



NEWSLETTER: Number 6: 7 May 2014

CLSB has not been scheduled to address the 2014 ACL National Conference. However, our new Chair, Steve Winfield, is keen to introduce himself to the ACL membership. We are therefore providing his intended presentation in newsletter format instead.

Address by Steve Winfield, CLSB Chair

My name is Steve Winfield and I was appointed CLSB Chair on 17 March 2014, following the three year tenure of Graham Aitken. My experience in regulation comes from thirty years in the finance industry, as a Director of Administration of Gambling on Tracks, Chair of the Greyhound Regulation Board and as a panel member of ARMA - Residential Managing Agents in the UK.

The last twelve months has been a busy time for CLSB and much has been achieved. Our "day to day" agenda has continued under which we:

- *Issue practising certificates.*
- *Address complaints as appropriate under defined processes and procedures.*
- *Work with the Legal Services Board, Legal Ombudsman and other Approved Regulators on regulatory issues.*
- *Undertake an annual random CPD audit, which I am pleased to be able to advise identified no failures to comply in 2012.*
- *Commission and review an annual independent education audit of the Costs Lawyer qualification and its delivery.*
- *Review risks (consumer, profession & business) taking action to mitigate or eliminate those risks.*
- *Undertake statistical evaluations, to enable us to better understand the profession.*
- *Monitor regulatory documentation to ensure that it remains current and fit for purpose.*
- *Respond to consultations to ensure the interests of the profession are protected.*
- *Manage the Accredited Costs Lawyer Register.*
- *Manage the CLSB Mark of Regulation.*

Reviewed & Revised: Statement of Rights

As you are aware, it was identified that the Costs Lawyer Statement of Rights, originally agreed with the Lord Chancellor back in 2007, required review to ensure they were current.

As a result of that project, a consultation paper was issued and on 26 March 2014 the Legal Services Board approved the new Costs Lawyer Authorised Rights which now appear in the profession's Code of Conduct.

Reviewed & Revised: Costs Lawyer Qualification

Our work also identified the need to review the Costs Lawyer qualification. CLSB worked closely with ACL Training on that project, for which we thank Claire Green and her team. The outcome was a revised Costs Lawyer qualification which is more relevant and includes new sections such as business management. The qualification is also compliant with the Legal Education Training Review Report (LETR) issued last year, which puts the profession ahead of the game on legal education compliance. We have now passed the baton onto ACL Training to actively market the qualification to those considering a career in the law.

Reviewed & Revised: Professional Indemnity Insurance

Following significant CPR changes in April 2013 and subsequent case law, CLSB sought to revise the Costs Lawyer practising rule on professional indemnity insurance to address increased financial risk. It is no secret CLSB was frustrated that the Legal Services Board would not allow CLSB to address this risk with the immediacy required. Further, as regulation has to be proportionate, CLSB was not allowed to introduce a blanket increase in the minimum £100k cover. CLSB therefore went out to consultation and on 9 April 2014 a new rule was Legal Services Board approved. As you are aware, it is now the responsibility of a Costs Lawyer to assess each client instruction for financial risk, and ensure an appropriate level of professional insurance is in place.

Proposed: Entity Regulation

On 2 May 2014, CLSB issued a consultation paper on its entity regulation proposal. The closing date for submissions to CLSB is 4 July 2014. Under the proposal CLSB has sought to regulate those entities which undertake costs law and practice only. Sole practitioners and in-house Costs Lawyers will continue to be regulated via their practising certificates and will incur no extra cost. The annual entity regulation fee will be low and equates to approx. £10.00 per employee and during 2015, if additional income from entity regulation allows, CLSB will reduce the cost of a practising certificate for 2016.

A costs law firm undertaking reserved legal activities must be either entity regulated or licenced as an Alternative Business Structures (ABS) depending on its set up. The cost and implications of being a licensed ABS are greater than being a CLSB regulated entity. CLSB will be writing to all Costs Lawyers and costs firms on this in due course for them to consider how they are set up and the implications.

In brief, a body will be a licensable ABS if a manager (director, partner) or other body exercises 10% or more of its voting rights.

CLSB has deferred its decision on whether to apply to become a Licensing Authority until the beginning of 2015 when it will have a better understanding of just how many costs law ABS firms there actually are. The reason for this is that the cost of establishing a licensing authority has been put at approximately £250k by other Approved Regulators who have

applied for licensing status and CLSB is conscious of its duty to ensure regulatory costs are proportionate.

In closing, we congratulate Sue Nash and all new ACL Council members and wish them well for their term in office. I will be present at the National Conference and hope to be able to meet some of you over the two days. Lynn Plumbley (Chief Executive) and Richard Allen (Costs Lawyer & CLSB Non-Executive Director) will also be present.

From all at the CLSB, we hope your 2014 National Conference is a great success.

Lynn Plumbley
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