

MINUTES
Costs Lawyer Standards Board Ltd
Wednesday 26 March 2025 at 10:30 am
Remotely via Teams

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)

1. OPENING MATTERS

- 1.1** The Chair declared the meeting quorate. There were no apologies.
- 1.2** There were no declarations of interest on any agenda item.
- 1.3** The Chair welcomed Paul Mosson to the meeting as an observer in preparation for taking up the role of CEO on 1 May 2025.
- 1.4** The Chair congratulated Andrew M on being named as the inaugural Costs Lawyer of the Year at the Modern Law Awards 2025.

2. MINUTES

2.1 Minutes dated 12 December 2024

The board considered the minutes of its last scheduled quarterly meeting on 12 December 2024. The board agreed the minutes as being a true record for signing.

Action: Publish approved minutes on CLSB website.

2.2 Matters arising

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

3. STRATEGY

3.1 Governance during the interregnum

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

3.2 Progress against Business Plan: Q1 2025

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

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

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

3.3 Annual report against performance indicators

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

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

Action: Update and publish performance indicators on CLSB website.

4. BOARD MATTERS

4.1 Consolidated register of interests

Board members considered the updated register of interests, and also an additional interest notified by Andrew H that was omitted from the papers circulated. The board agreed that no real or perceived risk of a conflict of interests arose from the register. Board members also confirmed that all declarations were correct and complete for publication.

Action: Update and publish updated register of interests.

5. FINANCE

5.1 Quarterly report: Q4 2024

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

5.2 Quarterly report: Q4 2024

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

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

6. RISK MANAGEMENT

6.1 Review of risk register

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

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

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

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

7. REGULATORY MATTERS

7.1 Client care letters guidance

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

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

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

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

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

7.2 Guidance Note on Qualifying Experience

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

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

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

Action: Publish new Guidance Note.

7.3 Annual complaints look-across

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

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

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

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

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

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

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

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

7.4 Costs Lawyer Profession in 2024

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

7.5 Career pathways: 2024 diversity report and next steps

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

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

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

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

Action: Publish the report; commission qualitative research.

8. LEGAL SERVICES BOARD (LSB)

8.1 Work updates

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

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

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

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

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

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

8.2 2024 regulatory performance assessment

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

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

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

9 STAKEHOLDER UPDATES

9.1 ACL Council meeting minutes

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

9.2 Work updates

The board received updates in relation to:

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

10 OPERATIONS

10.1 Practising certificate renewals data

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

10.2 Finance Audit

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

Action: Chair to sign the terms of engagement.

11 PUBLICATION

11.1 Confirmation that papers can be published

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

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

12 AOB

There was no other business.

13 NEXT SCHEDULED QUARTERLY MEETING

The next meeting was scheduled for 18 June 2025, with a strategy session on 17 June, in London.

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

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Chair

Related documents

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

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

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