

Company number: 04608905

Costs Lawyer Standards Board Ltd
Tuesday 24 October 2017 at 10.30 am
The Studio, 7 Cannon Street, Birmingham

Present: Steve Winfield (Chairman/Chair)
Gillian Milburn (Vice-Chair)
Richard Allen
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, there were no apologies or declarations of interest.

2. MINUTES

2.1 The board noted all actions from the minutes of the scheduled quarterly board meeting on 25 July 2017 had been undertaken. There were no matters arising that had not been scheduled as an agenda item. The minutes were agreed as being a true record for signing.

Action: LP: Post minutes on CLSB website

3. BOARD MATTERS

3.1 Capacity & capability

The board noted the new organisational structure document which identified the 23 people who made CLSB operative.

Action: LP: List succession planning as agenda item for next meeting

4. FINANCE

4.1 Q3 report

The board noted the position at Q3 end was as expected.

4.2 2017 budget

The board considered its position at Q3 end against its budget. The only figure higher than expected were salaries due to a benchmarking exercise during 2017.

5. RISK MANAGEMENT

5.1 Regulatory risk

The regulatory risk register was considered and updated to reflect the current situation on current logged risks. The financial situation of the ACL as approved regulator under the Legal Services Act 2007 was logged as a new regulatory risk, a risk outside the control of the CLSB.

Actions: LP: Post updated register on the CLSB website

LP: Establish when Pippa Prangley would be available to assist the board in considering current registers

5.2 Operational risk

The operational risk register was considered and updated to reflect the current situation on logged risks. The financial situation of the ACL as approved regulator under the Legal Services Act 2007 was logged as a new operational risk, a risk outside the control of the CLSB.

Action: LP: Post updated register on the CLSB website

6. **REGULATORY MATTERS**

6.1 Consumer focus: Policy on expectations of a consumer

The board considered legal advice on the proposed new changes to this policy in respect of lawyer complaints about Costs Lawyers during the course of proceedings. It was agreed 2.2 would be revised to read that the CLSB would not: *Influence, interfere with, delay or prejudice current legal proceedings either directly or indirectly. Where a professional conduct complaint has been brought to the attention of the CLSB by an opposing party during the course of legal proceedings, the correct recourse will be to the Court in those proceedings, not to the CLSB. Nothing in this policy will stop the complaint being referred to the CLSB once those legal proceedings have been fully completed.*

Action: LP: Post revised document on the CLSB website

6.2 2018 business plan

The board discussed the draft business plan and after some changes, agreed the same for publication.

Action: LP: Post business plan on the CLSB website

6.3 Apprenticeships

The board was advised that there had been a first meeting of employers interested in forming a Trailblazer Group, with a view to establishing if the profession could join the government apprenticeship scheme. That project was being led by the CLSB at this initial stage, with a CLSB appointed project manager who was undertaking all the research. The board was advised an employer had suggested the apprenticeship be six years instead of three. The board saw no justification for this and felt it afforded employers the opportunity to unfairly keep apprentices on apprenticeship level wages. Further, the board was of the view a six year apprenticeship would not be attractive to potential apprentices. The board also questioned why someone would undertake a six year apprenticeship when they could apply for the Costs Lawyer Competence Test (if successfully introduced) based on current suggestion of 8 years' experience. As it is a requirement of a scheme that it aligns itself to current professional registrations, it was agreed the CLSB Chair would send a letter to all interested employers setting out the regulators view. It was agreed that before the project could move forward, the CLSB had to undertake more work on proposed standards and how they translated into education levels.

Action: LP: Undertake further work on standards

Action: SW: Letter to interested employers

6.4 General data protection regulations (GDPR)

The board noted the report on the proposed new regulations, and requested actions identified be undertaken in preparation for implementation of the regulations in May 2018.

Action: LP: Work through actions identified in the report

6.5 Impact of Brexit

The board noted the MoJ had requested, following a roundtable event on 11 September 2017 that all legal regulators advise them of their plans in the event of:

- (i) no deal; or
- (ii) an exit but no future relationship; or
- (iii) an exit deal and a future relationship deal.

The LSB CEO had followed through with a request to discuss “*where the CLSB’s planning for EU exit has got to so far.*” The board discussed Brexit and could not identify any implications at this stage that would require a change to its regulatory arrangements.

Action: LP: Advise MoJ & LSB accordingly

6.6 Regulated numbers

It was noted that due to the double number of qualifiers in 2017 (as a result of suspension of entry to qualification 4 years ago to provide for a re-write) regulated numbers had now increased to 700. The CLSB anticipates regulated numbers would increase again in 2018 as we have been advised there are 112 year three trainees. However, due to there being only 22 current year two trainees and 20 current year one trainees, regulated numbers are expected to drop in year 2020 unless alternative routes of entry into the profession can be identified and implemented.

6.7 Panel member

The board was advised Russell Gibbins had resigned as a non-lay panel member. Due to the small number of complaints the CLSB receive it was agreed a recruitment exercise for a replacement would not be initiated at this stage.

6.8 2018 practising certificate fee

The board was advised the LSB had approved the 2018 practising certificate fee in the sum of £250.00. Due to sound financial management, the CLSB had been able to keep the fee at the same level for the seventh consecutive year.

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

7.1 Tailored review of LSB

The resume of the outcome of this review was noted.

7.2 Costs 2016/17

The breakdown of costs was considered.

7.3 Draft strategy

The board was advised the LSB had requested comments on this draft document. It was agreed the CLSB response would not be minuted as the LSB had requested the draft document be treated as confidential.

Action: LP: Respond to the LSB

7.4 Assessment of CLSB actions following CMA recommendations

The board noted the LSB had deemed the proposed actions of the CLSB (action plan published 29 June 2017) sufficient. The CLSB was pleased it had been acknowledged that as a regulator of individuals and not entities, the vast majority of the CMA recommendations were not deliverable by those individuals.

Action: LP: Monitor action plan to ensure implementation

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

8.1 No matters had been listed for board consideration.

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 New CEO

The board was advised a new CEO had been appointed, Rob Powell, previous Director of Corporate Services. Mr Powell had been scheduled to attend the CEO meeting on 23 October 2017 to introduce himself, but had been unable to attend.

10. **REPRESENTATION (ACL)**

10.1 Report to members (5 October 2017)

The board noted that this document had been issued to all ACL members following the ACL having minuted in August 2017 that the ACL was currently insolvent. The board noted the various options the ACL had put to the membership on the future of ACL/ACLT. The CLSB remains concerned the ACL is not keeping the LSB apprised of their situation and plans for the future.

10.2 National conference

SW and LP advised the board they had attended the two days of the October National Conference. Once again, they were not approached by anyone present on any regulatory matters. As a result, the board discussed whether it was beneficial and an appropriate use of resource that the CLSB continues to fully attend the representative body conferences. It was agreed that in the early days of formation of the CLSB, the exercise of attending had its benefits in that the new organisation needed to be visible. As the CLSB has now been operative for six years and is not selling a service the board suggested that going forward, the CLSB scales back its time commitment to attending ACL conferences over lunchtime only to offer a lunchtime surgery.

Action: LP: Offer to ACL that CLSB would attend to provide a lunch time regulatory surgery at ACL conferences going forward, unless specifically invited to speak at a conference

RA and LP advised they had attended the member forum on the Saturday afternoon which had lasted 1.5 hours. During this forum, members were invited to discuss the recent ACL report to members. The ACL accountant was also present to answer questions from members and advised the ACL had made a loss in both previous years. The ACL advised members it had implemented costs savings to address this e.g. removing salaried CEO and Policy Officer roles. The ACL had also withdrawn production of their annual desk diary. The ACL Chair indicated his continued support of the CLSB as the professions regulator.

11. EDUCATION (ACLT)

11.1 The board was advised that the ACL Chair had given a verbal assurance there were sufficient funds to see current Trainee Costs Lawyers on year 1 (intake 2017), year 2 (intake 2016) and year 3 (intake 2015) through to qualification, but no further. The board noted that in answer to a question at the forum, the ACL had answered that the ACLT may not be in existence after that three year period.

Action: LP: Accredite ACL Training until end of 2020 in respect of current enrolled trainees only to provide ACLT and current Trainees with certainty.

Action: LP: Continue work on other means of entry into the profession.

11.2 It had been noted in the minutes of ACL that ACLT were in discussions with the SRA, but it did not detail the purpose of those discussions. The board was advised CLSB had asked the ACL education representative for clarification on what the nature of those discussions were so as to ensure ACLT was not acting in the legal remit of the CLSB.

12. ANY OTHER BUSINESS

12.1 No other business was raised.

13. DATE & TIME OF NEXT MEETING

13.1 Date & time of next meeting: Wednesday 24 January 2018 @ 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 July 2017)	CLSB website: Under “minutes”
2018 budget	CLSB website: Under “policy outcomes” and then “news item”
Risk register (regulatory risk)	CLSB website: Under “policy outcomes”
Risk register (operational risk)	CLSB website: Under “policy outcomes”
2018 business plan	CLSB website: Under “more about the CLSB” and then “business plans”
Policy on expectations of a consumer	CLSB website: Under “complaint handling”
CLSB response to CMA recommendations	CLSB website: Under “news items”
ACL report to members (5.10.17)	Contact ACL
Tailored review of LSB	LSB website
Costs breakdown of LSB	LSB website
LSB assessment of CLSB action plan in response to CMA recommendations	LSB website