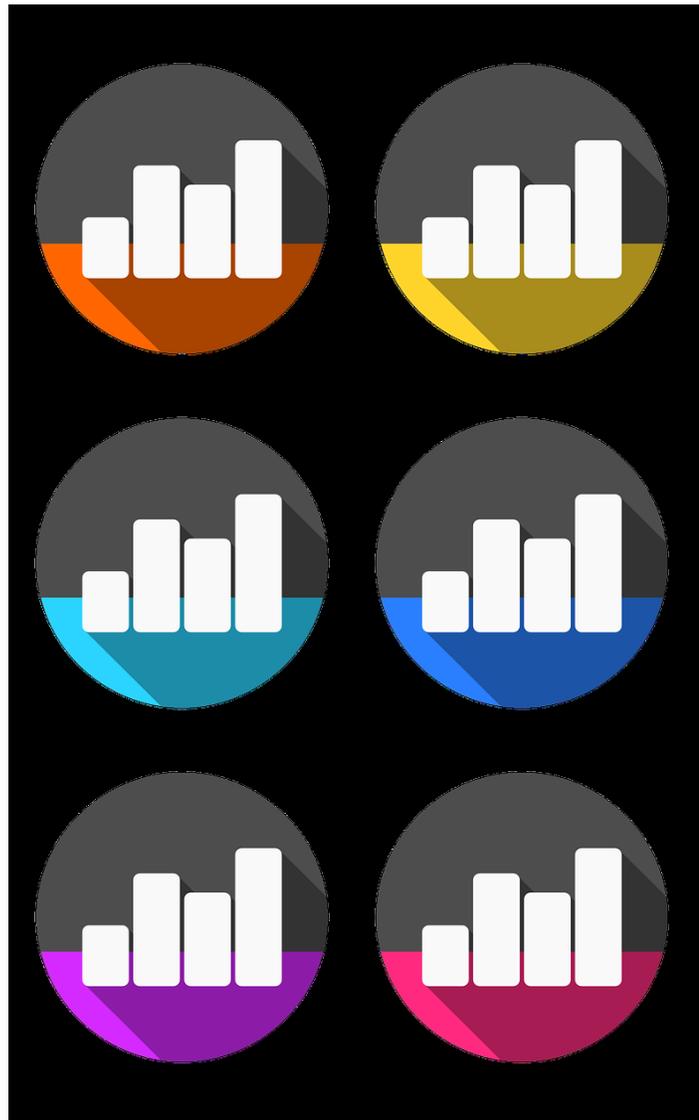

Performance indicators

2024 stock take



March 2025

Costs Lawyer Standards Board

CLSB
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Operational metrics

Operational data is collated in the Annual Performance Dataset. The dataset for 2024 has been published on the website and will be provided to the board at this meeting.

Governance metrics

As explained in the Performance Indicators document (PID), the purpose of the metrics below is to help us identify and address any emerging risks or potential weaknesses in our governance processes. The first three columns (in blue) are taken from the PID. The fourth column (in green) provides an overview of our status in 2024 against each metric.

Oversight area	Metric	Outcome	Status in 2024
Sound financial management	Level of reserves (as governed by the Reserves Policy)	Retain uncommitted reserves at target level, and reach target level of committed reserves by the end of the strategy cycle	We made a further contribution to our committed reserves in 2024 and we have now reached the target level for both uncommitted and committed reserves. In 2025 we will revisit the Reserves Policy to ensure the target levels remain suitable for our needs.
Appropriate resourcing	Stakeholder comfort that our operating structure is sustainable and appropriate for our size	Meet the LSB's regulatory performance expectations under Standard 1 (well led), characteristic 6 (resourcing)	In the 2024 regulatory assessment we were assessed as providing sufficient assurance on the well-led standard. The LSB said the CLSB "has continued to demonstrate the good practice we highlighted in last year's report. Its approach continues to exemplify a model of good practice for other smaller regulators within the sector."
Business continuity	Degree of business interruption at points of change	No material business interruption incidents arise through absence or turnover of staff or contractors	In 2024 we transitioned the Director of Policy role from being a contractor position to a permanent staff position to help promote continuity. Our CEO announced in October that she would be stepping down in early 2025. Recruitment was carried out immediately and there was no business disruption in 2024. Our business continuity and disaster recovery processes are also now well-embedded.
Risk management and mitigation	Level of impact on the organisation when risks, of	None of the operational, governance or	An increase in the volume and complexity of conduct complaints in 2024 had the potential to put governance metrics (<i>business</i>

	which the board was or should have been aware, materialise	strategy metrics in this document is detrimentally impacted by materialisation of one or more risks of the kind described	<i>continuity</i>) and strategy metrics (<i>raising standards</i>) in jeopardy, but these risks were successfully managed through our flexible resourcing arrangements and triage system. None of the metrics in the PID were detrimentally impacted by materialisation of the risks described to the left during the year.
Continuous improvement	Degree of NED engagement and reflection on organisational and own performance	Personal and organisational areas for improvement identified through annual NED survey and appraisals	The survey feedback for 2024 (published separately in July) signals an open and inclusive culture and opportunities for growth and development in 2025.
Transparency	Stakeholder ability to scrutinise decision-making, performance and processes on an ongoing basis	Meet the LSB's regulatory performance expectations under Standard 1 (well led), characteristic 5 (transparency)	In the 2024 regulatory assessment we were assessed as providing sufficient assurance on the well-led standard. The LSB said: "The CLSB has also been able to demonstrate that it has an engaged, transparent and well-governed Board."

Strategy metrics

As explained in the PID, the purpose of the metrics below is to help us track progress against the goals in our mid-term strategy. If outcomes are not being achieved, this will prompt us to consider the reasons why, how we can improve, and what the consequences might be for achievement of our strategy. The fourth column in the table (in red) provides a status update as at December 2024.

Strategy area	Metric	Outcome	Status in 2024
Nurturing our relationships	Collaboration or market leadership in new areas and with new contacts	At least two new examples of this activity in each year of the strategy, from 2024 to 2027	Examples of developments this year include: <ul style="list-style-type: none"> Collaborating with new colleagues in the Welsh Government to hold a roundtable on issues impacting Costs Lawyers and the costs market in Wales. Lobbying new contacts at the Ministry of Justice with the aim of making Costs Lawyers eligible for judicial appointment.
Proactively adding value and	Increased recognition of the CLSB and understanding of	Improved brand awareness / message recognition	During 2024 we developed our first communications strategy, aimed at conveying the value of regulation and promoting awareness of the value clients can gain by instructing a

communicating that value	its role and purpose	across key audiences in 2025, 2026 and 2027	qualified Costs Lawyer. The communications strategy will be implemented from 2025 to support all our wider strategic aims.
Raising standards in the unregulated part of the market	Improved attractiveness of opting in to regulation amongst individuals working in costs	The number and diversity of new entrants to the profession increases year on year	Authorised numbers as at 1 January 2025 were the highest they have ever been at the start of the year. In 2024 we made significant progress toward opening new pathways to regulation through approval of the new Costs Lawyer apprenticeship standard. We will also continue to work with ACL on aligning its proposed new Costs Paralegal membership category with our regulatory framework.
Uniquely suited regulatory model	We meet the expectations of our oversight regulator in a way that does not disproportionately burden those who choose to be regulated	Meet or exceed the LSB's regulatory performance expectations under Standard 2 (effective approach to regulation), while maintaining high satisfaction scores amongst the regulated community	In the 2024 regulatory assessment we were assessed as providing sufficient assurance on the effective regulation standard. 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, as follows: <ul style="list-style-type: none"> • CLSB is effective: 89.24% (87.01% last year) • CLSB is not effective: 0.28% or 2 CLs (1.02%, or 7 CLs, last year) • Prefer not to say: 10.48% (11.97% last year) Feedback from the free text box in the regulatory return was very encouraging and a verbatim read-out has been provided separately.
Organisational robustness and resilience, for us and the profession	Costs Lawyers recognise, assess and mitigate risks to their business and clients	There are no market events or failures that would have been prevented by better risk management within the profession	There were no such events or failures in 2024. The CLSB drew learnings during the year from events like the Post Office Horizon scandal and the Axiom Ince collapse to take proactive steps to guard against analogous events in our part of the sector.