
Foreword

Rt Hon David Heath CBE, Chair

2023 holds exciting prospects for the Costs Lawyer profession. While the covid-19 pandemic brought personal hardships for many, it also opened legal professionals' eyes to the potential benefits to be gained by adopting more flexible and efficient working practices. Many Costs Lawyers are now employed remotely by firms and are servicing clients in a range of locations, allowing wider public access to the talent within our regulated community. Training and development resources have also moved online, increasing the relevance and variety of the CPD activities that Costs Lawyers can access.

But it is not all plain sailing. Reforms to legal aid, the expansion of fixed recoverable costs in civil cases, and other policy shifts have created uncertainty in the market. Despite its many benefits, remote working can also put pressure on families, teams and individuals, threatening important aspects of professional life such as wellbeing and on-the-job training. And more broadly, research consistently shows that citizens and small businesses in England and Wales still have significant legal needs that are not being met by the sector. Our regulatory approach must respond to all these factors, and many more.

In 2022 we were able to invest heavily in research, thanks in large part to the Regulators' Pioneer Fund (an initiative of the Department for Business, Enterprise and Industrial Strategy), which supported our project that asked: How could Costs Lawyers reduce the cost of legal services? Through the project, we have developed a much clearer picture of the barriers and contributors to innovation in the market for costs services, the untapped benefits that Costs Lawyers could bring to the sector, and how our regulatory framework could promote better outcomes.

In 2023, we will apply this evidence to our thinking around a number of risks, challenges and difficult questions, with the aim of making Costs Lawyers' specialist expertise more widely understood and available to those who need it most.

Introduction

Kate Wellington, Chief Executive

How time flies. 2023 marks the final year of our [mid-term organisational strategy](#) and my fourth year at the CLSB.

The first two years of delivering our strategy involved a whirlwind of change and modernisation, as we upgraded every aspect of our operations and improved our regulatory framework. In 2022 we took stock and consolidated our progress, by evaluating the success of earlier initiatives and making adjustments to ensure they remain relevant and impactful. We also launched a series of new projects, digging deeper into important areas that we see as critical to the success of the strategy. This involved, for example, developing a modern regulatory framework for the Costs Lawyer Qualification, re-evaluating our approach to risk, and expanding our evidence base through research and engagement.

When we developed our mid-term strategy, our focus was on building the necessary foundations for the CLSB to regulate Costs Lawyers effectively into the future. By the end of 2022, we wanted to be “nearly there” in terms of achieving that strategy, and our 2022 Business Plan was designed with that in mind. The foundations are now in place. So what’s next?

A key priority for 2023 will be developing a successor mid-term strategy, setting new ambitions and updating our vision for the coming four years. Through our 2023 Business Plan priorities, we will explore important questions about what kind of regulator is really needed for the Costs Lawyer profession, how we can address structural issues in the market, and how we (and the profession) could add value to the legal sector as a whole.

This represents the next phase in securing the CLSB’s future as a stable, efficient and thoughtful regulatory body.

Our objectives

Pursuing our strategy

Below are the CLSB's strategic objectives for 2020 to 2023, as set out in our [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 2023 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.*

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 2023 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.	Work with internal and external stakeholders to develop a new mid-term strategy for the CLSB, building on the learnings and successes from our first strategy covering the period 2020 to 2023.	Strategic Supports all Regulatory Supports all	Supports all
2.	Deliver the priority activities for the final year of our Consumer Engagement Strategy , and consider what successor initiatives should be put in place going forward.	Strategic B, C Regulatory 1, 3, 4, 7	Supports all
3.	Develop a programme of work to promote the outcomes in the Legal Services Board’s policy statement on empowering consumers in a way that takes into account the unique nature of the market for costs services.	Strategic A, B, C Regulatory 1, 3, 4, 5	Price Access Innovation Fairness
4.	Using our new regulatory framework for the Costs Lawyer Qualification, work with ACL Training to accredit a new course that meets the standards for delivery and competency assurance set by the CLSB.	Strategic B, E Regulatory 1, 4, 6, 8	Quality Access Diversity
5.	Deliver a programme of work aimed at harnessing the unique insights that Costs Lawyers can bring, to stimulate discussion across all the legal regulators about how legal costs can be better controlled.	Strategic A, B, E Regulatory 3, 4, 5, 6	Price Access Fairness
6.	Investigate the risks and benefits of entity regulation amongst costs firms, including whether there is a cost effective version of entity regulation that may be practical for the CLSB to implement.	Strategic D, E Regulatory 1, 4, 5, 6	Innovation

7.	<p>Explore ways of encouraging competition in the market for legal services and promoting the interests of consumers through considering:</p> <ul style="list-style-type: none"> • how the CLSB’s branding is used by the sector; • how our competency frameworks can ensure the profession provides the best value to end users; and • how our overall framework of regulation could best support the positive role that Costs Lawyers can play. 	<p>Strategic C, D, E Regulatory 4, 5</p>	<p>Quality Access Innovation</p>
8.	<p>Consider whether and how to implement measures to more strongly distinguish between the interests of intermediaries (professionals who instruct Costs Lawyers on a client’s behalf) and the interests of the Costs Lawyer’s ultimate client in our regulatory arrangements.</p>	<p>Strategic C, E Regulatory 4, 6, 8</p>	<p>Quality Access Innovation Fairness</p>
9.	<p>Design a project that looks at how the regulation of Costs Lawyers should evolve into the future, taking into account how the profile of our regulated community may change.</p>	<p>Strategic Supports all Regulatory Supports all</p>	<p>Supports all</p>
10.	<p>Develop a programme of work to align the CLSB’s approach to ensuring continued competency with the Legal Services Board’s policy statement on ongoing competence.</p>	<p>Strategic B, D, E Regulatory 4, 6, 8</p>	<p>Quality</p>
11.	<p>Continue to improve our diversity data collection and, specifically for this year, look at how working cultures and professional environments for Costs Lawyers impact on good equality, diversity and inclusion (EDI) outcomes.</p>	<p>Strategic A, B, E Regulatory 6</p>	<p>Diversity</p>

12.	<p>Deliver the next phase of our digital workplan, including by:</p> <ul style="list-style-type: none"> • improving the visibility of supervision issues in the database; • creating a single repository for complaints data in the database; • adding action prompts to functionality; • revising application forms and adding database functionality resulting from enhancements to the Register of Costs Lawyers made in 2022; • capturing regulatory history of individual Costs Lawyers in the database to consolidate and safeguard all available information. 	<p>Strategic E Regulatory Supports all</p>	Supports all
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Our budget for 2023, which will facilitate delivery of this Business Plan, can be [found on our website](#).