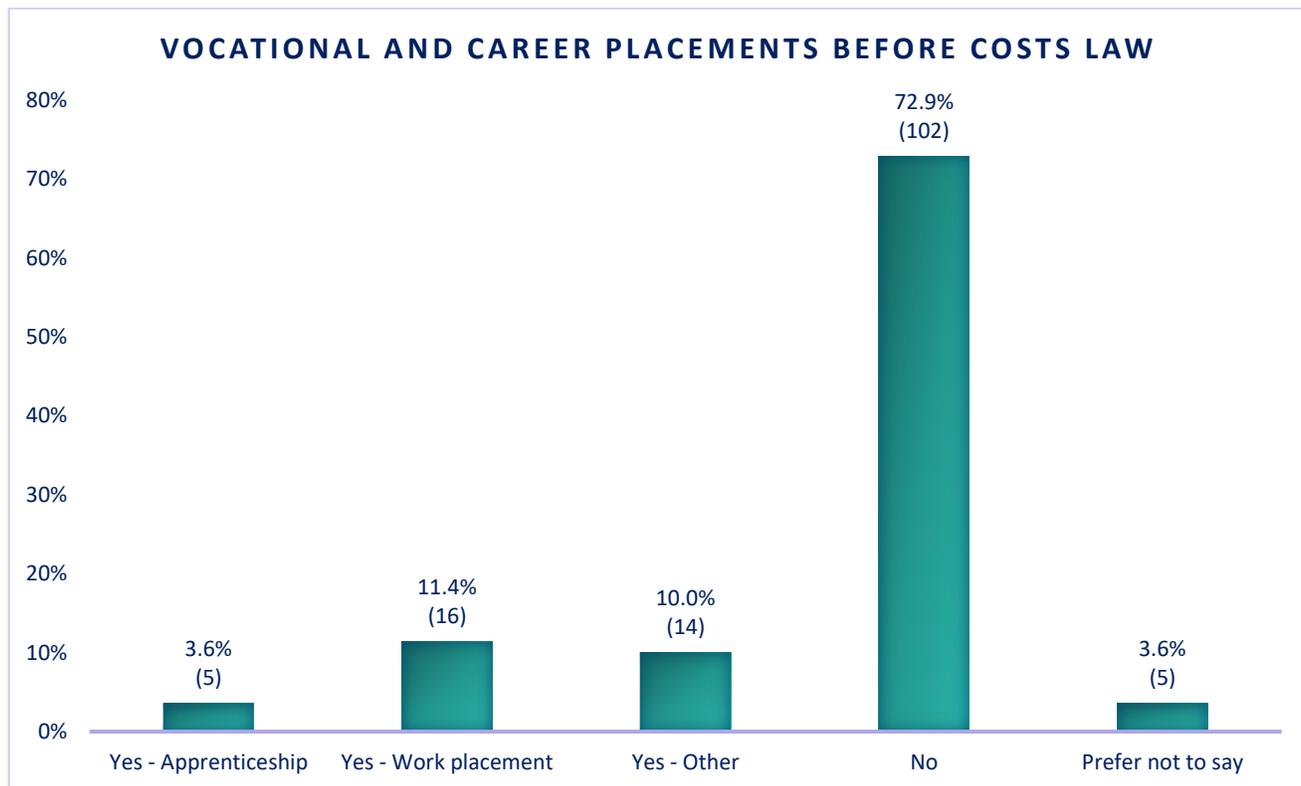
The majority of respondents had **not** worked in another, non-legal career before working in costs law (61.7%, 95 individuals).

35.1% (54 individuals) said they had worked in another non-legal career before working in costs law. The non-legal careers of these respondents were varied and included roles in finance, insurance, pensions, hospitality, leisure, local government, retail, accountancy, farming, healthcare, the Civil Service and the military.

3.3% of respondents (5 individuals) preferred not to provide information about their previous careers.

## 7. Vocational or career placements

Chart 7



Respondents were asked whether they had completed any vocational or career placements before starting to work in costs law.

The majority of respondents said they had **not** completed any vocational or career placements prior to their career in costs law (72.9%, 102 individuals).

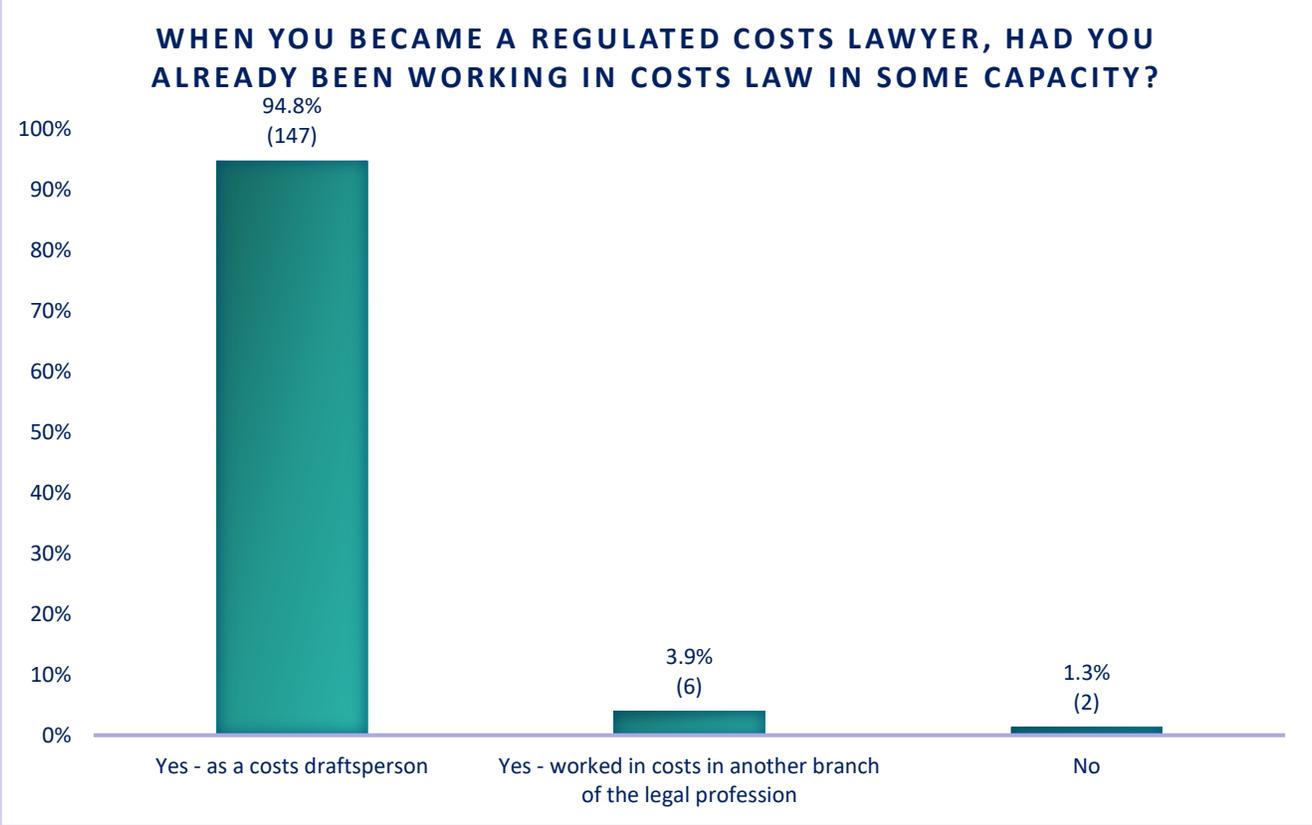
A quarter of respondents said they had completed a vocational or career placement before starting to work in costs law. Of those, 11.4% (16 individuals) had completed a work placement and 3.6% (5 individuals) had completed an apprenticeship.

10.0% (14 individuals) had completed another type of placement prior to their career in costs law. These other types of placement included paralegal or clerk roles, and placements in accountancy and engineering.

3.6% of respondents (5 individuals) preferred not to provide information about their previous vocational or career placements.

### 8. Previous work in costs law before becoming a regulated Costs Lawyer

Chart 8



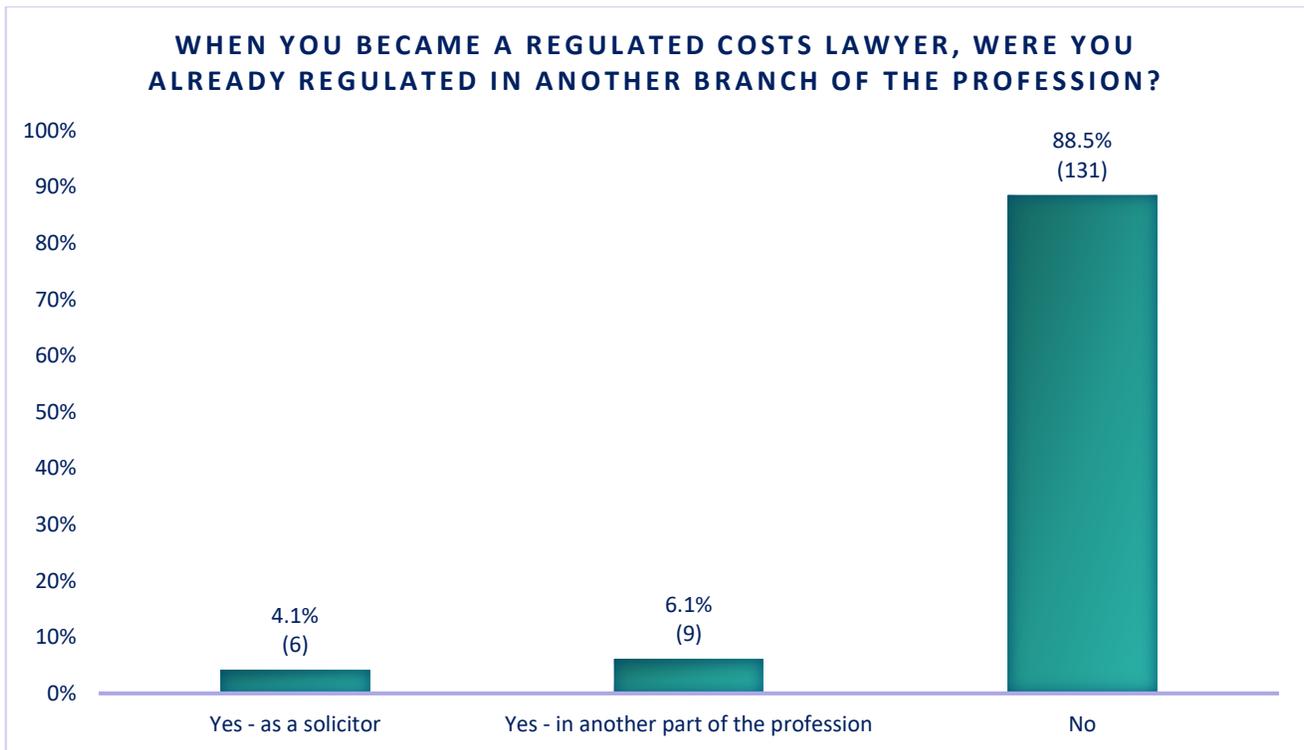
Respondents were asked whether they had already been working in costs law in some capacity when they became a regulated Costs Lawyer.

The majority of respondents said that they had been working as a costs draftsman before becoming a regulated Costs Lawyer (94.8%, 147 individuals).

3.9% of respondents (6 individuals) had previously worked in costs in another branch of the legal profession. 1.3% of respondents (2 individuals) had not previously worked in costs.

## 9. Working in another regulated profession before becoming a regulated Costs Lawyer

Chart 9



Respondents were asked whether they were already regulated in another branch of the profession when they became a regulated Costs Lawyer.

The majority of respondents were **not** already regulated in another branch of the profession (88.5%, 131 individuals). 4.1% of respondents were already regulated as solicitors (6 individuals) and 6.1% (9 individuals) were regulated in other branches of the professions, such as the Bar or CILEx.

## 10. Factors affecting the decision to become a regulated Costs Lawyer

Chart 10



Table 1

Factor	Very important		Somewhat important		Not important	
	%	Individuals	%	Individuals	%	Individuals
Authorisation to do different types of work that I couldn't otherwise do(e.g. advocacy, conducting litigation)	47.3%	70	35.1%	52	17.6%	26
Eligibility for ACL membership	29.0%	42	39.3%	57	31.7%	46
Ability to use the CLSB mark of regulation	23.5%	34	44.8%	65	31.7%	46
Interest in professional development and learning	65.8%	98	30.9%	46	3.4%	5
Higher hourly rates	33.1%	47	35.2%	50	31.7%	45
Access to LawCare support	5.0%	7	40.0%	56	55.0%	77
Higher salary	43.0%	61	40.1%	57	16.9%	24
Respect from other legal professionals	58.8%	87	33.1%	49	8.1%	12
Improved career progression / job opportunities	70.6%	103	24.0%	35	5.5%	8
Respect from the judiciary	56.5%	83	29.9%	44	13.6%	20
Ability to market myself to clients as a regulated professional	59.9%	88	25.2%	37	15.0%	22
Personal pride in my regulatory status	71.0%	105	24.3%	36	4.7%	7
I prefer not to say	11.1%	2	16.7%	3	72.2%	13

Respondents were asked how important a series of factors were in their decision to become a regulated Costs Lawyer, and asked to rate those factors as ‘very important’, ‘somewhat important’ or ‘not important’.

A high proportion of respondents identified ‘personal pride in my regulatory status’ as a very important factor in their decision (71.0%, 105 individuals). Respondents also identified ‘improved career progression/job opportunities’ as a very important factor (70.6%, 103 individuals) and ‘interest in professional development and learning’ as very important (65.8%, 98 individuals).

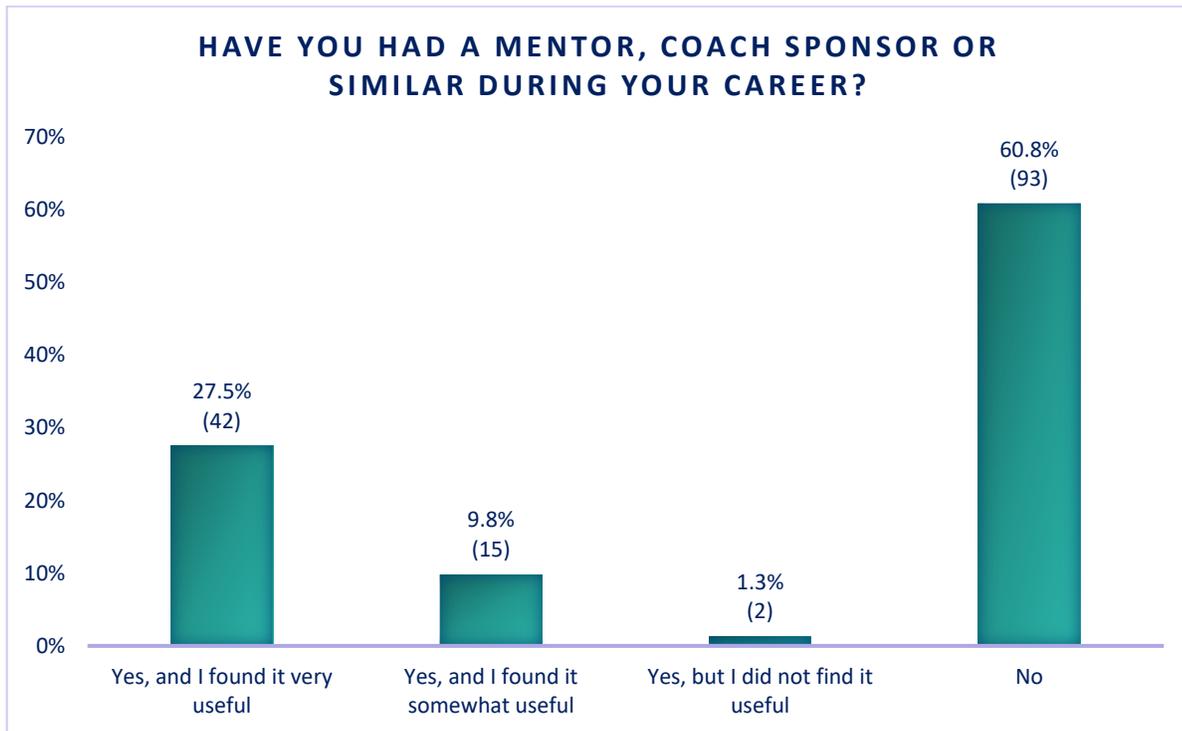
Over 50% of respondents said that the ‘ability to market myself to clients as a regulated professional’ was a key factor in their decision to become a regulated Costs Lawyer (59.9%, 88 individuals). Over half of respondents also identified ‘respect from other legal professionals’ as a very important factor (58.8%, 87 individuals) and over half selected ‘respect from the judiciary’ as a very important influence on their decision (56.5%, 83 individuals).

The majority of respondents rated ‘ability to use the CLSB mark of a regulation’ as a ‘somewhat important’ factor in their decision (44.8%, 65 individuals). Other factors rated as ‘somewhat important’ include ‘access to LawCare support’ (40.0%, 56 individuals), ‘higher salary’ (40.1%, 57 individuals), ‘eligibility for ACL membership’ (39.3%, 57 individuals), and ‘higher hourly rates’ (35.2%, 50 individuals).

The ability to use the CLSB mark of a regulation, access to LawCare Support, eligibility for ACL membership, and higher hourly rates were all factors that were rated as ‘not important’ in the decision to become a regulated Costs Lawyer by over 30% of respondents. 31.7% of respondents (46 individuals) said that the ‘ability to use the CLSB mark of a regulation’ was not an important factor in their decision. The same proportion said that ‘eligibility for ACL membership’ and ‘higher hourly rates’ were not an important factor in their choice to become a regulated Costs Lawyer (46 individuals and 45 individuals respectively). Over half of respondents said that ‘access to LawCare support’ was not an important factor in their decision (55.0%, 77 individuals).

## 11. Mentoring, coaching and sponsorship

Chart 11

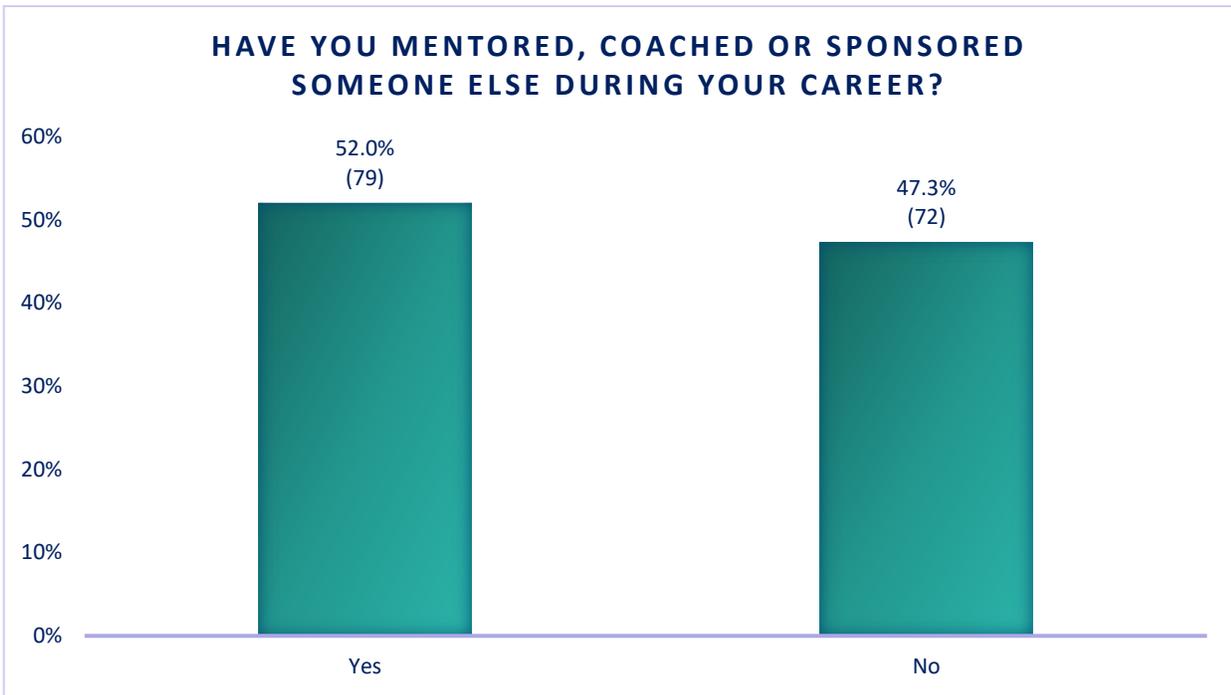


Respondents were asked if they had had a mentor, coach, sponsor or similar during their career.

The majority of respondents had **not** had a mentor, coach, sponsor or similar during their career (60.8%, 93 individuals).

38.6% of respondents said they had a mentor, coach, sponsor or similar during their career. Of those, 27.5% (42 individuals) said they found the experience very useful, 9.8% (15 individuals) said they found it somewhat useful, and 1.3% (2 individuals) said they did not find it useful.

Chart 12



Respondents were also asked whether they had mentored, coached or sponsored someone else during their career.

Just over half of respondents said that they had done so (52.0%, 79 individuals), and 47.3% of respondents (72 individuals) had not mentored, coached or sponsored someone else during their career.

## 12. Career aims

Chart 13



Respondents were asked how they would like their career to progress in the next 5 years.

The majority of respondents said that they would like to stay in their current role (45.1%, 69 individuals).

Almost a quarter of respondents said that they would like to take on more leadership responsibilities (24.2%, 37 individuals) and almost a fifth wanted to take on more management responsibilities (19.0%, 29 individuals). 17.7% (27 individuals) said they would like to become a partner in their firm, while 3.3% (5 individuals) wanted to start their own firm.

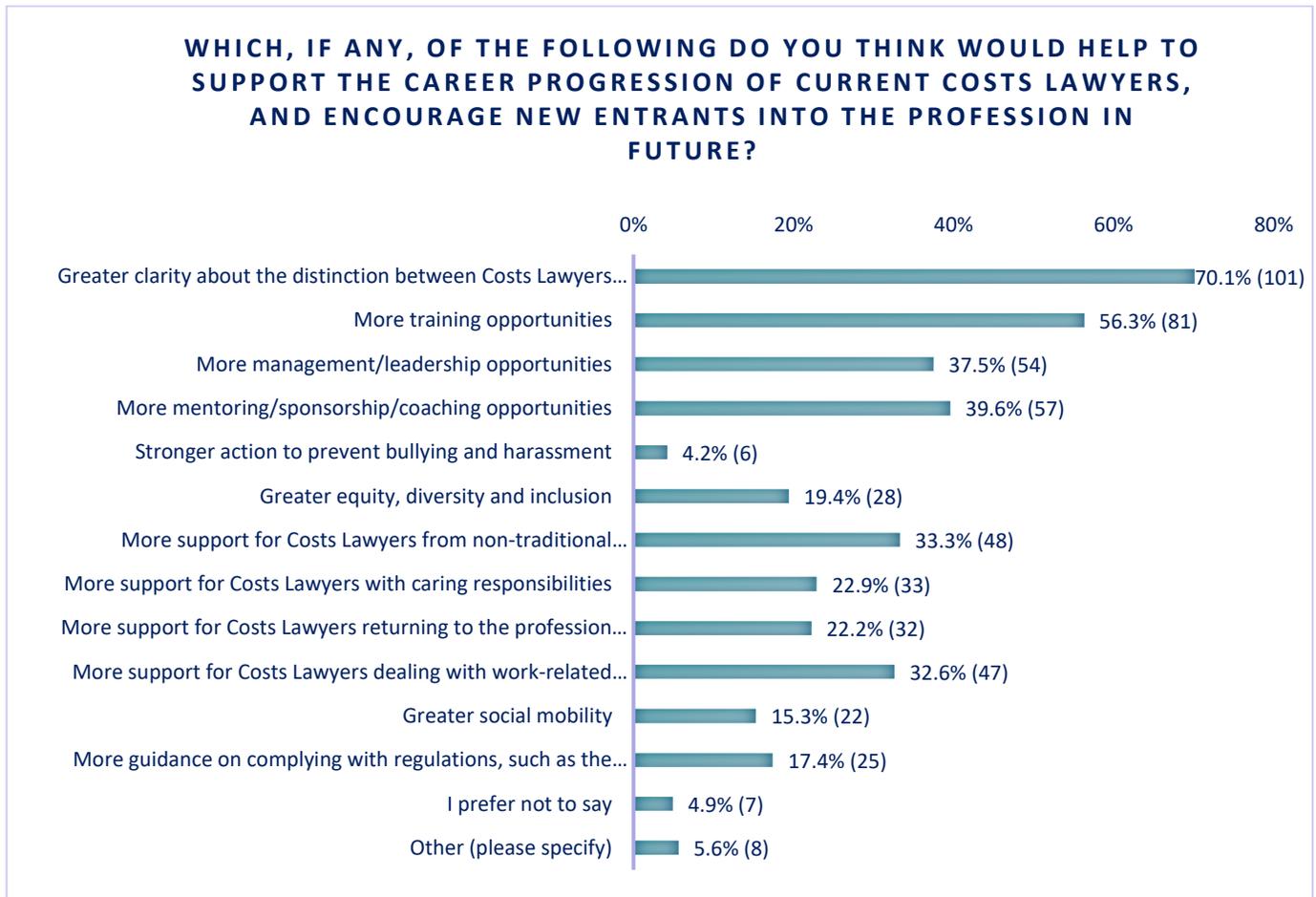
11.1% of respondents expressed a desire to move out of costs law in some way. Of those, 7.2% (11 individuals) said they would like to have left the costs law sector, and 3.9% (6 individuals) said they would like to move into a different part of the legal profession.

9.8% of respondents (15 individuals) said that they would like their career to progress in another way. Those other ways included retirement and achieving a judicial appointment.

4.6% of respondents (7 individuals) preferred not to say how they would like their career to progress in the next 5 years.

### 13. Supporting the career progression of current Costs Lawyers, and future entrants

Chart 14



Respondents were asked which, if any, factors they thought would help to support the career progression of current Costs Lawyers, and encourage new entrants into the profession in future.

The majority of respondents thought that greater clarity about the distinction between Costs Lawyers and unregulated costs advisors would help to support career progression and encourage new entrants into the profession (70.1%, 101 individuals).

Over half of respondents said that more training opportunities were key to supporting the current profession and new entrants (56.3%, 81 individuals). More mentoring, sponsorship and coaching opportunities was selected by 39.6% of respondents (57 individuals). A similar proportion identified more management and leadership opportunities as important (37.5%, 54 individuals).

Many respondents felt that more support for different groups within the profession would assist career progression and the new entrants. Over a third of respondents thought that more support for Costs Lawyers from non-traditional backgrounds would be helpful (33.3%, 48 individuals), and over a third felt that more support for Costs Lawyers dealing with work-related stress was needed (32.6%, 47 individuals). Over a fifth thought that more support for Costs Lawyers with caring responsibilities was needed (22.9%, 33 individuals) and a similar proportion thought that more support for returners to the profession would be beneficial (22.2%, 32 individuals).

Respondents also thought that more diversity and inclusion with the profession would be helpful to career progression for current Costs Lawyers and new entrants to the profession. 19.4% (28 individuals) identified greater diversity and inclusion as important, and 15.3% (22 individuals) identified greater social mobility as a factor that would help current and future Costs Lawyers. 4.2% (6 individuals) thought that stronger action on bullying and harassment was needed to support career progression and future Costs Lawyers.

17.4% of respondents (25 individuals) thought that current and future Costs Lawyers' careers would be helped by more guidance on complying with regulations, such as the Costs Lawyer Code of Conduct.

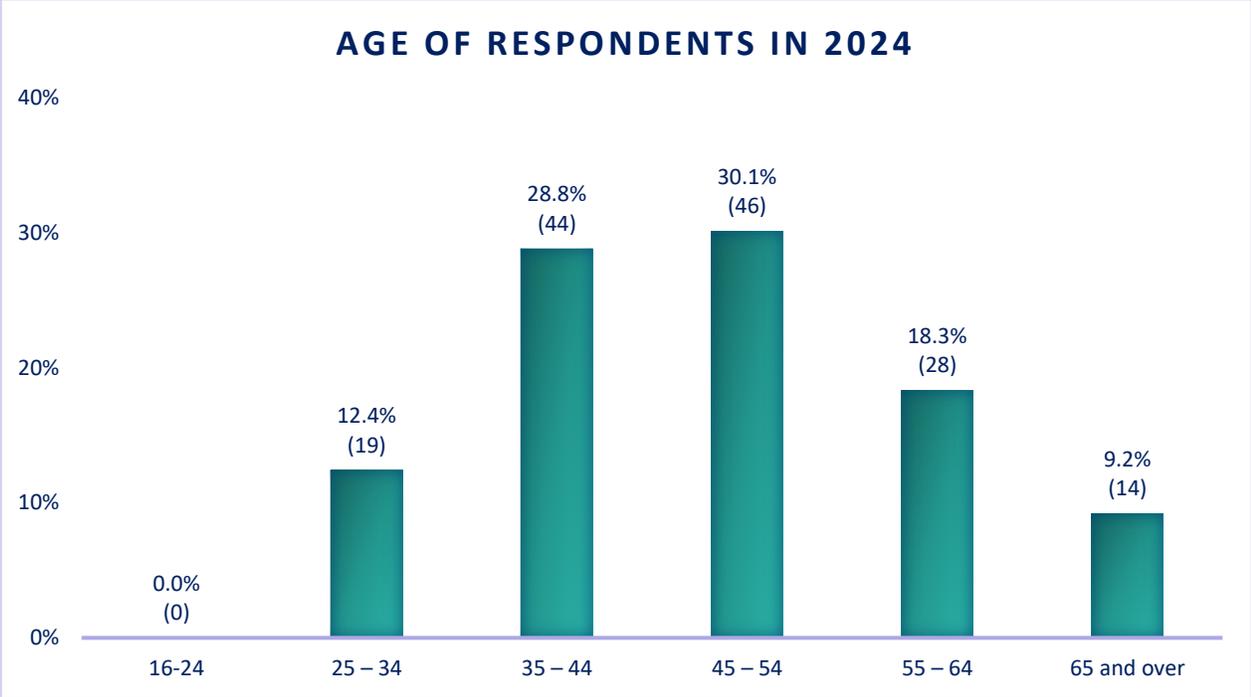
5.6% (18 individuals) identified other factors that they thought would help current Cost Lawyers' career progression and that of new entrants. Those factors included wider recognition from the judiciary, Costs Lawyers becoming eligible to apply for judicial posts, training for judicial posts, more learning opportunities relating to legal areas outside of costs, and greater visibility for the profession in the legal sector and society more broadly.

4.9% of respondents (7 individuals) preferred not to answer this question.

# About the respondents

## 14. Age

Chart 15



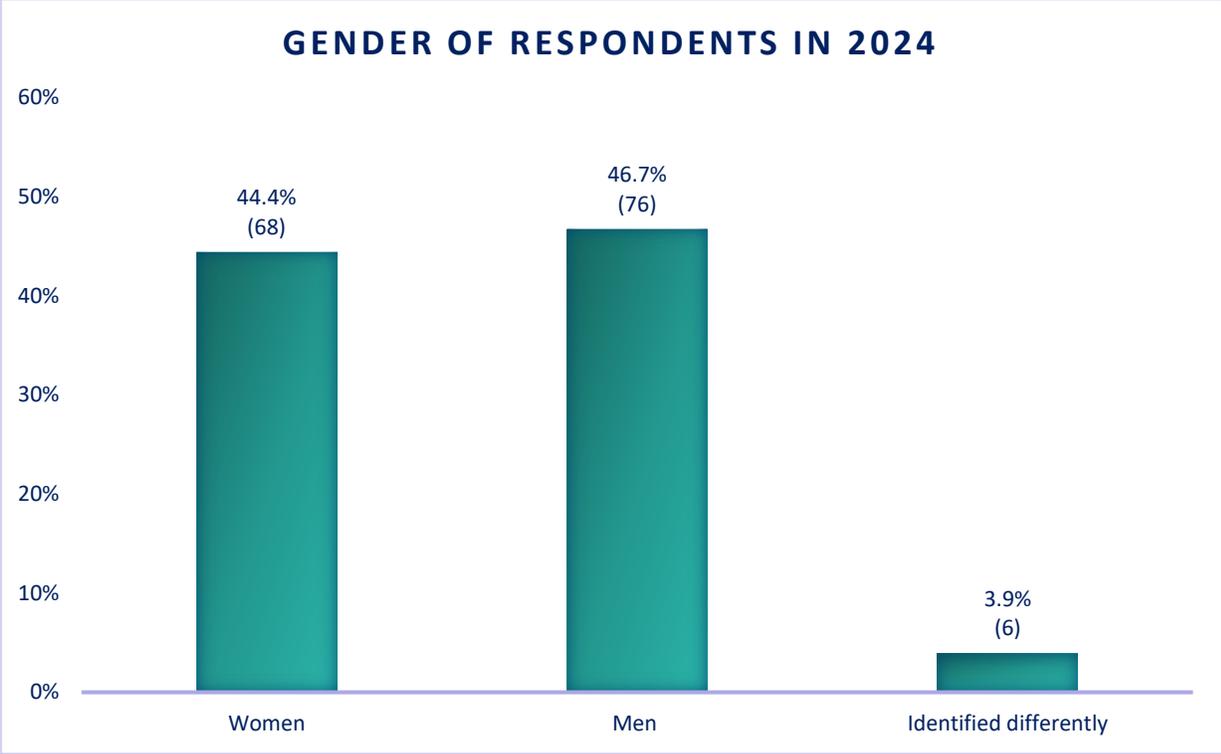
The majority of Costs Lawyers who responded to this year’s survey were aged between 45 and 54 (30.1%, 46 individuals).

Almost a third of respondents were aged between 35 and 44 (28.8%, 44 individuals).

Of the other respondents, 18.3% (28 individuals) were aged 55 to 64, 12.4% (19 individuals) were aged 25 to 34, and 9.2% (14 individuals) were aged 65 and over. No respondents were aged between 16 and 24.

**15. Gender**

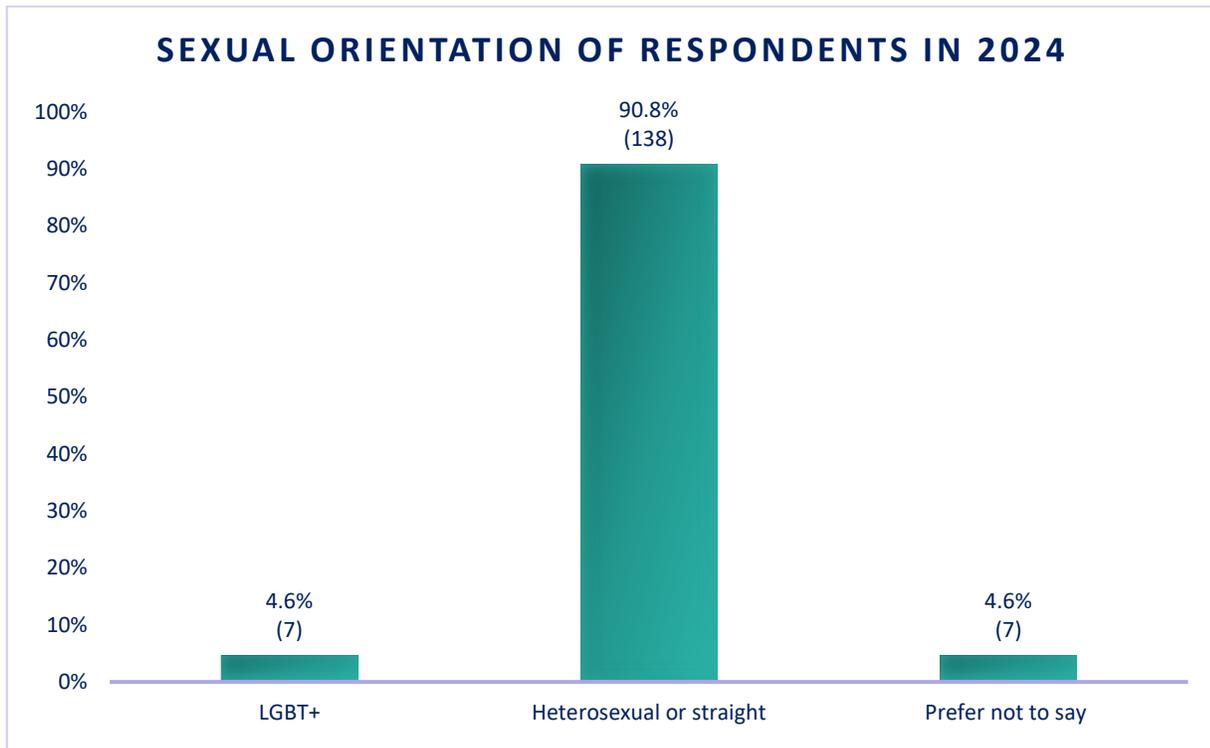
Chart 16



Of those who responded to this year’s survey, 44.4% were women (68 individuals), 46.7% were men (76 individuals) and 3.9% (6 individuals) identified differently.

## 16. Sexual orientation

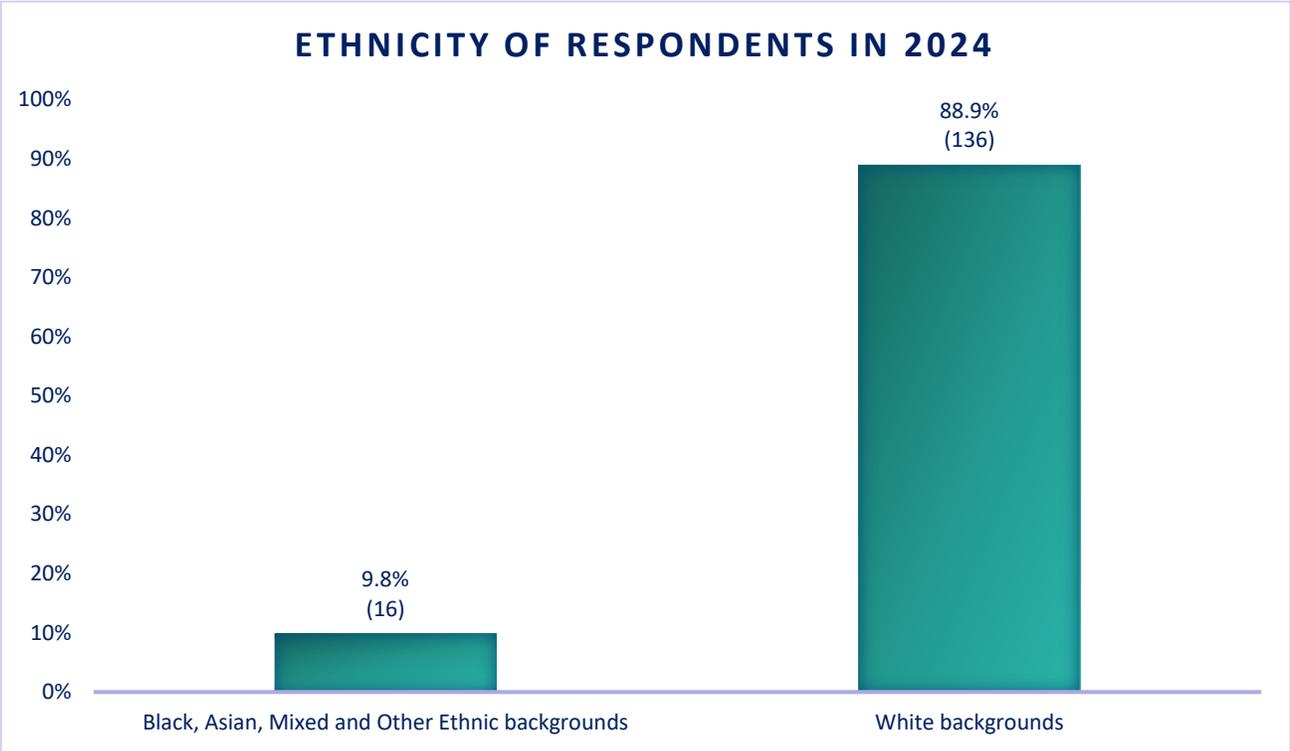
Chart 17



The majority of respondents identified as heterosexual or straight (90.8%, 138 individuals). 4.6% of respondents identified as gay, straight, lesbian, bisexual or identified differently (4.6%, 7 individuals). 4.6% of respondents (7 individuals) preferred not to provide this information.

# 17. Ethnicity

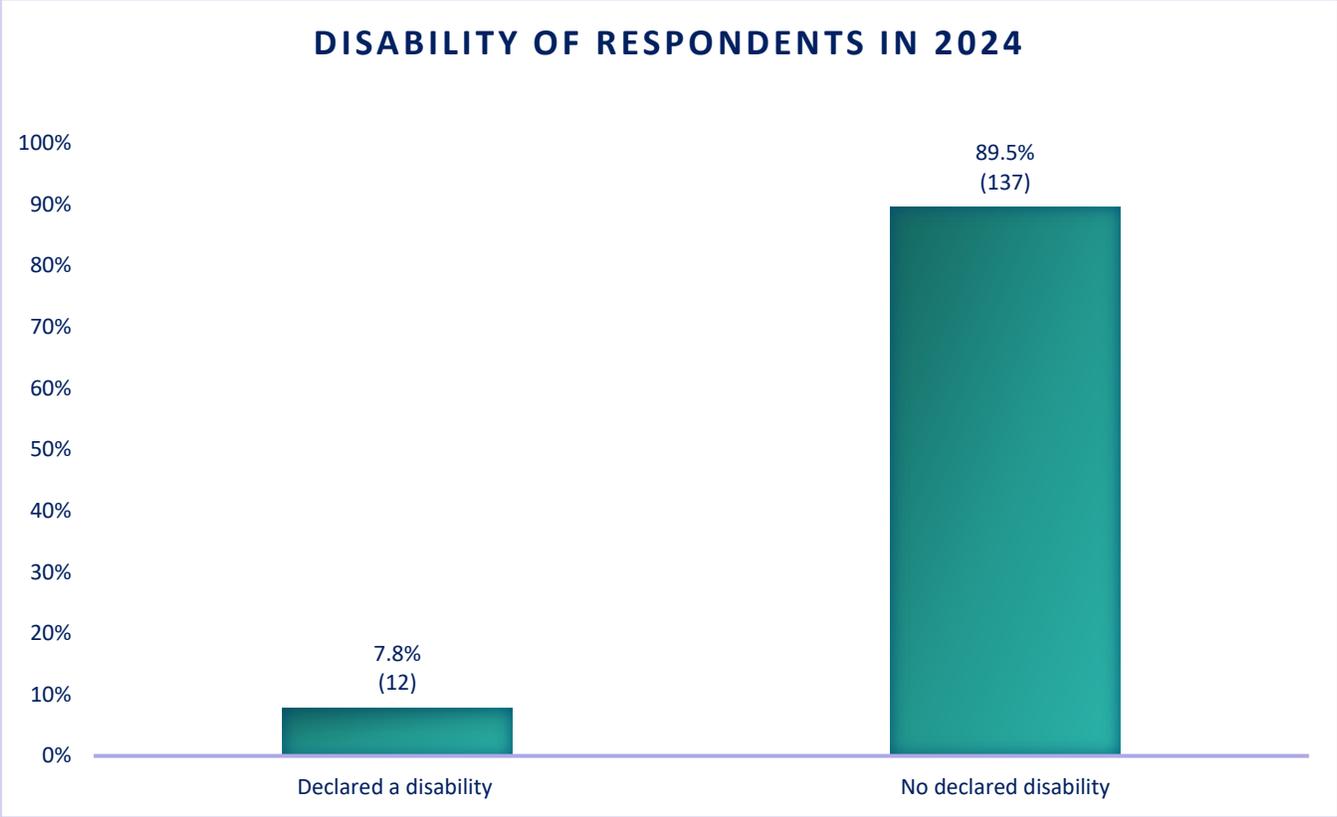
Chart 18



Of those who responded to this year’s survey, 88.9% were from white backgrounds (136 individuals) and 9.8% (16 individuals) were from Black, Asian, Mixed and other ethnic minority backgrounds.

# 18. Disability

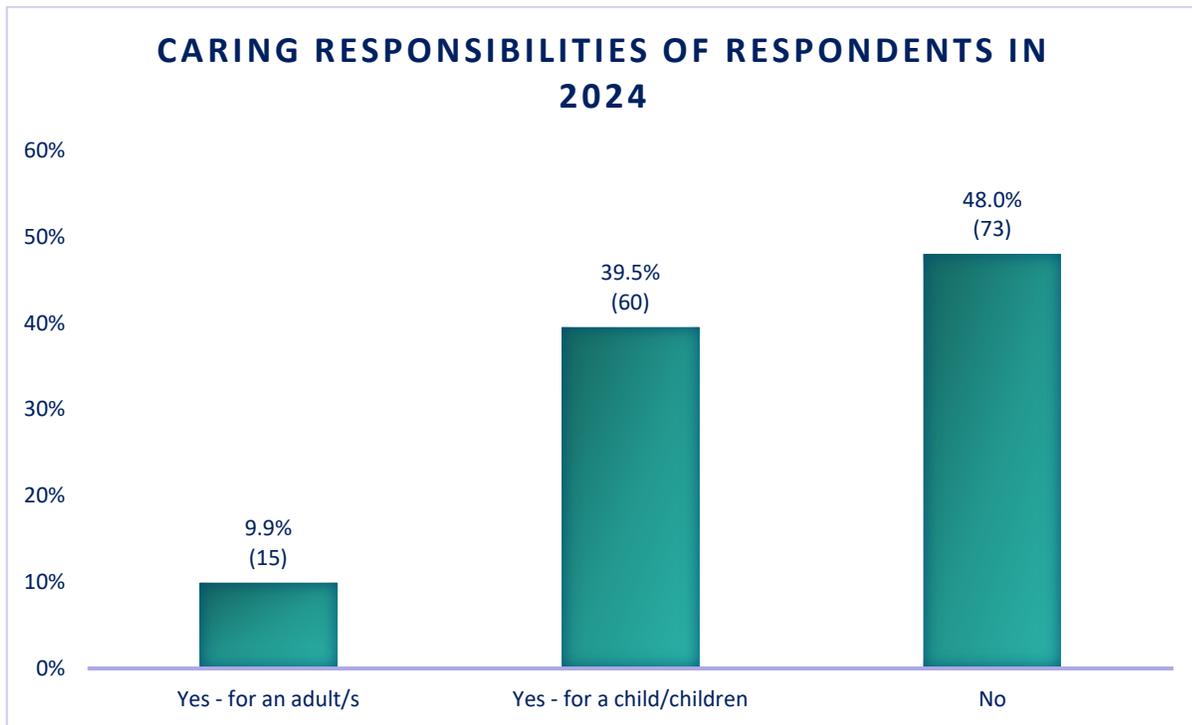
Chart 19



The majority of respondents said they did not have a disability (89.5%, 137 individuals). 7.8% of respondents (12 individuals) said that they did have a disability.

## 19. Caring responsibilities

Chart 20



Almost half of respondents had caring responsibilities of some sort. Of those, 39.5% (60 individuals) had caring responsibilities for a child or children, and 9.9% (15 individuals) had caring responsibilities for an adult.

48.0% of respondents (73 individuals) said that they did not have any caring responsibilities.



## Consultation response

### Legal Services Board consultation: Draft Business Plan 2025/26

20 January 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 its draft business plan and budget for 2025/26.

#### Draft business plan

The CLSB is supportive of the LSB’s proposed workstreams and proposed research programme for 2025/26. We agree with the LSB’s proposed priority projects (professional ethics and the rule of law; equality, diversity and inclusion (‘EDI’); access to justice; discipline and enforcement; and consumer protection). The CLSB will be interested to see the development of - and consultations on - a new policy on EDI and a set of principles for underpinning regulators’ discipline and enforcement procedures, as well as the update on the State of Legal Services report when it is published.

#### Draft budget

As stated in the consultation paper, the LSB’s proposed annual budget for 2025/26 is £6.028m. This would represent an increase of 14% (£757k), on the LSB’s 2024/25 budget (£5.271m). This increase would add £3.84 onto the practising fees paid by authorised persons, including Costs Lawyers.

The CLSB notes that this is the third consecutive year that the LSB’s budget has increased substantially. The proposed 14% increase for 2025/26 follows a 13.9% budget increase last year, and 9.1% the year before. Compounded, this represents a 41.66% budget increase over three years. As the LSB recognises, increases in its budget have a direct impact on authorised persons through a resultant rise in practising certificate fees.

One reason given for the increase is that the LSB needed to seek a higher level of external legal advice in 2024/25 compared to previous years. Consequently the LSB proposes to increase its external legal budget and create a non-pay contingency budget to ensure it can respond to future litigation and other legal matters. If all or part of the contingency sum is not required, it will be returned to the sector via a levy rebate.

The CLSB agrees that in certain circumstances it might be sensible for a budget to allow for some contingency. However, the amount of contingency proposed (£200k) is significant. Further, we note that the LSB’s proposed approach does not appear to be in line with the principles underpinning the

Practising Fee Rules (i.e. a regulator cannot collect more funds than it needs for its planned activity in a given year). Whilst the CLSB recognises that the Practising Fee Rules only apply to the regulators of the individual professions, and do not apply to the LSB specifically, we would expect the LSB's approach to be consistent with the principles that it considers appropriate for regulators to follow. The CLSB considers that a more consistent and fair approach would be for the LSB to pay for any contingency, if it occurs, from reserves, and replenish those reserves after the event in the following year.

The CLSB attended the LSB's stakeholder event on 15 January 2025. We understand from that event that the one-off costs in this budget (such as the costs related to the LSB's office move) will not be built into the LSB budget going forward. As a result, and given the impact on authorised persons of three years of cumulative budget increases, the CLSB would expect to see a decrease in the LSB's proposed budget for 2026/27, rather than simply no increase.

We would be happy to discuss our response to the consultation in more detail.



## Consultation response

### Legal Services Board consultation: Guidance for the New Regulatory Objective on Economic Crime

6 February 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 Guidance for the New Regulatory Objective on Economic Crime.

The CLSB is broadly supportive of the LSB’s proposed guidance. 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.

We have provided answers to the consultation questions on which we have comments below.

#### Q1: Do you agree that guidance with outcomes is the right approach to take to assist regulators to pursue the new regulatory objective alongside the other objectives in section 1 of the Act?

The CLSB agrees that developing guidance with outcomes for regulators is the right approach. Each regulated community is different, and an outcomes-focussed approach will enable each regulator to develop guidance that is 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.

Setting harmonised outcomes also enables regulators to develop approaches that are consistent across the sector. This is particularly important for regulated communities that work closely with, or within, other regulated communities, such as Costs Lawyers (who are individually regulated by the CLSB but often work in firms that are regulated by the Solicitors Regulation Authority or another approved regulator).

Q2: Are the four outcomes we have identified in the guidance the right ones? Are there any others we have missed?

The CLSB broadly agrees that the four outcomes that the LSB has identified in the guidance are appropriate and sensible. We have highlighted our concerns regarding outcome (3) in our answer to question 9, below.

Q3: How might the LSB and Regulators better support the sharing of case studies? What other information should be shared to support meeting the new regulatory objective?

The CLSB would suggest that the LSB uses its convening power as the oversight regulator to develop knowledge repositories to support regulators in meeting the new regulatory objective. Shared knowledge is particularly important as many of the risks posed by economic crime are common to all approved regulators and regulated communities.

The LSB could also use its convening power to facilitate the development of a forum for regulators to meet to share best practice, discuss issues and hear from experts in the field (similarly to the Legal Regulators' EDI Forum and the Legal Regulators' Technology and Innovation Forum that currently exist). The CLSB considers that, as the risks posed by the economic crime are relevant across all legal professions and approved regulators, this presents an excellent opportunity for the LSB and regulators to work collaboratively to ensure that best practice is shared, and risks mitigated, across the sector. Such a forum could also include financial regulators and other organisations who are experts in economic crime, and therefore well-placed to help approved regulators understand emerging risks facing the professions and how best to address them.

Q5: Do you agree that undertaking a risk assessment will enable regulators to target their approaches for their regulated communities most effectively?

Q7: Do you agree with the proposed outcome for regulators to help their regulated communities to understand the risks they may face concerning economic crime, and support them to avoid facilitating economic crime?

We are addressing questions 5 and 7 together.

The CLSB agrees that undertaking a risk assessment, and understanding the risks that regulated communities face, will enable regulators to target their approaches for their regulated communities effectively and support authorised persons to avoid facilitating economic crime.

Although Costs Lawyers are prohibited from handling client money, there are activities that Costs Lawyers carry out on behalf of their clients that carry risks associated with economic crime. These include conducting the costs aspects of litigation, advising on transactions relating to costs (such as settlement agreements) and making representations to the court on a client's behalf (for example, about the source of funds used to meet a costs award).

The CLSB [risk chart](#) maps the types of work that Costs Lawyers carry out against the risk of economic crime and non-compliance with the sanctions regime, as well as measures that have been taken to mitigate those risks. It is intended to be a useful starting point for Costs Lawyers in assessing any risks presented by their own practice. Our [Guidance Note on Economic Crime](#) sets out Costs Lawyers' obligations regarding the prevention and detection of economic crime, key legislative requirements, and the steps that Costs Lawyers can take to guard against risks in this area. That

Guidance Note also explains Costs Lawyers' existing obligations to act if they have knowledge or reasonable suspicion of economic crime taking place. Those obligations include reporting to the relevant authorities, including the police where appropriate. Costs Lawyers also must comply with any economic crime-related guidance provided by their employer and their employer's regulator.

Our risk chart and related resources are reviewed and updated regularly to take account of new developments in this area.

### Q9: Do you agree that the proposed outcome relating to monitoring and enforcement will help regulators detect and prevent economic crime?

The CLSB agrees that assessing compliance with any standards developed relating to managing the risks of facilitating economic crime is important.

The LSB's proposed guidance states that, to demonstrate compliance with this outcome, regulators should identify: a graduated system of monitoring measures that accounts for varying degrees of concern and severity of non-compliance with the standard; how often they will engage in compliance monitoring given the likelihood and severity of the issue and/or risk materialising; how their compliance approach will encourage authorised persons to adhere to the established standards; and the steps they will take to mitigate repeat occurrences in instances where regulated persons fail to comply.

The CLSB is primarily concerned with taking enforcement action against serious breaches of our rules and standards. Behaviour involving dishonesty, lack of integrity, significant harm to consumers, and behaviour posing a high risk to the public interest, the reputation of the profession or the administration of justice will always be serious.

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.

The CLSB welcomes the flexibility set out in section 24 (a) and (b) of the draft guidance regarding the frequency and manner in which regulators monitor compliance with the standards they develop. However, the CLSB notes that, whichever approach is taken, there are potential practical challenges to monitoring compliance 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 identify and prevent risks of economic crime is working effectively, then this should mean that authorised persons do *not* become involved in economic crime 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 regulator's rules and standards. However, the absence of reports of authorised persons becoming involved in economic crime does not of itself mean that authorised persons have not been exposed to risk; it may simply mean that a particular risk or vulnerability has not yet been discovered.

On the other hand, the fact that an authorised person has been exposed to economic crime does not necessarily mean that a regulator's standards or approach regarding economic crime is ineffective. An authorised person may follow all guidance, regulations and best practice to the letter, but still be the unlucky and inadvertent target of a clever criminal. Alternatively, there could be instances where an authorised person deliberately becomes involved in economic crime – or wilfully ignores relevant rules and guidance – despite those rules and guidance being effective against economic crime if they

are followed. In the latter situation, the effectiveness of the regulator's investigative and disciplinary procedures will be crucial.

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 investigations or regulatory 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 this area, and for the measures used to assess regulatory performance to reflect the myriad circumstances in which authorised persons may be affected by economic crime.

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. The CLSB would therefore suggest that the guidance could include regulators having memoranda of understanding in place with other approved regulators (and/or financial regulators as appropriate) regarding information-sharing and cooperating on investigations as a way of demonstrating compliance with this outcome.

**Q12: Do you agree that an outcome around continued monitoring and evaluation will help ensure any measures regulators decide to put in place are effective to address economic crime into the future?**

The CLSB agrees that regulators should regularly review their approaches and economic crime-related resources for their professions, modify these as appropriate, and maintain up-to-date awareness of economic crime issues within their sector. As stated above, the CLSB considers that the LSB could use its convening powers to assist regulators in this regard by establishing a forum where regulators could share knowledge about the evolving nature of economic crime, changing risks and best practice. This, in turn, would contribute to a more harmonised and consistent approach across the sector.

**Q14: Do you agree with our proposed plan for implementation?**

The CLSB agrees with the LSB's proposal to monitor and assess use of the guidance via the LSB Regulatory Performance Assessment Framework.

**Q15: Do you have any comments or concerns about the equality impacts of our proposed guidance?**

The CLSB does not have any evidence relating to the potential impact of the proposed outcomes and guidance on groups with protected characteristics, or other groups within the regulated communities.

**Q18: Do you have any comments on the potential impact of the draft guidance, including the likely costs and anticipated benefits?**

The CLSB welcomes the outcomes-based approach, which gives the regulators the flexibility to develop strategies and resources that are designed for their particular regulated communities. We also welcome the LSB's recognition that new guidance potentially places increased burdens on authorised persons, and we agree that effective identification of risk - and resultant targeted

approaches by regulators - will be key to mitigating any potential burdens on authorised persons. We agree that, overall, the guidance has the potential to reduce risk for consumers and authorised persons alike.

**Q19: Do you have any other comments about the proposed guidance?**

The CLSB considers that the proposed guidance, as drafted, is clear and accessible. Our comments and concerns about particular aspects of the proposed guidance are set out above.

We would be happy to discuss this response in more detail, and we look forward to the publication of the LSB's response to the consultation in due course.

## Minutes of the ACL Council Meeting

held on 10<sup>th</sup> October 2024

19:00, Leonardo Royal Hotel, London City EC3N 2BQ



Council members present: Jack Ridgway (JR), David Bailey-Vella (DBV), Kris Kilsby (KK), Stephen Averill (SA)  
Also present: Carol Calver (CC) Head of Operations  
Jo George (JG) Operations Administrator

The meeting started at 11:00

Item	
1	Welcome and apologies
1.1	Apologies were received from Julian Caddick, Amy Dunkley, Victoria Morrison-Hughes & Nathan Cameron. JR welcomed all to the meeting.
2	Minutes of the council meeting held on 3 <sup>rd</sup> September 2024
2.1	It was unanimously agreed that the draft minutes of 3 September 2024 were an accurate reflection of the meeting. It was agreed that items 4.1, 4.2, 5.2, 5.3, 5.4, 7.1, 7.2, 7.3, 7.4 & 9.4 should be redacted / partially redacted before publishing on the website.
3	Actions arising from the council meeting held on 3 September 2024
3.1	Actions were reviewed and updated.
4	Chairman's Report
4.1	JR fed back to Council on the results of the second member consultation on proposed changes to Articles and By-Laws with there being no major concerns from the members who responded.  DBV will work to suggest who might legally check over both the proposed Articles and By-Laws before putting to a full membership vote late November.
5	PR & Marketing Committee Report
5.1	As neither AD or NC were able to attend the meeting a brief discussion regarding final plans for the London Costs Conference the following day took place, with confirmation of speaker timings, movements and event set up.
6	Policy Committee Report
6.1	KK advised Council that the CLSB had informed us of a delay in petitioning Costs Lawyers eligibility for Judicial Appointments due to the change in Government. The CLSB will continue to drive this forward and will feed back accordingly.
7	Education Committee Report
7.1	DBV detailed that a full ACLT update would be circulated to Council early November for full discussion at the next meeting.
8	Finance & Internal Policy Committee Report
8.1	SA detailed that investments continue to grow.

8.2	<i>Redacted due to confidentiality.</i>
9	Operations Report
9.1	CC asked Council for consideration and suggestion a member specific benefit, one that is only directly beneficial to the member themselves. CC is keen to offer such benefit(s) to encourage more members from large costs lawyer firms where only one Cost Lawyer is a member of the ACL.
9.2	CC asked if Council could determine the dates of Conferences in advance to allow Operations to negotiate a multi venue, multi year price deal with a provider. The second Friday in May (to avoid Easter and 1 <sup>st</sup> BH) and the first Friday in November (to avoid SCCO clash and school/university timings) were suggested.
10	Any other business
10.1	There being no other business, the meeting ended at 19:55
11	Date of next meeting
11.1	Next meeting November 5 <sup>th</sup> , 10am via Teams

**Minutes of the ACL Council Meeting**  
**held on 5<sup>th</sup> November 2024**  
 Teams call, 10am



Council members present: Jack Ridgway (JR), Kris Kilsby (KK), Julian Caddick (JC), Amy Dunkley (AD), Victoria Morrison-Hughes (VMH) & Nathan Cameron (NC)

Also present: Carol Calver (CC) Head of Operations

The meeting started at 11:00

Item	
1	Welcome and apologies
1.1	Apologies were received from David Bailey-Vella and Stephen Averill. JR welcomed all to the meeting.
2	Minutes of the council meeting held on 10 <sup>th</sup> October 2024
2.1	It was unanimously agreed that the draft minutes of 10 October 2024 were an accurate reflection of the meeting. It was agreed that item 8.2 should be redacted before publishing on the website.
3	Actions arising from the council meeting held on 10 October 2024
3.1	Actions were reviewed and updated.
4	Chairman's Report
4.1	JR summarised progress on updating the Association By-Laws and Articles. Final amends following the second consultation are to be completed and then both documents are to be legally checked prior to final documents being made available to members by the end of the year. A formal EGM in January or February 2025 will finalise the changes through a formal member vote.
4.2	DBV attended the recent CLSB Board Meeting to confirm arrangements for implementation of Costs Paralegal category of membership. It is anticipated that this will mirror the CL supervisory framework. Council are confident any further adjustments can be made on an as and when necessary basis. Council will keep the CLSB updated as the Articles and By-Laws are finalised and member approved.
4.3	JR detailed the upcoming Council term end for Treasurer, Stephen Averill in Jan 25. Council agreed to elect 2 new members in January 25 increasing the Council numbers back up to quota following resignations earlier in the year. CC suggested to Council that SA be co-opted back onto Council for a further period of 6-12 months to cover change in Chair with a full Treasurer term being offered at the end of co-opted period - this is subject to agreement from SA.
4.4	JR confirmed his intention to stand down as Chair from 1 <sup>st</sup> April 2025 at the end of his term. Timelines were discussed to ensure hand-over duration and so the new Chair can be in place by 1 <sup>st</sup> April 2025 alongside the 2025 financial year and business plan. Chair nominations and votes will run through February into March allowing for a three week handover planned up to 1 <sup>st</sup> April. Council discussed the introduction of an online event to allow Chair nominees to canvas members – online session with Q&A planned for Thursday 20 <sup>th</sup> February.

5	PR & Marketing Committee Report
5.1	AD summarised feedback from London conference, generally positive but noticeable that a general drop off in positive feedback in the afternoon – review of format planned for 2025.
5.2	AD raised with Council that the definition of costs professional on the Legal Service Board website is defined as Costs Draftsman – with a link to ACL website. Suggestion to request update definition and title to Costs Lawyer.
5.3	AD updated Council on work with Black Letter – ongoing and structured social media schedule in place, with Council encouraged to like and share posts. NR is writing an article on diversity in the costs lawyer profession.
5.4	PR-AM continue to work on the Cost of Costs Lawyers analysis to use in future promotion of the profession. Data is limited from the CLSB however we can contribute to future question bank asked of CLs at PC renewal. PR-AM are working with recruitment firms in gathering salary data and intend to survey membership firms to request same data. Council discussed the need for this to be anonymised and generically banded to encourage responses.
6	Policy Committee Report
6.1	KK updated Council on the Precedent G working party breakout session from conference, which was very well attended and generated further discussion. We’ve also had a good response to the questions regarding this in the Costs Lawyer Survey. KK also took the opportunity to speak to CostsMaster at conference regarding the prospect of them updating their software to incorporate an option to extract Precedent S along with changes recommended by the WP. The WP will meet again this year, however the timeframe may move slightly with final submission to the SCCO / CPRC and production of best practice guidelines by end of Q1 2025 to align with the formal appointment of a new Senior Costs Judge and to allow the Policy Committee to focus on the upcoming the CJC Consultation on litigation funding which has a fixed deadline of the end of January 2025.
6.2	The CJC have announced the formal consultation on litigation funding. KK detailed that the consultation is more complex than expected, covering 3 <sup>rd</sup> party funding, BTEs and CFAs. Having experience and contacts in this area VMH will support Policy in this. A full member consultation is planned, after a call for evidence from specialist members.
6.3	KK asked Council opinion on providing training on Precedent S / eBills following a member request, after discussion it was decided that this could potentially be covered off through the introduction of micro-accreditations from ACLT.
7	Education Committee Report
7.1	VMH provided a general update on micro-accreditations (which remain outstanding), enrollment numbers to the end of Sept 24, tutor support, and maximum cohort levels.
7.2	Feedback from the June 2024 exams highlighted a concern with the contract and tort exam, following a higher failure rate. Suggestions from external examiner will be incorporated going forward after gaining approval from CLSB. A stand alone session for students on study and exam skills is planned that students can access at any time. Provision of student materials is being reviewed in terms of accessibility and timing.
7.3	Deadline for assessment submissions moved to provide flexibility for students needing support and the revival of a Student council is being considered. <i>Redacted due to confidentiality.</i>
7.4	Initial feedback provided on Marketing campaign <i>redacted due to confidentiality</i> with an increase in traffic and engagement on LinkedIn – <i>redacted due to confidentiality.</i>

7.5	VMH provided Council with an update of role for both Madeleine and Gina, effective from end September.
<b>8</b>	<b>Finance &amp; Internal Policy Committee Report</b>
8.1	CC provided an update in investment value with no concerns from SA or Council.
<b>9</b>	<b>Operations Report</b>
9.1	CC discussed with Council an intent to raise fees for subscriber members only in 2025 along with advertising rates in the eBulletin. Council to agree via email.
9.2	Following discussion at the October Council Meeting CC updated Council on anticipated dates for both conferences in 2025.
9.3	CC detailed to Council member interest in the creation of a further Special Interest Group for Fixed Recoverable Costs – CC to set this in motion with support from JC.
9.4	Council approved JR, SA and DBV review Operations salary for 2025 alongside budget.
<b>10</b>	<b>Any other business</b>
10.1	NC raised a member request that CLs be added to the Professional Court Users Scheme – NC is working with the CLSB to pursue this during 2025.  Meeting ended at 11:45
<b>11</b>	<b>Date of next meeting</b>
11.1	Next meeting December 3 <sup>rd</sup> at 2pm via Teams

**Minutes of the ACL Council Meeting**  
**held on 3<sup>rd</sup> December 2024**  
 Teams call, 2pm



Council members present: Jack Ridgway (JR), Kris Kilsby (KK), Julian Caddick (JC) & David Bailey-Vella  
 Also present: Carol Calver (CC) Head of Operations

The meeting started at 14:00

Item	
<b>1</b>	<b>Welcome and apologies</b>
1.1	Apologies were received from Stephen Averill, Nathan Cameron, Amy Dunkley & Victoria Morrison-Hughes.  JR welcomed all to the meeting.
<b>2</b>	<b>Minutes of the council meeting held on 5<sup>th</sup> November 2024</b>
2.1	It was unanimously agreed that the draft minutes of 5 <sup>th</sup> November 2024 were an accurate reflection of the meeting. It was agreed that item 7.3 & 7.4 should be partially redacted before publishing on the website.
<b>3</b>	<b>Actions arising from the council meeting held on 5<sup>th</sup> November 2024</b>
3.1	Actions were reviewed and updated.
<b>4</b>	<b>Chairman's Report</b>
4.1	JR detailed to Council that an invitation had been extended to SA offering a co-opted period of 6-12 months at the end of his term in January 2025 to cover change in Chair / Vice Chair Roles during Q1 2025. SA has accepted this offer, final sign off will be sought from wider Council via email due to low attendance at the meeting.
4.2	JR updated Council on the provision of a legal check of the revised Articles & By-Laws, <i>redacted due to confidentiality</i> . KK will instruct Clarion to go ahead with an expected completion of mid-January 2025.
4.3	JR provided a summary and overview of the proposed ACL budget for 2025. Discussion took place again on the likely need to raise subscription fees in 2026 to cover operational costs.
4.4	A full and detailed discussion took place in review of the proposed ACL Training budget for 2025, with consideration of student intake/revenue versus expenditure/course delivery in comparison to actual figures for 2024 alongside marketing plans for the year ahead. A further meeting with the ACLT Board Chair and senior team is anticipated to facilitate final budget agreement and sign off.
<b>5</b>	<b>PR &amp; Marketing Committee Report</b>
5.1	n/a – budget meeting

<b>6</b>	<b>Policy Committee Report</b>
6.1	n/a – budget meeting
<b>7</b>	<b>Education Committee Report</b>
7.1	n/a – budget meeting
<b>8</b>	<b>Finance &amp; Internal Policy Committee Report</b>
8.1	n/a – budget meeting
<b>9</b>	<b>Operations Report</b>
9.1	n/a – budget meeting
<b>10</b>	<b>Any other business</b>
10.1	CC asked Council to consider a request from the CLSB to receive un-redacted copies of the ACL Council meeting minutes. Following discussion, the Council declined due to confidentiality suggesting that anything relevant would be shared in full with the CLSB by Operations.
10.2	Clarification was requested from CC regarding the Scholarship offering, Council confirmed that it should be branded as the ACL Scholarship and advice from ACLT on criteria would be used to complete a formal application and process.  Meeting ended at 14:50
<b>11</b>	<b>Date of next meeting</b>
11.1	Next meeting January 28 <sup>th</sup> 2025, 10am via Teams

**Minutes of the ACL Council Meeting**  
**held on 28<sup>th</sup> January 2025**  
 Teams call, 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 and welcomed Jane Risley to Council.
2	Minutes of the council meeting held on 3 <sup>rd</sup> December 2024
2.1	It was unanimously agreed that the draft minutes of 3 <sup>rd</sup> December 2024 were an accurate reflection of the meeting. It was agreed that item 4.2 should be partially redacted before publishing on the website.
3	Actions arising from the council meeting held on 3 <sup>rd</sup> December 2024
3.1	Actions were reviewed and updated.
4	Chairman's Report
4.1	JRid advised Council that the reviewed articles and by-laws had been received back <i>redacted due to confidentiality</i> and all suggested changes were shown as tracked. Council to review and feed back final changes by 31/01. A lunchtime EGM will be scheduled for Wednesday 12 <sup>th</sup> March for members to vote on the article and by-law changes. JRid will formally hand over to the new Chair at this meeting.
5	PR & Marketing Committee Report
5.1	AD detailed to Council the intent to submit a FoI request to the SCCO regarding hourly rates to provide data for the 'Cost of a Costs Lawyer' project. Council to review questions before submission to SCCO and recruitment agencies.
5.2	DBV reminded Council of the ACL Sponsorship of Women in Costs on 31/01 – DBV and VMH will attend with the 5 sponsorship tickets having been offered to trainees via a ballot as per last year.
5.3	DBV updated Council on the sponsorship of the Modern Law awards for the Costs Lawyer of the Year category. <i>Redacted due to confidentiality</i>
6	Policy Committee Report
6.1	KK updated Council on the Prec G review advising that it would be picked up again following the submission of the CJC Litigation Funding Consultation response which is due 31/01. KK advised Council the response was somewhat limited by the specialism of litigation funding. Council to review response and feedback to KK by 29/01 Members and invited contributors will be given the opportunity to review the final Prec G

	suggestions before submission to SCCO late February.
6.2	KK is liaising with the CLSB on a response to the LSB Business Plan consultation. Opinions are aligned and the ACL will provide a response by 31/01.
6.3	<p>Following a discussion with colleagues KK approached Council with the suggestion that the ACL become involved in lobbying for a review and improvement on fixed costs for default cost certificates, caps for recovery and provisional assessment as these have not been reviewed for some time. This lead Council to a further discussion on the ongoing campaign for costs lawyers being recognised in the schedule of GHR and Statement of Costs.</p> <p>JRid reminded Council that the Master of the Rolls in 2014 did recognise CLs as grade B however while the report was ultimately unapproved and as such not formally implemented, it recommended that from Oct 2024 qualified and regulated costs lawyers should be eligible for payment at GHR grade C or B. While it is understood that the SCCO do in general adhere, VMH highlighted the need to include general day-to-practice as well as in-court. The ACL will liaise with the SCCO in the first instance to progress this.</p>
<b>7</b>	<b>Education Committee Report</b>
7.1	DBV reported that a full update to Council will be provided following the ACLT Board Meeting in February, where the first cohort completing the course will be discussed and reviewed alongside the Scholarship and Apprenticeship schemes.
7.2	CC updated Council on the 22 applications for the Scholarship place for February 2025. VMH, DBV and KK considered all applications before selecting a first and a runner up offering. The place has been offered, fully accepted and the application to ACLT is in progress. CC will work with NR at BL to promote. VMH suggested that a few applications had been deemed to have been submitted via AI processes and sub-committees considering future applications should be aware of this. Council also discussed an appeal made by one applicant and discussed the measures in place for future appeals.
<b>8</b>	<b>Finance &amp; Internal Policy Committee Report</b>
8.1	<p>SA updated Council on cashflow and investment value, along with informing Council that an instant access savings account had been opened to make the most of annual revenue deposits <i>redacted due to confidentiality</i>.</p> <p><i>Redacted due to confidentiality.</i></p>
<b>9</b>	<b>Operations Report</b>
9.1	CC updated Council on member renewal levels for 2025, showing a small but consistent year-on-year increase in membership. Council agreed this was satisfactory in lieu of economic instability. Council also noted increased Trainee numbers.
9.2	A short discussion was had on format, duration and speakers for both the 2025 Manchester and London conferences. CC will action suggestions and feed back to Council. Likely viewings of potential Manchester venues in February 2025.
<b>10</b>	<b>Any other business</b>
10.1	KK detailed his engagement to Alice in January and JRid advised Council he had been made Partner at BBK – Council congratulated both.
10.2	Meeting ended at 12:00

11	Date of next meeting
11.1	Next meeting 25 <sup>th</sup> February, in person – venue tbc, to include a lunch for outgoing Chair JRid.

## Board report

### Review of the 2025 practising certificates renewal process

19 February 2025

#### Overview

- The 2025 Register of Costs Lawyers went live on the morning of 6 January 2024, with 704 Costs Lawyers authorised and regulated.
- The administration of the renewals process ran smoothly, with both the new option of advance submission of organisation documents for costs law firms, and changes to invoicing, having a significant impact.

#### Statistics

Unless otherwise stated all statistics in this report are at 13 January 2024.

#### Regulated numbers on 1 January

	Total	Renewal	Reinstatement from 1 Jan	New qualifier from 1 Jan
2025	704	701 (out of 730 on 31 Dec)	2	1
2024	690	688 (out of 706 on 31 Dec)	2	
2023	663	661 (out of 699 on 31 Dec)	2	

**Table 1: Renewal numbers**

#### Renewals

Regulated numbers (Previous 2 years in brackets)	Renewals	Terminations	Total <sup>1</sup>
By 30 Nov (deadline) <sup>2</sup>	677 (661, 640)	16 (12, 26)	693 (673, 666)
By end Dec	701 (682, 652)	18 (12, 30)	719 (694, 682)
At end of process	702 (688, 661)	28 (18, 38)	730 (706, 699)

**Table 2: Renewal numbers by date**

<sup>1</sup> This is the total number of regulated Costs Lawyers at 31 December.

<sup>2</sup> Renewals complete or received in part.

	Parental Fee Remission	CPD Remission	CPD Dispensation – exceptional circumstances	Hard copy PC request	Hard copy application request	Late payment (after 30 Nov)
2025 PC App	9	33	3	19	0	201 <sup>3</sup>
2024 PC App	17	28	1	12	0	79
2023 PC App	14	24	0	21	0	80
2022 PC App	14	36	2	15	2	90
2021 PC App	5	47	4	16	1.5	64

**Table 3: Renewals further information**

CPD Remission	Furlough/long term leave	Newly qualified	Reinstatement	Parental leave	Sick leave
2025 PC App	1	9	2	17	4
2024 PC App	3	2	4	16	3
2023 PC App		4	1	18	2
2022 PC App	2	4	6	20	4
2021 PC App	12	13	3	16	3

**Table 4: CPD remission breakdown**

### Terminations

Terminations	2024	2023	2022	2021	2020	2019	2018	2017
Total	28	18	38	33	32	47	58	61

**Table 5: termination numbers**

Termination reasons	COVID related	Retirement	Left profession	Parental leave	Other	Not known	No response
31.12.2024		5	6		8		9
31.12.2023		4	2	5	5	1	1
31.12.2022		4	6	6	12	1	9
31.12.2021		4	3	6	11		8
31.12.2000	7	2	4	5	7	2	5

**Table 6: Termination reasons**

Terminations for other reasons at the end of 2024:

- Career break – 2
- Unemployment – 2
- Ill health – 4

To help us better understand Costs Lawyers' experience of the profession and why they leave since 2022 we have invited (most) Costs Lawyers not renewing their practising certificate to complete an

<sup>3</sup> See comments on increase this year in Changes this year section.

exit survey. We sent the survey to 14 individuals this year, but had only 3 responses, with no overall useful feedback.

### Changes this year

We introduced the option for costs law firms with more than two Costs Lawyers to submit their organisation documents (complaints procedure and evidence of PI insurance) in advance of the renewals period. 34 costs law firms did this (only 5 did not), and this made processing applications from their Costs Lawyers quicker. It was also welcomed by both administrators in the firms and costs lawyers. This process also meant that we got to know the renewal coordinators in many other firms.

Other new functionality included the option for Costs Lawyers to provide the email address of someone who should also be sent their practising fee invoice.

One administrator in a costs law firm reported: “The new process seems to have made things easier from the feedback I have been getting when collating invoices etc.”

One Costs Lawyer, on receipt of their 2025 practising certificate, emailed to say: “I'd like to take this opportunity to say that the whole process is streamlined and user-friendly, which is greatly appreciated.”

Moving to fixed invoiced sums based on date of application submission (rather than date of receipt of payment as previously) also improved efficiency. The fact that invoices did not show the £30 late fee for payments received after 30 November resulted in significantly more late (after 30 November) payments, as shown in table 3. However, most of these payments came in routinely without chasing. (The number of applications submitted after the 30 November deadline, and paying the higher rate, was (as shown in Table 2) was 25.) The 2025 budget allows for less late payments due to this administrative change, and so this did not affect income.

### IT issues

We had a couple of minor IT issues. Most significantly the whole CLSB website went down on 6 November and users got a “serious error” message. This was rectified within 20 minutes. A few applications made around this time were then not received properly for processing. This is likely to be because the code we use is quite old and, as previously reported to the Board, we cannot update this until the code for the application forms and the rest of the website are split. The issues underline the importance of this IT work, which is now in progress.

### Other data from the renewals process

Most other data about the profession collected from the practising certificate applications is reported in the *Costs Lawyer Profession in 2024* report.

### Effectiveness of CLSB

Appendix 1 sets out the feedback provided in the free text box that we incorporated into the PC renewal form, inviting Costs Lawyers to say why they consider the CLSB to be an effective or ineffective regulator.

### Total CPD points

In 2022 we began to record in the database the total number of CPD points reported by CLs. This should be viewed with some caution as there is no requirement to report CPD in excess of the minimum 12 points required – although many clearly do.

Excluding CLs who had CPD remission due to not working for a full year, the following CPD was reported:

CPD points	12	12.01-19.9	20-30.9	31-50.9	51-100	Over 100
2024	17.1%	65.9%	14%	1.8%	0.6%	0.6%
2023	13.5%	69.5%	14.2%	1.8%	0.6%	
2022	15.1%	70.2%	11.5%	2.7%	0.6%	

**Table 7: Total CPD points**

In 2024 over 80% of CLs completed more than the prescribed minimum amount of CPD.

#### Diversity survey

As in previous years we asked CLs to complete a diversity survey on submission of their application for a practising certificate. This year's survey was on career pathways.

We had 159 responses, a disappointing 23% response rate (down from 35% last year, and 39% in 2023). Results of the survey will be reported in a separate paper.

#### Developments for 2024

- Separate the website code for application forms from the rest of the website. This is an essential maintenance issue (as previously reported to the Board and will also allow greater flexibility in future).
- Explore the possibility of taking payment by credit card.
- Make minor adjustments to the organisation documents submission process based on its first year of operation.

## Appendix 1 – Feedback from PC applications about the CLSB’s effectiveness

Below is a verbatim read-out of comments made in the free text box that we have incorporated into the PC renewal form, inviting Costs Lawyers to give feedback about why they consider the CLSB to be an effective regulator or not.

*Comments from Costs Lawyers who consider CLSB effective:*

- Great application process for renewal
- Good information updates
- (1) Keep Costs Lawyers well informed on developments (2) Involved in development of the profession
- The CLSB establishes and enforces a comprehensive code of conduct for Costs Lawyers and further ensures Costs Lawyers adhere to continual professional development. This not only benefits the legal field, but the wider community and individuals who use our service.
- Light Touch and Professional
- Proactively engages with members
- We have had cause to report a member of staff to the CLSB recently and the response has been helpful, very professional and empathetic. I have been impressed by how seriously the CLSB has taken the issue and am confident in their abilities as a regulator.
- Keeps us all up to date with the latest information via the E-Newsletter
- The CLSB is working hard to enhance the Costs Lawyer profession; it's visibility, impact and role in the provision of legal services with ambitions for judicial appointments. The work the CLSB is doing to support the apprenticeship programme is fantastic.
- The Newsletters are clear, informative and relevant to support good professional practice. In that regard the Guidance Notes are particularly helpful.
- It is easy to contact the CLSB and replies to enquiries are dealt with efficiently.
- Informative, attention to detail, forward planning
- Huge strides have been made by the CLSB over recent years. Huge thanks to Kate Wellington and all the CLSB staff and board.
- For Costs Lawyers yes
- As I said last year, I think that the way that we are able to tailor our CPD to our own specific needs is a very valuable tool which allows us to be more efficient in our CPD. It has been especially helpful for me this year as my personal circumstances have been very difficult and I have been able to think about what I want to focus on (for example studying intermediate track costs) and fit that around my life, meaning that I am able to keep up with the key developments in my profession and my own specific professional needs in a workable and efficient way.
- A very efficient professional body promoting very well Costs Lawyers
- As a Costs Lawyer I feel like I am kept up to date, I know where to go for help or advice on all things costs law related, I have been a Costs Lawyer for a few years now and I have always felt that the CLSB has been effective as regulating us and also keeping informed and up to date.
- I find the CLSB to be an effective regulator
- They are very proactive and respond to necessary changes in working practices and the costs lawyers' role in the industry very well
- Very supportive of its members

*Comments from Costs Lawyers who do not consider CLSB effective:*

- The inability to regulate companies is an issue - but this is not helped by the failure to include costs drafting as a protected activity

The Board of Directors  
Costs Lawyer Standards Board Limited  
C/O Sycamore House  
Sutton Quays Business Park  
Sutton Weaver  
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Dear Sirs

The purpose of this schedule and the Standard Terms of Business is to set out the basis on which we are to act as auditors and to clarify our respective responsibilities in respect of the audit.

Auditing Standards require us to appoint an engagement partner who shall take overall responsibility for the planning and conduct of the audit, and for the report that is issued on behalf of the firm. We have assessed the professional requirements of this assignment and have nominated Rachel Palombella as the Senior Statutory Auditor.

Under the *Companies Act 2006* (CA 2006) the audit report in the signed copy of the financial statements provided to you must be signed by the Senior Statutory Auditor in their own name on behalf of the firm. The audit report in all other copies of the financial statements must state the name of the Senior Statutory Auditor, but may be signed in the name of the firm. The audit report in the financial statements filed at Companies House must state the name of the Senior Statutory Auditor and the name of the firm but does not need to be signed.

## **1 Your responsibilities as directors**

- 1.1 Our audit will be conducted on the basis that you acknowledge and understand that you have responsibility:
- (a) to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. As directors you must not approve the financial statements unless you are satisfied that they give a true and fair view of the assets, liabilities, financial position and profit or loss of the company;
  - (b) in preparing those financial statements to:
    - (i) select suitable accounting policies and then apply them consistently;
    - (ii) make judgements and accounting estimates that are reasonable and prudent; and
    - (iii) prepare the financial statements on the going concern basis, considering in particular the company's ability to continue in business for at least twelve months from the date when the financial statements are expected to be approved, unless it is inappropriate to presume that the company will continue in business;

- (c) for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable you to ensure that the financial statements comply with CA 2006 and applicable accounting standards. You are also responsible for such internal control as you determine is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error; and
  - (d) for safeguarding the assets of the company and hence for taking reasonable steps to ensure the company's activities are conducted honestly and for the prevention and detection of fraud and other irregularities.
- 1.2 In addition to the general duties of directors specified in CA 2006, s. 170–177 you are responsible for ensuring that the company complies with laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.
- 1.3 You have agreed to provide us with:
  - (a) access to all information of which you are aware that is relevant to the preparation of the financial statements such as the company's books of account and all other relevant records and documentation, including minutes of all management and shareholders' meetings and other matters;
  - (b) additional information that we may request from you for the purpose of the audit, including access to information relevant to disclosures;
  - (c) unrestricted access to persons within the company from whom we determine it necessary to obtain audit evidence; and
  - (d) additional information that may include when applicable, matters related to other information in accordance with ISA (UK) 720. If such information is not expected until after the date of the auditor's report, you should note that we still have a responsibility to take appropriate action if we consider a material misstatement exists in this other information.
- 1.4 Where the company is the parent of a group and we are the group engagement auditors, you acknowledge and understand your responsibility to provide us with:
  - (a) access to all information of which group management is aware that is relevant to the preparation of the group financial statements such as records, documentation and other matters;
  - (b) additional information that we may request from group management or component management for the purpose of the group audit; and
  - (c) unrestricted access to persons within the group from whom we determine it necessary to obtain audit evidence.
- 1.5 You are required to confirm in the directors' responsibility statement that:
  - (a) an appropriate accounting basis was used to prepare the financial statements; and
  - (b) in so far as you are aware, there is no relevant audit information of which we, the company's auditors, are unaware and that you have taken all the steps that you ought to take as directors in order to make yourselves aware of any relevant audit information and to establish that we are aware of that information.

- 1.6 Where audited information is published on the company's website or by other electronic means, it is your responsibility to advise us of any intended electronic publication before it occurs and to ensure that any such publication properly presents the financial information and auditor's report. We reserve the right to withhold consent to the electronic publication of our report if it or the financial statements are to be published in an inappropriate manner.
- 1.7 It is your responsibility to ensure there are controls in place to prevent or detect quickly any changes to that information. We are not required to review such controls or to carry out ongoing reviews of the information after it is first published. The maintenance and integrity of the company's website is your responsibility and we accept no responsibility for changes made to audited information after it is first posted.

### ***Scope of the audit***

- 1.8 In connection with representations and the supply of information to us generally as part of the audit, we draw your attention to CA 2006, s. 501 under which it is an offence for an officer or employee of the company to knowingly or recklessly make misleading, false or deceptive statements to the auditors.
- 1.9 We expect that you will inform us of any material event occurring between the date of our report and that of the annual general meeting which may affect the financial statements. We are entitled to receive details of all written resolutions that are to be circulated to members, to attend all general meetings of the company, and to receive notice of all such meetings.

## **2 Our responsibilities as auditors**

- 2.1 Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (ISAs) (UK) as to whether:
- the financial statements give a true and fair view of the state of the company's affairs as at the year end, and of its profit or loss for the year then ended;
  - the financial statements have been properly prepared in accordance with applicable accounting standards;
  - the financial statements have been prepared in accordance with the CA 2006;
  - the financial statements have been appropriately prepared on the going concern basis;
  - the financial statements have disclosed any identified material uncertainties that may cast significant doubt on the company's ability to continue to adopt the going concern basis for at least the next twelve months from the date they are approved;
  - the directors' report and, if relevant, the strategic report or any other information included in the annual report:
    - have been prepared in accordance with applicable legal requirements;
    - include information that is consistent with the financial statements; and
  - in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have identified any material misstatements in the directors' report and, if relevant, the strategic report or any other information included in the annual report, and to give an indication of the nature of such misstatements.

In respect of the following matters specified in the CA 2006 we will also report to you on whether or not in our opinion:

- adequate accounting records have been kept by the company and returns adequate for our audit have been received from branches not visited by us; or
- the financial statements are in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or

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- we have received all the information and explanations we require for our audit; or
- where the company has prepared financial statements in accordance with the small company regime, whether it is entitled to do so; or
- where the company has taken advantage of the small companies' exemption in preparing the directors' report and, if relevant, taken advantage of the small companies' exemption from the requirement to prepare a strategic report, whether it is entitled to do so.

In arriving at that opinion those standards require us to comply with ethical requirements.

- 2.2 It is not sufficient for us as auditors to conclude that the financial statements give a true and fair view solely on the basis that the financial statements were prepared in accordance with accounting standards and any other applicable legal requirements. We are therefore required to consider whether additional disclosure will be necessary in the financial statements when compliance with an accounting standard is insufficient to give a true and fair view. If you are unwilling to make such additional disclosures, we will have to consider the effect on our report.
- 2.3 If the financial statements have been prepared in accordance with the micro-entities regime and FRS 105, which is not considered a fair presentation framework but a compliance framework, we reserve the right to include an 'other matter' paragraph in our report to mitigate any potential misunderstanding.
- 2.4 Our report will be made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of CA 2006. Our audit work will be undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we will not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for the audit report, or for the opinions we form. The audit of the financial statements does not relieve you of your responsibilities.
- 2.5 There are certain other matters which, according to the circumstances, may need to be dealt with in our report. For example, where the financial statements do not give details of directors' remuneration or of their transactions with the company, the CA 2006 requires us to disclose such matters in our report. Although only auditors of listed companies are required to include key audit matters in their report, there may be rare occasions when we believe it necessary to communicate key audit matters in our report.
- 2.6 In addition, we have a professional duty to report if the financial statements do not comply in any material respect with applicable accounting standards, unless in our opinion non-compliance is justified in the circumstances. In determining whether or not any departure is justified we will consider:
- whether the departure is required in order for the financial statements to give a true and fair view; and
  - whether adequate disclosure has been made concerning the departure.
- 2.7 Our professional duties also include:
- incorporating in our report a description of the directors' responsibilities for the financial statements, where the financial statements or accompanying information do not include such description; and
  - considering whether other information in documentation containing the financial statements is consistent with the audited financial statements and our knowledge acquired during the course of the audit.

- 2.8 Where the company is a subsidiary of a group, the audited financial statements of this company are included in the group financial statements of the parent company. We are required by auditing standards to cooperate with the auditors of the parent company and to provide them with representations and confirmations concerning the conduct of the audit of this company. You agree that we may correspond with the auditors of the parent and respond to their reasonable requests for explanations and information (which may include granting them access to our working papers and the transfer of relevant documentation for the use of the group auditor) concerning the preparation and audit of the group financial statements without further authority from you. Our communications with the group auditor will be unrestricted to the extent possible under laws and regulations. Our communications with the group auditor may include:
- (a) the sharing of important communications between us as component auditor, and you as component management, or those charged with governance, including communications on deficiencies in internal control; and
  - (b) communications between regulatory authorities and entities or business units related to financial reporting matters that may be relevant to the group audit.

The group auditor may request that we perform additional work on the company for the purposes of the group audit. This work may extend beyond the work that we would reasonably undertake as part of our statutory audit work on the company.

- 2.9 Where the company is the parent of a group and all components are audited by the same firm, the audited financial statements of this company are the group financial statements. As the group engagement auditors, we are required by auditing standards to coordinate the audit work on all components. Therefore, whilst as auditors of each component the firm already has access to the management and those charged with governance of those components concerning their individual audited financial statements, you agree that we may also correspond with the management, or those charged with governance, as appropriate, of the components and request reasonable explanations and information concerning the preparation and audit of the group financial statements without further authority from you.

- 2.10 Where the company is the parent of a group and not all component auditors are from the same firm, the audited financial statements of this company are the group financial statements. As the group engagement auditors, we are required by auditing standards to coordinate the work of the auditors of the components and to provide them with guidance concerning the conduct of the audit of the group. You agree that we may correspond with the management, or those charged with governance, as appropriate, of the components, and their auditors, and request reasonable explanations and information (which may include access to the component auditor's working papers and the transfer of relevant documentation from the component auditor) concerning the preparation and audit of the group financial statements without further authority from you. Our communications with the component auditors will be unrestricted to the extent possible under laws or regulations. Component auditors are required to share the following communications with us:
- (a) important communications between the component auditor and those charged with governance or management of the component, including communications on significant deficiencies in internal control; and
  - (b) communications between regulatory authorities and entities or business units related to financial reporting matters that may be relevant to the group audit.

As the group engagement auditors, we are also permitted to perform work, or request a component auditor to perform work, at the component for the purposes of the group audit.

- 2.11 We will inform you of all significant facts that may bear upon our integrity, objectivity and independence. If the entity is listed or another public interest entity we will provide a written statement that we have complied with the relevant ethical requirements and will communicate all relationships and other matters that may reasonably be thought to bear on our independence together with any relevant safeguards.
- 2.12 Where we cease to act as statutory auditors, we are required by SI 2016/649 *Statutory Auditors and Third Country Auditors Regulations 2016* to make available, if requested, all relevant information concerning the most recent audit of the company to our successors as auditors. You agree to cover any reasonable costs that we may incur in fulfilling our statutory duty in making such information available.

### **Scope of the audit**

- 2.13 Our audit will be conducted in accordance with the ISAs (UK) issued by the Financial Reporting Council (FRC). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. We will evaluate whether the information presented in the financial statements is relevant, reliable, comparable and understandable as well as providing adequate disclosures and appropriate terminology. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors;
- whether there is adequate disclosure of the applicable financial reporting framework; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report and, if relevant, the Strategic Report, as stated in 2.1. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

- 2.14 Because of the test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, there is an unavoidable risk that even some material misstatements may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK).
- 2.15 We will obtain an understanding of the accounting and internal control systems in order to assess their adequacy as a basis for the preparation of the financial statements and to establish whether the company has maintained adequate accounting records. We will need to obtain relevant and reliable evidence sufficient to enable us to draw reasonable conclusions therefrom.
- 2.16 The nature and extent of our tests will vary according to our assessment of the company's accounting and internal control systems, and may cover any aspects of the business's operations. We shall report to the management any significant deficiencies in, or observations on, the company's systems that come to our attention of which we believe the directors should be made aware. Any such report may not be provided to any third party without our prior written consent. Such consent will only be granted on the basis that such reports are not prepared with the interests of any party other than the members in mind and that we therefore neither have nor accept any duty or responsibility to any other party as concerns the reports.
- 2.17 In performing our audit procedures, we may make use of analytical tools. To facilitate this, we may request that you extract data, provide back-ups or provide alternative access to your accounting systems. How we will use analytical tools and any data provided will be set out in the communication of our planned approach.

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- 2.18 As noted in section 1, the responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the directors. However, we will plan our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations, but our examination should not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist.
- 2.19 As part of our normal audit procedures, we will request you to provide formal representations concerning certain information and explanations we receive from you during the course of our audit. In particular, where we bring misstatements in the financial statements to your attention which are not adjusted, we shall require written representation of your reasons.
- 2.20 To enable us to conduct a review of your financial statements, which constitutes part of our audit, we will request sight of any documents or statements which will be issued with the financial statements.
- 2.21 Once we have issued our report we will have no further direct responsibility in relation to the financial statements for that financial year. However, as noted in section 1, we expect that you will inform us of any material event occurring between the date of our report and that of the annual general meeting which may affect the financial statements.
- 2.22 HMRC do not require the auditor to provide assurance on the XBRL tagging of the financial statements submitted to it with the Company Tax Return. In addition, the ISAs (UK) do not require the auditor to confirm the accuracy of the tagging as part of the audit. Accordingly, our audit does not cover the accuracy of the XBRL tagging in the financial statements, and we accept no responsibility for any inaccuracies identified by HMRC.
- 2.23 A fuller description of the scope of an audit of financial statements arising from the requirements of ISAs (UK), together with other legal and regulatory requirements, is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **Communication**

- 2.24 In order to ensure that there is effective two-way communication between us we set out below the expected form and timing of such communications.
- We shall contact your primary contact by telephone prior to each year-end for preliminary discussions concerning the audit. We will confirm in writing the matters discussed and any agreed action.
  - We will arrange a meeting to discuss the forthcoming audit prior to the expected start date. Again we will confirm in writing the matters discussed and any agreed action.
  - We will arrange a meeting to discuss any matters arising from the audit after completion of the detailed work. Again we will confirm in writing the matters discussed and any agreed action.
- 2.25 The formal communications set out above are the minimum required to comply with auditing standards. We shall of course contact you on a more frequent and regular basis regarding both audit and other matters.
- 2.26 We shall not be treated as having notice, for the purposes of our audit responsibilities, of information provided to members of our firm (principals and staff) other than those engaged on the audit, for example information provided in connection with accounting, taxation and other services.

### **3 Other services**

- 3.1 Other services provided to the company will be included in a separate engagement letter.
- 3.2 There are many other areas where we can be of assistance and we shall be pleased to discuss any matters with you. These other services include:
- (a) reports in support of returns or claims, e.g. insurance company certificates, government claims, etc.;
  - (b) advice on financial matters;
  - (c) management accounting, including such matters as cash flow statements, costing systems, etc. and advice on management;
  - (d) advice on the selection and implementation of computer systems;
  - (e) investigations for special purposes, e.g. examination of specific aspects of your business; and
  - (f) advice on the selection and recruitment of staff.

### **4 Agreement of terms**

- 4.1 This engagement will start with your accounts period ending on 31 December 2024.
- 4.2 We will also deal with matters arising in earlier years as appropriate.
- 4.3 This letter supersedes any previous engagement letter for the period covered. The terms set out in this letter and our attached Standard Terms of Business shall take effect immediately upon your countersigning this letter and returning it to us. If we are instructed to start work before receiving a signed copy of this letter, we will treat that as acceptance of all the terms of this engagement letter, unless we hear from you to the contrary within 30 days of you giving that instruction.
- 4.4 You or we may agree to vary or terminate our authority to act on your behalf at any time without penalty. Notice of variation or termination must be given in writing.
- 4.5 Once it has been agreed, this letter and the attached Standard Terms of Business will remain effective until they are replaced. We shall be grateful if you could confirm your agreement to these terms by signing the enclosed copy of this letter and returning it to us immediately. If this letter and the attached terms of business are not in accordance with your understanding of our terms of appointment, please let us know.

Yours faithfully,



AGP

I confirm that I have read and understood the contents of this letter and agree that it accurately reflects the services that I have instructed you to provide.

Signed ..... Dated .....

For and on behalf of Costs Lawyer Standards Board Limited

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