

CLSB consultation paper with Costs Lawyers authorised and regulated as at 25 July 2016
Proposed 2017 Costs Lawyer Practising Certificate Fee

Definitions herein:

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| ACL | Association of Costs Lawyers |
| BIS | Department for Business, Innovation & Skills |
| CLSB | Costs Lawyer Standards Board |
| Costs Lawyer | A Costs Lawyer holding a current practising certificate issued by CLSB |
| LeO | Legal Ombudsman |
| LSA | Legal Services Act 2007 |
| LSB | Legal Services Board |
| MoJ | Ministry of Justice |
| PCF 2017 | 2017 Costs Lawyer Practising Certificate Fee (1 Jan 2017 to 31 Dec 2017 inc.) |

1. Attachments

- (i) CLSB budget for 2017
- (ii) CLSB accounts for year ended 31 December 2015 (abbreviated)

2. Introduction

The remit of the CLSB as an approved regulator is to set and maintain standards within the Costs Lawyer profession. This remit is wider than purely complaints management with regulatory objectives set out under the LSA which include:

- Protecting and promoting the consumer/public interest.
- Improving access to justice.
- Encouraging an independent, diverse and effective profession.

3. Proposed PCF 2017

The CLSB undertakes only permitted purposes under the LSA and raises all its funds by way of your annual practising certificate fee. The CLSB has no other income stream. The CLSB is pleased to advise that through continued sound financial management it proposes to keep the fee at £250.00 for the sixth consecutive practising year. However, as you will be aware, in 2016 the CLSB faced criticism under an LSB assessment. As a result, the CLSB compiled a 62 point action plan to address issues raised by the LSB. The CLSB will publish that plan and all the actions taken by the CLSB at the end of the plan period so you can see how the CLSB has performed against expectation.

The cost of undertaking this additional work is yet unknown. Accordingly, and in the interests of fairness, the CLSB decided to establish any financial impact and adjust the practising certificate fee, if necessary and as needed, for practising year 2018. The CLSB considers it has adequate reserves to enable it to adopt this approach.

4. The ACL

We are obliged to explain to you that payment of your PCF 2017 to the CLSB will not afford you no membership rights in the ACL, the professions representative body, as it is a voluntary membership organisation. It is not a requirement that you are an ACL member to hold a Costs Lawyer practising certificate.

5. Benefits to a Costs Lawyer of holding a practising certificate issued by CLSB

It evidences to your clients, the courts and fellow lawyers that you:

- (i) are qualified; and
- (ii) practice in adherence to a professional code of conduct; and
- (iii) practice under a minimum level of professional indemnity insurance; and
- (iv) have in place a complaints handling process; and
- (v) undertake annual continuing professional development; and
- (vi) are authorised, under the LSA to conduct the following reserved legal activities:
 - The exercise of a right of audience
 - The conduct of litigation
 - The administration of oaths

Your name will appear on the CLSB website register of authorised and regulated Costs Lawyers which CLSB sends to all Costs Judges for their reference during the practising year and you will have the benefit of LawCare services. You can apply to become an Accredited Costs Lawyer for the purposes of providing CPD training and you can also use the Costs Lawyer mark of regulation, under licence, at no cost.

6. Permitted purposes and planned work for 2017

All activities in the 2017 budget of the CLSB are for permitted purposes, they include:

Regulation, accreditation, education & training of Costs Lawyers maintaining and raising those professional standards

Supervision:

- Issuing annual practising certificates.
- Monitoring annual declarations.
- Maintaining the public domain register of Costs Lawyers.
- Maintaining as fit for purpose the Costs Lawyer Handbook which contains, inter alia, the Code of Conduct, Practising Rules, Disciplinary Rules & Procedures and the Training & CPD Rules.
- Issuing and updating guidance notes as required.
- Investigating and addressing complaints.
- Monitoring complaints (service & conduct).
- Monitoring and managing risks.

- Accrediting Costs Lawyers for the purpose of providing CPD.
- Random CPD auditing.
- Managing the mark of regulation.
- Gathering and analysing statistical information (the profession, instructions, first-tier complaints, part-time working, geographical location, legal aid and insurance).

***Regulation, accreditation, education & training of those wishing to become Costs Lawyers
..... maintaining and raising those professional standards***

The CLSB will continue its on-going implementation and review of Training & CPD Rules and annual audit of the implementation of the Costs Lawyer qualification.

Payment of LSB & LeO annual levy

Out of the 2017 PCF of £250.00, the CLSB is required to pay an annual levy to both the LSB and LeO. For practising year 2016-2017 this is expected to be in the region of £19.18 to the LSB and £7.91 to LeO per Costs Lawyer.

Participation by the approved regulator in law reform

CLSB will participate in consultation processes on law reform, working with LSB, MoJ and other approved regulators as required.

Promotion & protection of human rights and fundamental freedoms

CLSB will achieve this through relevant and proportionate rules and regulations, transparent communication and on-going risk management.

Promotion of relations with national or international bodies, governments or the legal professions of other jurisdictions

CLSB will continue to promote such relations through its work with BIS on the Regulators Code, MoJ, LSB and other approved regulators. CLSB will continue to address European directive requirements on the recognition of member state equivalent qualification whilst they prevail.

7. Tax Relief under SI 1126/2013: The Income Tax (Professional Fees) Order 2013

The CLSB secured this statutory instrument, effective 10 May 2013, under which “fees payable to the Costs Lawyer Standards Board on applying for a costs lawyer practicing certificate” were added to the table of those fees qualifying for relief under S.343 Income Tax (Earnings & Pensions) Act 2003. This means that if you personally pay your PCF 2017 you will be able to claim tax relief against your taxable income or there will be no tax and national insurance liability where your employer pays it on your behalf.

8. Question & responding

1. Do you agree with the proposed 2017 PCF in the sum of £250.00?
2. Do you have any other comments to make on anything in this consultation paper?

Closing date and time for receipt of responses, by post or email: **Midnight on Friday 9 September 2016.**

Email: enquiries@clsb.info

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Dated: 25 July 2016