

**MINUTES OF THE MEETING OF THE
BOARD OF DIRECTORS OF CILEx REGULATION LIMITED
HELD ON 6 OCTOBER 2016**

Present:

Sam Younger (Chair), Patrick Bligh-Cheesman, Ian Chivers, Andrew Donovan, Luisa Fulci, Harvey Sandercock

In attendance:

Martin Callan, President, CILEx
Jill Durham, Head of Policy & Governance, CILEx Regulation
Victoria Hurdley, Director of Development, CILEx
David Pope, Entity Authorisation Manager, CILEx Regulation
Beccy Ryder, Personal Assistant, CILEx Regulation
Helen Whiteman, Chief Executive Officer, CILEx Regulation

Apologies:

David Gilbertson

1 Confidential Items

The Board met in private session (minuted separately).

2 Minutes

The Board considered minutes presented for approval.

DECISION:

- To approve minutes of the Board meeting held on 6 October 2016.

3 CEO Report

CILEx Governance Review: The Board were advised that consultants Hook Tangaza had presented proposals to Council at its November meeting. Council approved principles of good governance. Hook would present to Council in January 2017 with more detailed options.

The President added that Council wanted to focus on outcomes rather than structure and process. The aim was for small amendments to be made rather than a significant restructure. Changes not requiring external authorisation would be prioritised, such as terms of reference for committees and office holders, Group Executive ways of working and senior executive recruitment.

The Chairman asked that the Board be fully consulted on any changes that might affect regulation. The President advised that CILEx was focussing on internal development for now.

Regulators' Forum: The CMA recommendations would propose a programme board. As the forum was already in place the regulators had agreed to propose that the programme board be run through the Regulators' Forum.

Framework Memorandum of Understanding: A new framework MoU underpinning co-ordination of disciplinary action and information sharing had been agreed across all regulators. This was endorsed by the Board for signature on behalf of CILEx Regulation..

Succession Planning: There were currently 60+ non staff contracts for service in place. The contract terms were under review to better reflect non staff appointment. Recruitment was under way to fill Professional Conduct Panel vacancies.

Restructure: The new Research and Performance Analyst was scheduled to take up post 8 December. Vicky Purtill would join as Director of Authorisation and Supervision from 1 February 2017.

WBL Learning: The Board asked if there had been member feedback on the reduction in number of times learning outcomes were required to be evidenced. The office confirmed that member response had been positive and had stimulated interest in applying to become a Fellow. The Board agreed that the communications had been well targeted.

LSB approval would be sought for a further change to the Rules to allow for reliance on one personal statement and one piece of evidence. This might be achievable by way of exempt direction.

4 CILEx Update

Council voted at its meeting on 25 November to invest in CILEx Law School and CILEx Regulation. This would give the Group the resource needed to provide growth in membership.

The Chairman reiterated the Board's focus on improving access to the profession and driving down the cost of regulation.

The Board asked for an update on proposals for development of the membership structure. Director of Development at CILEx, Vicki Hurdley, confirmed that a draft framework was under testing with soft launch planned for Autumn 2017.

5 Business Development

The Board considered a report from CILEx on business development for entity and practice rights. Board members confirmed that supporting CILEx in growing membership was a strategic priority.

Vicki explained research and structured interviews under way with members and with self-employed providers who had indicated they would set up new firms but had not applied for authorisation. Research was also under way with new set ups on regulator choice.

A key action would be to improve the website in order better to promote entity regulation.

The Board discussed CILEx supporting self-employed members and the potential for them to become regulated entities. CILEx confirmed that their data is now being shared with CILEx Regulation to support self-employed members into regulation.

This research would also feed into marketing ABS. It included testing of use of language such as *entrepreneurial*, *niche* etc. The agency's initial recommendation was to link business development to the word '*entrepreneurial*' as this suggests innovation and fits with the CILEx ethos.

The headlines from employer research, which Vicki agreed to share with the Board, were:

- larger firms said regulation was one of their biggest challenges;
- firms are recruiting a high number of paralegals;
- CILEx is a '*best kept secret*';
- positive feedback from firms wanting to work with CILEx to develop programmes;
- supportive employers seeking to recognise CILEx members and develop and promote them.

The Board discussed the issue of lack of member awareness of the advantages of holding practice rights. Vicki advised that practice rights would be better embedded into the membership structure by the end of 2017 which should resolve this issue.

A further barrier was lack of readiness to run a business. Support was needed to build confidence and skills; self-employed members were being supported. It was agreed that engagement with members was essential and target groups had been identified so communications could be tailored

The Board were advised that one self-employed member had created a group in his local area. CILEx were looking at a business model that could replicate this approach.

The Board commented that Universities do not promote the Chartered Legal Executive route. CILEx advised that it is now engaging with the younger market. A culture of more choice at school leaving age could be beneficial to CILEx.

6 Finance

The Board reviewed management accounts to October 2016 and commented favourably on the new format.

The current position was £259k ahead of budget, with potential to finish around £180k under. The Group position was positive, partly due to a 2015 restructure at CILEx and a smaller restructure at CILEx Regulation.

CILEx Regulation now had its own bank account holding the £1.23m portion of PCF income reflecting regulatory cost. Three senior officers would be signatories to the new account in addition to the Chair, reflecting Board standing orders.

The Board asked that future accounts show full year budget and full year forecast.

The Board discussed the level of recovery against costs orders. The office agreed to review the approach to debt collection.

7 Key Performance Indicator Framework 2017

The Board considered proposals for new performance reporting arrangements. The intention was to move to high-level quarterly reporting drawn from monthly reporting at operational level. The Board agreed to focus on data informing strategic aims, with detailed information by exception.

The Board asked the office to consider how customer focus and organisational profile might be better reflected when developing the framework further (consultation response activity data was not considered helpful at this level); to review the order of presentation of data having regard to organisational priorities; and to ensure that data collection was not disproportionately onerous for teams.

The office confirmed that some of the measures proposed were still in development and would need a bedding-in period. Cross-matching of data on membership/the regulated community with CILEx would be important.

Board members asked for key objectives to be tracked by RAG rating, for example changes to Compensation Fund and ABS application progress.

DECISION:

- To receive a first new style performance report at the Board's April meeting for Q1 for further discussion.

**SAM YOUNGER
CHAIRMAN**