

**MINUTES OF THE MEETING OF THE BOARD
OF DIRECTORS OF CILEx REGULATION LIMITED
HELD ON 19 MAY 2015 AT BOX END PARK, BOX END ROAD,
KEMPSTON, BEDFORD MK43 8RQ**

Present: Mr Alan Kershaw (Chair), Mr Patrick Bligh-Cheesman, Mr Ian Chivers, Mr Andrew Donovan, Ms Luisa Fulci and Mr Harvey Sandercock.

In attendance: Mrs Baljeet Basra (Head of Business Development & Operations), Miss Shazrin Begum (Governance and Consultations Officer), Mr Karl Cerski (Director of Group Services & Chief Finance Officer) (Item 7), Mr David Edwards (CILEx Vice-President), Mr David Pope (Entity Authorisation and Supervision Manager) (Item 9), Mr Walter Riggans (Education Policy Manager) (Item 5), Miss Saadia Siddiqui (Investigation Manager) (Item 8), Mr Ian Watson (CEO) and Mrs Helen Whiteman (Items 4-5).

ITEM 1 APOLOGIES FOR ABSENCE

1. There were apologies for absence from Mr David Gilbertson.

ITEM 2 DECLARATIONS OF INTEREST

2. There were no declarations of interest.

ITEM 3 MINUTES

3. The minutes of the IPS Board meeting held on 19 March 2015 were approved as a true record.

SB

ITEM 4 BUSINESS DEVELOPMENT

Developments

4. The Board noted performance against KPIs, successes and opportunities and risks relating to business development.

Existing Marketing activity

5. The office had promoted the practice rights and entity regulation schemes through e-shots, journal articles and adverts. The Board noted the number of web hits generated by each article in each e-shot, which had resulted in applications for practice rights, entity authorisation and compliance manager approval.
6. The office also attended the CILEx graduation days in April 2015 and spoke to members about practice rights and entity regulation, which had generated interest in the schemes.

Planned Marketing Activity

7. The office was working on marketing to members segmented by each practice area. The marketing officer had been researching media for adverts. The office had utilised social media. A number of roadshows had been organised to promote the rights.

Current business development

8. Business development activity continued to be reactive, but some opportunities had arisen with law firms, organisations which provided compliance support and recruitment services to law firms.

Opportunities for future business development activity

9. CILEx Regulation needed to plan business development activity following its exploratory work. The Board discussed insurance run-off cover for firms, the different types of insurance solutions and targeting conveyancing firms. It was agreed a plan would be considered by the Practice Regulation Working Group (PRWG).

BB

ITEM 5 EDUCATION AND STANDARDS

Seven year expiry rule

10. CILEx recognise qualifications that have been achieved through other organisations, by application of an exemptions policy. For most alternative qualifications, the applicant must have successfully completed the qualification within seven years before the date of application for the exemption to apply. However, there were qualifications to which the seven year rule did not apply. Therefore there were inconsistencies. A proposal was made by CILEx to discontinue the seven year expiry rule.
11. It was noted that there were assessments to ensure that candidates' application of law and procedure was up-to-date through work-based learning and continuing professional development (CPD). The Board approved the proposal to remove the seven year expiry of the qualifications rule. It was noted that CILEx Regulation needed to consult

on the rule change and, subject to that, make an application to the LSB for approval of the proposal.

WR

Notification of an adverse effect

12. The Head of Qualifications reported on a notification of an adverse effect submitted to Ofqual in April 2015. The cause of the issue had been investigated and as a result remedial training of staff members had been undertaken. Ofqual had been notified of the incident and had closed the case. The Board noted the action taken.

Trailblazer Apprenticeships

13. The Board noted that the Chartered Legal Executive assessment plan would be submitted to the Department for Business, Innovation & Skills (BIS) in May 2015.

Youth Court Advocacy review

14. CILEx Regulation joined the Bar Standards Board (BSB) to conduct research into advocacy in the Youth Court. Interviews with young defendants and witnesses were being conducted.

15. An interim report was due at the end of May 2015 with the final report to be published in late Summer 2015.

Ethics in Advocacy research project

16. The ethics in advocacy project focused on 'new' advocates - those who had qualified and practised as advocates for less than 3 years. The fieldwork phase of the project had now finished, and the research team were analysing the results with input from a number of ethics experts, appointed to assess the validity and reliability of the responses.

17. The research would complete in December 2015 with an interim report expected in the Summer of 2015.

Paralegal Enquiry

18. The Board noted that CILEx had completed most of its series of round table discussions in respect of the paralegal enquiry.

Report on the new Solicitors Regulation Authority (SRA) and proposed Bar Standards Board (BSB) competence standards

19. In April 2015, the SRA launched their new Competence Statement for solicitors. It set the standard for practice as a solicitor. The office had carried out mapping against the final version of the SRA's Competence

Statement.

20. The BSB also launched in April 2015 a consultation on a new Professional Statement, setting out 'the parameters of competent practice' in maintaining the standards required of all barristers from 'day one' of their qualification. Again the office had carried out mapping against both the CILEx Regulation Civil Litigation and Advocacy Frameworks and the Practice Management and Accounts Framework.
21. The Board agreed that the mapping be discussed at the next meeting of the Legal Education and Training (LETR) working group.

WR

Review of the Rivlin Report

22. In March 2015, the Bar Council's Criminal Justice Reform Group (CJRG), chaired by His Honour Geoffrey Rivlin QC, published a report entitled, 'Criminal Justice, Advocacy and the Bar', on the future of criminal justice and advocacy. The Board noted the response made by CILEx to the report.

Update on Quality Assurance Scheme for Criminal Advocacy (QASA) implementation

23. It was noted that an appeal on QASA was submitted to the Supreme Court, with judgment to be handed down within 6-8 weeks.

Report on the participation of CILEx regulation in the 50th annual conference of law teachers

24. The Association of Law Teachers (ALT), made up of law teachers from higher and further education in the UK and worldwide, celebrated its 50th anniversary at its annual conference in Cardiff.
25. CILEx Regulation made a presentation on developments in legal regulation. The Board noted the report on the conference. The Board agreed to invite the ALT Chair to speak at the next CILEx Regulation strategy day.

BB

ITEM 6 CAPACITY AND CAPABILITY

Chair recruitment

26. The recruitment process for the Chair of CILEx Regulation had started. Board members were provided with details of the appointment process for the Chair.
27. Board members discussed the recruitment timing of the chair. The proposals on timing were put to a vote. It was noted the protocols left the

timing of the appointment process to the Appointment Committee. It was recommended, with four members in favour, to recruit the new Chair by 1 September 2015 and one vote to recruit the new Chair by 1 October 2015. The Chair abstained from the vote.

IW

28. Further work would need to be carried out by the appointment committee.

29. The Board approved the constitution of the appointment committee and delegated to the committee decisions on the process. The appointment committee will comprise two independent members of the Board, a representative of CILEx Council and an external independent member and supported by the CILEx Regulation CEO. Mr Bligh-Cheesman will serve on the committee.

Protocols and Service Level Agreements (SLA)

30. The protocols and SLA's between CILEx and CILEx Regulation had undergone annual review. The review identified areas where the protocols and SLAs needed to be updated. The Chair felt some of the annexes to the protocols were too prescriptive.

31. The protocols included text for casual vacancies of Board members; this would deal with instances where the Board ceased to have a majority of lay members. During a period of casual vacancy the Chair of the Board would have a casting vote which may be exercised when a vote was called on a resolution before the board.

IW

32. Mr Kershaw agreed for Mr Gilbertson to sign the Protocols document on his behalf during the remainder of his term as Chair.

Risk Register

33. The Practice Regulation Working Group (PRWG) had reviewed the risk register on practice rights. The PRWG took the view that the register had items which should form part of the main organisation risk register. Ms Fulci asked that the Board receive reports to discuss high level risks rather than a detailed register. It was agreed she further discuss her proposals with Mr Gilbertson.

LF

Business Plan 2015

34. The Business Plan for 2015 had been updated to record work that had taken place since the last Board meeting. The Board noted progress made against the business plan.

LSB deregulation work streams

35. The Board were provided with a report on the actions completed through

the various deregulation work streams being led by the Legal Services Board (LSB). The Board were requested to agree the Deregulatory Status Report which had been drafted by LSB staff and received input from each of the regulatory bodies. The report was a briefing document for government and showed the deregulatory work which had been already accomplished. The Board approved the Deregulatory Status Report.

Regulatory Standards Self-Assessment

36. The LSB has started planning the next regulatory standards self-assessment, which it aims to conclude by December 2015. The review for 2015 would be a full review and would follow in three stages. A meeting took place with LSB officers leading the project to provide feedback on draft documents.

I.T. project

37. The CILEx group had started work on a project to identify a potential replacement for the databases which are used by all of the CILEx Group to records details of membership and other customer relationships. A project Board is preparing a tender document for prospective suppliers.

ITEM 7 FINANCIAL REPORT AND BUDGET

Format of financial information

38. The presentation of financial information had been changed to make it clearer.

Income and Expenditure to end of March 2015

39. The Board noted the income and expenditure report to the end of March 2015. Income was significantly lower than budget and forecasts for practice rights authorisation and entity applications were revised accordingly. Adjustments had been made to the heads of income and expenditure to reflect changes in the areas of work and key data had been presented graphically.

Practice Certificate Fees 2016

40. CILEx and CILEx Regulation sent a joint letter to Fellows regarding the 2016 Practice Certificate fee. CILEx Finance Committee decided it needed to set a fee to fully cover regulation and permitted purpose costs rather than subsidise them through other income. The consultation would close at the end of the month.

41. Discussions would also take place with the Crown Prosecution Service regarding Associate Prosecutor fees.

ITEM 8 ENFORCEMENT

Developments

42. The Board noted performance against KPIs, successes and opportunities and risks in Enforcement work.

Amended CILEx Regulation Publication Policy

43. CILEx Regulation had reviewed its Publication Policy to ensure it reflected data protection requirements. The office sought advice from Counsel and presented an amended draft of the Publication Policy to the Board. This included the different types of exclusions which the Disciplinary Tribunal could apply to members. The Board agreed the updated Publication Policy subject to making clear what each of the exclusions means.

SS

Clerk to the Disciplinary Tribunal

44. The Board were presented with the CV of a potential clerk to the Disciplinary Tribunal. The Board reviewed the CV and agreed for the applicant to be appointed as a permanent clerk.

Case costs in misconduct investigations and proceedings

45. At the Board meeting on 19 March it was agreed that the office should apply a tiered system for claiming costs from members where a finding of misconduct was made. A flat rate for all Determination by Consents to the amount of £375 was agreed.

46. The Board approved the implementation of the proposal to claim costs from Relevant Persons where a misconduct finding is made without the need for a formal consultation.

SS

47. The Board agreed to lift the cap on costs that may be claimed by CILEx Regulation in disciplinary matters.

CPD non-compliance update

48. The Practitioner Authorisation and Supervision Team referred Fellows who had outstanding CPD for 2012/2013 and 2013 and Graduate and Associate members of CILEx in regard to their outstanding CPD for 2013 to the Investigation Team for misconduct action. The Board noted the report of action taken by the Investigation Team.

ITEM 9 ENTITY AUTHORISATION AND SUPERVISION

Developments

49. The Board noted the Entity Authorisation and Supervision team's performance against KPI, and a report on successes, opportunities and risks on entity work.

Escrow Arrangements

50. CILEx Council and CILEx Regulation Board agreed to set up a joint Escrow Working Group to progress the work on escrows. The Board were provided with a verbal update on the progress of the work.

The CILEx Compensation Fund

51. The recruitment process of the Chair and trustees for the CILEx Compensation Fund had been completed. The office was now awaiting final references from all Trustees. A new section of the website was being developed for the CILEx Compensation Fund.

Professional Indemnity Insurance

52. The office considered the issue of run-off insurance and the restrictions it placed on entities transferring between regulators. CILEx Regulation's minimum wording was different to other regulators minimum terms and conditions, therefore the levels of cover and security provided to consumers by separate regulators was different.

53. A meeting had taken place in May 2015 between the Office and an insurance broker to discuss the issue in more detail and to establish how insurers could assist with addressing the problem. The work will be taken forward by the PRWG.

MN

Entity Regulation

54. The office had produced a full set of branded documents available to applicants, which included the 'Start-Up Guide'. This guide provided information to members looking to set up a practice and had been added to both the CILEx and CILEx Regulation websites.

55. The entity team had produced a paper on the next steps for anti-money laundering guidance, training and monitoring. HM Treasury had carried out a first review of the guidance and CILEx were working on the necessary changes before it proceeded to the next stage for approval.

56. Disclosure and Barring Services (DBS) had approved CILEx Regulation to submit a registration application to enable the organisation to carry out a standard DBS check. The matter would complete shortly.

DP

57. The office had been processing entity applications and the business monitoring sheet continued to be updated. Work would commence with the Director of Development on how to effectively process information.

DP

Alternative Business Structures

58. Work on the Alternative Business Structure application had commenced and the office has had an impact assessment accepted by the Ministry of Justice (MoJ) on appeals to the First Tier Tribunal. Work had commenced with insurers for the changes required to the CILEx minimum wording. The office would present a report to the PRWG on the business case and projections for licensing.

BB

ITEM 10 PRACTITIONER AUTHORISATION AND SUPERVISION

Developments

59. The Board noted performance against KPIs, reporting the successes, opportunities and risks of Practitioner work. The practice rights table presented to the Board would add in a further column on forecasts.

JS

Work Based Learning

60. The Board noted the workload of the Practitioner team through March and April 2015. External assessors had been utilised to enable the team to get application processing up to date.

61. The office had commenced reviewing changes to the work based learning process, after which the handbook would be redrafted.

JS

Qualifying Employment/Fellowship

62. The practitioner team had continued to process high levels of applications. A new system of recording was implemented, to ensure the office captured all additional assessment which was taking place. Board members noted the updated statistics.

63. The office had reviewed the qualifying employment application process, to ensure the procedure was streamlined. Changes had been made to the application form to capture more information from applicants from the outset to reduce the need for further information requests.

Continuing Professional Development (CPD) Non-Compliance

64. The Board noted the final non-compliance figures for the CPD year which ended in September 2014.

65. Targeted work had continued with non-compliers during the period. Work

had also taken place in preparation for sampling during the current period.

Practice Rights

- 66. The office had received a number of applications for individual practice rights.
- 67. Some candidates would require a Civil Advocacy course before their rights could be awarded, courses would be provided by an external provider and would commence in October 2015.

Advocacy

- 68. The Board noted the report of the advocacy applications processed by the office. Courses had been planned for all three sets of rights in September and October 2015.

ITEM 11 CONSUMER AND STAKEHOLDER ENGAGEMENT

Annual Report 2014

- 69. The annual report for 2014 had been finalised. Additions which the Board requested at the last Board meeting had been actioned and the report would be placed on the CILEx Regulation website.

SB

Consumer Engagement Action Plan 2015

- 70. An update was provided on the performance against the Consumer Engagement Action Plan to May 2015. The First Tier Complaints Handling Survey 2015 continued to be sent out to respondents until the closing date of end of April 2015. Reminder emails were sent out to those who had not responded. The report of the findings of the research would be presented at the July Board meeting.
- 71. Promotion of the client survey had continued, focusing on engagement with regulated members through CILEx Regulation e-shots and individual emails.

Regulators' Forum

- 72. The Regulators' Forum had most recently met in London in May 2015. Mr Moriarty, CEO of the LSB, had attended to outline LSB activities and to address the Forum on the regulatory standards self-assessment.
- 73. Regulators discussed the possibility of joint research activity on consumer engagement. It had been agreed a separate meeting would take place on this work.

74. CILEx Regulation had led on the development of a Memorandum of Understanding (MoU) to exchange risk intelligence through the Regulators' Forum. The MoU had been signed by some regulators and others would sign at a later date.

SC

Legal Choices

75. A separate marketing sub group had been set up for the Legal Choices website to prepare a marketing plan. The marketing plan was augmented following the meeting and presented to the editorial meeting. A fresh plan for the website content over during 2015 was shared with the editorial group.

76. The discussion forum section of the website had potential for development and would be further discussed. The social media element of the website had been developed over the past quarter.

SC

Equality and Diversity Data update

77. CILEx Regulation had launched its third annual diversity survey. The survey gathered evidence about the composition of the legal sector workforce across a wide range of diversity indicators. The survey had been sent to self-employed and locum regulated members who had not been sent surveys by the other regulators.

78. The survey had closed in the first week of May 2015. The LSB had identified a need for more work to be done with the data in order to impact on diversity in the legal sector. The regulators had met at a roundtable meeting to discuss the LSB's findings and agree actions to meet the LSB's objectives. It was agreed that the regulators would meet again with the LSB to agree further action.

SC

Data Release to Comparison Websites

79. The Board had agreed in November 2014 to release data to comparison websites. In March 2015 CILEx had agreed for data to be released to such websites and that data release should progress in accordance with the Data Protection Action Plan.

80. Work had commenced with I.T. to plan the practicalities of collection and recording the consent of Fellows and to raise awareness of Fellows requiring opt-in to the release of their data.

ITEM 12 CONSULTATIONS

81. The Board noted a summary of open and closed consultations.

82. The SRA had issued a consultation on its Regulatory Reform Programme.

The Board noted the summary of the consultation document and agreed a response was not required. However the office would continue to monitor the changes which the SRA implemented as a result of the consultation.

ITEM 12 INFORMATION ITEMS

83.The Board noted the minutes of the Practice Regulation Working Group meeting held on 11 February 2015.

ITEM 13 DATE OF NEXT MEETING

84.The next meeting was scheduled for 16 July 2015 at 9:30am.

**Alan Kershaw
Chairman**