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# Foreword

Steve Winfield, Chair

2019 has been a time of significant change for the CLSB. We have revised our organisational structure and, as a result, have been joined by Kate Wellington as our new part-time CEO. Kate took the reins in June from our former CEO, Lynn Plumbley, who has been with the CLSB since its inception in 2011. I would like to take this opportunity to thank Lynn for her tireless efforts over many years.

Looking externally, we have engaged with changes that impact our regulated community, including reforms to the fixed recoverable costs regime. We have also worked closely with ACL Training to reopen recruitment for the Costs Lawyer Qualification, enabling a new generation of Costs Lawyers to obtain the education and training they need to join our regulated community.

2020 will undoubtedly bring more change, which offers exciting new opportunities for the CLSB and the Costs Lawyers that we regulate. We will embark on the first year of our [mid-term strategy](#), which we adopted in 2019. We will be seeking new avenues for cooperation and collaboration with our colleagues at ACL, the other legal regulators, consumer bodies and organisations outside the sector. We will continue to learn, grow and improve, in order to provide effective and proportionate regulation in line with best market practice and the needs of Costs Lawyers and their clients.

2020 also marks my final year as Chair of the CLSB after a full seven-year term. I am proud of what the CLSB has achieved in that period, with a satisfaction rating from our regulated community of consistently above 90%. Our vision for the future involves building on that trust and confidence by enhancing our regulatory arrangements and gaining a deeper understanding of the needs of consumers in the market that we regulate. Kate has already made significant inroads during her short tenure and I have every confidence that she will find innovative ways to successfully achieve our strategic objectives. During 2020, we will commence our search for my successor, who will have the opportunity to help guide the CLSB into the future.

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# Introduction

Kate Wellington, CEO

The CLSB has been operating as a financially prudent, proportionate regulator of Costs Lawyers for nearly a decade now. As incoming CEO, my mandate is to lead the CLSB in the next phase of its journey, building on our past successes while recognising and addressing areas in which we can improve and grow. My initial priority was to assist the board in articulating its strategy for the next four years. This Business Plan for 2020 sets out our annual priorities within the framework of that strategy.

We have already begun to lay the foundations for achievement in the latter half of 2019. We have introduced new governance and transparency processes, allowing us to measure success and improve accountability to our stakeholders. We have developed and are delivering a comprehensive action plan that will help us meet or exceed the regulatory standards set by the Legal Services Board. And we have cultivated new collaborative relationships, which we will continue to nurture in 2020. We have also begun a comprehensive review of our regulatory arrangements, starting with a full consultation on our Disciplinary Rules and Procedures.

In 2020, in addition to fulfilling our regulatory functions, we will prioritise initiatives that help us – either directly or indirectly – achieve the vision and objectives set out in our strategy. We will focus on initiatives in three main areas, namely:

- improving our regulatory arrangements;
- protecting the interests of consumers and promoting professional standards; and
- modernising our organisation.

This is an ambitious Business Plan for an organisation of our size, but I look forward to the challenge of realising our aspirations for the future regulation of the Costs Lawyer profession.

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# Strategic objectives

## Pursuing our strategy

Below are the CLSB's strategic objectives for 2020 to 2023, as set out in our [mid-term strategy](#). Each objective is assigned a letter, A through E. These letters are used in the remainder of this Business Plan to demonstrate how our annual priorities for 2020 are linked to achievement of our wider strategic goals.

- A. *We will have collaborative working relationships with key stakeholders in the costs law market and across the wider legal services landscape, including the Association of Costs Lawyers, the Legal Services Board and other Approved Regulators. Through these relationships, we will identify best practice, harness evidence and data, and draw from the learnings of others, to deliver a rigorous approach at proportionate cost.*
- B. *We will consider and act upon evidence in a consistent, structured and documented way, furthering our ability to implement highly tailored regulatory arrangements.*
- C. *We will have an advanced understanding of the consumer dimension of the market we regulate, and we will regularly revisit and update our perception of the risks posed by the profession to the public.*
- D. *We will have a deep comprehension of the risk framework within which we operate, and our stakeholders will be confident that we are delivering robust risk-based regulation that is bespoke to Costs Lawyers.*
- E. *Costs Lawyers will view the CLSB as facilitating a trusted and evolving profession, responding proactively to new challenges and needs.*

# Annual priorities

## Improving our regulatory arrangements

|    | Initiative   | Link to strategy |
|----|--|------------------|
| 1. | <p>Complete the review of our Disciplinary Rules and Procedures following consultation in 2019 by:</p> <ul style="list-style-type: none"> <li>• implementing revised rules;</li> <li>• producing associated guidance for Conduct Committee members, including in relation to financial penalties;</li> <li>• articulating parameters for ad hoc recruitment of Panel members;</li> <li>• creating an operating framework for the new Case Manager role;</li> <li>• reviewing our policy on the publication of outcomes.</li> </ul> | B, E             |
| 2. | <p>Complete the review of our approach to Continuing Professional Development (CPD) by:</p> <ul style="list-style-type: none"> <li>• consulting on proposed changes;</li> <li>• implementing new rules and guidance;</li> <li>• developing reporting templates and case studies to assist practitioners.</li> </ul>  | A, B, E          |
| 3. | <p>Review our Practising Rules and Practising Certificate Reinstatement Procedure, with the aim of bringing them into line with updates made to other regulatory arrangements and acting upon insights gained from our supervision and disciplinary activities.</p>  | B, E             |
| 4. | <p>Deliver the phase 2 actions identified in the 2019 Handbook Audit, in particular conducting a routine substantive review of our guidance relating to:</p> <ul style="list-style-type: none"> <li>• Damages-Based Agreements and Conditional Fee Agreements;</li> <li>• Insurance;</li> </ul>  | B, E             |

|    |   |         |
|----|---|---------|
|    | <ul style="list-style-type: none"> <li>• Anti-money laundering;</li> <li>• Referral arrangements; and</li> <li>• Retention of a client's file.</li> </ul>         |         |
| 5. | Revisit our diversity action plan to ensure it reflects prevailing best practice and addresses issues that impact upon the Costs Lawyer profession in particular. | A, B, E |
| 6. | Examine our evidence base in relation to new and emerging policy developments, our regulated community and the regulated market.                                  | A, B, D |

## Protecting the interests of consumers and promoting professional standards

|     | Initiative  | Link to strategy |
|-----|---|------------------|
| 7.  | Build on research undertaken in 2019 to deliver: <ul style="list-style-type: none"> <li>• a final report on consumer use of Costs Lawyers' services;</li> <li>• a revised consumer engagement strategy; and</li> <li>• a framework for aligning risk assessment and regulatory approach to consumer need and expectations.</li> </ul> | B, C             |
| 8.  | Review our guidance on vulnerable consumers.  | B, C             |
| 9.  | Work with ACL Training on delivery of the refreshed Costs Lawyer Qualification, building on preliminary analysis and development of materials in 2019.  | E                |
| 10. | Collaborate with the Association of Costs Lawyers (ACL) on identifying touchpoints for the collation and analysis of data relating to the profession, including sources of instructions.  | A, B, C          |
| 11. | Engage with Professor Mayson's review of legal services regulation and collaborate with ACL to promote understanding of what Costs Lawyers do and the relative risks to consumers from over- and under-regulation of the market.  | A, C             |
| 12. | Develop and agree a new memorandum of understanding with ACL to implement the Legal Services Board's internal   | A, D             |

|     |   |      |
|-----|---|------|
|     | governance reforms and establish an improved framework that appropriately balances cooperation, oversight and independence.                                       |      |
| 13. | Explore with ACL how we can improve the content or format of the regulatory information that we publish for the benefit of the profession and other stakeholders. | A, D |

## Modernising our organisation

|     | Initiative  | Link to strategy |
|-----|---|------------------|
| 14. | Refresh the CLSB website, with a focus on user experience, legals and transparency, enabling Costs Lawyers, consumers and other stakeholders to easily access the information they need.                            | C, E             |
| 15. | Review the effectiveness of our new operating structure to identify whether and where further improvements can be made.   | Facilitates all  |
| 16. | Update and retest our business continuity arrangements to reflect potential improvements identified in 2019 testing.  | Facilitates all  |
| 17. | Explore whether there is scope to share services with other approved regulators or similar organisations, to improve efficiencies and save costs.   | A                |
| 18. | Assess the impact of moving our practising certificate renewal process to a digital platform to improve data security, minimise manual processes and save resource.   | E                |
| 19. | Develop a policy for the publication of complaints against the CLSB, augmenting our existing Internal Complaints Handling Policy, covering the type of information that will be published, at what stage and where. | E                |
| 20. | Assess the effectiveness of our Transparent Decisions Policy as implemented in 2019 and consider whether any additional transparency measures are necessary.  | B, D             |

Our budget for 2020, which will allow delivery of this Business Plan, can be found on our website [here](#).