

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF CILEx REGULATION LIMITED
HELD ON 26 April 2017**

Present:

Sam Younger (Chair), Patrick Bligh-Cheesman, Ian Chivers, Andrew Donovan, Luisa Fulci, David Gilbertson, Harvey Sandercock

In attendance (CILEx):

Martin Callan, President, CILEx
Karl Cerski, Director of Group Finance, CILEx
Laura Gadsby, Group Accounts Manager, CILEx
Millicent Grant, Vice-President, CILEx
Victoria Hurdley, Director of Development, CILEx

In attendance:

Michelle Barter, Management Accountant, CILEx Regulation
Jill Durham, Director of Policy and Enforcement, CILEx Regulation
David Pope, Entity Authorisation Manager, CILEx Regulation
Victoria Purtill, Director of Authorisation and Supervision, CILEx Regulation
Beccy Ryder, Personal Assistant, CILEx Regulation
Helen Whiteman, Chief Executive Officer, CILEx Regulation

1 Minutes of previous meetings

The Board considered minutes presented for approval.

DECISION:

➤ To approve the following:

- minutes of the Board meeting held on 8 February 2017;
- minutes of Board meeting 8 February 2017 (confidential);
- minutes of Board telecon 16 March 2017 (confidential).

2 Chairman's Update

The Chairman gave an overview of his work since the last Board meeting (minuted confidentially).

3 Annual Accounts 2016

The Board considered the 2016 Annual Accounts presented for approval. This year's audit had gone smoothly and the Chairman expressed the Board's appreciation of the work of the Finance team.

The Board's detailed discussion of the March 2017 Management Accounts is minuted confidentially.

DECISION:

- To approve the 2016 audited financial statements for signature.

4 Practice Fees 2018

Vicky Purtil reported that limited aspects of the 2018 practice fee proposals required consultation as few changes from last year's fees were proposed.

It was agreed that the provisional fees would be signed off by the Chair under delegated authority.

DECISION:

- That the provisional 2018 practice fees be approved under Chair's delegation.

5 Rule Change Proposals

Vicky Purtil reported proposals for changes to rules relating to the advocacy schemes and Fellowship scheme to centralise and implement the Admissions and Licensing Committee Rules created under the Practice Rights application across all Practitioner schemes overseen by that committee.

DECISION:

- To agree the proposed revisions to the rules.
- To agree that an application be made to the LSB to seek approval of these revisions without consultation, having regard to the nature of the changes.

6 Board Governance

Transparency of Board papers: Following the decision of the Board at its December 2016 meeting to publish agendas and papers, the Board considered proposals to extend its Confidential Minutes Policy to govern the exclusion of confidential information, and rename it the Governance Transparency Policy. The draft Policy was approved for publication subject to removal of the word '*occasionally*' at paragraph 2 of the draft.

The Board thanked Beccy Ryder for her work in creating a new area on the website for publication. It was agreed that office would continue to assess papers and provisionally mark items 'not for publication' and that agendas and papers would be published after the event to allow Board members an opportunity to challenge the provisional assessment of confidentiality under the revised Policy.

Costs transparency: The Board reviewed 2016 regulatory costs data and agreed to publish all optional metrics recommended by the LSB other than

senior staff salary banding. The Board took the view that this could identify individual senior staff salaries given the size of the company.

Board Composition: The Board agreed to Andrew Donovan stepping down as a Director until 1 April 2018 and for the number of seats on the Board to reduce from seven to five. CILEx had acknowledged that a lay majority would be maintained between 1 April 2017 and 31 March 2018 by way of a break period in the first term of office of professional Board member Andrew Donovan, following which he would re-join as a Director of CILEx Regulation Ltd without a formal reappointment process. The Board agreed an amendment to the Rule 6 of its Period of Appointments rules to reflect this.

It was agreed that upon the number of seats being reduced to five, new arrangements for wider portfolios would be introduced, with the Chair continuing to lead on Finance and corporate matters. David Gilbertson and Harvey Sandercock would become lead Board members for Authorisation and Supervision. Ian Chivers and Luisa Fulci would become lead Board members for Policy and Enforcement.

Decision matters reserved to the Board: The Board completed its periodic review of the schedule of reserved decision matters and agreed changes to reflect the division of responsibilities between the executive and the Directors and to better reflect the regulator's position in relation to education matters.

Review of Board's 2016 Self-Evaluation: The Board considered an analysis of the self-evaluation and in particular of areas which the Board had highlighted for further development, including risk management and performance monitoring. The Board asked the office to propose improvements in these areas at its next meeting.

Note: Proposals for development of risk management and delivery of business goals are reported to the Board's 2017 meeting.

DECISION:

- To approve the Governance Transparency Policy for publication on the website subject to a small wording change.
- To consider a draft statement of 2016 regulatory costs and to receive a further report with final proposals at its next meeting.
- To approve changes to its schedule of reserved decision matters and the revised schedule be published on the website.
- To reduce the number of seats on the Board from seven to five with effect from 31 March 2017.
- To amend Rule 6 of the 'Board, Committee and Panel Periods of Appointment and Period before New Terms of Appointment' by adding the following words: '..... (other than where a sitting Board member has an agreed break period during their term of office, following which they resume their term for the remainder of its original duration without a formal reappointment process)'
- To approve new portfolio arrangements with effect from 1 May 2017.

7 CILEx Update

The Board received an oral update from the President on CILEx's current priorities. A consultation with members would be launched shortly on the CILEx Governance Review proposals. The President continued to attend branch events to communicate key messages.

The Chairman reminded the President of the aim of each Board member to link with a Council member to attend branch events and engage with the regulated community.

8 Strategy 2017-2019

The Board reviewed the revised strategy document reflecting current priorities. The mission statement had been amended to take into account the public interest and consumer had been made the number one strategic priority. It was agreed that the strategy be reviewed at the Boards' November 2017 meeting.

Work streams to deliver the strategic priorities were in development and would be reported with milestones.

DECISION:

- To approve the revised 2017-2019 Strategy for publication.

9 CEO Report

CEO, Helen Whiteman updated the Board on key work streams and stakeholder engagement.

10 Business Development

CILEx Director of Development Victoria Hurdley updated the Board on business development for ABS, entity and practice rights, with reference to the follow up of market research findings considered at a previous meeting.

Employer pages were now live on the CILEx website. Self-employed information sat under the employer section for now but would be moved to another part of the site in due course. The Careers Hub was due to go live representing a step forward in encouraging employers.

Practice Rights promotion was ongoing; the employer website pages showed different models in picture format. A development programme for judicial appointment applications was being created and this approach would be replicated for practice rights.

CILEx planned to work with self-employed members individually to promote entity regulation.

The Board thanked Victoria for her report and asked that progress be reported at future meetings against a documented delivery plan with activities and

milestones to enable the Board to better monitor delivery under the service level agreement with CILEx, which Victoria agreed.

11 ABS/Entity/Compensation Update

David Pope updated the Board on development of entity regulation and progress towards application to become an ABS Licensing Authority.

ABS Licensing: Feedback from the LSB on the application has been received and circulated. Work on the application was in progress.

HM Courts and Tribunal service would provide the final appeal behind the scheme under Schedule 11 of the Act. The justice impact test had been submitted and would be circulated across relevant departments with a response expected within six weeks.

The ABS working group were scheduled to meet to approve the business case. The President reaffirmed CILEx's support for the ABS application and confirmed that it formed part of their core strategy to invest in development opportunities for their members.

Pending CCF rule change approvals necessarily preceding the application, the Board approved the timetable for submission of the ABS application.

Compensation Fund: The consultation was scheduled to close on 18 May. The option to pay run off premiums direct had been discussed at the Joint Advisory Panel, although this was unlikely to be pursued as the insurers accepted their obligation to pay run off under the Minimum Terms and Conditions.

PII: David reported that the consultation with insurers on PII Rule changes was about to be published.

AML: The office would respond to proposals to introduce an oversight Supervisor expressing concerns about proportionality and potential for increased regulatory costs.

DECISION:

- To agree proposed timetable for submission of the ABS application.

12 CILEx Education Directorate Annual Report 2016

The Board reviewed the CILEx Education Directorate Annual Report 2016 and requested an interim update to a future meeting, setting out proposed changes to CILEx qualifications.

DECISION:

- To receive the CILEx Education Directorate Annual Report 2016 and require an interim update

13 Knowledge Manual/CPD

The Board reviewed additional information about the Knowledge Manual, the CPD scheme and accreditation schemes, following initial consideration of the proposal at its 8 February 2017 meeting.

The Board's detailed discussion is minuted confidentially.

DECISION:

- To approve accreditation of the CILEx Knowledge Manual for its designated purpose.

14 Operational Performance Q1

The Board noted operation performance in Q1 (January to March) and asked that performance data be added to Board SharePoint.

The Board thanked the office for the work that had been done on the statistics, in particular Clare Harper Smith.

DECISION:

- That the report be received.

15 AOB

Staff engagement: As part of recent staff focus groups, it had been highlighted that teams were keen to engage with the Board. The office suggested a range of engagement activities, including staff members observing non-confidential parts of Board meetings as personal development. The Board agreed to welcome staff members to meetings.

And finally, hearty thanks: The Board gave hearty thanks to Patrick Bligh-Cheesman for his hard work and dedicated service to CILEx Regulation throughout two terms of office as a Board member, and wished him well in future ventures.

**SAM YOUNGER
CHAIRMAN**