



**MINUTES OF THE MEETING OF THE BOARD
OF DIRECTORS OF ILEX PROFESSIONAL STANDARDS LIMITED
HELD ON 27 JANUARY 2015 IN THE CILEx COUNCIL CHAMBERS,
KEMPSTON, BEDFORD, MK42 7AB**

Present: Mr Alan Kershaw (Chair), Mr Patrick Bligh-Cheesman, Mr Ian Chivers, Mr Andrew Donovan, Ms Luisa Fulci, Mr David Gilbertson 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 6), Mrs Sue Chandler (Consumer Engagement and Policy Officer) (Item 7), Ms Fran Edwards (CILEx President), Ms Laura Holland (Qualifications Development Manager) (Item 8), Mr Mandeep Nagra (Client Protection Manager) (Item 7), Ms Amanda Pipe (Quality Assurance Manager) (Item 8), Mr David Pope (Entity Authorisation and Supervision Manager) (Item 5), Mr Martin Reid (Marcomms Project Officer) (Item 7), Mr Walter Riggans (Education Policy Manager) (Item 10), Miss Saadia Siddiqui (Investigation Manager) (Item 9), Ms Joanne Stringer (Practitioner Authorisation and Supervision Manager) (Item 4) and Mr Ian Watson (CEO).

INTRODUCTIONS

1. The Chief Executive of CILEx, Mandie Lavin, briefly attended the meeting to be introduced to the Board members.

ITEM 1 APOLOGIES FOR ABSENCE

2. There were no apologies for absence.

ITEM 2 DECLARATIONS OF INTEREST

3. There were no declarations of interest.

ITEM 3 MINUTES

4. The minutes of the IPS Board meeting held on 20 November 2014 were approved as a true record.

ITEM 4 CAPACITY AND CAPABILITY

Board Members' Annual Appraisals

5. The appraisals of Board members had been completed by the Chair. Board member objectives had been set and the office would provide typed versions to individual members. Copies of the completed reports would be forwarded to the incoming Chair. **SF**

Board Performance Review

6. The annual Board performance review had been completed. The Board discussed the report, which highlighted the following key issues:
 - the need to market itself more strongly with partners and stakeholders;
 - suggestions for improvements in the timing and way meetings are prepared;
 - concern about IPS' failure to take the lead on ABS and shaping the legal services market and the need to coordinate its business focus, communications and entity regulation strategy to achieve this;
 - risk management concerns appeared to have eased; and
 - the need to be nimble and immediately responsive to change.
7. The Board requested that clearer management accounts be provided. It was noted that there was now no Board member with an accounting background. It was recommended a disaster recovery plan should be developed. There should be a new standing item on the Agenda regarding business opportunities.

Appointment of IPS Chair

8. The interviews for the appointment of the new IPS Chair had been completed. Mr Quinton Quayle had been appointed and would take office on 1 June 2015.

Review of Governance Documents

9. The annual review of the Board's governance documents had taken place. These included the Code of Conduct for Board Members, Conduct and Administration of Meetings, Matters Reserved to the Board, Confidential Minutes Policy and the Board, Committee and Panel periods of

appointment and period before new terms of appointment.

10. The Board agreed that no changes were required to these documents

Regulatory Standards Self-Assessment

11. The self-assessment had been finalised and submitted to the LSB. The LSB had indicated that their officers were reviewing the submission.

12. The LSB was also preparing for the 2015 self-assessment and was proposing a new approach to self-assessment.

Board reports structure

13. The Board agreed that statistical performance data would be introduced on the entity and practitioner authorisation and supervision reports.

14. All Board papers would distinguish clearly between items for decision and items for noting.

15. It was agreed that Board reports and annexes should be printed as separate bundles to make cross reference easier.

Strategy

16. The IPS strategy had been updated following the meeting in December 2014. The Board reviewed and adjusted the strategy.

Key Performance Indicators (KPI)

17. The Board noted the record of performance against KPI to the end of 2014. Performance standards had been met except for four disciplinary cases which meant the professional conduct panel timeline could not be met.

18. The Board had already agreed a new set of KPI. The office would record and report against each of these in 2015.

Risk Register

19. The risk register had been reviewed and updated. The review showed that there were no revisions required to the record of risks or their ratings.

Business Plan 2014

20. The Business Plan for 2014 had been reviewed and updated to record performance to year end. The document showed that most activity had been completed.

LSB deregulation work

21. The Board received a report on the deregulation work being carried out by the LSB. The Board asked that its concerns that the office would not have enough time to seek Board approval for policy proposals be drawn to the attention of the LSB.

Annual Report

22. The Board noted the schedule of work and outline of content which had been produced for the IPS Annual Report 2014. A draft of the report would be ready for consideration by the Board at its next meeting. It was noted that IPS' unique selling points should be included.

ITEM 5 FINANCIAL REPORT AND BUDGET

Income and Expenditure to end of November 2014

23. The Board noted income and expenditure to the end of November 2014 and the year-end forecast, showing expenditure against the original budget. Overall income and expenditure had remained in line with expectations.

Budget 2015

24. The Board reviewed the actual forecast and budgets for years 2013-16. The figures for 2015 had been updated to reflect the changes which occurred in expected activity since the budget was agreed early in 2014.

Practice Rights and Entity Fees

25. The Board were updated on the proposals for application and regulatory fees for year two of entity regulation. The regulatory fee work would form part of the practice certificate fee submission to the LSB. The Board approved the regulatory fee amounts.

Compensation Fund

26. In addition to the regulatory and application fees, each authorised entity would need to pay a contribution to the compensation fund. The proposals had been sent to the LSB for consideration. The Board agreed the compensation fund arrangements.

Draft IPS Budget 2016

27. The Board noted the draft budget figures for 2016. The budget would be

finalised at the March meeting of the Board. This would allow the figures to go forward into the practice certificate fee approval process and the overall CILEx group budget.

ITEM 6 PRACTITIONER AUTHORISATION AND SUPERVISION

Workload throughout December 2014 and January 2015

28. The Board noted the workload of the Practitioner team throughout December 2014 and January 2015. There had been additional recruitment to the team. The team had undertaken a review to improve the information to applicants, to help reduce the timescales for processing applications.

29. The Team Manager would meet with CILEx to help to ensure that the Regional Development Officers and those providing support to members were more aware of the scheme's requirements and able to provide support. Further training would be provided to membership and the careers staff.

Qualifying Employment/Fellowship and Work based learning

30. The practitioner team continued to process high levels of applications and timescales had continued to improve throughout 2014.

Continuing Professional Development (CPD) Non-Compliance 2013

31. The Board noted up-to-date non-compliance figures for the CPD year which ended on 30 September 2013. An action plan had been introduced to secure compliance.

32. The Fellows who had not met their CPD requirements had already been referred for misconduct action. Associates who had failed to meet their CPD requirements would be referred for similar action.

2013/2014 CPD year

33. The Board noted the figures for the CPD year ending September 2014. The team had worked with IT to clarify the numbers of Fellows who had failed to complete the Professionalism element and those who had not completed any CPD.

34. The office had developed a timetable to secure compliance from all grades of membership by September 2015.

Practice Rights

35. The office had begun receiving applications for individual practice rights.

The Board were updated with details of enquiries received by the team and the level of activity on the practice rights pages of the IPS website.

Advocacy

36. The Board noted a report of the advocacy applications processed by the office.

Associates to Fellows

37. The Board noted that the final marking had been completed in relation to portfolios submitted by members. The scheme had now closed.

ITEM 7 ENTITY AUTHORISATION AND SUPERVISION

38. The Board received a report of matters considered by the Practice Regulation Working Group (PRWG) regarding the fee structure that had been developed for entity applications. PRWG had agreed some variations to the application fees, to ensure the fees were both appropriate and attractive.

Professional Indemnity Insurance

39. The Board agreed to retain IPS' existing indemnity insurance broker. The office had worked with the broker and insurers to develop a common proposal form. This would allow entities to fill in one form and obtain multiple indemnity insurance quotes.

40. The Qualifying Insurers Agreement (QIA) was updated to reflect the changes brought about in terminology by the s69 Order.

Escrow Arrangements

41. The Board agreed the office should continue to work with organisations with a view to securing escrow provision.

Launch of entity regulation

42. The Board noted the work which had taken place prior to the launch of entity regulation. The team had completed work on documents, print items and general information to members. A Marketing Officer had been recruited to assist with the work and developing the practice rights marketing plan.

43. The entity team had contacted members who had expressed an interest in entity regulation and provided them with further information. The office also dealt with enquiries from non-members who were interested in entity regulation.

44. A new Entity Authorisation and Supervision Officer had been recruited for the entity team.

Strategic Risk Committee

45. Appointments to the Strategic Risk Committee had been finalised. The training of the committee members had been completed and a date for the first committee meeting had been scheduled. The committee would receive weekly risk reports from the office.

Compensation Fund

46. A separate trust company called CILEx Compensation Fund had been set up and insurance for the fund had been arranged. Work had commenced to recruit the Chair and trustees for the fund. The LSB had approved the compensation fund contributions.

Anti-Money Laundering

47. HM Treasury had laid the Order for CILEx to become a supervisory authority for anti-money laundering regulation compliance. IPS would have to join and attend meetings of the AML (anti-money laundering) Supervisors Group and the Legal Affinity Group.

48. IPS had worked with CILEx to produce guidance on AML procedures for entities. This guidance would be submitted to HM Treasury for approval.

49. The office had also been in contact with the National Crime Agency (NCA).

ITEM 8 EDUCATION

Day One Outcomes

50. The Legal Education and Training Review Working Group (LETR WG) had been developing Day One Outcomes. CILEx had consulted on the Outcomes and a number of final amendments were agreed by the LETR working group. The Board approved the final version of the Day One Outcomes.

Policy statement on regulating studying members

51. The LSB had issued 'Guidance on regulatory arrangements for education and training' in March 2014, following the LETR. This included guidance on the regulation of students in training for careers in law. A policy statement had been drafted by IPS to set out the rationale for the regulation of CILEx's studying members. The draft had been agreed by the LETR WG. The Board approved the policy statement.

Qualifications and Operations team Annual Report

52. The Qualifications and Operations teams had submitted their Annual Report for 2014. The office had reviewed the Report and noted the approach and implementation of the Qualifications and Operations teams. The Board approved the recommendations contained in the summary paper.

Legal Education and Training Review Working Group

53. The Board noted the work taking place through the LETR WG, which would next meet in March 2015.

Trailblazer Apprenticeships

54. The Board noted that a final draft of the Trailblazer Paralegal Apprenticeship had been submitted to BIS for informal feedback.

Youth Court Advocacy Review

55. IPS has joined the Bar Standards Board (BSB) to conduct research into advocacy in the Youth Court. Research organisations had been commissioned to undertake the review in the Youth Courts. The final report would be published in late Summer 2015.

Ethics in Advocacy

56. IPS was involved in the collaborative research into ethics in advocacy. The project focused on 'new advocates', i.e. those who had qualified and practised as advocates for less than 3 years.

57. The final report would be published by the Summer of 2015, with results of the research being published online.

Paralegal Inquiry and Trailblazer Apprenticeships

58. The Board noted that focus group meetings had continued to be held for the CILEx paralegal inquiry. Later in the year CILEx would instruct an independent agency to conduct formal research, based on the information received and collated.

Responses to two Ofqual Consultations

59. In July 2014 Ofqual had launched two formal consultations. The first was on 'Guided Learning Hours (GLH)', and the second on 'Withdrawing the Regulatory Arrangements for the Qualifications and Credit Framework'. CILEx had formally responded to both consultations.

ITEM 9 CONSUMER AND STAKEHOLDER ENGAGEMENT

Memorandum of Understanding

60. IPS had led on developing a Memorandum of Understanding (MoU) to exchange risk intelligence through the Regulators' Forum. The Board approved the contents of the MoU. The approval would be subject to any amendments the boards of the other regulators proposed.

Consumer Engagement Action Plan 2015

61. An update was provided on performance against the Consumer Engagement Action Plan to January 2015. Promotion of the Client survey had continued with focus on engagement with regulated members through Journal articles. The survey had also been updated to refer to IPS' new regulated communities of practitioners and entities.

IPS Websites update

62. The consumer pages on the IPS website had been reviewed. The content had been revised to make it more accessible and relevant to consumers and to provide details of what to expect from the Code of Conduct. Additional content had been uploaded to provide information to consumers about practice rights and entity regulation.

Legal Choices Update

63. The Board noted the range of activities which continued to be undertaken to raise the profile of the Legal Choices website. It was agreed that a marketing sub-editorial group would be set up to draw up a marketing plan.

64. Visits to the site had increased steadily over the period since it went live and IPS continued to keep the site updated with new content.

ITEM 10 ENFORCEMENT

Prescribed Period

65. The term Prescribed Period had not been defined in the Investigation, Disciplinary and Appeals Rules (IDAR) 2015 and the period was required to be set by the Board as a policy matter. Under the IDAR 2010 the Board had set the prescribed period as 12 months. This was considered to be a proportionate time period within which to investigate complaints.

66. The Board agreed that the Prescribed Period should remain as 12 months under the IDAR 2015.

Annual Report of Disciplinary Panels

67. The annual report of the disciplinary panels had been completed, covering the work of the Professional Conduct Panel (PCP), Disciplinary Tribunal (DT) and Appeals Panel (AP). The Board approved the report subject to changes and agreed that it should be included in the IPS Annual Report.

Complaints Customer Satisfaction Report

68. At the conclusion of complaints, IPS sends customer satisfaction questionnaires to members and complainants. Work had been undertaken to update the complaints form and surveys to include IPS' new regulated community.

69. The Board reviewed the Complaints Customer Satisfaction Report and, subject to comments, agreed that it should be included in the annual report of IPS.

IDAR and The Code of Conduct

70. The Board noted that the new Code of Conduct and the IDAR had been implemented on 5 January 2015. All new cases would be investigated under the new IDAR and the new Code. An article had been prepared for February 2015 Journal to bring the new Code to the attention of members. The Clerks and Panel members had been trained to follow the new procedures and the IPS website had been updated.

Fines Policy

71. In December 2014 the LSB had approved IPS' application for an increase in fine levels.

Clerk to Panel appointments

72. The recruitment of clerks to the individual disciplinary panels had concluded. The appointments took effect from January 2015.

73. The office had arranged training days for the Clerks which focused on their role, the Code of Conduct and the IDAR. Oral feedback received from the training days was positive.

Panel Appraisals

74. Panel members would need to complete appraisals by Summer 2015. A timetable for appraisals would be developed with Mr Chivers.

ITEM 11 CONSULTATIONS

75. The Board was requested to provide comments to the draft response to the BIS/BRDO consultation on extending the scope of the duty for non-economic regulators to have regard to economic growth and defining the scope of the Small Business Appeals Champions. The Board adjusted and approved the response.

76. A draft response to the LSB consultation on its Draft Strategic Plan 2015-18 and Business Plan 2015/16 would be provided to the Board at a later date.

77. The Board noted details of open and closed consultations.

ITEM 12 INFORMATION ITEMS

78. The Board noted the minutes of the Admissions and Licensing Committee held on 15 October 2014 and the minutes of the Practice Regulation Working Group held on 11 December 2014.

ITEM 13 DATE OF NEXT MEETING

79. The next meeting was scheduled for 19 March 2015 at 9:30am.

**Alan Kershaw
Chairman**