

**MINUTES OF THE MEETING OF THE BOARD
OF DIRECTORS OF CILEx REGULATION LIMITED
HELD ON 1 OCTOBER 2015 IN THE CILEx COUNCIL CHAMBERS,
KEMPSTON, BEDFORD, MK42 7AB**

Present: Mr Patrick Bligh-Cheesman (Chair), Mr Ian Chivers, Mr Andrew Donovan (teleconference), 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 Martin Callan (CILEx Vice-President), Mr Karl Cerski (CILEx Finance Director) (Item 9), Mrs Sue Chandler (Consumer Engagement and Policy Officer) (Item 12), Ms Laura Gadsby (Management Accountant) (Item 9), Mr Mandeep Nagra (Client Protection Manager) (Item 7), Mr David Pope (Entity Authorisation and Supervision Manager) (Item 7), Miss Amanda Pipe (Quality Assurance Manager) (Item 10), Mrs Vicky Purtill (Head of Qualifications) (Item 10), Ms Joanne Stringer (Practitioner Authorisation and Supervision Manager) (Item 6), Mrs Helen Whiteman (CEO) and Mr Sam Younger CBE (Incoming Chair).

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 CILEx Regulation Board meeting held on 16 July 2015 were approved as a true record, subject to an amendment to paragraph 38, where the submission date of the Alternative Business Structure application to the Legal Services Board (LSB) was changed from May 2016 to April 2016.

SB

ITEM 4 STRATEGY AGENDA

4. The CILEx Regulation Strategy was last reviewed by the Board at its meeting in December 2014. The Board considered the proposals set out by the office for the next CILEx Regulation Strategy day.
5. The Board agreed to re-evaluate the existing Strategy through a facilitated discussion on future scenarios and the legislative options report. The office agreed to arrange a meeting between Mr Younger and the Facilitator prior to the Strategy day.

HW

ITEM 5 BUSINESS DEVELOPMENT

Developments

6. The Board noted performance against successes and opportunities and risks relating to business development.

Marketing and Business Development Plan

7. The Director of Development at CILEx had produced a marketing and business development strategy which had been reviewed by the Practice Regulation Working Group (PRWG) and the Futures Committee in September 2015. The strategy had been agreed and it was noted that activity plans would be developed next.

BB

Ministry of Justice (MoJ) Innovation Report

8. The MoJ had contacted the office and requested information about a submission it needed to make to the Government about innovation. The Government would collate information about how each department facilitated innovation. Therefore the MoJ requested that the plan be completed and submitted to them by 30 October 2015.
9. The office would refer to outcomes focussed regulation and risk based approach to regulation in its response to the MoJ. The Board noted the innovation plan timetable. The Board agreed for the response to be drafted by the office and agreed by email with the Board prior to submission.

BB

Opportunities for future business development activity

10. The office was due to meet two of its course providers to discuss the advocacy, practice management and accounts courses. The meetings would look to explore joint working opportunities.

General

11. The Board requested for decision and noting items to be clearly separated

in future Board papers. The office would review the style and presentation of the Board papers and would look to streamline the process. The Board requested that the Business Development paper include wider business development opportunities.

BB/SB

ITEM 6 PRACTITIONER AUTHORISATION AND SUPERVISION

Developments

12. The Board noted performance against KPIs, the successes, opportunities and risks of Practitioner authorisation work. This included updates on practice rights, qualifying employment, work based learning, advocacy and CPD non-compliance.

Work Based Learning Review

13. In its Work Based Learning application, CILEx Regulation had committed to review its work based learning scheme two years after it commenced. The review was now due.

14. A report had been prepared for the Board, which set out options for changes to the work based learning scheme. The report also set out administrative changes that had been or were being implemented by end of October 2015.

15. Board members discussed the options for change and agreed that work would take place to develop the options around number of times each work based learning outcome is demonstrated and to explore other streamlining opportunities. It asked for the office to produce a project plan for the work. It was noted that the changes, if agreed would require consultation with members, CILEx, other stakeholders and an application to the LSB for approval.

16. The Board commented that the office would need to be aware of the impact of changes to work based learning on day-one outcomes for fellows.

JS

Advocacy course provision and accreditation

17. The rights of audience rules require applicants to undertake an advocacy skills course by a course provider accredited by CILEx Regulation. CILEx Regulation had accredited a course provider to provide criminal and family advocacy courses, accreditation runs for 3 year periods. The next accreditation renewal is due at the end of 2015. Course providers pay an accreditation fee.

18. The course provider indicated that if CILEx Regulation waived its accreditation fees, the minimum number of candidates required on each

course would be reduced. The Board agreed for the fees to be waived for 2015 to enable courses to run.

BB

ITEM 7 ENTITY AUTHORISATION AND SUPERVISION

Developments

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

20. The office would complete a presentation to the Council of Mortgage Lenders and CILEx were working with lender panels.

Professional Indemnity Insurance (PII)

21. The office had produced a report on run-off cover for professional indemnity insurance. This report had been reviewed by the PRWG at their meeting in September 2015. The paper provided a range of options for the PRWG members to consider and it was agreed that option three would be pursued.

22. The Board agreed the PRWG recommendation for the office to instruct a Legal Counsel to assist the office in producing a report to submit to the LSB.

BB/MN

23. The Board reviewed the Action Plan which the office had produced for run-off cover. The Board commented that the timelines need to be reduced. The office agreed to review the Action Plan in light of the Board's comments.

MN

24. The office agreed to engage with other regulators on the issue of run-off cover and would arrange meetings with them.

BB

25. The incoming Chair of CILEx Regulation, Mr Sam Younger CBE would meet with Sir Michael Pitt of the LSB in November 2015 to discuss run-off cover for PII.

SY

Alternative Business Structures

26. The PRWG had requested that the latest Profit & Loss forecast, with the numbers of entities anticipated and the strategic advantages be resubmitted to CILEx Council for review. CILEx Council confirmed their support, for the application to be made.

27. The office would revisit figures quoted for costs to make the licensing submission and thereafter to deal with applications. The PRWG requested for these figures to be set out in a Profit and Loss forecast for the initial

three years. The office would also review the marketing costs.

BB

28. The PRWG had agreed the office should instruct a research agency to carry out market research for the licensing application; the report would be available by October.

DP

29. Discussions on the transfer costs for new appeal rights to the First Tier Tribunal had been reviewed at the September PRWG meeting. The office had instructed solicitors to review and update the licensing rules.

30. The office continued to work on the Alternative Business Structure application which would be submitted to the MoJ by April 2016. However the office would continue to keep the submission date under review.

ITEM 8 CAPACITY AND CAPABILITY

Announcements

31. Mrs Whiteman confirmed that Mrs Baljeet Basra had been appointed Chief Operating Officer of CILEx Regulation, Mrs Jill Durham appointed as Head of Policy & Governance and Miss Beccy Ryder as Personal Assistant to CEO, Chair and Senior Management Team.

Protocols and Service Level Agreements (SLA) with CILEx Compensation Fund

32. The CILEx Compensation Fund Board held its first meeting in August 2015, it had identified that protocols and SLAs needed to be developed between the Compensation Fund, CILEx & CILEx Regulation.

33. The protocols and SLAs would ensure that the relationships between the three organisations remained clear and that the Compensation Fund had access to resources such as shared services from CILEx and resources from CILEx Regulation. The Chief Operating Officer and Client Protection Manager would support the Board and the Client Protection Manager would process any claims made against the fund. The Head of Policy and the Governance Officer would provide governance support to the Board.

34. A first draft of the protocols and SLAs would be produced for the Compensation Fund Trustee Board meeting in mid-October 2015. The draft would then be put to the CILEx Regulation Board and CILEx Council in their next respective Board and Council meetings.

BB/MN

35. The Board agreed to enter into protocols and SLAs with the Compensation Fund subject to a draft being sent to Board member Mr David Gilbertson for comment.

BB

Business Plan 2015

36. 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 and requested that the updated progress section of the plan be more focussed.

BB

Appointment of Chair

37. The recruitment process for the Chair of CILEx Regulation had been completed. The Appointments Committee had offered the Chair position to Mr Sam Younger CBE. Sam was until recently Chief Executive of the Charity Commission and was a former Chair of The Electoral Commission and The Quality Assurance Agency for Higher Education. An induction programme had been arranged for Sam for mid-October 2015.

Regulatory Standards Self-Assessment

38. The office had received the self-assessment template for the final stage of the LSB's work on the regulatory standards self-assessment. The self-assessment was required to be returned to the LSB by 31 October 2015.

39. The self-assessment contained the same categories and areas as the past self-assessments but also included specific questions. The Board's views were sought on two specific questions. These included questions on publishing short form Board papers and Key Performance Indicators (KPIs). The Board agreed to publish CILEx Regulation's meeting agenda and KPIs at year end.

40. The completed self-assessment was presented to the Board for comment; the Board reviewed the text and approved it subject to further amendments.

41. The LSB provided the option for regulators to seek independent scrutiny and sign off of the self-assessment. The office had approached a number of auditors and recommended to the Board an independent person to carry out the review. The Board agreed to the independent scrutiny and for the updates be made to the self-assessment in accordance with the outcome of the scrutiny. The Board agreed the fees of the auditor.

BB

42. The Board agreed for the interim-Chair, Mr Patrick Bligh-Cheesman, independent Board member, Mr David Gilbertson and the auditor to jointly sign-off the self-assessment.

ITEM 9 FINANCIAL REPORT AND BUDGET

Practice Certificate Fees (PCF) 2016

43. The Board noted that the LSB approved CILEx Regulation's

recommendations for the 2016 Practice Certificate fees for Chartered Legal Executives, Associate Prosecutors, Authorised Practitioners and entities.

CILEx Regulation Budget 2016

44. The Board were presented with the CILEx Regulation budget (excluding entity) for 2016. The Board requested for the office to complete a three-year rolling budget for the next Board meeting.

KC/LG

45. The Board agreed that CILEx Regulation's budget for 2016 be fed into the Group budget.

KC/LG

2015 Financial Report

46. The Board reviewed the income and expenditure report to the end of July 2015 and the forecast for 2015. The Board were presented with the management accounts to the end of July and the full profit and loss report, including forecasts. The management accounts showed expenditure over budget on salaries combined with reduced income expectations. This was due to lower revised figures on practice rights and entity regulation. Categories of expenditure would change to better reflect the changing business of CILEx Regulation which resulted in some duplication of headings.

LSB cost of regulation report

47. The LSB had issued its final report on the cost of regulation. The Board received an oral update on the key messages in the LSB report.

ITEM 10 EDUCATION AND STANDARDS

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

48. The conclusion of the legal challenge to QASA had enabled the Joint Advocacy Group (JAG) which comprises of CILEx Regulation, Bar Standards Board (BSB) and Solicitors Regulation Authority (SRA) to recommence work on the scheme. The full scheme would be ready to go live by April 2016.

49. JAG will issue a consultation on the changes to each regulators rules, including CILEx Regulation's rules, to take account of changes required due to the Judgement of the Supreme Court in the challenge to the scheme.

50. The Board agreed to a joint submission by JAG to the LSB for approval of the rule changes. The Board also agreed for the office to continue to work

with JAG colleagues to make the submission without further approval from the Board.

BB/HW

Trailblazer Apprenticeships

51. The revised Trailblazer assessment plans for paralegals; solicitor and Chartered Legal Executives had been approved by the Department of Business, Innovation and Skills (BIS).
52. Following approval CILEx would need to make applications to be the end point assessor for both the paralegal and the Chartered Legal Executive apprenticeship. The assessment criteria states that CILEx Regulation would be the assessor and may delegate assessment to a body it chooses. The delegation would be to CILEx, as agreed by the LETR working group and the Board.
53. The Board agreed that the office work on the delegation to CILEx of trailblazer apprenticeship assessment for Chartered Legal Executives.

VP

Youth Court Advocacy review

54. The review of Youth Court Advocacy commissioned by the BSB and CILEx Regulation had concluded. The research identified a number of action points that regulators needed to undertake.
55. The Board agreed for the office to develop a response to the report. The office would agree this with the Board by email before or at the next meeting of the Board, dependant on the timing of the publication.

BB

Paralegal Enquiry

56. The Board noted that CILEx had completed its series of round table discussions in respect of the paralegal enquiry. A new paralegal membership grade had been approved by the Privy Council and the Qualifications team had developed a Paralegal competence based Framework against which aspiring CILEx paralegals would be assessed.
57. A launch event of the new grade, findings and Framework would be planned for February 2016 in London.

Vulnerable witnesses project

58. The Vulnerable Witnesses Project had grown out of an on-line information resource called the Advocates Gateway (TAG). CILEx and CILEx Regulation were members of the management committee for TAG. The Advocacy Training Council, which supported the training of barristers, agreed to provide a web-site platform to host the materials.

59. Former Board member Thelma Brown had attended the Committee meetings on behalf of the Board on an expenses-only basis. The Board considered the long-term commitment of Mrs Brown on the project and agreed for a member of staff from the office to attend the next meeting.

ITEM 11 ENFORCEMENT

Developments

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

Case costs in misconduct investigations and proceedings

61. At the Board meeting in July 2015, the Board agreed to implement costs recovery from 1 August 2015. There were discussions of how to incorporate any costs that are incurred after submission of the costs schedule; this needed to be reflected under the Appeals Panel and Disciplinary Tribunal.

62. The Board approved the Costs Policy subject to amendments. These included removing the last sentence of paragraph 2, changing the word 'note' to 'schedule' in paragraph 18, adding a further sentence to paragraph 19 which is, 'where further costs are incurred after provision of the costs schedule to the respondent's representatives and/or the respondent this will be revised by oral submissions at the conclusion of the substantive hearing' and replacing the last sentence of paragraph 21 with 'the amount of costs will be at the discretion of the panel.' The Policy would form part of the IDAR Handbook.

SS

ITEM 12 CONSUMER AND STAKEHOLDER ENGAGEMENT

Consumer Engagement

63. The Regulators Forum had met in August 2015 to discuss joint consumer engagement and research approaches which related to client care. CILEx Regulation's consumer engagement work, with the Client survey and First-tier Complaints Handling survey, had revealed evidence of poor client care.

64. The Board agreed for CILEx Regulation to be involved in consumer engagement work, including research, focused on client care letters, in partnership with other regulators. The Regulators Forum would meet in mid-October 2015 to agree a partnership proposal for the work.

Equality and Diversity Data

65. CILEx Regulation was invited to a meeting by the SRA and BSB to discuss

Equality and Diversity. Consideration had been given to develop a Legal Regulators' Equality and Access to Justice Framework. The framework would provide a toolkit to assess where a regulator stood with regard to a range of Equality and Diversity outcomes and enable the sharing of best practice.

66. The Board agreed not to be involved on the work on Equality and Diversity and Access to Justice under review. CILEx Regulation has in place its own equality and diversity plan and strategy.

BSB proposal for joint working on Access to Justice for Disabled People Project and Equality and Access to Justice Engagement Directory

67. The office had attended meetings on Access to Justice for Disabled People Project, which planned to explore how regulators could work with disability sector stakeholders to inform practice to improve access to justice for disabled people. The Equality and Access to Justice Engagement Directory was proposed by the BSB to improve access to justice for disabled people.

68. The Board considered the projects and decided for CILEx Regulation not to be involved at this stage; however the Board agreed to keep the projects under review.

ITEM 12 CONSULTATIONS

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

Legal Ombudsman consultation on the proposed Alternative Dispute Resolution (ADR) scheme rules

70. The Legal Ombudsman had issued a consultation on the proposed ADR scheme rules. The office had been invited by the Legal Ombudsman to attend a scheme rules workshop in late September 2015. The consultation would close on 2 November 2015.

71. The Board agreed to receive the draft response to the consultation by email and return comments to the office by 23 October 2015.

SB

ITEM 13 INFORMATION ITEMS

72. The Board noted the minutes of the CILEx and CILEx Regulation Futures Group Meeting held on 24 April 2015.

73. The Board noted the minutes of the Practice Regulation Working Group meeting held on 28 July 2015.

74. The Board noted the minutes of the Strategic Risk Committee meeting held on 9 June 2015.

75. The Board noted the minutes of the Regulators Forum meeting held on 6 August 2015.

76. The Board noted the Consumer Engagement Action Plan 2015.

ITEM 14 AOB

77. The Board discussed a number of confidential items.

ITEM 15 DATE OF NEXT MEETING

78. The next meeting was scheduled for 3 December 2015 at 9:30am.

**Patrick Bligh-Cheesman
Chairman**