

Company number: 04608905

Costs Lawyer Standards Board Ltd
Wednesday 16 April 2014 at 10.30 am
The Studio, 7 Cannon Street, Birmingham

Present: Steve Winfield (Chair)
Gillian Milburn (Vice Chair)
Richard Allen
David Gamble
Tracyanne Ayliffe

In attendance: Lynn Plumbley (Chief Executive)

1. Quorum, apologies & declarations of interest

The Vice Chair welcomed Steve Winfield & Tracyanne Ayliffe to the board. The Chair declared the meeting quorate, there were no declarations of interest.

2. Minutes

The minutes dated 15 January 2014 and 18 March 2014 were approved as being a true record for signing, there were no matters arising.

3. Board matters

(i) Chair & non lay NED recruitment outcome

The Vice Chair advised the board on the process and outcome reached.

(ii) Revised Articles of Association

The company Articles had been revised under a shareholder resolution on 25 February 2014 following a revised Internal Governance Rule which now require that all Approved Regulator Chairs are lay persons. The board took the opportunity to review the current Articles. Article 44 states that a board meeting could be held by "*conference telephone or other telecommunication means.*" As telecommunication is defined as being communication at a distance by technological means, the board was of the view this covered board meetings by email.

4. Finance

(i) 2014 Q1 finance report

The board noted the current financial position as per the report and book keeping records.

Action: LDP: Include 2014 budget in next agenda.

(ii) Corporation tax position

The board noted the report presented which concluded CLSB was not liable to corporation tax. The Chair was of the view CLSB held "mutual trading status" under which holding financial reserves was an acceptable position.

Action: LDP: Report back to July board on accountants advice on mutual trading status.

5. Risk management

(i) Risk matrix

The consumer, profession and business risk matrix were individually reviewed and revised.

Action: LDP: Present a business continuity plan to next meeting in respect of CEO.

(ii) Practising concerns

Concerns had now been addressed as Part 42 of the CPR had been amended on 6 April 2014 to allow Costs Lawyers to be entered on the court record and Precedent H is to be amended on 22 April 2014 to include new statements of truth.

6. Education

(i) Letter of authorisation

The board noted the letter was sent to ACLT following January board meeting authorisation.

(ii) Update of current position

The board noted the current position.

Action: LDP: Request independent auditor to undertake an interim assessment of implementation of new qualification and report back to July board.

7. Regulatory matters

(i) Regulatory standards self-assessment 2014/15

The board was advised the assessment request was received on 14 April 2014, and that CLSB was required to file its assessment on or before 24 October 2014. The board noted this was an interim assessment and that a complete assessment would be conducted 2015/16.

Action: LDP: Draft assessment to be presented to the July board for consideration.

(ii) Regulators Code

The board noted the current position as regards the Regulators Code and approved the new policy for immediate implementation.

Action: LDP: Ensure Code appears on CLSB website

(iii) 2014 practising certificate position

The board was advised there were 562 Costs Lawyers with a practising certificate as at 1 April 2014 and that CLSB had since been notified 16 additional Costs Lawyers had qualified following successful re-sit of their final exam.

(iv) Feedback: How may we better serve you?

The positive response was noted and the logistics of printing personal details on each form was considered.

(v) Stats and analysis of the profession (2014)

The outcome of the following 2014 analysis were discussed and noted, no issues arising from the outcome were identified for action. It was however noted that 79 out of 555 Costs Lawyers were currently practising with the minimum level of professional indemnity insurance:

- Legal aid analysis
- Profession analysis

- Geographical location analysis
- Client instruction analysis
- Insurance analysis
- Diversity survey Costs Lawyers
- Diversity survey Trainee Costs Lawyers

Action: LDP: Write to ACLT to see what action they believe they can take to increase diversity within new entrants to the profession.

(vi) Regulators forum

It was noted this forum had been convened in May 2013 but that CLSB had not been notified and invited to attend since its formation. Next forum meeting 23 May 2014.

(vii) ABS licensing

This was further considered and it was agreed a decision on whether CLSB should apply to become a licensor of alternative business structures would be further considered once the recent call for evidence on the future of legal regulation had been concluded.

(viii) Entity Regulation

It was noted the proposal had been drafted and checked by Solicitors. The board delegated final approval to a working party comprising of Richard, Tracyanne & Steve.

8. Legal Services Board (LSB)

(i) Consultation: Draft business plan 2014/15

The board noted the CLSB submission made on 11 January 2014, as approved by the Chair.

(ii) Judicial review: Outcome on quality assurance scheme

It was noted that the four barristers who brought this case had been denied leave to appeal.

(iii) Consultation: Review of levy rules

The board was deeply concerned the LSB had proceeded to seek approval of the Lord Chancellor for an SI on revised levy rules when its methodology rewarded failure, lacked proportionality and contained basic mathematical errors. Further, the proposal is contrary to the growth duty contained in the Regulators Code.

Action: LDP: Take this matter up with the MOJ.

(iv) Consultation outcome on lay chairs

The board noted action had already been taken to ensure compliance of this outcome.

(v) Guidance on education & training

The LSB guidance was noted, as was the fact the LSB expected the guidance to be followed making it greater than being just guidance.

(vi) Report on sanctions & appeals

The board was concerned that the LSB sought one universal set of sanctions and appeals which it did not consider was proportionate for the Costs Lawyer profession. CLSB was of the view regulation should be risk based, as per the Regulators Code, and Costs Lawyers

have proven themselves to be a lesser risk than say Solicitors as they do not handle clients monies.

9. Legal Ombudsman (LeO)

(i) Benchmarking LeO

The outcome of the comparative study on complaints handling against nine other consumer redress schemes was noted.

(ii) Consumer interest toolkit

This document was noted.

10. Any other business

(i) Authorised Rights

These now appear in the revised Code of Conduct dated 26 March 2014.

(ii) Costs Lawyer Professional Indemnity Insurance

The revised Practising Rule on PI insurance became effective 9 April 2014.

(iii) New Chair of ACL

It was noted Sue Nash would succeed Murray Heining with effect from 18 April 2014.

(iv) New Chair of LSB

It was noted Sir Michael Pitt would replace David Edmonds on 1 May 2014.

11. Date & time of next meeting

Date & time: Wednesday 16 July 2014 @ 10.30am

Location: The Studio, 7 Cannon Street, Birmingham.

There being no further business, the Chair declared the meeting closed.

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Chairman