

Company number: 04608905

Costs Lawyer Standards Board Ltd
Tuesday 25 July 2017 at 10.30 am
GMCC, Elliot House, 151 Deansgate, Manchester

Present: Steve Winfield (Chairman/Chair)
Gillian Milburn (Vice-Chair)
Richard Allen (*by phone*)
David Gamble
Tracyanne Ayliffe

In attendance: Lynn Plumbley (Chief Executive)

1. QUORUM, APOLOGIES, DECLARATIONS OF INTEREST & GUESTS

- 1.1 The Chair declared the meeting quorate.
- 1.2 Apologies were received from RA who was unable to join the meeting until 12 noon via dial in.
- 1.3 SW advised he had accepted a role on the Disciplinary & Judicial Panel of the British Race Horning Authority. It was agreed this was not a conflict of interest.

Actions: LP:

- ***Update SW register of interests.***
- ***Check the register of interests remains current for all directors.***
- ***Revise biography of SW on CLSB website.***

2. MINUTES

- 2.1 The board noted all actions from the minutes of the scheduled quarterly board meeting on 25 April 2017 had been undertaken. There were no matters arising that had not been scheduled as an agenda item. The board also considered the board minutes dated 18 May 2017 and 27 June 2017. All three sets of minutes were agreed as being a true record for signing.

Action: LP: Post minutes on CLSB website.

3. BOARD MATTERS

3.1 Capacity & capability

It was noted that the BSB had offered their support on an interim basis in the event of sudden incapacity by the CLSB CEO. The board requested a CLSB organisation diagram.

Action: LP: Compile organisation diagram.

4. FINANCE

4.1 Q2 report

The board noted the position at Q2 end was as expected.

4.2 2018 budget

The board considered and approved the 2018 budget and noted this would be issued to all Costs Lawyers under the 2018 practising certificate fee consultation.

5. RISK MANAGEMENT

5.1 Regulatory risk

The regulatory risk register was considered and updated, it was agreed it would be published on the CLSB website.

Action: LP: Publish register on CLSB website.

5.2 Operational risk

The operational risk register was considered and updated, it was agreed it would be published on the CLSB website.

Action: LP: Publish register on CLSB website.

6. REGULATORY MATTERS

6.1 Consumer focus: Policy on expectations of a consumer

The board considered the recommended change to the policy to address instances of “blue on blue” complaints during court proceedings. The board considered the wording and indicated they supported an outright ban on CLSB considering any conduct complaints by a legal practitioner against a Costs Lawyer during the course of proceedings. LP advised she was not comfortable with an outright ban and advised she would seek legal opinion.

Action: LP: Seek second legal opinion.

6.2 CMA recommendations

The board noted that the submissions of CLSB had been filed within the deadline and that actions listed would be implemented. One new action had already been completed, the inclusion of employer address and phone numbers on the public domain register, where consent to publish had been given.

Action: LP: Undertake actions under response to CMA report.

6.3 Approve 2018 practising certificate fee and consultation paper

The board agreed that there was no justifiable cause to increase the costs of a practising certificate for year 2018. Due to continued sound financial management by the CLSB it would be recommended to the LSB that it remain at £250 for the seventh consecutive year. The board agreed the draft consultation paper.

Action: LP: Issue consultation on proposed 2018 practising certificate fee.

6.4 Audit of 2016 CPD

The board was pleased to note the outcome of the audit of 2016 CPD records, with all but one Costs Lawyer having complied. The one Costs Lawyer who had not complied had achieved 9 out of the required 12 points, but was under the misapprehension they were accredited to provide CPD training. That Costs Lawyer has now applied for accredited Costs Lawyer status for the purposes of CPD training.

Action: LP: Post outcome of CPD audits on CLSB website.

6.5 LSB view of CLSB progress against actions (following assessment)

The board was pleased to note the CLSB has “made considerable progress against its action plan. In particular, it has developed and implemented a wide range of new policies and procedures to support a more evidenced and risk based approach.”

Action: LP: Post the LSB view on the CLSB website under a news item.

6.6 Publication of board papers

Under the LSB assessment of the CLSB it was indicated CLSB should publish more board papers. Whilst the board considered, based on publication by other approved regulators, that there was adequate publication, it agreed to publish the following additional documents on the CLSB website:

- CPD audit outcomes.
- Risk register (regulatory risk)
- Risk register (operational risk)

7. **LEGAL SERVICES BOARD (LSB)**

7.1 Designated board representative

The board was advised the LSB were in the process of designating an LSB board representative to meet once a month with a board representative from their designated AR. The board considered whether it was right that the CLSB appoint a person to undertake this role, and was of the view this would be wrong from a governance point of view as such meetings should be at Chair level. It was agreed that the LSB appointed representative be invited to a CLSB board meeting (full or part) in the future.

Action: SW: Write to LSB Interim Chair & CEO advising them of CLSB board view.

7.2 Meeting with LSB (31 May 2017)

The board was advised that SW and LP met with the interim Chair and CEO of the LSB for an annual progress report meeting. The board was advised most of the meeting had been taken up with discussion about the uncertainties facing the profession due to likely practising rule changes outside the control of the CLSB. The LSB had requested that they be kept in the loop on any proposal by the ACL to have themselves removed from the Legal Services Act 2007 as named approved regulator, and CLSB named in its place. This request was subsequently communicated by email to the Chair of ACL.

7.3 Revised performance framework

The board was advised that the LSB had issued a consultation paper on its proposed changes, and that the closing date for responses is 25 September 2017. The board was advised that the LSB had however already started work on implementing its proposals. Two meetings had already taken place between LSB and CLSB on implementing the proposed table A. The board was advised another approved regulator had questioned this, and acknowledged that it did seem to be a case of “cart before the horse” thus undermining the consultation process.

Action: LP: Respond to LSB consultation by 25 September 2017.

7.4 Research into consumer with mental health issues

The board noted this planned research project by the LSB.

8. **LEGAL SERVICES CONSUMER PANEL (LSCP)**

8.1 Tracker surveys 2017

The board noted the outcome of the 2017 “choose” and “use” surveys. It was also noted these surveys had not included consumers of costs law services.

9 LEGAL OMBUDSMAN (LeO)

9.1 Service complaints

The board was advised there had been no new service complaints to LeO since the last quarterly board meeting. The last service complaint filed with LeO was dated 21 January 2016, and that complaint had been dismissed by LeO.

9.2 CEO resigns

The board noted the current CEO had resigned, and would be leaving LeO on 30 September 2017. The CEO had only been in post since October 2015. LP advised the board that one of the recommendations of the recent review by the MoJ on LeO was that the role of CEO and Chief Legal Ombudsman be merged. This resignation reflects a worrying trend in the turnover of Chairs and CEOs at LSB and LeO.

10. REPRESENTATION (ACL)

10.1 Meeting on 31 May 2017

The board was advised of the outcome of a meeting between SW, LP and the ACL Chair where the ACL vision for the future was discussed.

11. EDUCATION (ACLT)

11.1 New qualifiers

The board noted the CLSB had recently been advised of 82 newly qualified Costs Lawyers for year 2017 (double the usual number expected as it included students who had to defer their start whilst the course was re-written four years ago). The board was advised application packs were in the process of being compiled and posted to enable new qualifiers to apply for a 2017 practising certificate.

Action: LP: Compile and issue 82 application packs.

11.2 Education audit 2017

The board noted the outcome and approved accreditation of ACL Training for 2017-2018 subject to conditions highlighted in the audit.

Action: LP: Write accreditation letter to ACL Training.

11.3 Apprenticeships

The board agreed to further explore the possibility of access to the profession via an apprenticeship scheme.

Actions: LP: Continue investigative work on this.

11.4 Review of exemptions

The board was advised that following LSB approval of new Training Rules, exemptions were being considered by an advisor who historically worked in legal education at the SRA.

Action: LP: Continue review of exemptions.

11.5 Costs Lawyers competence test

The board was advised that following the outcome of the consultation, work continued on a possible alternative route to entry via a competence test.

Action: LP: Continue work on application to LSB for approval of such a scheme

11.6 Cost of course under ACL Training

The board noted continued concern at the continued significant increase in cost of the yearly Costs Lawyer qualification since new management was introduced in 2013 by ACL Training. This year, ACL Training has increased the cost by a further 16.8%. The overall cost of the new three year course is now nearly double that of the original three year course. Since the new course was offered increases imposed by ACL Training have been:

2014: £1,680 =	£740 increase	
2015: £2,104 =	£424 increase	25.2% increase
2016: £2,568 =	£464 increase	22% increase
2017: £3,000 =	£432 increase	16.8% increase

The board was also concerned to note a significant reduction in the number of current Trainee Costs Lawyers with only 20 enrolled for year 2017-18.

2012: 314

2013: 284

2014: 205 (no new intake for 2014 start)

2016: 290 (increase due to intake for 2014 start & 2015 start)

2017: 124 (Year 3: 79, Year 2: 25, Year 1: 20)

12. **ANY OTHER BUSINESS**

12.1 Costs Lawyer journal

The board was advised that text has to be submitted two months before the Costs Lawyer journal is issued to Costs Lawyers, which does not make it an efficient form of communication. It was therefore agreed to reintroduce CLSB newsletters, as required, enabling immediate notification by email.

12.2 Employer contact information on register

The board was advised that employer address and phone number information had now been inputted (in accordance with instructions under data protection) on the register on the CLSB website. This will now enable a consumer to locate a Costs Lawyer via location. The board noted this had been a substantial and time consuming exercise, and completes a new action under those CLSB committed to with the CMA.

Action: LP: Send email to all Costs Lawyers asking them to check their register entry to ensure their instructions have been complied with.

13. **DATE & TIME OF NEXT MEETING**

- 13.1 Date & time of next meeting: Tuesday 24 October 2017 @ 10.30am
Location: The Studio, Cannon Street, Birmingham

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

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Chairman

Board document disclosure

The following documents were not considered confidential, sensitive or subject to prevailing data protection laws and have therefore been published in the location stated.

Paper	Publication location
CLSB minutes (24 January 2017)	CLSB website: Under minutes
CLSB minutes (18 May 2017)	CLSB website: Under minutes
CLSB minutes (27 June 2017)	CLSB website: Under minutes
2018 budget	CLSB website: Under policy outcomes and under news item
Consultation paper on 2018 practising certificate fee	CLSB website: Under policy outcomes and under news item
Outcome of CPD audit	CLSB website: Under policy outcomes
Risk register (regulatory risk)	CLSB website: Under policy outcomes
Risk register (operational risk)	CLSB website: Under policy outcomes
Policy on expectations of a consumer	CLSB website: Under complaint handling
LSB consultation paper on revised regulatory performance assessment	LSB website
CLSB response to CMA recommendations	CLSB website: Under news items
LSB view of CLSB progress on action points (following assessment)	CLSB website: Under news item
LSCP tracker survey on "choose"	LSB website
LSCP tracker survey on "use"	LSB website