

**MINUTES OF THE MEETING OF THE  
BOARD OF DIRECTORS OF CILEx REGULATION LIMITED  
HELD ON 12 July 2018**

**Present:**

Sam Younger (Chair), Andrew Donovan, Luisa Fulci, Harvey Sandercock

**Apologies:**

David Gilbertson

**In attendance (CILEx Regulation):**

Victoria Purtill, Director of Authorisation and Supervision  
Beccy Snape, Personal Assistant  
Helen Whiteman, Chief Executive Officer

**In attendance (CILEx):**

Michelle Drury, Management Accountant (minute 5)

**1 Minutes of previous meetings**

The Board considered minutes presented for approval.

**DECISION:**

To approve the following:

- confidential minutes of the Board meeting on 2 May 2018;
- confidential minutes of the Board telecon on 13 June 2018.

**2 Chair's Update**

The Chairman gave an overview of his work since the last meeting.

**3 Q2 2018 Operational Performance**

Director of Authorisation and Supervision, Vicky Purtill reported progress against business plan activities and operational performance against targets in the period April to June 2018, including updates on associated work plans.

2018 Business Plan: Performance to deliver business objectives was reviewed and noted. The Board asked that PCF be re-worked to become a broader theme around keeping costs under control.

New Group governance structure: Redevelopment of the protocols between CILEx and CILEx Regulation continued to be on hold pending the outcome of the CILEx consultation on the changes to its byelaws. CILEx Regulation would provide feedback to Group Board on the principles and a relevant set of protocols would then be determined.

The Board agreed to invite Doris Olulode, Group Board member, to its September meeting to discuss Group Services and Service Level Agreements.

The Board agreed to host a roundtable in October 2018 focused on legal technology.

Meeting the regulatory objective in relation to diversity: The recent equality and diversity survey had identified five areas to look at. CILEx Regulation had engaged the services of a specialist diversity consultant to assist with the research and delivery.

One of the unique selling points of CILEx in the future could centre around diversity. CILEx Regulation had a role to play in terms of encouraging women to run their own business and could support the membership body in promoting entity.

Operational Performance April to June 2018: The Board noted operational performance in April and June and requested minor changes to the presentation.

Board members agreed that CILEx Regulation's consumer panel numbers, legal choices review, and staff turnover be added to the KPIs.

It was agreed that a small number of critical statistics would be shared with the Group Board as per their request. This could include number of disciplinary cases and complaints.

Communications: Board members agreed to increase their presence on social media by sharing CILEx Regulation updates. Any further achievement in line with the Board Action Plan would be developed once the governance support was in place.

Barriers to entity growth: Vicky Purtil had attended the Barclays Law Tech Eagle Labs launch. The Law Society had partnered with Barclays to drive and support innovation in law technology by sponsoring business start-ups. A tech company had developed an electronic escrow and were also interested in developing technology that removed the need for a lender panel. This would provide solutions to money laundering. Vicky had put a paper together on lender panels to send to the LSB in response to their request for various papers to put together a legal sector bid for money from the pioneers' fund.

## **DECISION:**

- To note progress in Q2 against Business Plan objectives;

- To note progress against associated delivery plans (Entity/ABS Plan, CMA Action Plan);

#### **4 Quarterly Risk Review**

The Board reviewed a risk update. The Board's discussion is minuted confidentially.

#### **DECISIONS:**

- To endorse the current risk assessment;
- To agree mitigating action in relation to key risks.

#### **5 Finance**

The Board considered the following:

- Draft Reserves Policy and Dividend Policy
- May 2018 Management Accounts
- Mid-year reforecast
- 2019 Working Budget
- Q1 Unit Costings
- Statement of Regulatory Costs 2017
- Group CRM Project Update
- 2019 PCF consultation analysis
- Q1 Group Outturn

Discussion is minuted confidentially.

#### **DECISIONS:**

- To receive Management Accounts to May 2018;
- To approve the draft Mid-Year 2018 Reforecast against Budget;
- To approve the 2019 Working Budget;
- To note the First Quarter 2018 Unit Costings;
- To approve the Statement of Regulatory Costs for 2017;
- To receive an update on progress in the Group CRM project.
- To receive the responses from the PCF consultation in relation to the 2019 fees proposed to be charged to regulated individuals and agree to:
  - Hold the PCF for Fellows at £364 for 2019
  - Hold the Advocate and Practitioner fees at 2018 rates
  - Introduce the new fee scale for entities and ABS for 2019
  - Increase the PCF for Associate Prosecutors to £271 for 2019.

#### **6 CMA Recommendations**

Vicky Purtill, Director of Authorisation and Supervision, updated the Board on progress in response to the CMA recommendations for price and service transparency from regulated firms.

CILEx Regulation had continued to meet with the SRA and CLC to share approaches to developing appropriate rules and guidance. The office had attended two successful focus group sessions with consumers.

CILEx Regulation entities had been kept involved and had received links to the online quality assurance badge for their use.

The meeting in July would be the last that the CMA attended, at which point the LSB would take over in a proactive oversight role. The CMA expected to see sufficient changes and benefit to consumers at the end of the three-year project. The Board considered how information could be collated as proof that there had been a benefit to consumers and agreed that it would be beneficial for the office to look at this in advance of any requests from the CMA.

#### **DECISIONS:**

- To note the update on the current position and provide any feedback;
- To endorse the approach adopted in developing Rules with supporting guidance (with guidance not to be a regulatory arrangement).

### **7 CEO Report**

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

CILEx: 2019 working budgets had been approved by the Finance Committee at its meeting on 29 June.

Group Reserves Policy: The Finance Committee considered the draft Group Reserves Policy and Dividend Policy at its meeting on 29 June. The Board agreed to review the policies once the office had looked at them.

LETR 5 Years On – Leeds event: Vicky Purtil spoke at the event on 25 June. It was a successful event with members of the original research team in attendance.

JET (Joint Education and Training): The internal meeting would take place on 13 July at which the occupational mapping would be shared by CILEx.

#### **DECISION:**

- To receive the CEO's report.

### **8 Marketing Update**

Vicky Purtil presented a report on the progress made on the direct marketing of CILEx Regulation products and services. The Board's discussion is minuted confidentially.

#### **DECISION:**

- To endorse the progress made by Authorisation teams in relation to direct marketing and lead generation and follow up.

## **9 Education Standards Update**

The Board received an update on the latest developments on the education standards review at CILEx Regulation including an update from the Working Group meeting in May 2018 and the current position in relation to the application for designation as the External Quality Assurer (EQA) for the Chartered Legal Executive trailblazer apprenticeship.

Discussion is minuted confidentially.

### **DECISIONS:**

- To receive the information provided in relation to the development of the revised education standards and endorse the approach currently adopted.
- To approve that CILEx Regulation become involved in the University of Birmingham proposal in relation to artificial intelligence and the risks associated with the introduction of this type of technology to the consumer.
- To note the adverse effect.

## **10 Annual Reports 2017**

CILEx Regulation Ltd Annual Report: The Board reviewed CILEx Regulation Ltd's annual report and approved this for publication, subject to small changes under Chair's delegated authority.

Admissions and Licensing Committee Report: The Board received the committee's annual report and agreed this for publication.

Strategic Risk Report: The Board received an executive report on management of strategic risk and agreed this for publication.

Investigation, Disciplinary and Appeals Rules Report: The Board would be presented with the annual report on the Enforcement function and the work of the disciplinary panels at its meeting in September.

The annual reports would be published on the CILEx Regulation website and promoted through social media and Regulation Matters.

### **DECISIONS:**

- That the thanks and appreciation of the Board for the dedication and commitment of members of the committees and panels be recorded;
- To approve the following for publication:
  - CILEx Regulation Ltd Annual Report 2017;
  - Admissions and Licensing Committee Report 2017;
  - Strategic Risk Committee Report 2017.

## **11 Board Forward Plan**

The Board considered its Forward Plan of items of business and 2018 meeting dates.

### **DECISION:**

- To agree the Forward Plan.

**SAM YOUNGER  
CHAIRMAN**