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# Purpose

This report is intended to help Costs Lawyers understand how their practising fees were used in 2024, and the value delivered through that investment. It is published in line with the Legal Services Board's guidance on the use of practising fees and aims to support transparency, accountability, and confidence in how those funds are managed.

In the 2024 regulatory assessment, the CLSB was assessed as providing sufficient assurance on all effective regulation standards. The LSB said: "the CLSB has provided assurance that it engages meaningfully with stakeholders as part of its approach to regulation" and that the "CLSB considers how to deploy the full range of regulatory oversight (formal arrangements, guidance, resources, engagement, etc.) in a targeted and responsive way." Satisfaction scores amongst the profession in 2024 also remain high, with 89.62% (87.01% last year) saying the CLSB is "effective".

In particular, the following report:

- Sets out the CLSB's priorities for the year, as defined in the 2024 Business Plan;
- Explains how, and to what extent, those priorities were achieved;
- Links our work to the CLSB's strategic objectives and the regulatory objectives of the Legal Services Act 2007; and
- Highlights indicators that demonstrate the impact and value of the activities undertaken.

We hope this report provides assurance that practising fees are being used effectively to uphold high standards in the profession and to protect the public interest.

You may also wish to read this report alongside the CLSB's consultation on the proposed Costs Lawyer practising fee for 2026, which is open until 14 August 2025.

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# Regulatory objectives

Below are the regulatory objectives established by the Legal Services Act 2007, which the legal regulators (including the CLSB) must promote through their work. Each regulatory objective is assigned a number, 1 through 9. These numbers are used in the remainder of this document to demonstrate how our annual priorities for 2024 promoted the regulatory objectives.

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.*

# Strategic objectives

Below are the CLSB's strategic objectives for 2024 to 2027, as set out in our [mid-term strategy](#) that applied during the 2024 practising year. Each objective is assigned a letter, A through E. These letters are used in the remainder of this document to demonstrate how our annual priorities for 2024 were intended to help us achieve 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.*

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- 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.*

# Annual priorities

	Initiative	Progress status	Intended benefits	Example indicators of the benefits achieved
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"> <li>• carrying out the first annual monitoring process under the Accredited Study Provider Scheme Handbook;</li> <li>• developing additional guidance and materials on the regulatory aspects of qualifying, based on student feedback;</li> <li>• communicating the responsibilities and benefits of regulation to new student cohorts.</li> </ul>	<p><b>Achieved (Q4)</b></p> <p><i>The CLSB has been integrated into the induction process for students, through a presentation on the mechanics and purpose of regulation. The CLSB presents on ethics and the new Code of Conduct as part of the professional ethics module.</i></p> <p><i>The Accreditation Panel completed the annual monitoring process in November 2024 and reported to the CLSB Board.</i></p>	<p><b>Strategic objectives:</b> B, E</p> <p><b>Regulatory objectives:</b> 1, 4, 6, 8</p>	<ul style="list-style-type: none"> <li>• Transition arrangements for completion of Qualifying Experience ended in December 2023, and in 2024 all trainees were required to have their successful completion of Qualifying Experience determined by the CLSB in accordance with the new Training Rules. Responses to enquiries about students' individual circumstances has allowed us to augment our guidance around the transitional arrangements and FAQs, and update parts of the process.</li> <li>• We delivered an induction webinar to each of the 2 new student cohorts and a webinar to completing students covering the benefits and responsibilities of regulation, as well as Qualifying Experience.</li> <li>• We completed the first annual monitoring process which found that ACLT are fulfilling the requirements and expectations of an accredited provider, and made recommendations in the report to offer actionable steps for ACLT to build</li> </ul>

				on its strengths and to address identified challenges.
2.	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><b>Achieved (Q2)</b></p> <p><i>We carried out a review of our enquiries logs and case studies to consider whether we had sufficient evidence for publication, and liaised with the ACL to share information. A report was presented to the Board in July 2024 and the Board agreed we would continue to collate data of the kind set out in the report for use once more evidence was available.</i></p>	<p><b>Strategic objectives:</b> B, E</p> <p><b>Regulatory objectives:</b> 1, 3, 4, 6, 8</p>	<ul style="list-style-type: none"> <li>While we did not gather sufficient evidence for publication, it established a baseline for future work.</li> </ul>
3.	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><b>Achieved (Q3)</b></p> <p><i>The Board approved a series of appetite statements relating to communication risks. We then engaged a consultancy to assist with the project, leading to approval of a final communication strategy by the board in October.</i></p>	<p><b>Strategic objectives:</b> Supports all</p> <p><b>Regulatory objectives:</b> Supports all</p>	<ul style="list-style-type: none"> <li>The strategy sets out we will support Costs Lawyers articulate, and amplify the value of being regulated, grow awareness of the opportunity to become a qualified Costs Lawyer among employers, students and unregulated costs advisers, and encourage referring solicitors and clients to choose Costs Lawyers over unregulated costs advisers.</li> </ul>

4.	Embed the B2C regulatory framework with the group of Costs Lawyers that deliver services directly to consumers.	<p><b>Achieved (Q3)</b></p> <p><i>We analysed the data about Costs Lawyers' clients captured during the 2024 PC renewal round to give us an understanding of which practitioners to target through this workstream.</i></p> <p><i>Later in 2024, we received a letter from the LSB to all approved regulators outlining expectations for compliance with the policy statement on consumer empowerment. We reviewed these expectations against our workplan and responded to the LSB's information request by the end of September.</i></p>	<p><b>Strategic objectives:</b> B, E</p> <p><b>Regulatory objectives:</b> 1, 4, 6, 8</p>	<ul style="list-style-type: none"> <li>• We improved the accessibility of our guidance by turning it into web content in time for 2025 Practising Certificate renewals.</li> <li>• We sent individual communications to the Costs Lawyers involved, highlighting their obligations and inviting a dialogue.</li> <li>• We put evaluation measures in place for use going forward, using proxies where it will be difficult to engage directly with end consumers.</li> </ul>
5.	Publish the second annual Risk Outlook for the profession and assess the impact and future direction of this initiative.	<p><b>Achieved (Q1)</b></p> <p><i>We commissioned the research underlying the next Annual Risk Outlook. That research was analysed to produce a publishable version, which was approved by the board in April.</i></p>	<p><b>Strategic objectives:</b> Supports all</p> <p><b>Regulatory objectives:</b> Supports all</p>	<ul style="list-style-type: none"> <li>• The Risk Outlook was published and promoted and is now housed in the Ethics Hub. This is linked to our Ongoing Competency Framework as a way of identifying gaps in competency.</li> </ul>
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.	<p><b>Achieved (Q1)</b></p> <p><i>The new Code of Conduct was implemented following liaison with the LSB. All published guidance, policy statements and regulatory arrangements were reviewed. References to the Code in the Disciplinary Rules and Procedures – which form part of our regulatory</i></p>	<p><b>Strategic objectives:</b> B, E</p> <p><b>Regulatory objectives:</b> Supports all</p>	<ul style="list-style-type: none"> <li>• Updated versions have been published that correctly cross-reference the new version of the Code.</li> <li>• Additional support resources for the Code were developed and published in the new Ethics Hub.</li> </ul>

		<p><i>arrangements – have been amended by exemption in line with the LSB’s ED181.</i></p> <p><i>Work continued throughout the year on developing additional material for the Ethics Hub.</i></p>		
7.	<p>Carry out the next two-year review of changes to the Disciplinary Rules and Procedures (‘DR&amp;P’), 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.</p>	<p><b>Achieved (Q3)</b></p> <p><i>We carried out this review and following consideration of the report, the Board approved four recommendations that would be taken forward in 2025, although none of those required amendments to the DR&amp;P themselves. These were:</i></p> <ol style="list-style-type: none"> <li><i>1. Improved Board reporting on complaints</i></li> <li><i>2. Improved reasonable adjustments policy</i></li> <li><i>3. Addressing neurodivergence</i></li> <li><i>4. Engagement with the LSB’s new policy tool.</i></li> </ol>	<p><b>Strategic objectives:</b> A, B, E</p> <p><b>Regulatory objectives:</b> 1, 4, 6, 8</p>	<ul style="list-style-type: none"> <li>• The CLSB used the recommendations generated by the review to deliver targeted and proportionate action in these areas.</li> </ul>
8.	<p>Carry out the first phase of evaluation activities relating to the new framework for qualifying as a Costs Lawyer.</p>	<p><b>Achieved (Q4)</b></p> <p><i>This work was carried out as part of the annual monitoring event in Q4 and a series of recommendations have been made for continuous improvement.</i></p>	<p><b>Strategic objectives:</b> B, E</p>	<ul style="list-style-type: none"> <li>• ACLT’s compliance with the Accredited Study Provider Requirements was measured by the standards set in the CLSB Scheme Handbook.</li> </ul>

			<b>Regulatory objectives:</b> 1, 4, 6, 8	<ul style="list-style-type: none"> <li>• ACLT are fulfilling the requirements and expectations of an accredited provider of the Costs Lawyer Professional Qualification (CLPQ).</li> <li>• ACLT has demonstrated a proactive approach to addressing challenges in delivering a new qualification.</li> <li>• Recommendations have been made for ACLT to build on its strengths.</li> </ul>
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.	<b>Achieved (Q1)</b> <i>The new Ongoing Competency Framework was launched in line with our commitments to the LSB. Our CPD resources, including our forms and guidance, have been updated to integrate with the new Framework.</i>	<b>Strategic objectives:</b> Supports all <b>Regulatory objectives:</b> Supports all	<ul style="list-style-type: none"> <li>• We updated our suggested template for planning and recording CPD to make Costs Lawyers aware of the Ongoing Competency Framework and the skills required post qualification to assist with career planning.</li> </ul>
10.	Develop new guidance to address risks identified in the following areas: <ul style="list-style-type: none"> <li>• setting up a new practice; and</li> <li>• expectations on (unregulated) costs firms.</li> </ul>	<b>Achieved (Q3)</b> <i>We developed guidance for setting up a new practice, which was considered and approved by the Board in July. Instead of developing new guidance for costs firms, we decided to repurpose our existing guidance for unregulated employers. The updated guidance was approved by the board in October.</i>	<b>Strategic objectives:</b> B, E <b>Regulatory objectives:</b> 1, 3, 4, 5, 6, 8	<ul style="list-style-type: none"> <li>• Costs Lawyers now have access to resources and signposting to help set up a new compliant practice.</li> <li>• Our guidance for unregulated employers seeks to improve protection for consumers by ensuring firms are aware of the regulatory obligations of individual Costs Lawyers as well as the benefits of regulation.</li> </ul>

11.	Develop the next phase of our diversity and inclusion workplan by reference to the new mid-term strategy.	<p><b>Achieved (Q3)</b></p> <p><i>We analysed the results of our 2023 diversity survey and a report on the data was published in Q2. Our follow-up work from the gender pay gap survey was completed in Q3 with the production of resources to help Costs Lawyers. We have identified our EDI priorities for 2025, which will focus on gathering and publishing lived experience data, and we have developed a diversity survey for 2024 that will provide initial quantitative data to support that project. The survey was launched alongside practising certificate renewals in November.</i></p>	<p><b>Strategic objectives:</b> Supports all</p> <p><b>Regulatory objectives:</b> Supports all</p>	<ul style="list-style-type: none"> <li>• Guidance now helps Costs Lawyers approach their employers about pay gap issues.</li> <li>• The portfolio of EDI resources now includes guidance on bullying and harassment, and updated EDI guidance.</li> </ul>
12.	Investigate whether a new supervision framework for client care letters is warranted based on evidence of client outcomes.	<p><b>Achieved (Q4)</b></p> <p><i>We engaged a consultant to carry out a thematic review of client care letters in Q4. A report of the project findings was reviewed by the Board, which found that the sample, although small, showed a lack of consistency in the standard terms and conditions, with almost all of the practices missing information in some areas.</i></p>	<p><b>Strategic objectives:</b> B, E</p> <p><b>Regulatory objectives:</b> 1, 4, 8</p>	<ul style="list-style-type: none"> <li>• Costs Lawyers were reminded of their current obligations.</li> <li>• Revised and more user friendly Guidance Note on Client Care Letters was commissioned, along with an expanded FAQs section of our website.</li> </ul>
13.	Modernise the way we track enquiries from external	<p><b>Achieved (Q1)</b></p> <p><i>A new process was implemented allowing us to check previous advice to</i></p>	<p><b>Strategic objectives:</b> B, D, E</p>	<ul style="list-style-type: none"> <li>• We enhanced the Ethics Hub with anonymised example scenarios for Costs</li> </ul>

	sources to facilitate reporting and trend analysis.	<i>ensure consistency across different practitioners, spot trends and report on particular issues. We improved tracking of communications with/requests to Costs Lawyers and their areas of regulatory interest.</i>	<b>Regulatory objectives:</b> 1, 4, 8	Lawyers and consumers, based on enquiries received from Costs Lawyers. <ul style="list-style-type: none"> <li>• These scenarios were used in training, so that students benefited from real world anonymised scenarios.</li> </ul>
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.	<b>Achieved (Q3)</b> <i>During 2024 we developed a new Operations Manual to document key processes and capture institutional knowledge. This is a comprehensive account of how we work, which will continue to be a “living” document as processes evolve over time. We have also developed flowcharts to map the different user journeys through our online application forms.</i>	<b>Strategic objectives:</b> Supports all <b>Regulatory objectives:</b> Supports all	<ul style="list-style-type: none"> <li>• Robust procedures and continuity planning benefits all who rely on the CLSB, from Costs Lawyers to their clients to the regulated community at large.</li> </ul>
15.	Review our data protection arrangements to ensure they remain robust and fit for purpose following extensive improvements to our digital operations.	<b>Achieved (Q3)</b> <i>Contract records, privacy policy, Data Protection Manual and other privacy resources were reviewed and updated providing the Board with sufficient assurance.</i>	<b>Strategic objectives:</b> B, E <b>Regulatory objectives:</b> 1, 4, 6, 8	<ul style="list-style-type: none"> <li>• We ensured that the CLSB had sufficient expertise and information to ensure compliance and best practice.</li> </ul>
16.	Deliver the next phase of our digital workplan by: <ul style="list-style-type: none"> <li>• Continuing to develop our suite of application forms and their interface with</li> </ul>	<b>Achieved (Q3)</b> <i>We updated our suite of online application forms to standardise the wording, content and layout of forms. This included updating the PC renewal</i>	<b>Strategic objectives:</b> B, E <b>Regulatory objectives:</b>	<ul style="list-style-type: none"> <li>• Costs Lawyers rely on a more robust and secure self-serve website easier than before, saving them time.</li> </ul>

	<p>the CLSB database, in line with our principles of ease of use, security of data, utility of reports, and consistency of approach. In particular:</p> <ul style="list-style-type: none"> <li>- standardise the wording, content and layout of forms;</li> <li>- begin work on standardising the underlying code to facilitate easier updates;</li> <li>- introduce functionality to automate annual updates.</li> </ul> <ul style="list-style-type: none"> <li>• Developing the CLSB database by: <ul style="list-style-type: none"> <li>- enhancing security to provide unique access keys for each user;</li> <li>- reviewing the read-only version of the database to improve ease of use and utility.</li> </ul> </li> </ul>	<p><i>form ready for the annual renewals process in November.</i></p> <p><i>Our IT consultant completed updates to the underlying code of the online forms system to allow easier annual updates. This will save considerable development and admin testing time.</i></p> <p><i>We also undertook a review of the read-only version of the database. The review concluded that this was working well in its current form, and it was not necessary to expend resources on changes at this time.</i></p>	<p>1, 4, 6, 8</p>	<ul style="list-style-type: none"> <li>• We further enhanced the security of unpublished data we hold in our database about Costs Lawyers.</li> <li>• The CLSB continued to operate lean through smarter ways of working, keeping practicing costs lower than otherwise may be the case.</li> </ul>
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