

## CLC Strategy 2023-25

### Analysis and response to consultation responses on the CLC's draft

### Strategic Objectives 2023-25

#### Consultation Responses

Feedback on consultation is set out at annex A. It has been received from the Legal Services Consumer Panel and the CLC's Consumer Reference Group. Their comments and the CLC's responses are set out at the Annex. Amendments then made to the strategic objectives for the Council's approval are highlighted in yellow on the table below.

#### Strategic objectives following consultation

Changes/additions are highlighted in yellow

	Strategic objectives	Priority actions that will be reflected in business plans
1	<p><b>Grow the CLC's regulated community and broaden the CLC's sources of funding</b></p> <p>This benefits clients by reducing the unit cost of regulation by the CLC and bring the CLC's specialist regulation of conveyancing and probate to bear on a larger part of the market</p>	<p>Explore how to offer regulation to any suitably qualified lawyers specializing in conveyancing and probate (FCILEx, solicitors) to secure better outcomes for consumers</p> <p>Identify target firms to switch to CLC regulation</p> <p>Approach target firms with a well-developed proposition</p> <p>Promote education to CLC qualifications to grow the pipeline of new licensed conveyancers</p> <p>Explore providing more support to students and ensure accessibility of routes to CLC qualification</p> <p>Try to identify changes to PII that could ease the burden on CLC-regulated firms while maintaining consumer protection.</p> <p>Report on progress quarterly to the Council, identifying barriers to growth and addressing them as far as practicable</p> <p>Continue to husband CLC resources and infrastructure carefully</p>

		Introduce advertising/sponsorship to conferences, webinars and newsletters
<b>2</b>	<p><b>Promote quality in legal services</b></p> <p>A. The CLC should promote all aspects of improvement in the practice of conveyancing and probate, whether legislative, process change or IT-driven <b>to improve client outcomes.</b></p>	<p>Continue to work with other regulators, HM Land Registry, Home Buying and Selling Group, DCMS and ID providers, software developers to drive improvement <b>and urgent reform in the consumer and public interest</b></p> <p><b>Promote proportionality in the management of risk in the delivery of legal services and adoption of new processes and tools that can assist</b></p> <p>Support inclusion and diversity in the regulated community and the provision of inclusive legal services</p> <p>Continue the Conveyancing 2030 programme and horizon-scanning to inform the CLC and Regulated Community</p> <p>Ensure that rolling review of Handbook (below) future-proofs CLC regulation</p> <p>Explore ways to help the regulated community have greater confidence about change and make faster progress</p> <p>Implement findings of the Quality Indicators pilot</p> <p><b>Enhance insight into consumer needs and concerns</b></p>
	<p><b>B.</b> Revised Ethical Standards should underpin work to drive quality and compliance and assist in the disciplinary process.</p>	<p>Establish and promulgate new Ethical Principles <b>to underpin good client outcomes</b></p> <p>Review Know Your Client requirements and standards and apply to advice, AML, Sanctions and Conflicts of Interest compliance with thematic reviews</p> <p>Launch new approach to CPD</p> <p>Review Code of Conduct in line with Ethical Principles and learnings since last review</p> <p>Establish realistic timetable for rolling review of the Handbook</p> <p>Promote better understanding of assisted compliance and what happens when it is not achieved</p>

		<p>Explore how to ensure relevant, targeted and high-quality training and CPD provision is accessible</p> <p>Exploit our insight and risk-based approach to target monitoring and compliance</p> <p>Promote CLC qualifications to employers</p>
<b>3</b>	<p><b>Exploit the CLC's unique approach, insight and relationship with the regulated community to further improve consumer protection</b></p>	<p><b>Drive out the benefits of assisted compliance in preventing consumer detriment</b></p> <p>Post-pandemic rebuild opportunities for face to face engagement</p> <p>Target compliance work on areas of most significant risk</p> <p>Thematic reviews of most significant risks followed up by compliance action</p> <p>Fewer routine inspections each year and more risk-based activity</p>

### Next Steps

The Strategic Objectives with some narrative explanation will be published on our website and alongside our business plan. The Strategic Objectives and 2023 Business Plan will be promoted to the regulated community and stakeholders through our newsletter and PR activity.

## **Annex 1 - Feedback on consultation**

### **Consumer Reference Group**

Chair's note of discussion of the Strategic Objectives at a meeting of the Consumer Reference Group on 4<sup>th</sup> November 2022

#### **1. CLC Strategy – draft Strategic Objectives**

Stephen Ward presented and explained draft Strategic Objectives for the CLC for the period 2023-26 which are the subject of public consultation. The Consultation had presented 4 objectives (one with two strands of work). It was clear that one of the proposed objectives (Confirm the scope of CLC's regulation) would not go forward as a **Strategic** Objective so discussion focussed on the other 3 areas proposed. CLC considered the objectives to be stretch objectives and that the organisation would be looking to do more/better/faster and maintain high standards of regulation.

A general comment was made that the strategic objectives do not appear particularly consumer focussed in terms of relating to the needs of consumers CLC has identified; getting better outcomes for consumers or working from better insight about consumer needs, wants and experiences. In addition, members suggested CLC needed to be clear and consistent about scope and focus of objectives in using terms such as 'client', 'customer', 'consumer', 'citizen' 'the public'

A number of comments were made on each of the areas in the draft:

#### **1. Grow CLC coverage**

- It could be clearer why this is a strategic objective that is of benefit to consumers – e.g., do CLC believe that bringing more conveyancing work under CLC regulation will be better for consumers?
- In stating the CLC is looking to 'broaden' its **sources** of funding does this mean CLC is looking to diversify in offering soft regulatory services e.g., for non-reserved but related activities like will writing?

#### **2. Promote Quality in Legal Services**

- Members queried whether the proposal communicated sufficient urgency or appreciation of the likely pace of, or need for, change. [e.g., CLC 'should' promote could say 'will']
- It was not clear what role/stance CLC proposes to take on getting firms to modernise and change, e.g. does it have a leadership role?
- Could CLC consider doing more to challenge and work to reduce complexity and burdens on the conveyancing process to help ensure the process is simplified and fit for purpose?

#### **3. Exploit insight/CLC approach**

- CLC was queried on whether the risk-based approach to compliance concerned people/firms or types of work when it refers to 'areas of most significant risk' – could it be clearer what or who those risks are and the extent of risk areas the CLC will be targeting (e.g. %?)

- Could it be clearer that the third objective is strategic because it results in prevention of harm for consumers and early/earlier intervention where appropriate?

Stephen Ward commented that the observations – particularly on consumer focus – were fair and important and would be fully fed back to the CLC Council when they are asked to approve new strategic objectives which will be revised and developed in light of consultation. He expected the new Strategic Objectives to be agreed before the end of 2022 and the final form will be shared with the CRG.

### **CLC Response**

The Strategic Objectives have been updated in light of the very useful comments from the CRG as highlighted in yellow in the main paper.

## **Society of Licensed Conveyancers**

### **Objective 1**

The Society supports this Objective. In particular, the Society looks to the CLC to enhance the promotion of the CLC Lawyer role not just to law students and law-firm employees but to school students, career advisors, colleges, universities, etc. This Objective should also look more broadly on the delivery of the CLC Lawyer qualifications and how best it can be improved.

### **CLC Response**

The standards and delivery of qualifications leading to licence by the CLC are both currently under review.

### **Objective 2** *(since removed from the Strategic Objectives)*

The Society agrees with the wording of this Objective.

### **CLC Response**

Noted.

### **Objective 3** *(now objective 2)*

A – The Society supports this Objective. However, the priority actions for it should recognise that the regulated community is already using innovative and proactive ways for delivering conveyancing and probate services. The CLC needs to tap into those ‘ways’ to further improve service delivery.

B – The Society refers you to its answer to Question 1 of this consultation paper. Your priority actions need revisiting especially in relation to training and CPD. Given that the LSB now requires each regulator to determine competence both as a Day One Outcome for newly qualified lawyers and for post-qualified and experienced lawyers then simply suggesting a new approach to CPD is insufficient. The priority action should be to meet the LSB requirement.

The Society will welcome the CLC’s action to better promote an understanding of ‘*assisted compliance*’.

## CLC Response

We very much hope the profession will continue to develop the delivery of conveyancing and probate services. CRG members were clear that this is urgent.

Updating CPD is the first and a very significant step in addressing ongoing competence. We will be reporting to the LSB on progress in January.

### Objective 4 (now objective 3)

As the CLC is aware, the Society's confidence in the CLC's regulatory supervisory management and inspection processes is now lower than it has been for some time. The Society has always been encouraged by the CLC's *'right touch'* approach to regulation and the productive relationship that engendered between the CLC and its regulated community. Unfortunately, that relationship has been dented of late.

This Objective should include actions by the CLC to review and monitor its own internal workings to better reflect the new Ethical Principles. It should include a commitment to conduct an honest assessment of its current situation. The CLC should be open to constructive feedback and work with its regulated community to ensure the new Ethical Principles will be met.

The Society believes that a *'prevention rather than cure'* approach should be promoted. A key function of the CLC should be to share its learning and insights from its activities, inspections, thematic reviews and so on with both the public and its regulated community. This should be an action within this Objective. Initiatives aimed at preventing Code of Conduct breaches, whilst not easy to quantify, should be measured as part of acceptable performance by the CLC.

## CLC Response

The CLC has been clear that we operate a preventative approach through 'assisted compliance' and we have set that out again in the Chair's speech at the SLC conference and in recent PR. Our operations are subject to internal audit and LSB oversight and are regularly assessed very positively.

**Consultation Question 4. The CLC does not believe that the strategic objectives that are emerging through this review process will negatively impact any particular groups in the CLC-regulated community differently than others. However, we would welcome any comments that you might have.**

The Society agrees with the CLC that the emerging strategic objectives will not negatively impact any particular groups within its regulated community differently than others.

As to the challenge around career progression for women and minority ethnic lawyers we draw your attention to the Society's recent response to the CLC's consultation paper on proposed revisions to the Equality Code.

## CLC Response

Noted