

**MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF CILEx REGULATION LIMITED
HELD ON 25 SEPTEMBER 2019**

Present:

Sam Younger (Chair) (SY), Andrew Donovan (AD), Luisa Fulci (LF), Harvey Sandercock (HA), David Gilbertson (DG)

Apologies:

None

In attendance (CILEx Regulation):

Alice Belcher (observing capacity) (AB)
Nick Hanning (observing capacity) (NH)
Beccy Snape, Personal Assistant (minutes)
Cat Farrow, Head of Stakeholder Engagement (CF)
Stuart Dalton, Director of Policy, Governance and Enforcement (SD)
Victoria Purtill, Director of Authorisation and Supervision (VP)
Victoria Roberts, Personal Assistant (minutes)

In attendance (CILEx):

Linda Ford (LFd), Chief Executive, CILEx
Matt Foster (MF), President of the CILEx
Michelle Drury (MD), Management Accountant, CILEx Regulation
Simon Garrod (SG), Director of Policy & Governance, CILEx
Tony Bunce (TB), Director of IT and Facilities Management, CILEx

1 Apologies

None

2 Declarations of Interest

No additional interests were declared.

3 Minutes of previous meetings and Action Log

The following minutes were APPROVED:

- Confidential minutes of the Board Meeting on 17 July 2019
- Minutes of the Board Meeting on 17 July 2019
- Confidential minutes of the Board Teleconference on 8 August 2019

4 Chair's Update

The Chair expressed thanks to David Gilbertson and Harvey Sandercock for their six years of service to the CRL Board. Best wishes were given to Beccy Snape, who will be going on maternity leave at the end of September 2019 and Victoria Roberts was welcomed as Beccy's replacement.

Final interviews were held on 24th September for the replacement CEO with the four candidates shortlisted. The final decision on appointment the new CEO will be communicated shortly.

Special thanks were expressed to SD and VP for covering CEO duties since Helen Whiteman's departure at the end of August.

The Chair's update was **NOTED**.

5 Strategic Performance, Risk and Operational Report

PRIVATE SESSION - A discussion was held on the following items:

- Member data collection methods, purpose and risks
- Update on new CRM system, challenges faced and next steps
- Claims Management fee policy

The Board **APPROVED** commencement of work on new rules to set the level at which fees can be charged by Claims Management Companies (CMCs).

The report was **NOTED**

6 Consumer Strategic Objective Review

PRIVATE SESSION - A discussion was held regarding CILEx Regulation's involvement with Legal Choices website project.

The Board **NOTED** the report.

7 Executive Report

LSB CEO meeting: VP updated the Board on the meeting, which included discussions on Legal Choices, a proposal for the LSB to facilitate a collaborative approach to understanding technology in the legal sector and Rebecca Marsh, Chief Ombudsman stated she would be engaging with all frontline regulators to improve relationships. CILEx Regulation will contact LEO again to rearrange a meeting with Rebecca.

EU Exit Strategy: The Board noted that we have not taken action to prepare for the EU exit strategy as CRL has no foreign qualified lawyer members relying on EU qualifications. CRL firms are not international, and CRL members are not recognised in the EU. The MoJ and the LSB have asked for this matter to be minuted at the Board meeting.

LSB CEO meeting: SD met with the new LSB CEO, Matthew Hill. Matthew was open to further discussions about increasing reserve levels to aid independence.

Unconscious Bias Training: The Board noted CRL staff and the ALC were undertaking this training. The Board expressed an interest in taking part in the same training as the rest of the staff. It was considered beneficial to extend this training to panellists and the Board.

The Board **NOTED** the report

8 Education Roundtable and ABS Launch

PRIVATE SESSION - A discussion was held regarding an update on CILEx Regulation's Education Roundtable event and ABS Launch date.

The Board **APPROVED** the approach to the roundtable and provide further suggestions for format and invitees.

The Board **AGREED** to formally launch ABS in January 2020.

9 Education Standards Update

PRIVATE SESSION – a discussion was held regarding the Education Standards Rules Consultation Responses and the consultation responses to an alternative route to authorisation for established Fellows.

The Board **APPROVED** submission of the education standards rules to the Legal Services Board.

10 Finance Update

The Board **NOTED** the following reports:

- August Management Accounts
- 2021 and 2022 projections
- Q2 2019 Unit Costs

The Board **APPROVED** the 2020 Final Budget

11 Strategic Objectives Review

Strategic objectives:

Board members reviewed the objectives and concluded they were fit for purpose and the infographic did not need to be revised. Board members agreed the strategic objective should be considered in greater detail after the new CEO starts at the May strategy day. The Chairman clarified that there should be a distinction between the consumer, diversity and standards objectives which were outward-facing and the management objective which was internal-facing and related to CRL performance.

KPIs:

Board members agreed that the suggested KPI's were a good starting point and that developing the KPIs would be iterative. The Board requested that the proposed KPIs be incorporated into the performance report and brought back with figures to help Board members see what the KPIs would tell them in practice.

Board members fed back additional performance areas they would be interested in seeing. For the consumer objective there was a desire to see measures for public legal education as well as how many people were engaging with consumer sections on the website. For the diversity objective there was a desire to report on board, staff and panellist diversity.

CILEx strategy:

LF explained that CILEx planned to finalise their purpose, vision and mission statements by the end of 2019. The strategy events in April and September with CRL in attendance were designed to achieve agreement across the Group.

LF went on to explain that the CILEx Board would be considering proposals to deliver the Phoenix project at its meetings later that week. LF expressed the desire for aligned strategies between CILEx and CRL.

Board members discussed CILEx's objective relating to regulation and fed back suggestions to LF.

The Board **NOTED** the report

12 IGR Update

Following the publication of the IGR, both CRL and CILEx were moving forward with implementing the IGR with support from external consultants, Hook Tangaza, who had been commissioned to support implementation.

The Board supported the independence ambition in the report but agreed in the short term, the priority should be to ensure IGR compliance and the second phase should then focus on independence, including other options for shared services and possible alternative premises. Board members fed back to LF and SG that CRL's view was independence was not undermined by having shared services, if they were appropriately configured, and there was a low appetite to move away from shared services in the short-term. It was agreed that a key point was to ensure that costs to members would not be increased should we proceed with support services outside of CILEx. Independence should not jeopardise CRL's financial sustainability. Therefore, it was important to have realistic modelling of costs.

DECISION:

The Board **APPROVED** the direction of travel set out in the paper, with the following caveats that independence and IGR compliance should:

- Not increase costs to regulated members
- Not risk the financial sustainability of CRL
- Not put standards or CRL long-term effectiveness at risk
- Not compromise CRL's ability to operate through a lack of effective support services

The Board **APPROVED** delegation to the NEDs Steering Group of steering authority for the project with the exception of contentious or potentially repercussive matters which are reserved to the Board such as the caveats set out above. The Board reserves to itself final decision-making authority.

13 Annual Cycle of Business

The Board **NOTED** the annual cycle of business.

14 Any other business

PRIVATE SESSION

**SAM YOUNGER
CHAIRMAN**