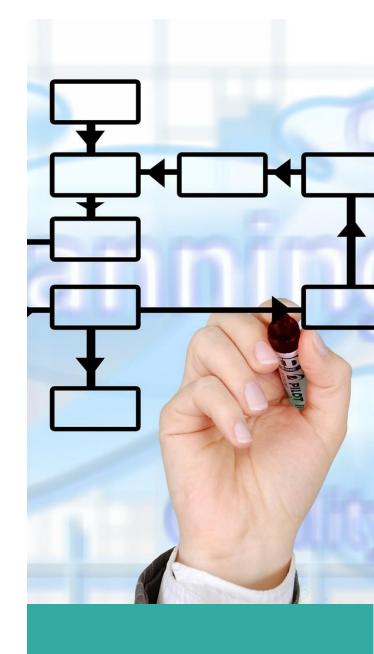
# **Business Plan 2021**



September 2020

**Costs Lawyer Standards Board** 



# **Foreword**

#### Steve Winfield, Chair

Around the world, 2020 was marked by one theme: a coronavirus pandemic that has changed the way we work and live, perhaps forever. As a virtual organisation, the CLSB was well-placed to respond quickly to the crisis, adopting new technologies and ensuring business continuity. We implemented support measures to help practitioners continue to meet their professional obligations during turbulent times, and have taken the profession's temperature through impact surveys aimed at assessing the immediate and longer-term effects of the crisis on practice viability, working arrangements, regulatory barriers and risk.

Responding to the crisis inevitably required flexibility and diversion of our limited resources, but we did not let this eclipse our core regulatory work or progress against our strategic aims. Despite the pandemic, we achieved significant organisational improvements against a variety of measures, as planned. From a governance perspective, we have continued to enhance our oversight processes, through better use of KPIs and strategic reporting, and have further improved transparency by <u>publishing</u> more board documents at an earlier stage.

We were also joined in 2020 by two new <u>Non-Executive Directors</u> – Andrew Harvey and Andrew McAulay – who bring a wealth of valuable insights and experience to our board. My thanks go to our outgoing directors, Gill Milburn and Tracyanne Ayliffe, for their dedication, contribution and support over many years.

In January 2021, the CLSB will also welcome a new Chair, at the conclusion of my seven-year term. While the events of 2020 remind us that our lives, our businesses and our economic systems can change overnight in unexpected ways, I will leave the CLSB secure in the knowledge that it has the right processes and personnel in place to weather such storms. I feel privileged to have been part of the organisation's journey and I am confident that I leave a legacy that sees a bright future ahead.

## Introduction

#### Kate Wellington, CEO

When the calendar turns to 2021, I will have been at the CLSB for a little over 18 months. The organisational change we have achieved in that period has been genuinely transformational. I am enormously proud of the efforts of my colleagues, our board and our external stakeholders in providing the support, open-mindedness and hard graft required to make such meaningful progress.

As anticipated, 2020 was a year of rapid evolution for the CLSB. We overhauled our IT functions, resulting in a new website, new communications systems and better document storage solutions. We built a bespoke database to power the Register of Costs Lawyers, improving data security and regulatory supervision. And we implemented an online process for practising certificate renewals, saving considerable time and cost while also reducing risk. As a result we have become a truly digital organisation, allowing us to respond nimbly and efficiently to an ever-changing marketplace.

We also focused on enhancing our regulatory performance in 2020. We delivered a comprehensive regulatory action plan, aimed at securing immediate and much needed improvements to our regulatory approach. We adopted a new <u>Consumer Engagement Strategy</u> for 2020 to 2023. We modernised our CPD Rules, Practising Rules and Disciplinary Rules and Procedures, as well as introducing new guidance to help Costs Lawyers and consumers navigate the regulatory environment. And we collaborated with other organisations to seek out best practice. Through these initiatives, we have organically developed a more holistic, risk-based, creative and proactive approach to regulating the Costs Lawyer community, for everyone's benefit.

While 2021 will inevitably involve some consolidation and reflection, we have no intention of taking our proverbial foot off the pedal. Our key annual priorities are set out in this Business Plan. As in 2020, we will prioritise initiatives that help us achieve the vision and objectives in our <u>mid-term strategy</u>. We have created a strong foundation for another successful year. I look forward to leading the CLSB into 2021.

# Strategic objectives

#### Pursuing our strategy

Below are the CLSB's strategic objectives for 2020 to 2023, as set out in our <u>mid-term</u> <u>strategy</u>. 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 2021 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.	Work with ACL Training to consider whether improvements are required to the Training Rules, informed by learnings from the first year of the refreshed Costs Lawyer Qualification.	A, B, E
2.	Update the Guidance Notes in the Costs Lawyer Handbook that were not subject to review following the 2019 Handbook Audit.	В
3.	Develop new guidance that draws together themes identified across various aspects of our work, such as:	B, D
	<ul> <li>guidance for unregulated employers of Costs Lawyers;</li> </ul>	
	<ul> <li>guidance on closing down a practice.</li> </ul>	
4.	Carry out an initial evaluation of our revised approach to Continuing Professional Development (CPD) – informed by feedback and enquiries from the profession and other stakeholders – and produce targeted additional support materials where a need is identified.	B, E
5.	Review the regime for accrediting Costs Lawyers to provide CPD training, to assess whether the accreditation criteria and the approach to implementation remain fit for purpose.	B, E
6.	Consider our diversity and inclusion initiatives against the Legal Services Board's characteristics of a well-performing regulator to identify and address any gaps in our approach.	B, E

# Protecting the interests of consumers and promoting professional standards

	Initiative	Link to strategy
7.	Deliver the first year of priority activities in our Consumer	С
	Engagement Strategy.	

8.	<ul> <li>Develop our approach to supervision by:</li> <li>planning and documenting an updated CPD audit programme under the new CPD Rules;</li> <li>implementing a structured audit of complaint procedures;</li> <li>formalising our "point of complaint" targeted supervision activities, drawing evidence from our new database;</li> </ul>	B, D, E
9.	<ul> <li>updating our Supervision Policy to capture the above.</li> <li>Take an in-depth look at three key areas in which we have identified risks of poor consumer outcomes, namely:         <ul> <li>under-insurance;</li> <li>handling of client money; and</li> <li>communication of complaint procedures, in order to:                 <ul> <li>improve our understanding of the risk profile across the profession in each area, making use of our new audit and data capture processes;</li> <li>ensure we accurately record these risks, for transparency and monitoring purposes;</li> <li>assess whether our current regulatory arrangements in these areas appropriately mitigate the risks, informed by evidence from consumer complaints;</li> <li>consider whether there are more proportionate, targeted or innovative ways to address the risks, particularly in the context of market developments and technological change.</li> </ul> </li> </ul> </li> </ul>	C, D
10.	Consider how we can improve consumer information in relation to the regulatory status of the organisations in which Costs Lawyers practise.	C, D
11.	Test the efficacy of the new interim suspension order (ISO) powers in our Disciplinary Rules and Procedures, based on our early experience of disciplinary proceedings in which the imposition of an ISO was considered.	B, D

## Modernising our organisation

	Initiative	Link to strategy
12.	Measure the success of the electronic practising certificate renewal process implemented in 2020 against five key metrics (cost; resource implications; user feedback; data security; and data quality) and identify any adjustments needed for the 2021 renewal period.	B, E
13.	<ul> <li>Deliver the second phase of our digital workplan, including:</li> <li>reviewing how we use IT for financial management;</li> <li>creating e-forms for processes other than annual practising certificate renewals;</li> <li>building add-on functionality for the Costs Lawyer database, informed by learnings from the 2020 practising certificate renewal process.</li> </ul>	Facilitates all
14.	Review our governance arrangements, including our suite of governance documents, to ensure they provide a robust framework for oversight and accountability and continue to meet the standards of the Corporate Governance Code 2018.	Facilitates all
15.	Revisit the effectiveness of our new operating structure to identify whether and where further improvements can be made.	Facilitates all

Our budget for 2021, which will allow delivery of this Business Plan, can be <u>found on our website</u>.