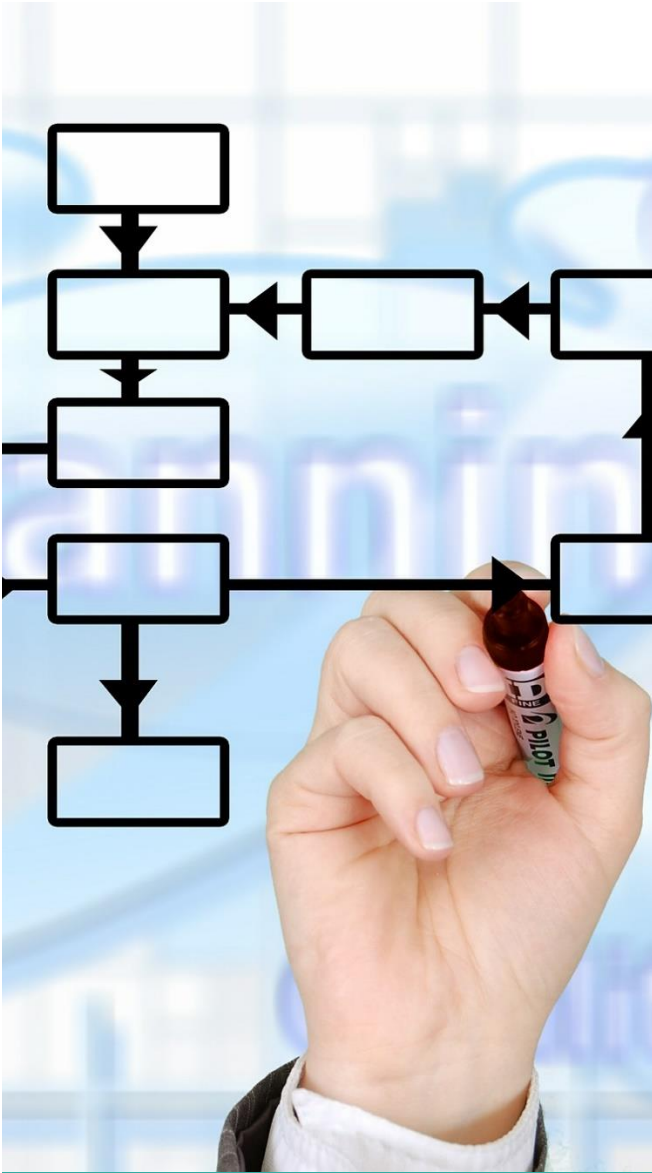


Business Plan 2025



Consultation Draft: 18 July 2024

Costs Lawyer Standards Board



Foreword

Rt Hon David Heath CBE, Chair

In recent years, we have experienced ever-increasing public scrutiny of the legal system in England and Wales. Long-term downward trends in legal aid funding and infrastructure investment, alongside growing backlogs across criminal and civil courts, have given rise to questions around access to justice and the extent to which we continue to uphold the rule of law at a national level.

This has in turn generated questions about the way that legal services are regulated; in particular, whether the existing model introduced by the Legal Services Act 2007 remains fit for purpose. In March this year, the Justice Committee set out [recommendations to the Lord Chancellor](#) on the future regulation of the legal professions. The Committee concluded that the existing Legal Services Act does not appear to be providing a stable long-term framework for regulation and the case for re-examination of the legislative framework is growing stronger and stronger.

At the same time, the lawyers and other practitioners that provide legal services have been equally subject to increased public scrutiny. In 2024, the [Post Office Horizon IT Inquiry](#) heard evidence from numerous lawyers involved in the high-profile scandal. The conduct of many lawyers – whether working in-house for the Post Office or as external counsel – was heavily criticised on a range of legal and ethical grounds. Given the prominence of the scandal and the severe impact on the individuals affected, there will inevitably be resulting damage to the public’s perception of the legal professions.

It is against this background that the regulators of legal services have become increasingly focused on the importance of professional ethics and the rule of law. In 2024 we updated the Code of Conduct for Costs Lawyers, strengthening the principle of independence within the profession and emphasising that Costs Lawyers’ duties to the court and to promote the proper administration of justice override duties to individual clients. Our new [Ethics Hub](#) brings the Code of Conduct to life in a practical way, providing resources to help Costs Lawyers navigate common ethical challenges and reflect on what it means to uphold high professional standards.

This focus on professional ethics and the rule of law will continue into 2025, underpinning our regulatory priorities, training touchpoints and ongoing communication with the Costs Lawyer community and wider legal sector.

Introduction

Kate Wellington, Chief Executive

Much of our work in recent years has sought to pave the way for growth in the Costs Lawyer profession. We do not seek growth for its own sake; rather, we want to build the profession's capacity and reputation in order to meet growing client demand for a diverse range of costs services. [Research carried out by the CLSB](#) in 2022 revealed a great deal of evidence to suggest the Costs Lawyer profession has the potential to have a much bigger impact than it does today.

Last year, we implemented a new regulatory framework for qualifying as a Costs Lawyer. We accredited ACL Training to offer the new Costs Lawyer Professional Qualification from September and we are beginning to see the fruits of that labour as the initial cohort of students nears the end of its first academic year. In 2025, we will build on this work through several initiatives designed to further support the profession's growth.

First, we will evaluate the success of the recent changes to our qualification framework, to ensure they are having the intended impact and that students report a positive experience. We will be assessing whether the new course is meeting our objectives of equipping practitioners with the knowledge and skills they need to succeed in a dynamic workplace, while enabling the profession to attract a diverse and talented pool of lawyers.

Second, we will work with ACL Training, government and employers to secure approval for a new Costs Lawyer apprenticeship standard. This will require further changes to our rules and resources in order to integrate the apprenticeship with the existing entry route, but as a result it will provide a new pathway into the profession and open up funding opportunities for qualification.

We will champion legislative change to enable Costs Lawyers to apply for judicial roles, including costs-specific roles and more generalist appointments. We will explore opportunities for Costs Lawyers to cross-qualify from and to other jurisdictions, taking advantage of post-Brexit trade agreements. And we will build our understanding of the costs services being provided into and out of Wales.

This patchwork of initiatives will help to broaden the suite of possible career pathways for Costs Lawyers going forward, helping them look beyond traditional routes and harnessing the potential for our profession to better serve clients and the justice system in England and Wales.

Our objectives

Pursuing our strategy

Below are the CLSB's strategic objectives for 2024 to 2027, 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 2025 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 9. These numbers are used in the remainder of this Business Plan to demonstrate how our annual priorities for 2025 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;*
9. *promoting the prevention and detection of economic crime.*

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.	Implement the communications strategy developed in 2024, aimed at supporting each of the five strategic goals in our mid-term organisational strategy in a cohesive and systematic way.	Strategic A, B, C, D, E, F Regulatory 1, 3, 4, 5, 6, 7, 8	Quality Access Innovation Fairness
2.	Identify and deliver workstreams to comply with the Legal Services Board’s anticipated new policy tools in the following areas: <ul style="list-style-type: none"> • professional ethics and the rule of law • the economic crime regulatory objective • disciplinary and enforcement processes • technology and AI 	Strategic B, D Regulatory 2, 5, 6, 8, 9	Quality Innovation Fairness
3.	Work with the Ministry of Justice to pursue opportunities, following the general election, to table the relevant legislation to make Costs Lawyers eligible for judicial appointment.	Strategic A, B Regulatory 1, 3, 6	Access Diversity
4.	Build out and promote the new Ethics Hub, creating additional materials in response to emerging risks and themes identified through complaints and supervisory activities.	Strategic B, D, E Regulatory 1, 2, 4, 6, 8	Quality Innovation Fairness
5.	Develop new guidance to support the materials in the Ethics Hub on (i) whistleblowing and (ii) bullying and harassment.	Strategic B Regulatory 6, 8	Fairness Diversity
6.	Work with ACL Training and the employer Trailblazer Group to secure approval for a new Costs Lawyer apprenticeship standard, and implement changes to our regulatory arrangements and other resources to facilitate integration with the existing entry route.	Strategic A, C, E Regulatory 3, 4, 6	Access Diversity

7.	Investigate opportunities to benefit from recent international trade agreements made in the wake of Brexit by exploring the mutual recognition of professional costs qualifications from other jurisdictions and the scope for Costs Lawyers to offer services abroad.	Strategic A, B, E Regulatory Promotes all	Quality Access Innovation Fairness
8.	Extend our work on ongoing competency to explore whether competency checks are warranted for practitioners returning to authorised practice.	Strategic B, D, E Regulatory 4, 6, 8	Quality
9.	Deepen our understanding of services offered by Costs Lawyers into and out of the market in Wales.	Strategic A, B Regulatory 5, 6	Access Diversity
10.	In collaboration with ACL Training, evaluate the second year of delivery of the new Costs Lawyer Qualification, including by: <ul style="list-style-type: none"> • carrying out the 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. 	Strategic C, E Regulatory 3, 4, 6, 8	Quality Access Diversity
11.	Consider the resources required to develop a light-touch Annual Report for future years, to support our communications strategy.	Strategic A, B, C, D Regulatory Supports all	Supports all
12.	Conduct research into the lived career experience of under-represented groups of Costs Lawyers, providing evidence to inform the next phase of our diversity workplan.	Strategic B, E Regulatory 6	Diversity
13.	Review and update our processes for making reasonable adjustments.	Strategic D, E Regulatory 6	Quality Diversity

14.	Engage an independent agency to undertake a full financial audit.	Strategic E Regulatory Supports all	Supports all
15.	Deliver the next phase of our digital workplan, including by: <ul style="list-style-type: none"> • reviewing whether the database and e-form upgrades implemented over the last three years are meeting functionality requirements and identifying areas for future improvement; • reviewing options for taking credit card payments. 	Strategic E Regulatory Supports all	Supports all

Our budget for 2025, which will facilitate delivery of this Business Plan, can be [found on our website](#).