

FOREWORD

Dame Janet Paraskeva, Chair



When I joined the CLC in May 2015 I noted the excellent work that had been done by the staff and Council to give the organisation a clear strategy to exploit to the full the benefits of specialist regulation of conveyancing and probate services.

The business plan for the coming year continues the delivery of that strategy. Alongside maintaining high standards of compliance and consumer protection and supporting innovation and the development of legal businesses, we will be undertaking three major strategic projects.

Those three projects are

- Completing the reform of provision of education leading to qualification as a CLC Lawyer
- Reviewing financial protection arrangements
- Reviewing regulatory arrangements

The reform of education provision has been underway for some eighteen months. It is a significant milestone for the CLC after thirty years because it underlines the maturity of the profession and establishes a new and stronger foundation for its further evolution.

Major strands of work on our financial protection and regulatory arrangements are sensible periodic reviews to ensure that our rule book is keeping pace with changes in the market place and consumer expectation. We will be using the opportunity not simply to look for ways to reduce the burden of regulation but also to do more to support innovation and competition in the delivery of legal services.

We will also be continuing our work to influence the evolution of regulation of legal services. The CLC has been pressing for the full implementation of the 2007 Act because we do not believe that it has yet delivered all of the benefits that it offers to lawyers and their clients. So we welcomed the Chancellor's announcement in late November that there will be a consultation on the Alternative Business Structure (ABS) regime and the independence of regulators from representative bodies. We believe there is much scope for improvement because the current regime reflects unfounded fears about the new ABS that were around at the time of the passage of the Legal Services Act and which had an impact on the provisions of that Act. The CLC already regulated what were in effect ABS business before the advent of the Legal Services Act and indeed it was our positive experience that led to their inclusion as one of the liberalising measures of that legislation.

2016 promises to be a busy and pivotal year for the Council for Licensed Conveyancers and this business plan reflects that.



THE BUSINESS PLAN

Sheila Kumar, Chief Executive



2015 has seen some major changes at the CLC as we have moved our offices into central London, reshaped our staff team, secured the right to issue stand-alone probate licences and made huge progress on overhauling our education offering. We've also seen ideas we have been pressing for some time be taken up more widely, including reform of some Professional Indemnity requirements so that firms moving between regulators will no longer be required by their past regulator to take out run-off cover, the need for full separation of regulatory and representative activity and reducing the window for SDLT filing and payment from 30 to 14 days. Our annual report, to be published in spring 2016 alongside our audited accounts for 2015, will have more detail on those achievements and the further work to be done to bring some of those ideas to fruition.

We also secured a major vote of confidence from Parliament early in 2015 when we secured the right to issue stand-alone licences for probate practitioners. This is a significant deregulatory measure that will make it easier for us to fulfil our mission to foster innovation and competition in legal services and remove a barrier to entry for specialist providers of probate services.

This business plan sets out what we aim to achieve in 2016, building on the work that has gone before. Three major projects will be completed during the year. They are the work to reform education and training of CLC Lawyers that is already well-advanced and thorough reviews of our financial protection and regulatory arrangements. I will look at these strategic objectives first and then turn to our more operational activities.

STRATEGIC OBJECTIVES

Reform of the provision of education leading to qualification as a CLC Lawyer

We will be completing the implementation of new arrangements for education leading to license as a CLC Lawyer. We have already announced our partnership with SQA for the delivery and assessment of education. This is a significant step that will bring clearer separation of the responsibility for education and licensing. It made sense in the early years of the existence of the CLC that we should also be charged with ensuring a steady growth in the new profession. Now that profession is maturing and the time is right for change that will deliver a more contemporary educational experience. We also needed to develop a qualification leading to licence as a Probate Practitioner having been awarded the right to issue stand-alone licences for probate by Parliament early in 2015.

As well as qualifications leading to licence as Licensed Conveyancer or Probate Practitioner there will be exciting new qualifications leading to recognition as a Conveyancing or Probate Technician. These new qualifications have been developed in response to employer demand. They are qualifications in their own right that will provide evidence of a standard degree of training and expertise in each field. They are also stepping stones on the way to the higher qualifications should the professional choose to continue their studies.

Additionally 2016 will see the launch of new apprenticeships that have been created by consortia of employers as part of a government-backed programme. We were delighted to support those groups in their work to ensure that there continues to be a good pipeline of new entrants to the profession and to widen access to the legal sector for people from all backgrounds. Those apprenticeships will lead to recognition as Probate or Conveyancing Technician or licence as a Licensed Conveyancer. It may be that an apprenticeship leading to licence as a Probate Practitioner will be developed in future if there is employer demand.

Review of Regulatory Arrangements

Front line regulators rightly undertake periodic reviews of their rule books to make sure they keep pace with the changing market place under regulation and evolving thinking about best practice in regulation. In 2016 we will be looking at the CLC Handbook not only to seek out deregulatory opportunities for reducing the burden on conveyancers and probate practitioners but also to look for positive changes we can make to continue our mission to foster innovation and competition legal services.

As well as changes to the Handbook, we will continue work to ensure that our processes and approach to dealing with the regulated community support innovation and growth in the legal services market by reducing the burden on those we regulate and seeking ways to proactively help practices thrive.

Review of Financial Protections

We need to look at the functioning of Professional Indemnity Insurance (PII) to ensure that our requirements for PII cover are proportionate and protect the consumer effectively. While it has been possible since 2011 for firms to opt out of the CLC's Master Policy, this year was the first time that happened to any significant degree and that evolution needs to be taken into account. We must also be very sure that PII arrangements do not set up a disproportionate barrier to entry to the legal services market or change within it. That too will be a focus of our work internally and with other front line regulators during the year.

Work on indemnity insurance goes hand in hand with finalisation of potential changes to the operation of the Compensation Fund that is administered by the CLC on behalf of the profession.

These major strands of our work in 2016 will include a sustained effort of outreach and engagement to ensure that any changes that we propose are informed by the experience of the

regulated community, best practice in the legal and other sectors and by stakeholders from consumers to Whitehall policy-makers.

OPERATIONAL OBJECTIVES

The three strategic projects will be major focuses of our effort in the year. Our operational objectives set out what we need to do to maintain the services we provide to the regulated community. Within our operation objectives we also plan to evolve, continuing to improve our services and efficiency.

Compliance Support

The CLC aims to support the development of thriving legal businesses that meet contemporary customer need in new ways. This shapes our approach to helping firms achieve compliance with our requirements for the protection of clients and the public interest. We have a clear process for helping firms deal with problems if that is at all possible. However, when it is necessary we take prompt action to close down a practice which puts the interests of consumers at risk.

We have always provided a wide range of guidance to flesh out the requirements of the Handbook and provide practical suggestions for action by firms. A focus in 2015 has been signposting tools and techniques for tackling cyber-crime and this theme will continue into next year and, I suspect, far beyond. In 2016 we will be providing monthly advice notes supported by webinars. In addition, we will review the Continuing Professional Development regime to bring it up to date and in line with best practice across professions.

Work that has been undertaken in 2015 to refresh our monitoring and inspection processes is putting in place a robust approach that can be flexed to respond to different natures and scales of risk to the consumer and provide a proportionate response through action with the regulated entity or individual. This is further supported by the use of enhanced information about the regulated community that will be updated and added to over time and increasingly information and data provided by third parties. Already, that enhanced information has deepened our understanding of different types of risk in the provision of legal services.

Openness, transparency and engagement

The next group of objectives go to increasing engagement with stakeholders, continuing to deepen our understanding of the market place and risks in relation to the delivery of legal services, and making the CLC as open and transparent as possible to foster better understanding of our work and approach.

The Publication Policy that the Council adopted in 2014 is beginning to mature and helps to ensure that we are making available the information that policy-makers, other regulators, the regulated community and consumers need to ensure that there is a high degree of confidence in our work.

In 2016 we will produce a full annual report to accompany our financial statements, we will be publishing the findings of the 2015 Annual Regulatory Return and holding events for the regulated community and stakeholders that will provide important opportunities to discuss ideas that are emerging from our work, especially the reviews of regulation and financial protection.

The future of regulation

As the specialist regulator of the most used legal services, conveyancing and probate, we have unique experience and insight to bring to bear on the developing conversation about the future of legal services regulation.

We are especially keen to continue our founding mission by meeting the new growth duty being placed on regulators and contributing to efforts to improve the home buying and probate processes.

We will be making even greater efforts to ensure that our voice is heard and that alternatives to the dominant models for regulation are given the consideration they deserve so that we can all continue to learn from best practice across the legal sector and beyond.

Strategic Projects

Ref	Activity
Reform of provision of education to qualification as a CLC Lawyer	
1.	Complete transfer of delivery of education to SQA <ul style="list-style-type: none"> Managing transition of existing students Including new stand-alone probate qualification Ensuring viability of apprenticeship routes
2.	Promotion of routes to licence as a CLC Lawyer <ul style="list-style-type: none"> In collaboration with education providers
Review of financial protection arrangements	
3.	Professional Indemnity <ul style="list-style-type: none"> Including run-off cover and structure, terms and operation of indemnity insurance
4.	Compensation Fund <ul style="list-style-type: none"> Purpose and operation
Review of regulatory arrangements	
5.	Review regulatory arrangements <ul style="list-style-type: none"> Focus on risk and proportionate approaches to its control Use insight into the market and regulated community Take every opportunity to reduce the regulatory burden
6.	PR and marketing campaign to drive engagement with reviews of financial protection and regulatory arrangements and to promote CLC's priorities for change across the sector

Operational Objectives

Enhanced compliance support	
7.	Further integration of data from Annual Regulatory Return, monitoring, inspections
8.	Granular analysis of past inspections, interventions, accountants reports, to learn lessons and develop revised approaches
9.	Establish Advice Notes product providing guidance and examples of best practice, published online and promoted through webinars
10.	Review CPD requirements and CLC-approved CPD offering
11.	Full Annual Report to accompany Financial Statements
12.	Annual Stakeholder Reception
13.	Publication of insight into the CLC regulated community

14.	CLC Conferences Events in Manchester and Bristol Content for a range of CLC audiences
15.	Stakeholder Perceptions Report 2016
16.	Regulation of a growing number of entities
17.	Monthly newsletters Continue to develop, covering costs through sponsored content
18.	Implement new approach to consumer engagement Limit direct engagement to CLC web content Work with Legal Choices partners to increase reach of that website Explore possibility of joint consumer research and engagement with other legal services regulators
19.	Raise visibility of the CLC Increase speaking and exhibiting activity by the CLC Grow PR impact of CLC
20.	Rolling reviews of <ul style="list-style-type: none"> • Business processes • Staffing needs • IT provision • Web content • CRM use and development
21.	Storage consolidation project
22.	Complete the review of monitoring and inspection processes
23.	Licensing – issue of first licences, licence renewal process incorporating changes following from 2014
24.	Reviews of accountants reports submitted annually by all firms
25.	Continue to manage CLC education and assessment up to handover to SQA
26.	Responding to consultations issued by others that affect our areas of responsibility
27.	Manage the Professional Indemnity Insurance Renewal round and ensure that all policies meet regulatory requirements