

Questions in the certificate:

- Please describe any changes to the governance arrangements since your last submission. This should include, but is not limited to, any changes to the delegated functions from the representative to regulatory arms of the [add AAR name] and any changes to the Board/Council
- Have there been any specific issues that have arisen since the last return that have resulted in the regulatory arm not being able (or been at risk of not being able) to exercise its functions independently of representative influence. If so, please describe the event and the actions taken
- Have there been any instances where the dispute resolution arrangements have had to be used. If yes, please describe the event and the outcome
- (AR specific) The following issues were noted in the LSB review of the self certificate for 2012. Could you please provide an update on each point
- Are there any other matters concerning the independence of the regulatory functions (including anticipated future events) that you should bring to our attention
- The [representative arm] is invited to use this section to include any comments on the regulatory arm's submission

AR	Changes to arrangements	Specific issues	Dispute Resolution	Issues from last year's return	Other matters	Representative arm's comments
Bar Council (BC)/BSB	<p>No changes to BSB constitution; minor amendments to BSB Standing Orders</p> <p>No changes to BSB delegation</p> <p>Changes to BC and BSB constitutions will be made to allow for entity regulation</p>	<p>BSB confident that able to exercise independence of thought and decision making; exercise discretion without interference by the BC</p> <p>Refer to the standard contractual terms issue (subject of LSB investigation) – BSB considered the issue independently, looking at the regulatory issues and did not agree with all that the BC proposed</p>	Not used	<p>How has BSB assured itself that the creation of separate BC Audit and Finance Committees has resulted in independent control of resources and resourcing decisions?</p> <p>Work in progress as few meetings to date to test effectiveness fully. BSB staff involved in drafting ToR for committees and relevant BSB committees considered ToR to ensure workable.</p> <p>Any instances where BSB ability to operate constrained by the “budget envelope”? Been able to address all issues that have arisen that were not known at the time the budget was set?</p> <p>BSB sought additional funds to cover unplanned for activities and this was granted by the Finance Committee (from reserves); BSB authorised to spend additional funds up to the new amount but ultimately the full amount authorised was not used</p> <p>How did the BSB assure itself that it has all the necessary resources before returning any under-spend to the BC?</p> <p>This has not happened as no under-spend (additional funding agreed).</p> <p>BSB can move funds within the BSB budget without seeking Finance Committee approval (Finance Committee informed)</p> <p>There is no mechanism to allow</p>	<p>BSB not concerned about its ability to act independently</p> <p>BSB considers that there is a lack of understanding of the different roles of the BC and BSB – BC quite prominent use of “approved regulator” one factor that gives rise to external confusion, contributing to a misapprehension that the BC has a role in regulation and that the BSB is not independent which the BSB views with some concern; tension created by the Legal Services Act itself</p> <p>Another contributing factor may be the usually good relationship between BC and BSB. Do have constructive discussions and do not always agree (often do not) but prefer not to air disagreements publicly.</p> <p>Lack of systems and procedures to enable independence (especially speed of action when additional/changed resources needed) means BSB depends on good relationship with BC to get things done in a timely manner</p>	<p>BC content that regulation transparent, accountable, proportionate and consistent; still has some reservations about impact of LSB priorities on BSB's ability to target its activities</p> <p>BC content that regulatory functions exercised independently of representative functions as far as is reasonably practicable</p> <p>There are periodic differences of opinion but both BC and BSB actively seek to avoid public confrontation – would undermine credibility and confidence and serve no useful purpose</p> <p>Shared services necessary for cost effective delivery of both representative and regulatory functions; appropriate management and objective assessment of delivery through SLAs works well. Separation of shared services would mean additional cost to the profession and should be avoided</p>

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				<p>BSB to keep under-spend at year end</p> <p>Review of Service Level Agreements</p> <p>Not progressed so far due to lack of requisite skills to undertake the task. Individual will be in post at the end of July 2013</p> <p>Matters arising under existing SLAs escalated to directors when necessary</p>		
CILEx/IPS	None	No issues	Not used	No previous issues	None	No risks identified that impede continued compliance with the IGRs. Continue to provide excellent basis for collaboration without undermining regulatory independence, regulation in the public interest or transparency
ACL/CLSB	<p>One NED term of office ended. New NED appointed for two year term from March 2013</p> <p>Regulatory fees collected by CLSB separately from ACL membership fees</p> <p>Minor changes to Governance documents – Practising Rules and Disciplinary Rules</p> <p>Introduced mark of regulation</p> <p>Guidance notes updated evidencing CLSB provide action and support where needed</p> <p>Standards for trainee cost lawyers - application submitted to LSB but not yet approved; CLSB delegated powers to be amended</p> <p>Audit of education course and CPD completed; CPD audit identified one disciplinary</p> <p>Education review in train – will result in a new governance document setting Aims and Objectives of the education programme</p> <p>Entity regulation – feasibility study commissioned</p>	<p>Fees – Link to ACL membership fee and process was becoming unworkable. Regulatory and membership fees now separated has alleviated the concerns</p> <p>Standards for trainees – change to delegation of powers needed to allow CLSB to introduce this; CLSB view is that ACL have been stalling on this but expect this to be expedited when new ACL Council and Chair are in place</p> <p>Communications – CLSB has not been granted space in the Costs Lawyer Journal to publish information; addressed this by developing own newsletter. CLSB not initially invited to the ACL National Conference in 2012; was invited to address the 2013 Conference</p>	<p>CLSB asked to LSB intervene on two occasions – (1) lack of co-operation on fees meant critical dates at risk of not being met; (2) when developing the proposals on trainees CLSB felt “threatened”* by ACL. Both matters resolved following LSB intervention</p> <p><i>* the issue that CLSB raised with LSB was that ACL would not provide the contact details for trainees so CLSB could not send the consultation paper to them directly; ACL also indicated to CLSB that it (ACL) would not respond to the proposals</i></p>	<p>Composition of the Board, specifically phasing of the terms of appointment</p> <p>Board reviewed at October 2012 meeting ; 3 NEDs reappointed for new terms of varying length so that the right balance between continuity and turnover. New NED appointed (march 2013) following a fair and open process.</p>	<p>CLSB concerned about the outstanding decision (by ACL) on trainee cost lawyers and hopes for working relationship with the new ACL Council in the spirit of open dialogue, understanding and support</p>	<p>Acknowledge and broadly accept outcomes contained in the certificate</p> <p>Urgent work required concerning the regulation of trainees – the new council shares CLSB concern about the need for standards and robust regulation; this will be given priority by ACL</p> <p>Committed to raising educational standards</p> <p>Grateful that be little cause for disciplinary action and welcome CLSB intervention where this has been required</p> <p>Believe the communications difficulties have been resolved for the future</p> <p>Appreciate the work done by CLSB as the regulatory body</p>