



BUSINESS PLAN 2019
Costs Lawyer Standards Board

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Definitions

Reference herein to a Costs Lawyer is a Costs Lawyer authorised and regulated by the CLSB.

ACL	Association of Costs Lawyers	The profession's representative body, also named as approved regulator under the LSA
ACLT	Association of Costs Lawyers (Training)	A subsidiary of ACL providing training to Costs Lawyers
CLCT	Costs Lawyer Competence Test	A proposed new means of entry into the Costs Lawyer profession
CLSB	Costs Lawyer Standards Board	Approved regulator of the Costs Lawyer profession under delegated authority of the ACL since 31 October 2011
LSA	Legal Services Act 2007	Prevailing legislation on legal regulation
LSB	Legal Services Board	Oversight regulator

1. Forward

During the 12 months since the date of our 2018 business plan, the CLSB has had to divert focus and resource to address the impact and risks (the origin of which were outside CLSB control) created as a result of:

- ACL, named as approved regulator under the LSA, having consulted on financial constraints.
- The significant drop in trainees looking to undertake the Costs Lawyer qualification offered by ACLT.

The CLSB had to seek, and received LSB reassurance that they agreed CLSB monies were protected from the ACL, as they had been paid to the CLSB for permitted purposes under the LSA.

The ACL CEO reassured the CLSB that sufficient funds would be ring fenced to enable ACLT to provide the Costs Lawyer qualification to those currently on the course. As no financial reassurance could be given beyond this, the CLSB accredited ACLT to provide that course to those currently enrolled until the end of 2020, but was unable to accredit ACLT to take on new trainees in 2018.

These were difficult and unexpected times. The CLSB responded to the risks it faced in a calm and professional manner, exercising the level of due diligence expected of it.

During 2019, the CLSB will continue to progress its proposed CLCT, to replace the current prescriptive three year education-based qualification. It will also monitor the position at ACL on an on-going basis.

Steve Winfield
CLSB Chair
18 July 2018

2. This document

This document forms both the strategic and business plan of the CLSB for 2019, it sets out what the CLSB will be doing to carry out core regulatory activities and how these challenges will be addressed during 2019. It is underpinned by strategies, policies, regulations and guidance which can be located on the CLSB website at www.clsb.info.

3. What the CLSB does

A Costs Lawyer provides specialist legal services (costs law & practice) in England & Wales. A Costs Lawyer regulated by the CLSB is authorised to conduct the following reserved legal activities under the LSA:

- The exercise of a right of audience.
- The conduct of litigation.
- The administration of oaths.

The CLSB authorises and regulates Costs Lawyers via their annual practising certificate. The CLSB is not an entity regulator, nor is it authorised to license alternative business structures. The CLSB holds Costs Lawyers personally accountable for any failure to comply with the Costs Lawyer Code of Conduct.

The work the CLSB undertakes is governed by the LSA and is subject to oversight by LSB. The regulatory objectives of the CLSB are set out in Part 1(1) of the LSA. These are:

- (a) protecting and promoting the public interest;
- (b) supporting the constitutional principle of the rule of law;
- (c) improving access to justice;
- (d) protecting and promoting the interests of consumers;
- (e) promoting competition in the provision of services;
- (f) encouraging an independent, strong, diverse and effective legal profession;
- (g) increasing public understanding of the citizens legal rights and duties; and
- (h) promoting and maintaining adherence to the professional principles.

The professional principles set out under Part 1(3) of the LSA require a Costs Lawyer regulated by the CLSB to:

- (a) act with independence and integrity;
- (b) maintain proper standards of work;
- (c) act in the best interests of their clients;
- (d) comply with their duty to the court to act with independence in the interests of justice; and
- (e) keep the affairs of their clients confidential.

The CLSB has provided a stable, proportionate, effective regulatory service at the right price since it became an approved regulator under the LSA on 31 October 2011. The CLSB proposes to continue this approach throughout the year 2019.

4. Strategy & policy

Addressing risk

The CLSB is a risk-based and evidence based regulator. The CLSB has in place a risk framework monitoring both regulatory risk (risks to regulatory objectives) and operational risks. Under this regulatory framework the CLSB identifies, assesses, records, prioritises, responds to, monitors, evaluates and adapts to risks identified.

Strategic focus for 2019

The key strategic focus of the CLSB for 2019 will be to:

- (i) Continue to regulate in the public interest.
- (ii) Ensure a strong and sustainable regulator.
- (iii) Implement a new CLCT as the means of entry into the profession.
- (iii) Comply with CMA requirements where applicable to a regulator of individuals, not entities.

5. Planned work

The following sets out the main ongoing and planned work for 2019 of the CLSB:

Costs Lawyer supervision (to ensure consumer protection and inform)

DATE	ACTION
Ongoing	Monitor: Risks to the consumer from Costs Lawyers
Ongoing	Monitor: Client satisfaction under survey returns
Ongoing	Monitor: Effectiveness of supervision policy & supervision schedule (outcome)
Ongoing	Monitor: Need for new or updated guidance notes
Ongoing	Monitor: Need for new or updated rules, policies and procedures
Ongoing	Monitor: Need for intervention
Ongoing	Enforcement: Action consumer led-conduct complaints
Ongoing	Enforcement: Action third party complaints e.g. by court, Solicitor
Ongoing	Enforcement: Action CLSB-led complaints (following supervision activities)
Ongoing	Transparency: Publish conduct committee outcomes on CLSB website
Ongoing	Transparency: Publish conduct committee outcomes in Costs Lawyer journal
Ongoing	Monitor: Current insurance (where appropriate) is in place
Ongoing	Monitor: Complaint procedure (where appropriate) is in place
Ongoing	Monitor: 2018 CPD records are filed
Ongoing	Monitor: Details of first-tier complaints during 2018
Ongoing	Analysis: First-tier complaints (service and conduct) & identify trends/actions
Ongoing	Analysis: Second tier complaints to CLSB (conduct) & identify trends/actions
Ongoing	Analysis: service complaints to Legal Ombudsman & identify trends/actions
Ongoing	Monitor: Applications for Accredited Costs Lawyer status
Ongoing	Transparency: Keep register of Accredited Costs Lawyers on website current
Ongoing	Monitor: Consider applications under the MRPQ Regulations
Ongoing	Monitor: Enter into licence agreements for the use of CLSB mark of regulation
Ongoing	Transparency: Identify those Costs Lawyers authorised to use the mark of regulation on the public domain register
Ongoing	Monitor: Use of the mark of regulation under licence terms and action any breaches of use
Ongoing	Transparency: Identify if a Costs Lawyer has any practising certificate conditions on the register on the CLSB website
Ongoing	Analysis: Insurance claim analysis to establish any risk patterns
Ongoing	Analysis: Outcome of any SRA actioned disciplinary against a Costs Lawyer working for an SRA regulated firm
Ongoing	Monitor: Declarations made on an application form on fitness to practice
January	Transparency: Maintain 2019 register of authorised & regulated Costs Lawyers on the CLSB website with up to date information for consumers
January	Transparency: Send register of authorised & regulated Costs Lawyers to all Costs Judges
April	Analysis: Board to consider first-tier complaint stats gathered for 2018
May	Monitor: Undertake random audit of 2018 CPD records

Understanding the profession we regulate

DATE	ACTION
Ongoing	Monitor: Number coming into and leaving the profession
Ongoing	Monitor: Impact of changes in the profession e.g. redundancy
April	Monitor: Value of insurance policies

April	Monitor: Part-time working
April	Monitor: Geographical location of practice
April	Monitor: Instructions
April	Monitor: Legal aid work
April	Monitor: Age of profession
April	Monitor: Diversification
April	Monitor: Vulnerable consumers
April	Monitor: Pro-bono work

Education supervision

DATE	ACTION
Ongoing	Monitor: Monthly update meetings with ACL council representative with special interest in education
Ongoing	Monitor: Trainee numbers remaining on years 2018/2019 and 2019/2020 of the current Costs Lawyer course
30 June	Monitor: Annual education audit

Means of entry into the profession (the future)

DATE	ACTION
Ongoing	Progress: Continue work on implementing a CLCT
Ongoing	Progress: If the CLCT is approved, work on provider tender and then with approved provider on implementation to ensure standards

Regulation (general)

DATE	ACTION
Ongoing	Monitor: Strategy at quarterly board meetings
Ongoing	Monitor: All rules, codes and other documents in the Costs Lawyer Handbook to ensure they remain current and fit for purpose
Ongoing	Monitor: Data protection law compliance
Ongoing	Respond: To any consultations received e.g. LSB, other approved regulators
Ongoing	Monitor: Impact of BREXIT
Ongoing	Collaborative working: Joint initiatives e.g. research forum and risk forum
Ongoing	Oversight: File performance returns as required
April	Monitor: Outcome of question on how CLSB could improve regulation of the profession, asked on 2019 practising certificate application forms
July	Progress: Consultation on 2020 practising certificate fee
July	Monitor: Actions against CMA recommendation e.g. stakeholder engagement, analyse current usage of Legal Choices, explore media and communication opportunities, analyse common data between regulators, work with other regulators on action plan, publish outcomes
November	Progress: Issue application packs for 2020 practising certificate to all Costs Lawyers on the 2019 register
December	Progress: Administration of 2020 practising certificate applications

Communication

DATE	ACTION
Ongoing	Email: All Costs Lawyers and interested parties and post on CLSB website any consultation papers on any proposed changes to regulatory arrangements
Ongoing	Email: Newsletters to Costs Lawyers
Ongoing	Website: Keep all documents and information about the CLSB up to date
Ongoing	Website: Post all news items and newsletters
Ongoing	Website: Keep public domain register updated with those authorised and regulated by the CLSB, and their employer details (where authorisation to publish given)
Ongoing	Legal Choices: Continue to support this initiative, attending editorial meetings
Ongoing	Legal Choices: Keep information up to date on Legal Choices website
Ongoing	Publications: Articles as appropriate in Costs Lawyer journal
Ongoing	Publications: Articles as appropriate in other publications
Ongoing	Oversight: Attend CEO meetings as arranged by the LSB
Ongoing	Oversight: Attend annual 1:1 Chair and CEO meeting with LSB
Ongoing	Oversight: Attend Chair meetings as arranged by the LSB
Ongoing	Oversight: Attend all other required meeting with the LSB
Ongoing	Legal Services Consumer Panel: Engage as required
Ongoing	Legal Ombudsman: Engage as required
Ongoing	Approved regulators: Engage as required
Ongoing	Ministry of Justice: Engage as required
Ongoing	CMA: Engage as required on implementation progress
Ongoing	BEIS: Engage as required
Ongoing	LawCare: Engage as required
Ongoing	ACLT: Engage as required
Ongoing	ACL: Meet and email as required
May	ACL: Attend the ACL conference (Manchester)
October	ACL: Attend the ACL conference (London)

CLSB operation

DATE	ACTION
Ongoing	Monitor: Risks to the operation of the CLSB
Ongoing	Monitor: Board performance
Ongoing	Monitor: Employee (executive and other) performance
Ongoing	Monitor: Board composition and skill sets
Ongoing	Statutory compliance: Companies Act requirements e.g. annual returns, filing accounts, directorships
Ongoing	Statutory compliance: Pensions Act requirements
Ongoing	Statutory compliance: Financial requirements e.g. accounting, payroll
Ongoing	Statutory compliance: Employment law requirements
Ongoing	Monitor: Documents forming the CLSB Operation Manual to ensure they remain current and fit for purpose
July	Statutory compliance: Board approve 2018 accounts
July	Monitor: Finance, by board approving 2020 budget
July	Monitor: Strategy, by board approving 2020 business plan

6. Governance

The CLSB board

The CLSB is governed by a board made up of five non-executive directors (three lay and two non-lay, thus providing the lay majority required under the LSA). The CLSB Chair is one of the three lay non-executive directors. A biography of each non-executive director appears on the CLSB website.

The board is responsible for the approval of CLSB policy and strategy. The board meets four times a year (scheduled board meetings) and additionally on a needs-be basis. At the time of it approving this business plan, the CLSB board was comprised of:

Chair & Lay NED:	Steve Winfield
Vice Chair & Lay NED:	Gillian Milburn
Lay NED:	David Gamble
Non-Lay NED:	Richard Allen
Non-Lay NED:	Tracyanne Ayliffe

Individual performance monitoring

Each individual board member's performance is assessed annually under an appraisal policy which also identifies development needs.

Overall performance monitoring

In April 2018, the board undertook an evaluation of its composition and board appointment terms. In line with the practice of other approved regulators it was agreed that the Chair would serve a maximum of 7 years and both lay and non-lay non-executive directors a total of 6 years. As a result, Richard Allen term in office will end 25 January 2019 and Gillian Milburn on 4 March 2019. The board meeting in January 2019 will be the first for the lay NED replacing David Gamble.

Sub committees

Due to the small size of the CLSB, the only sub-committee in operation is a Remuneration Committee.

7. Operation model

The CLSB is the smallest of the approved regulators, as a result it has limited income. The CLSB therefore operates a business model under which it buys in services on a needs-be basis as opposed to having employees in those roles. That said, under the Pensions Act 2008, the CLSB is deemed to have 13 employees as the CLSB executive, board and panel members are all remunerated through PAYE. In addition to those 13 employees, the CLSB executive is supported on a day to day basis by a non-practising solicitor, admin support, a firm of solicitors, a firm of accountants, an insurance broker, payroll officer, pension officer, trademark attorney, IT specialist, independent investigator and an independent education auditor. The CLSB will continue its current operation model during 2019.

8. Internal governance

The CLSB has in place a portfolio of over 30 internal governance documents (Operations Manual) and will continue to review and maintain those documents throughout 2019 to ensure they remain current and fit for purpose.

9. Operating income

For year 2019, the CLSB will be financed by the 2019 practising certificate fee. The annual practising year is a calendar year (1 January to 31 December). This is the only source of income for the CLSB. The practising certificate fee can only be spent on activities that are permitted under S.51 of the LSA. The CLSB only undertakes permitted purposes. At the time of publication of this plan the CLSB is proposing to keep the 2019 practising certificate fee at £250.00 (the same for eight consecutive years). As at 1 April 2018 the CLSB regulated 662 Costs Lawyers, based on year 3 trainees and numbers leaving each year, only a small increase is expected on regulated numbers during 2019.

The CLSB is not registered for VAT.

10. Expenditure review

The CLSB monitors its annual budget at quarterly board meetings.

11. Reserve policy

The CLSB will continue to contribute towards its reserve fund year on year until it achieves a CLSB board approved reserve fund of one year's gross operating income.

12. Ownership of CLSB

Costs Lawyer Standards Board Ltd is a company registered in England & Wales under company number 04608905. It has an authorised share capital of 100,000 ordinary shares of £1.00 each of which 15,000 shares are currently in issue to the ACL (fully paid up). The CLSB carries a financial liability of £15,000 in relation to those paid up shares. In May 2018, the CLSB formally requested the ACL sell those 15,000 shares in issue to the CLSB to enable the CLSB to change its corporate structure to one limited by guarantee.

13. Costs transparency

A section on the CLSB website sets out the following:

- (i) History of the annual practising certificate fee.
- (ii) Key costs of the CLSB e.g. salaries, rent, travel and subsistence.
- (iii) History of annual LSB levy.
- (iv) History of the annual LeO levy.

14. Contacting the CLSB

Post: Costs Lawyer Standards Board, Centurion House, 129 Deansgate,
Manchester, M3 3WR

Phone: 0161 956 8969

Email: enquiries@clsb.info

Web: Under the "contact us" section of website www.clsb.info

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