

**MINUTES OF THE MEETING OF THE BOARD  
OF DIRECTORS OF ILEX PROFESSIONAL STANDARDS LIMITED  
HELD ON 19 MARCH 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 5), Mrs Sue Chandler (Consumer Engagement and Policy Officer) (Item 8), Mr David Edwards (CILEx Vice-President), Ms Fran Edwards (CILEx President), Mrs Deborah McDonald (Director of Communications & Marketing) (Item 4), Mr Mandeep Nagra (Client Protection Manager) (Item 6), , Mr David Pope (Entity Authorisation and Supervision Manager) (Item 6), Mr Martin Reid (Marcoms Project Officer) (Item 4), Mr Walter Riggans (Education Policy Manager) (Item 10), Miss Saadia Siddiqui (Investigation Manager) (Item 7), Ms Joanne Stringer (Practitioner Authorisation and Supervision Manager) (Item 9) and Mr Ian Watson (CEO).

**ITEM 1 APOLOGIES FOR ABSENCE**

1. There were no apologies for absence.

**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 27 January 2015 were approved as a true record, subject to introducing business development

as a standing item on the agenda.

## **ITEM 4 CAPACITY AND CAPABILITY**

### **LSB Review of Legal Services Regulation**

4. The Board received correspondence from the Legal Services Board (LSB), updating them on progress and proposed next steps for work streams identified from the ministerial summit on deregulation in the legal services sector.
5. The Board were updated on the proposals for an options paper which identified how the framework for legal services regulation may change and be improved. The Board agreed to use a working group to consider a revised options paper, if the final draft did not arrive in time for its May meeting.
6. The Board agreed the clausal amendments to the existing legislative framework and the arrangements for signing off work-stream outputs in accordance with the LSB timetable.

### **General meeting**

7. The Notice of the General Meeting of the company to be held on 27 March 2015 had been served on CILEx. The meeting would deal with the adoption of the Annual Accounts for 2014 and the reappointment of Auditors, Chantrey Vellacott.

### **Regulatory Standards Self-Assessment**

8. In its report on the regulators' self-assessments the LSB had supported IPS' work on consumer engagement and understanding consumers.
9. The LSB expected IPS to publish reports on progress in entity regulation and practice rights. IPS would also need a supervision policy for Fellows which used a wider range of supervisory tools. The office would work on proposals and present this to the Board.

**BB**

### **SLA and Protocols**

10. A comprehensive review of the SLA and protocols had commenced. Changes had been identified and were being discussed with CILEx. The proposals would be brought to the Board at its next meeting.

**BB/SB**

### **Business Plan 2015**

11. The Business Plan for 2015 had been produced to reflect the action points in the strategy. The Board noted progress made against the business

plan.

### **Key Performance Indicators (KPI)**

12. The new Board reporting structure had led to performance against KPI being reported in each portfolio. The Board noted the record of performance in the enforcement, entity and practitioner reports.

### **IPS company name change and I.T. project**

13. The office continued to work with the Marketing and Communications team and I.T. team on the IPS name change project. IPS would have a new website and updated corporate literature to coincide with the launch of CILEx Regulation.

14. The literature and documents were being updated to refer to CILEx Regulation. Documents would be uploaded onto the website for the launch and print copies produced.

**MR**

## **ITEM 5 FINANCIAL REPORT AND BUDGET**

### **2014 audited accounts of ILEX Professional Standards Ltd**

15. The Accounts for IPS to the end of December 2014 had been audited. There were no matters which the auditors needed to bring to the attention of IPS. The Board approved the audited accounts for presentation at the General Meeting of the Company on 27 March 2015.

### **Budget 2016**

16. The draft budget placed before the Board in January 2015 had been reviewed and minor adjustments made. The Board approved the draft budget for 2016 and agreed its referral to CILEx for the purpose of setting practice fees for 2016.

17. The minor amendments related to accreditation and staff costs for entity regulation.

### **Income and Expenditure to end of December 2014**

18. The Board noted the income and expenditure report to the end of December 2014. Out-turn was consistent with the forecast and better than budget, because of substantial underspend on core areas of work.

### **Budget 2015**

19. The actual, forecast and budgets for years 2013-16 had been produced. The figures for 2015 had been further updated since the January meeting. The Board noted the revised 2015 budget and forecast out-turn.

### **Finance Information**

20. The office had begun work to present financial information more clearly. Adjustments would be made in the heads of income and expenditure to reflect changes in the areas of work and key data would be presented graphically. The new formulations would be introduced for the May 2015 meeting.

**IW**

## **ITEM 6 ENTITY AUTHORISATION AND SUPERVISION**

### **Developments**

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

### **Escrow Arrangements**

22. The Board were updated on the development of escrow services. The office continued to work with potential providers, from whom it had received proposals. The Board decided it should approach CILEx to set up a joint working group to progress this work.

**MN**

### **Compensation Fund**

23. The recruitment process for the Chair and trustees for the CILEx Compensation Fund would be complete by end of March 2015. The LSB had approved the compensation fund contributions. The office had participated in the LSB workshop which explored alternatives to handling client money.

### **Professional Indemnity Insurance**

24. Insurers continued to sign up to the IPS Qualifying Insurers Agreement (QIA). The Office approved Hera's (a firm of insurance brokers) request to publish the CILEx single proposal form on their website. The single proposal form would allow entities to fill in one form and obtain multiple indemnity insurance quotes.

### **Entity Regulation**

25. The office had started work on the scheduled promotion of entity regulation. The entity team were working with Marcomms to update branding on all documentation and updated the pages of the new CILEx

Regulation website. The Board expressed disquiet at the fact that this work had not, in its earlier phases, been accorded the priority justified by the importance of the subject, and welcomed Marcomms' assurance that the work would now proceed expeditiously and be given a central place within CILEx's overall marketing strategy.

26. The entity team had created a business monitoring sheet to track enquiries. The feedback received had been positive on the advice and support provided by the office.

27. Mr Watson had not yet submitted a paper to the Solicitors Regulation Authority on the use of the word 'solicitor' in an entity's title. The office would await response on the issues raised. The Board requested Mr Watson to follow up the matter.

**IW**

### **Alternative Business Structures**

28. The Practice Regulation Working Group (PRWG) had agreed an Alternative Business Structure project plan for the work which would start in 2015.

## **ITEM 7 ENFORCEMENT**

### **Developments**

29. The Board noted performance against KPIs, successes and opportunities and risks of the Enforcement team.

### **Cost Analysis of Casework**

30. The office does not claim its costs at the conclusion of Disciplinary Tribunal hearings, when the advocacy has been conducted in-house. Cost analysis was carried out to ascertain the financial cost to IPS to investigate cases of misconduct.

31. The analysis was conducted by time recording work undertaken during the investigation of complaints through to final decision.

32. The Board considered the Time Recording Report and agreed to adopt a tiered case fee approach, subject to further clarification on determination by consent.

### **Review of IPS' Publication Policy**

33. IPS had reviewed its Publication Policy based on the Data Protection Act. The office sought advice from Counsel and presented the findings to the Board. An amended draft of the Publication Policy would be presented to the Board at the next meeting.

**SS**

## **ITEM 8 CONSUMER AND STAKEHOLDER ENGAGEMENT**

### **Annual Report**

34. A first draft of the IPS annual report had been produced which detailed the activity which had taken place in 2014. The subject reports had been agreed with each portfolio member. The Board commented on the current draft of the report and requested additions to provide an indication of the activities the company would be undertaking in 2015.

**SB**

35. The final draft of the annual report would be signed off by the Consumer and Stakeholder Engagement portfolio holder.

### **Consumer Engagement Action Plan 2015**

36. An update was provided on the performance against the Consumer Engagement Action Plan to March 2015. The First Tier Complaints Handling Survey 2015 continued to be sent out to respondents. The survey would close at the end of April 2015. The report would be finalised and presented at the July Board meeting.

**SC**

37. Information in the Consumer Engagement Action Plan which related to entity regulation would be taken forward by PRWG.

**DP**

38. Promotion of the Client survey had continued, focusing on engagement with regulated members through IPS e-shots. The survey had also been updated to refer to IPS's new regulated communities of Practitioners and Entities.

### **Regulators' Forum**

39. IPS 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. Each regulator provided a summary of their recent consumer activity and the possibility of joint consumer engagement work was discussed. The SRA had taken over the chairing of the Forum for the next year.

### **Current Action by IPS/CILEX for Data Release to Comparison Websites**

40. The Board had agreed in November 2014 to release data to comparison websites. In February 2015 CILEx Membership Standing Committee (MSC) had agreed for data to be released to such websites and recommended to CILEx Council that data release should progress in accordance with the Data Protection Action Plan.

### **Equality and Diversity Data Collection**

41. IPS 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.
42. The LSB's requirement that data should be collected at entity level would be fulfilled when IPS began regulating entities. Currently IPS aims to survey regulated members who are not covered by the other regulators. The data collected would be analysed and a report published on the website.
43. 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 been invited to a roundtable meeting to discuss the LSB's findings and agree actions to meet the LSB's objectives.

## **ITEM 9 PRACTITIONER AUTHORISATION AND SUPERVISION**

### **Developments**

44. The Board noted performance against KPIs, reporting the successes, opportunities and risks of the Practitioner Authorisation and Supervision team.

### **Work Based Learning**

45. The Board noted the workload of the Practitioner team through December 2014 and January 2015. The Board noted additional recruitment to the team and that external assessors had been appointed to enable the team to get application processing up to date.

### **Qualifying Employment/Fellowship**

46. The practitioner team had continued to process high levels of applications and timescales had continued to improve throughout 2014. Board members noted the updated statistics.

### **Continuing Professional Development (CPD) Non-Compliance**

47. The Board noted the final non-compliance figures for the CPD year which ended in 2013.
48. The Fellows and Graduates who had not met their CPD requirements had previously been referred for misconduct action. Associates who had failed to meet their CPD requirements would also be referred for misconduct action.

### **2013/2014 CPD year**

49. The Board noted the figures for the CPD year ending September 2014. The team had corresponded with members who had not complied with the 2013/2014 CPD requirements and the Board was pleased to see the compliance numbers rising as a result.

### **Practice Rights**

50. The office had received a number of applications for individual practice rights. Four applications had now been approved, and certificates would be presented to the first successful applicants at the launch event on 26 March. Board members requested that case studies be added to the CILEx Regulation website.

**JS**

51. The office was working with an external provider to finalise the practice management and accounts course. CILEx Law School had expressed an interest in providing such a course.

### **Advocacy**

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

## **ITEM 10 EDUCATION**

### **Policy statement on reaccreditation of CILEx members**

53. In 2013, the LSB consulted on statutory guidance regarding legal education and training. The consultation proposed that 'reaccreditation requirements should be introduced in areas where the risks were highest'.

54. IPS produced a policy statement which sets out the reasons CILEx/CILEx Regulation do not favour reaccrediting members. This approach had been adopted on the basis that existing CPD processes were adequate to obviate the need for reaccreditation.

55. The Board approved the policy statement subject to minor amendments.

### **Trailblazer Apprenticeships**

56. The Department for Business, Innovation & Skills (BIS) had reviewed the draft assessment plans and provided feedback on all three Trailblazer schemes.

57. The Chartered Legal Executive assessment plan would be submitted in May 2015, following further consideration by CILEx and CILEx Regulation.

### **Legal Education Training Review (LETR) Working Group**



58. The Board were updated on the work of the LETR working group.

### **Youth Court Advocacy review**

59. IPS joined the Bar Standards Board (BSB) to conduct research into advocacy in the Youth Court. The online survey phase of the research had been completed, and in-depth interviews were now being conducted. There would also be a number of Crown Court and Youth Court observations of advocacy.

60. The final report would be published in late Summer 2015.

### **Ethics in Advocacy research project**

61. The ethics in advocacy project focused on 'new' advocates - those who had qualified and practised as advocates for less than 3 years. Responses from participants had been gathered and expert witnesses had been appointed to validate the responses.

62. The final report would be published by the Summer of 2015.

### **Paralegal Enquiry**

63. The Board noted that focus group meetings had almost been completed 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.

### **Associate members and CPD**

64. The office would commence research on the CPD that Associate Members undertake and how it relates to their studies.

65. This work would be undertaken after the new CPD scheme had been introduced for the other grades of membership.

**WR**

### **ITEM 11 CONSULTATIONS**

66. The LSB had issued a discussion paper on the regulation of in-house lawyers. The paper detailed the LSB's initial analysis of variations in regulatory arrangements. The office would draft a response to the discussion paper and send it out to the Board for comment.

**SB**

67. The Board noted a summary of other open and closed consultations.

### **ITEM 12 INFORMATION ITEMS**

68. The Board noted the minutes of the Admissions and Licensing Committee meeting held on 21 January 2015.

**ITEM 13      DATE OF NEXT MEETING**

69. The next meeting was scheduled for 19 May 2015 at 9:30am.

**Alan Kershaw  
Chairman**