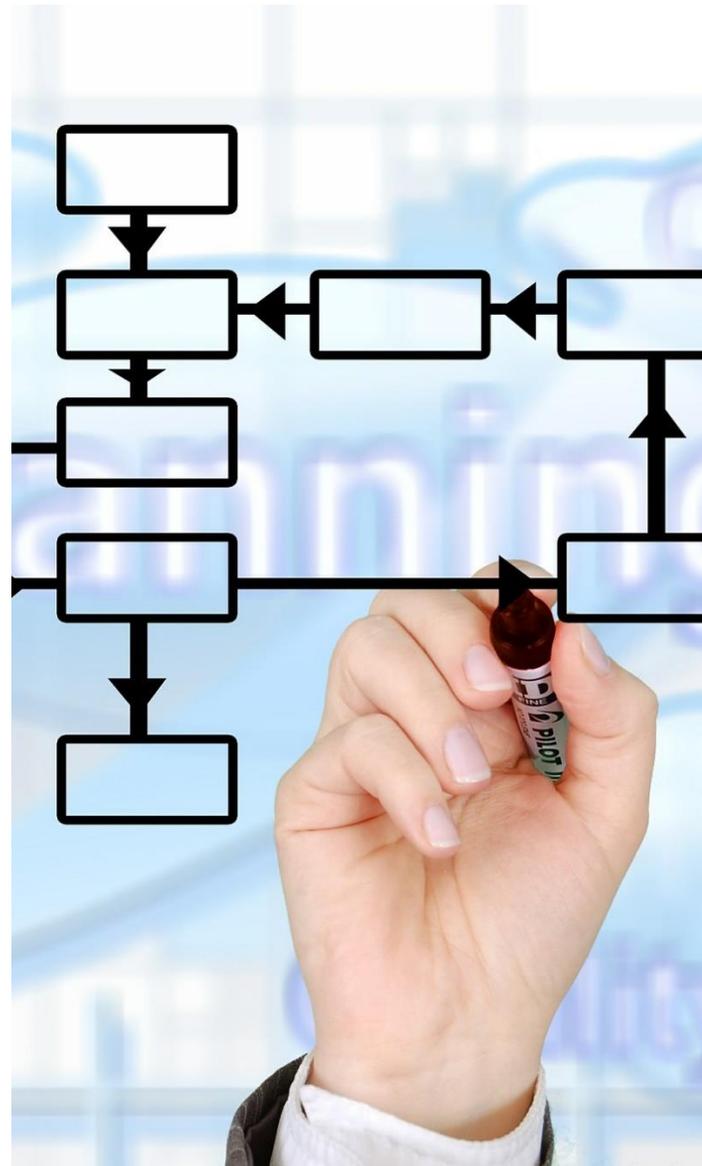


Business Plan 2024



September 2023

Costs Lawyer Standards Board

CLSB
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Foreword

Rt Hon David Heath CBE, Chair

Back in 2019, we developed a [mid-term strategy](#) that established our vision and objectives for the CLSB from 2020 to 2023. We described our mission in this way:

“The CLSB provides effective, proportionate regulation of Costs Lawyers in a way that promotes consumer choice and understanding, and engenders justified public trust.”

Looking at that mission statement now, four years on, it could not be more relevant to the challenges we face today. With the cost of living in England and Wales increasing at a phenomenal rate, proportionality in regulation is more important than ever. And as a small regulator it is critical that we put our limited funds to work in an efficient and impactful way, identifying and targeting key areas of risk within the profession to achieve the best possible outcomes for Costs Lawyers’ clients and the wider public.

Promoting informed choice, too, is increasingly important in regulating legal services. The evolution of new and innovative services is enhancing competition and impacting prices, while unregulated providers are stepping in to meet legal needs that are – for many different reasons – unmet by the regulated sector. As the services on offer become both more accessible and more complex, it is increasingly important that clients understand the advantages and risks of using different providers, and are informed about the regulatory protections that are (or are not) associated with their choices.

Building justified trust in the Costs Lawyer profession also remains highly relevant, along with fostering public awareness of the specialist services that Costs Lawyers provide. Our research suggests that the majority of Costs Lawyers’ instructions come from other legal services professionals, leaving untapped potential for Costs Lawyers to directly meet the needs of individual clients and small businesses.

2024 will be the first year of our new mid-term strategy. While we have transformed as an organisation under our existing strategy – through wholesale improvements to our regulatory arrangements and ways of working – our overall mission can be articulated in much the same way as it was in 2019. To me, that suggests we have been on the right track, which is an encouraging thought to take into the next strategy cycle.

Introduction

Kate Wellington, Chief Executive

When I joined the CLSB in 2019, the route to qualifying as a Costs Lawyer was closed. Challenges with the training course meant that new students had not been accepted for several years. Given that new entrants are critical for viability in a small profession, the outlook for the Costs Lawyer community was uncertain. In 2020 we were able to bring a refreshed version of the professional qualification back online, working closely with our colleagues at ACL Training. This represented the start of a new phase in building the profession's capacity and reputation.

Since then, [research carried out by the CLSB](#) has revealed a great deal of evidence suggesting that the Costs Lawyer profession has the potential to have a much bigger impact than it does today. In order to achieve this, two things are required: the first is greater awareness of the specialist services that Costs Lawyers can offer, and the second is a greater number of Costs Lawyers offering a diverse range of services to a diverse pool of clients. A large part of our planned work for 2023 and 2024 relates to making Costs Lawyers' expertise more widely understood and available to those who need it most. Amongst other things, this requires us to facilitate growth in the profession, in a way that is sustainable and assures competence and quality in newly qualifying Costs Lawyers.

Against that backdrop, I have no difficulty in identifying the CLSB's most important achievement in 2023. In February, we implemented a new regulatory framework for qualifying as a Costs Lawyer; from revised Training Rules to a comprehensive new Scheme Handbook for Accredited Study Providers, we have reviewed and improved every aspect of our regulatory arrangements for qualification. ACL Training embraced this opportunity in order to develop a new course offering for the next generation of Costs Lawyers. Our two organisations worked together over several months on validation of the course and, in June, ACL Training was accredited by the CLSB to offer a new Costs Lawyer Professional Qualification from September.

What does this mean for 2024? We will be watching closely to ensure the new course is meeting our objectives of equipping practitioners with the knowledge and skills they need to succeed in an ever-changing workplace, while enabling the profession to attract a diverse and talented pool of lawyers. In my view, sustainable growth will unlock the capability of the profession to innovate and thrive, which will serve the public well in an environment where the cost of legal services is shooting up the political and commercial agenda.

Our objectives

Pursuing our strategy

Below are the CLSB's strategic objectives for 2024 to 2027, as set out in our new [mid-term strategy](#). Each strategic 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 2024 are linked to achievement of our wider strategic goals.

- A. *We will nurture the positive working relationships created under our previous strategy and begin to look outside the legal services sector for inspiration and learnings, seeking collaboration where this furthers our mission.*
- B. *We will be perceived as an expert on the market that we regulate, proactively adding value for Costs Lawyers, their businesses, their clients and the wider justice system, and we will effectively communicate that value to those in the costs community who decide each year whether or not to opt-in to regulation.*
- C. *We will begin to raise standards in the part of the costs law market that is currently outside the scope of regulation, by finding non-legislative levers to encourage professionalism and by communicating the benefits of regulation to the people who make purchasing decisions about costs advisory services.*
- D. *We will continue to create, evaluate and improve a regulatory model that is uniquely suited to the unusual characteristics of the costs law market, finding inventive ways to tackle the challenges presented by the legislative environment in which we operate.*
- E. *We will build long-term organisational robustness and resilience to guard against external risks and shocks, and we will promote the same resilience within the Costs Lawyer profession.*

The regulatory objectives

All of our activities must be compatible with, and promote, the regulatory objectives set out in section 1 of the [Legal Services Act 2007](#). The regulatory objectives are reproduced below, and each is assigned a number, 1 through 7. These numbers are used in the remainder of this Business Plan to demonstrate how our annual priorities for 2024 are linked to promotion of the regulatory objectives.

The regulatory objectives are:

1. *protecting and promoting the public interest;*
2. *supporting the constitutional principle of the rule of law;*
3. *improving access to justice;*
4. *protecting and promoting the interests of consumers;*
5. *promoting competition in the provision of legal services;*
6. *encouraging an independent, strong, diverse and effective legal profession;*
7. *increasing public understanding of the citizen's legal rights and duties;*
8. *promoting and maintaining adherence to the professional principles.*

The professional principles referred to at 8 above are:

- that authorised persons should act with independence and integrity;
- that authorised persons should maintain proper standards of work;
- that authorised persons should act in the best interests of their clients;
- that persons who exercise before any court a right of audience, or conduct litigation in relation to proceedings in any court, by virtue of being authorised persons should comply with their duty to the court to act with independence in the interests of justice; and
- that the affairs of clients should be kept confidential.

Promoting consumer outcomes

In line with [our commitment to consider consumer outcomes in all of our regulatory work](#), we have also indicated in this Business Plan how each initiative is linked to the promotion of one or more of the consumer outcomes that we are interest in, namely: price; quality; access; innovation; privacy; fairness; and/or diversity.

Annual priorities

	Initiative	Link to objectives	Fit with consumer outcomes
1.	<p>In collaboration with ACL Training, oversee the first year of delivery of the new Costs Lawyer Qualification, including by:</p> <ul style="list-style-type: none"> • carrying out the first annual monitoring process under the Accredited Study Provider Scheme Handbook; • developing additional guidance and materials on the regulatory aspects of qualifying, based on student feedback; • communicating the responsibilities and benefits of regulation to new student cohorts. 	<p>Strategic C, E</p> <p>Regulatory 3, 4, 6, 8</p>	<p>Quality Access Diversity</p>
2.	<p>Deliver a project to capture anecdotal evidence of poor consumer outcomes in the unregulated part of the costs market and report to stakeholders on themes and trends. Explore avenues that are available under the existing legislative framework to tackle poor practice and promote the regulatory objectives outside the immediate scope of regulation.</p>	<p>Strategic C</p> <p>Regulatory Promotes all</p>	<p>Quality Fairness</p>
3.	<p>Develop and begin to implement a comprehensive, long-term communications strategy, aimed at supporting each of the five strategic goals in our new mid-term organisational strategy in a cohesive and systematic way.</p>	<p>Strategic A, B, C, D, E</p> <p>Regulatory 1, 3, 4, 5, 6, 7, 8</p>	<p>Quality Access Innovation Fairness</p>
4.	<p>Embed the B2C regulatory framework with the group of Costs Lawyers that deliver services directly to consumers.</p>	<p>Strategic D</p> <p>Regulatory 4</p>	<p>Price Quality Access Fairness</p>

5.	Publish the second annual Risk Outlook for the profession and assess the impact and future direction of this initiative.	Strategic B Regulatory 1, 5, 6	Access Innovation Privacy
6.	Implement changes to the Costs Lawyer Code of Conduct, including by reviewing all published regulatory arrangements, guidance, policies and web content to ensure alignment with the new Code.	Strategic D Regulatory 6, 8	Quality Innovation Fairness
7.	Carry out the next two-year review of changes to the Disciplinary Rules and Procedures, looking at second tier complaints handled during the review period as well as any good practice examples or learnings from our or other regulators' work.	Strategic D Regulatory 4, 8	Quality Fairness
8.	Carry out the first phase of evaluation activities relating to the new framework for qualifying as a Costs Lawyer.	Strategic C, E Regulatory 6	Quality Access Diversity
9.	Align our work on ongoing competency – including the expanded Competency Statement – with our existing framework for continuing professional development (CPD) and develop additional resources for practitioners where appropriate.	Strategic B, D, E Regulatory 4, 6, 8	Quality
10.	Develop new guidance to address risks identified in the following areas: <ul style="list-style-type: none"> • setting up a new practice; and • expectations on (unregulated) costs firms. 	Strategic B, C Regulatory 1, 3, 4, 5, 6, 8	Quality Innovation Fairness Access
11.	Develop the next phase of our diversity and inclusion workplan by reference to the new mid-term strategy.	Strategic B, E Regulatory 6	Diversity
12.	Investigate whether a new supervision framework for client care letters is warranted based on evidence of client outcomes.	Strategic B, D	Fairness Price

		Regulatory 4, 8	
13.	Modernise the way we track enquiries from external sources to facilitate reporting and trend analysis.	Strategic B Regulatory 1, 3, 4, 6	Supports all
14.	Systematically document all key internal processes and workflows to promote business continuity as well as compliance with internal policies and external regulatory and legal requirements.	Strategic E Regulatory Supports all	Supports all
15.	Review our data protection arrangements to ensure they remain robust and fit for purpose following extensive improvements to our digital operations.	Strategic E Regulatory Supports all	Privacy
16.	<p>Deliver the next phase of our digital workplan by:</p> <ul style="list-style-type: none"> • Continuing to develop our suite of application forms and their interface with the CLSB database, in line with our principles of ease of use, security of data, utility of reports, consistency of approach. In particular: <ul style="list-style-type: none"> - standardise the wording, content and layout of forms; - begin work on standardising the underlying code to facilitate easier updates; - introduce functionality to automate annual updates. • Developing the CLSB database by: <ul style="list-style-type: none"> - enhancing security to provide unique access keys for each user; - reviewing the read-only version of the database to improve ease of use and utility. 	Strategic E Regulatory Supports all	Supports all

Our budget for 2024, which will facilitate delivery of this Business Plan, can be [found on our website](#).