



Regulating
Property
And
Probate
Lawyers

ANNUAL REPORT 2022



The Council of the CLC took a decision to defer publication of its full annual report for 2021 and to publish information for 2021 together with its report for 2022.

For 2023 and going forward the CLC will publish its report of the year in the first quarter following the reporting period, as was the practice before the pandemic.

Much of the information contained in our reports has been published elsewhere either in the published reports that follow our Council meetings, in our newsletters or in the information we publish to the profession during the fee collection round.

We are always interested to hear your views on what you would like to see included in this report, on our website or in our newsletters and press work in the future.

For now, we hope you find this digest of our activity interesting, and you can contact us on clc@clc-uk.org with any questions.

THE CLC'S STRATEGIC OBJECTIVES IN 2022



2022 was the final year of the CLC's five-year strategy period. The 2018-2022 strategy was developed by the Council and the executive team in 2017 on the basis of research into the changing legal sector and the provision of specialist conveyancing and probate services in particular.

Each year, the Council undertakes a detailed business planning and budget-setting exercise to ensure delivery of these objectives and to manage risk.

The consumer-focused objectives below continued to serve the CLC well through the pandemic period, though of course the activities that were needed to ensure consumer protection in a period where delivery models evolved significantly and quickly and the risk profile changed similarly.

The 2018-22 objectives for the CLC were as follows.

Empower consumers to make informed choices of conveyancing and probate lawyers

- Price and service information is more easily accessible and comparable in line with the CLC's Action Plan in response to the Competition and Markets Authority's recommendations on information remedies in legal services
- CLC firms with the best ratings from consumers will increase their transaction volumes

Adapt regulation to the changing market

- No regulatory failures will arise as a result of new technological innovations or business models
- We will adapt our regulatory approach in response to changes in the market for specialist conveyancing and probate services
- Innovative practices will agree that being regulated by the CLC is either 'extremely' or 'mostly' beneficial to their business.

Be the regulator of choice in our specialist areas

- Firms agree that being regulated by the CLC is either 'extremely' or 'mostly' beneficial to their business
- The share of the conveyancing market (in terms of numbers of transactions) under CLC regulation continues to grow.

Performance against the 2021 and 2022 Business Plans that were established to deliver these strategic objectives is captured in a table in the Annex to this report.

FOREWORD: RT HON DAME JANET PARASKEVA



I am pleased that the CLC is able to report on another year of strong performance as we look back on 2022.

In my role as Chair of the Council, I lead the nine-strong team of experienced lay and professional non-executives that hold the CLC executive to account. We assure ourselves that the annual business plan is being delivered effectively in line with the strategic objectives that we set. The Council meets quarterly to review the CLC's performance. The Council is assisted in that task by the Audit and Risk Committee (ARC), which has an independent member with financial expertise as well as by independent internal auditors who report to Council through the ARC.

Council papers and minutes are published on our website, and I also provide a written commentary soon after each meeting that is published online and promoted through the CLC's newsletter.

The Council meets at least quarterly in a formal meeting and by exception as needed. We also have the benefit of informal workshops. The Council also provides advice and guidance at those formal meetings and at informal workshop sessions that examine particular issues of policy, operations or finance, throughout the year. We are kept informed of the day-to-day work of the CLC by comprehensive weekly updates from the Chief Executive that not only note the key work of the week, but also provide insight and horizon-scanning on the environment in which the CLC operates and that affects the practices and individuals that we regulate.

To further assist the Council, we established in 2022 a new Consumer Reference Group that brings together a range of consumer representative bodies from the property and legal sectors and beyond. That is convened by Teresa Perchard, a former member of the CLC's Council who has extensive experience in consumer affairs. In its early stages it is already proving its value to the CLC, having provided very helpful feedback on draft revised ethical principles for the regulated community.

Readers may recall that we set up the Professional Reference Group of experienced conveyancers and probate practitioners in 2019 to act as an informal sounding board in relation to technical issues.

The close working with the executive team that I have described provides the Council with a high degree of assurance about the work of the executive, its performance and effectiveness. The Council has been put together to ensure that it can offer constructive and comprehensive challenges to the executive team. This is possible because individual Council Members bring different areas of professional expertise and experience to bear on their oversight work as well as their diverse personal backgrounds. The Council understands that it is accountable for the performance of the CLC, and this drives its approach to oversight of the executive team.

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FOREWORD: RT HON DAME JANET PARASKEVA



The executive team in turn has intensive engagement with the regulated community. This, along with deep insight into the conveyancing and probate markets, enables our 'assisted compliance' approach to dealing with concerns before risks to the consumer can crystallise into actual harms wherever possible. This is the best form of consumer protection, in our view.

Speaking to the Annual Conference of the Society of Licensed Conveyancers in late 2022, I made clear that the assisted compliance approach rests on frankness and candour between the regulated community and the regulator. This is a collaborative approach to achieving compliance that we think is a unique strength of the CLC model.

The CLC's approach aims to prevent harm occurring through assisted compliance. Many failures to comply with regulatory expectations can be addressed quickly, with individual lawyers or practices coming back into compliance without risk having crystallised into harm. Of course if there is persistent non-compliance (whether deliberate or not) or if actual harm occurs, then we will move to our disciplinary tools to secure compliance or to take steps to remove the risk to consumers by intervening in a practice or suspending or removing an individual licence.

Whether we become aware of compliance failings through our monitoring or a practice or individual self-reporting, our first objective, wherever possible, is to agree a plan to achieve a swift return to compliance.

This is an approach to regulation that might be called 'high-touch' because of the close oversight of practices. However, it is both proportionate, risk-based and targeted while ensuring that practices are meeting the CLC's expectations effectively.

If those we regulated are not open and cooperative with us, we will not be able to help them effectively to prevent consumer harm. They will be much more likely to find themselves facing disciplinary action.

It is an honour and a pleasure to Chair the CLC and play a role in what is a fascinating and fast-evolving sector delivering services that so many of us employ through our lives.



INTRODUCTION: SHEILA KUMAR



It is my pleasure to provide this report on the work of the CLC. We continue to be proactive and accessible, focussed only on being a regulator and ensuring that the consumer and the public interest are paramount and protected in a way that delivers through methods that are proportionate and effective.

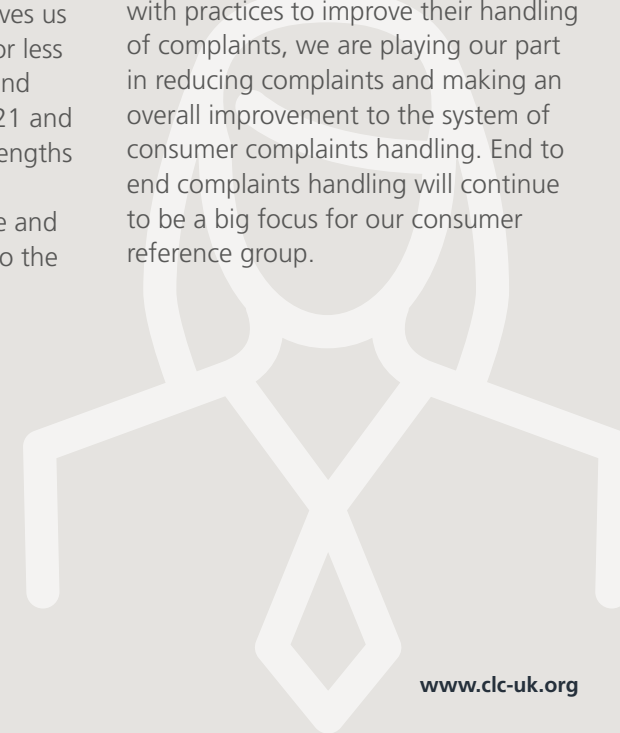
The CLC's core in house team has been assessed to be of the right size for all of the regulatory functions and we have also boosted our capabilities through a range of third-party arrangements that enable us to scale up and down depending on need. This means that no additional unnecessary cost is passed on to practitioners, and ultimately clients, and that we are able to take swift action, when required, across the range of our activities.

Efficient operations

As the regulator of specialist property and probate lawyers, the CLC is able to focus tightly on the steps needed to protect consumers of those particular legal services.

Combined with the assisted compliance approach that Dame Janet describes above, this focus means that we can be quite streamlined in the way that we work. Recognising that the demands on different parts of our operations vary over the course of any one year, we took a strategic decision in 2020 to outsource our legal advice and PR and communications support. This gives us greater flexibility to make more or less use of that support as required and reduced the CLC's cost base. 2021 and 2022 have demonstrated the strengths of the flexibility of the model for example with the Covid response and with the additional work going to the independent Adjudication Panel.

Ensuring that the cost of regulation is proportionate is vital as this is ultimately paid for by the consumers of legal services. That is why in 2022 we continued to raise concerns about the escalating costs of the Legal Ombudsman alongside continuing disappointing performance. These escalating costs hamper our efforts to ensure good value regulation for consumers. It is important that we pay the right amount – and through our new method of charging the Office for Legal Complaints (OLC) fees back to the profession, along the lines of a polluter pays model, and with our work with practices to improve their handling of complaints, we are playing our part in reducing complaints and making an overall improvement to the system of consumer complaints handling. End to end complaints handling will continue to be a big focus for our consumer reference group.



INTRODUCTION: SHEILA KUMAR



Increased efficiency has allowed us to reduce the cost of regulation very significantly. Over the years since 2015 we have cut practice fee rates by more than half. Compensation fund contributions have been cut by around half too, depending on practice turnover as we continue to manage reserves in the context of the heightened pace of reform and unpredictability and changes in the wider housing market.

We continue to work with our partners both in the legal sector and more widely, such as with various financial institutions and of course with various Government departments.

This report sets out the vast range of work that the CLC undertook in 2022 to secure consumer protection and demonstrates, I believe, the benefits of our specialist and proactive approach. The table in the annex sets out performance against the business plan items in 2021 and 2022.

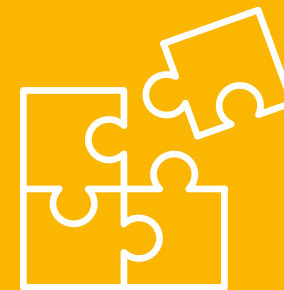
The coming year

I am pleased that the Council and the entire executive team of the CLC has established a refreshed strategy for the three years of 2023-2025. That new strategy is set out below.

I look forward to providing an update on progress against our new strategy in our next annual report.



STRATEGY 2023 – 25



“Quality,
Consumer Protection,
Specialist Regulation.”



STRATEGY 2023 – 25



The Council and staff of the CLC reviewed the organisation's strategic objectives over six months in 2022. We agreed the existing objectives needed refreshing rather than a full-scale change as there was still a close fit with the current demands of consumer protection and effective regulation that seeks to avoid harm occurring rather than addressing failures in the regulated community after the event. The new strategy reflects the progress that was made in the previous period as well as the changes in the overall landscape. The objectives benefitted from the input of the newly-established Consumer Reference Group, who provided a vital critique of the consultation draft.

The CLC's Strategic Objectives for the three years beginning January 2023 are set out below and reflect comments received in our open consultation over the summer of 2022. It sets out four strategic objectives for the CLC and provides a list of indicative activities for each. These will be delivered through the annual Business Plan that is also set by the Council.



STRATEGY 2023 – 25

1. Quality



1. Promote quality in legal services

A. CLC should promote all aspects of improvement in the practice of conveyancing and probate, whether legislative, process change or IT-driven to improve client outcomes.

The Council set this objective because the improvement of the practice of conveyancing and probate stands to support significantly reduced consumer risk, more reliable services that command greater client confidence and will require changes to how the CLC regulates those services.

Indicative activities

- Continue to work with other regulators, HM Land Registry, Home Buying and Selling Group, DCMS and ID providers, software developers to drive improvement and urgent reform in the consumer and public interest
- Promote proportionality in the management of risk in the delivery of legal services and adoption of new processes and tools that can assist
- Support inclusion and diversity in the regulated community and the provision of inclusive legal services
- Continue the Conveyancing 2030 programme and horizon-scanning to inform the CLC and Regulated Community
- Ensure that a rolling review of the Handbook (below) future-proofs CLC regulation
- Explore ways to help the regulated community have greater confidence about change and make faster progress
- Implement findings of the Quality Indicators pilot
- Enhance insight into consumer needs and concerns



STRATEGY 2023 – 25

1. Quality



B. Revised Ethical Principles should underpin work to drive quality and compliance and assist in the disciplinary process.

This second objective to improve standards reflects the fundamental importance of the underpinning ethics of the delivery of legal services. The CLC's Ethical Principles had not been reviewed for some years, and needed reviewing to ensure they meet the challenges of the current environment.

Indicative activities

- Establish and promulgate new Ethical Principles to underpin good client outcomes
- Review Know Your Client requirements and standards and apply to advice, AML, Sanctions and Conflicts of Interest compliance with thematic reviews
- Launch new approach to CPD
- Review Code of Conduct in line with Ethical Principles and learnings since last review
- Establish realistic timetable for a rolling review of the Handbook
- Promote better understanding of assisted compliance and what happens when it is not achieved
- Explore how to ensure relevant, targeted and high-quality training and CPD provision is accessible
- Exploit our insight and risk-based approach to target monitoring and compliance
- Promote CLC qualifications to employers



STRATEGY 2023 – 25

2. Consumer Protection



2. Exploit the CLC's unique approach, insight and relationship with the regulated community to further improve consumer protection

The CLC has an approach to regulation that is unique in the legal sector. 'Assisted compliance' is how we describe it. Aimed at delivering consumer protection by minimising the risk of harm occurring in the first place, it is built on very close oversight of practices including in-depth insight into the conveyancing and probate markets, support to help them identify and address potential risks and swift action if practices fail to meet the CLC's expectations. The Council set this objective to ensure that the CLC continues to make the most of the benefits of that approach.

Indicative activities

- Drive out the benefits of assisted compliance in preventing consumer detriment
- Post-pandemic rebuild opportunities for face-to-face engagement
- Target compliance work on areas of most significant risk
- Thematic reviews of most significant risks followed up by compliance action
- Fewer routine inspections each year and more risk-based activity



STRATEGY 2023 – 25

3. Specialist Regulation

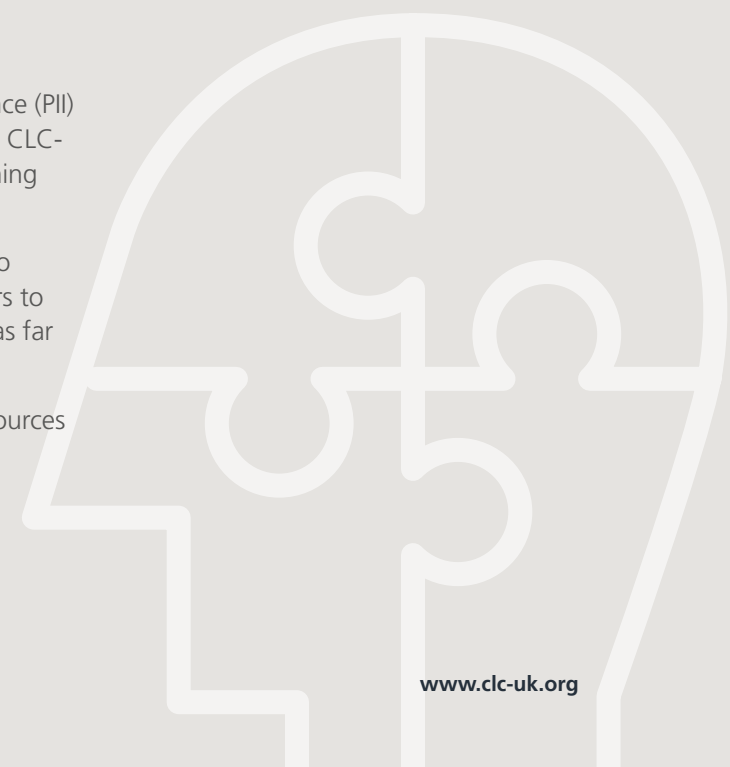


3. Benefit clients by reducing the unit cost of regulation by the CLC and bringing the CLC'S specialist regulation of conveyancing and probate to bear on a larger part of the market

The Council set this final objective to build on number two above, by extending the CLC's regulatory community through a growth in the numbers of CLC-regulated lawyers and practices. This will help to address the clear increase in the numbers of qualified conveyancing and probate practitioners to meet demand and so benefit consumers. All regulatory cost – whether direct in the form of fees paid to the regulator or indirect as they arise from the costs of compliance with regulatory expectations – is ultimately a cost to the consumer and the CLC has demonstrated its commitment to the optimal use of resources for many years.

Indicative activities

- Grow the CLC's regulated community and broaden the CLC's sources of funding
- Explore how to offer regulation to any suitably qualified lawyers specialising in conveyancing and probate (FCILEx, solicitors) to secure better outcomes for consumers
- Promote education to CLC qualifications to grow the pipeline of new licensed conveyancers
- Explore providing more support to students and ensure accessibility of routes to CLC qualification
- Try to identify changes to professional indemnity insurance (PII) that could ease the burden on CLC-regulated firms while maintaining consumer protection.
- Report on progress quarterly to the Council, identifying barriers to growth and addressing them as far as practicable
- Continue to husband CLC resources and infrastructure carefully



GOVERNANCE



“Rigorous oversight
and accountability to
high standards.”



GOVERNANCE



The CLC Council has responsibility for oversight of all regulatory functions vested in the CLC under the Administration of Justice Act 1985 and the Legal Services Act 2007. It takes decisions on the financial management of the organisation and sets the strategic direction and priorities, oversees the standards of entry into the profession and maintenance of the ethical conduct and quality standards of licensed practices and practitioners. More information is provided in our [Annual Financial Statements](#) and [Corporate Governance Framework](#) which are both published on the CLC website. Our Corporate Governance Framework has been developed with consideration of the Financial Reporting Council's Code of Corporate Governance and is reviewed annually in the light of evolving best practice.

The CLC has published a [Register of Council Members and Senior Management Team members' Interests](#) on our website. In line with the Standard Principles of Public Life, Council Members are required to disclose direct or indirect pecuniary or other interests which may influence or have the appearance of influencing their judgement.

The Council is supported in its work by the Audit and Risk Committee (which includes an independent external member), the Remuneration Committee and the Appointments Committee. Committee Chairs are drawn from the lay Council members.

External Audit

The CLC seeks to follow the Financial Reporting Council's UK Corporate Governance Code where it is appropriate and relevant to do so. Whilst it is not a statutory requirement, and means that the CLC is meeting a standard, including independent validation of our organisation, which is much higher than is required for an organisation of our type and size, we see it as a framework for good governance. Our Annual Financial Statements are published on our [website](#).

Internal Audit

The CLC commissions a regular cycle of internal audit inspections to provide independent assurance that our risk management, governance, and internal control processes are operating effectively. For the fifth year running, our independent internal auditors, RSM, have given an opinion on the CLC that is the highest available, saying that the CLC 'has an adequate and effective framework for risk management, governance and internal control.' The findings of these inspections are reported to the Audit and Risk Committee and to the Council.

During 2022, the following internal audits took place:

- Enforcement – Adjudication panel
- Workbook Key Performance Indicators
- Risk Management
- Secure Remote Working and Operations Resilience

GOVERNANCE



Data management

As the CLC is a data controller, it is required under the General Data Protection Regulations to ensure the security and confidentiality of data processed on behalf of the public and employees. In line with the CLC's Data Protection Breach Policy, any identified personal data breaches are reported to the Data Protection Officer, who maintains a record of reported breaches and action taken in mitigation, which is reported to our Audit and Risk Committee.

Data breaches

Three internal data breaches were reported to the Data Protection Officer in 2022. None required a report to the Information Commissioner's Office.

Regulatory Performance Assessment

The Legal Services Board (LSB) carries out an annual assessment of each frontline regulator's performance against a framework set by the LSB. In its 2022 assessment, published in January 2023, the LSB asked the CLC to look at the transparency of some of its work. We will continue to work on making more information available over the course of 2023 and the many significant steps taken are captured in this commentary on governance.

Governance personnel

During 2022 we welcomed two new members to Council, which has a majority of lay members working alongside professional conveyancers and probate lawyers.

Sarah Ryan and Victoria MacGregor were selected from hundreds of applicants. Both appointments are for an initial term of up to four years, which can be renewed for a further four.

Sarah, who joined as a professional member, is a licensed conveyancer who set up her own firm, last year after more than 20 years' experience in strategic management roles. Previous positions include national practice area head at Simpson Millar, where she oversaw the financial, strategic and operational management of the private practice area, chief executive officer at Jolliffe and Co and head of conveyancing at Co-operative Legal Services.

Sarah is a magistrate in her spare time, and also served as non-executive chair of CILEx Regulation's strategic risk committee prior to joining the CLC. The committee is responsible for reviewing applications from firms that wish to become regulated businesses and for approving, rejecting or revoking licences.

GOVERNANCE



Lay member Victoria, former head of public affairs at EDF Energy, is currently director of network strategy and standards at Citizens Advice.

Over the last six years, she has successfully delivered a number of high-profile projects including a campaign to recover £287m for consumers from the profits of energy companies and the launch of the Citizens Advice Energy Star rating, which provides independent advice on the customer service standards of different energy suppliers.

She coordinated the organisation's Covid response, including implementing freephone across its phone services, and set up a £51m multi-channel service to help Universal Credit claimants, which to date has supported more than half a million people.

Victoria is also non-executive director of Rebel Energy, a start-up energy company, advising on strategic direction, customer service standards and engagement.

Chair of Council

In 2022 the Appointments Committee recommended to the Council that the term of the current Chair of the Council be extended by two years. The Chair completed her second four-year term in April 2023. In view of the fact that the CLC would begin a new three-year strategy period at the beginning of 2023 and in view of the positive, externally facilitated appraisal of the operation of the Council, the Appointments Committee believed that extending the term was in the best interests of the organisation. A search for a successor will begin in 2024 with a view to them taking up the role by Spring 2025.

Council members 2022

Dame Janet Paraskeva

Lay Chair of the Council

Alan Cogbill

Lay Member of the Council

Sarah Debney

Professional Member of the Council

Milton James

Lay Member of the Council

Victoria MacGregor

Lay Member of the Council from 1 May 2022

Teresa Perchard

Lay Member of the Council until 30 April 2022

Andrea Pierce

Professional Member of the Council until 30 April 2022

Sarah Ryan

Professional Member of the Council from 1 May 2022

Sheila Kumar

Chief Executive (an ex officio member of the Council)

Jenny Quirke

Lay Member of the Council

Sally Szarka

Professional Member of the Council

Colin Wilby

Lay Member of the Council

Council Members are appointed on the basis of their skills and professional backgrounds to deliver accountability for the work of the CLC and constructive challenge to the executive team across all areas of policy and operations. Biographies of current Council members are available on the [CLC's website](https://www.clc-uk.org).

GOVERNANCE



The Council has 3 standing committees:

Audit and Risk Committee

The Audit and Risk Committee supports the Council's responsibilities in risk, control, governance and associated assurance.

Committee Membership

Jenny Quirke

Lay Chair

Richard Cryer

Independent member (up to 18 January 2023)

Sarah Debney

Professional member

Victoria MacGregor

Lay Member (from 1 May 2022)

Teresa Perchard

Lay member (up to 30 April 2022)

Andrea Pierce

Professional Member (up to 30 April 2022)

Sarah Ryan

Professional Member
(from 1 May 2022)

Remuneration Committee

The Remuneration Committee supports the Council's responsibilities in remuneration, recruitment and retention of staff, Council and Committee members.

Committee Membership

Colin Wilby

Lay Chair

Alan Cogbill

Lay member

Milton James

Lay member

Sally Szarka

Professional member

Appointments Committee

The Appointments Committee is responsible for appointment of Non-Executive Directors the Chief Executive, Adjudication Panel members and, where required other senior staff.

Committee Membership

Dame Janet Paraskeva

Lay Chair

Sarah Debney

Professional member (from 1 May 2022)

Andrea Pierce

Professional member (up to 30 April 2022)

Colin Wilby

Lay member

GOVERNANCE



Transparency

As part of our regulatory requirements to be transparent about our own decision-making, regulatory approach, risks and those facing our regulated community, and how they are mitigated, we have implemented the following in 2022 to further enhance the transparency of the CLC's work.

Chair's blog

CLC now publishes online a bulletin in the form of a blog by the Chair of the Council about the proceedings of each formal Council meeting within a week of the meeting. The blog is then circulated in the next regular e-newsletter.

The first such blog was published shortly after the first Council meeting of the year, in February 2022, and others were published following the May, July and November Council meetings.

Publication of Council agenda packs

The CLC has improved the way it presents Council meeting packs online, to follow the LSB and SRA approach. Each published paper (whether a summary or full paper/redacted paper) appears at its own link at: <https://www.clc-uk.org/about/council-proceedings/> Previously, meeting packs were published as a single file, which was much less user-friendly. The summary cover sheet for policy papers now includes a capture of the regulatory objectives the proposals help the CLC to meet.

In addition, anyone can now ask to see any Council paper that is not already published in full on the website and to attend a formal Council meeting for any particular item or items.

In 2023 we began to produce more detailed minutes of formal Council meetings to provide more background to the decisions taken and actions agreed on the basis of the papers submitted.

Extending engagement

In 2022, the CLC began to issue simplified questionnaires alongside full consultation documents. This was first implemented for the consultation on changes to the Adjudication Panel Rules and has been used for the consultations on changes to the Equality Code, Ethical Principles and Regulatory Fees.

This has resulted in more stakeholders engaging on issues of policy development. We have also begun to explore with the representative body, the Society of Licensed Conveyancers (SLC), how it might be able to encourage more individual responses alongside its own organisational response to the CLC consultations. We have been reminded recently by the SLC that its response should be regarded as more than a single response as its membership, which numbers in the hundreds, looks to it to respond on their behalf and is given the opportunity to contribute to the response.

GOVERNANCE



The CLC asked former Council Member and experienced consumer advocate Teresa Perchard to establish and lead a new Consumer Reference Group to inform the work of the CLC in the development and application of regulatory policy. There is more on that group below.

The Senior Management Team

The Chief Executive Officer, Sheila Kumar, is responsible for the day-to-day management of the CLC, for implementing the policy decisions of the Council and for ensuring that the CLC undertakes its operations within the budget approved by the Council.

Sheila's biography, and those of the Jason Hinrichsen, Director of Finance and Operations and Stephen Ward, Director of Strategy and External Relations, are available on the [CLC's website](#).

At the end of 2022, the CLC had a total of 15 staff. All of those staff work solely on regulating the individual lawyers and the practices within the CLC's community. Not being linked formally to a representative body nor having been carved out of one, the CLC's focus on consumer protection is clear and sharp.

Financing Regulation

In 2022, the CLC's operating costs for delivering regulation amounted to £2,678,844. The CLC also manages a Compensation Fund as a fund of last resort for clients who have suffered a loss at loss at the hands of a CLC-regulated practice. The total operating cost of the Compensation Fund in 2022 was £393,846. A great deal more detail is available in our externally-audited [Annual Financial Statements for 2022](#).

THE REGULATED COMMUNITY



“ A growing
community of thriving
specialist lawyers and
practices. ”

THE REGULATED COMMUNITY



The CLC regulates both individuals and practices. All of those we regulate are specialists in their field of probate and/or conveyancing. They are Authorised Persons under the Legal Services Act 2007.

- **Conveyancing** is the name for carrying out all the actions needed to transfer the ownership of a piece of land. This includes researching any information about the property that might make it an unsuitable or risky purchase and ensuring that the buyer can make a fully informed decision.
- **Probate** is the legal authority to deal with a deceased person's estate, and probate lawyers ensure that the estate is fully identified, will find anyone who is entitled to receive money or assets from the estate and ensure that the terms of the will left by the deceased (if it exists) are respected.

The CLC's aim is that these lawyers and the specialist practices they establish and work in should thrive. The country must have a diverse and healthy legal sector to meet its needs. Conveyancing and probate are the most used legal services and clients, and the public must have confidence in them. Our assisted compliance approach to regulation helps ensure that client protection standards are high, and that legal practices and careers can flourish.

Lenders, insurers and clients are recognising the benefits of specialism as a key mitigation against risk and that too is helping CLC-regulated firms to grow.

Individual licensed holders

Practices have been reporting since at least 2008 that they face challenges finding enough qualified conveyancers and probate practitioners. In recent years, the independent providers of education to CLC qualifications have worked with the CLC to increase the pipeline of newly-qualified CLC lawyers. This is beginning to bear fruit and there is a growing pipeline of newly-qualified CLC lawyers. In addition, we have seen significant numbers of FCILEx conveyancing specialists transfer into CLC regulation since autumn 2021.

The table below shows the numbers of individual licence holders as at 31 December 2022.

Individual Licence Holders	Employed	Manager	Total
Probate	4	6	10
Conveyancing	1,302	261	1,563
Total	1,339	299	1,638

THE REGULATED COMMUNITY



Practices

The businesses we regulate may work through a range of different structures with different business models.

Whatever the structure the client should receive a good service for a fair price. There should be transparency of fees and we have worked with those we regulate to enable the provision of such information to be consistently set out through our [Informed Choice](#) framework. CLC regulation is there to ensure that appropriate standards for the delivery of conveyancing and probate services are set and met.

CLC practices operate within a range of business models (such as sole principals, partnerships, Limited Liability Partnerships (LLPs) and limited companies). Some practices provide specialist services within a wider group structure, providing for example, a combination of legal, financial and/or professional services.

At the end of December 2022, of 222 entities in CLC regulation, 84 were Alternative Business Structures, meaning that they have some degree of non-lawyer participation but with the opportunity of recognising other skills in the business. This could be in the form of external investment or having non-lawyers (e.g., finance, HR or marketing professionals) as managers or directors of the business.

Practices by Entity Type	Recognised Body	ABS	Total
Limited Company	92	79	171
Limited Liability Partnership	10	5	15
Partnership	11	0	11
Sole Practitioner	25	0	25
Total	138	84	222

THE REGULATED COMMUNITY



Total Turnover

The CLC never forgets that it was established to bring new competition into the market for conveyancing services and to foster innovation in the public interest.

In the 14 years since the global financial crisis, we have seen some firms under CLC regulation increase their turnover very significantly. This growth has taken place with practice numbers remaining fairly stable although with some churn within that as firms close, open or merge.

By 2020 turnover under CLC regulation was £277m. That's almost three times greater than 2009/10 when the industry had recovered from the crisis and the year to April 2021 saw an astonishing further 26% growth in turnover to £349m.

In 2022, the annual turnover of all firms under CLC regulation held at the new, much increased level, of £346m.

The pandemic years saw extraordinary levels of home buying and selling as society moved into new ways of organising domestic and working life and the government introduced time-limited reductions in Stamp Duty Land Tax to promote economic activity.

Given predicted market conditions following the end of that period, and the turbulence of the economy in late 2022, the CLC issued guidance to practices in November 2022 asking firms to consider the impact on them of the potential for lower levels of activity. Since then, we have seen the CLC-regulated community more than holding its own, just as happened following the global financial crisis in 2008, following which CLC-regulated practices grew their market share. There is a clear trend for individual CLC firms to increase their activity with firms moving up the scale through organic growth or merger and acquisition.

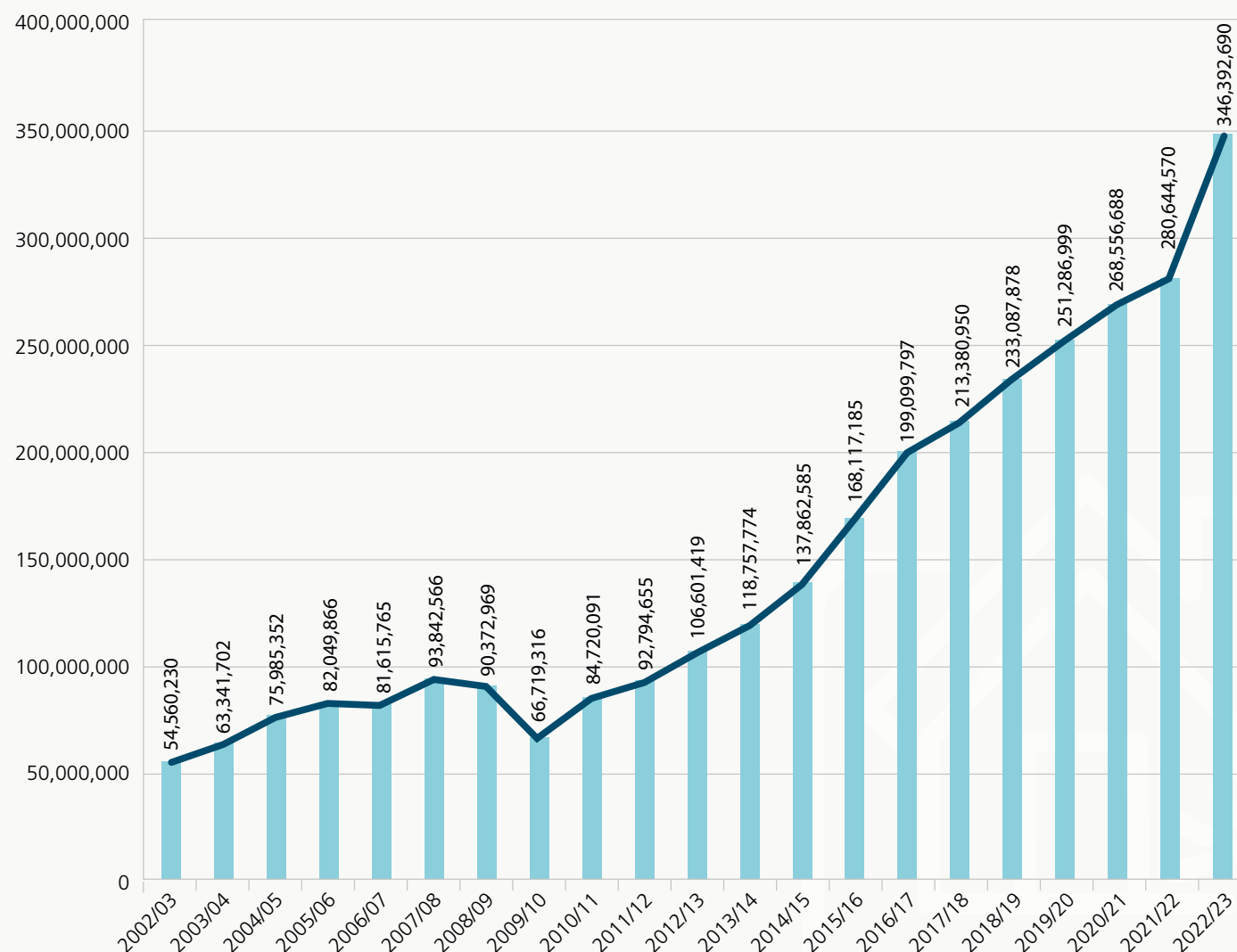
The CLC also sees a steady stream of new practices seeking regulation by the CLC. These tend to be practices with plans for significant growth in their early years and which are generally proving to be very successful.

Of course from time-to-time firms will close with no successor practice to take over from them. The CLC's PII terms secure an automatic £2m of cover for the six years following a firm's closure. This is a very important element of consumer protection.

THE REGULATED COMMUNITY



Turnover by Licensing Year – Existing Practices



THE REGULATED COMMUNITY



Understanding Assisted Compliance

In 2022, we hosted our first online regulatory panel event, bringing together practitioners and the Solicitors Regulation Authority to discuss and field questions about the current regulatory landscape. The discussion looked at whether legal regulators have the balance right between before- and after-the-event activity, and what the profession itself believes is best. You can watch the full discussion here. A key theme was that prevention of harm through assisted compliance, built on close communication between the regulator and the regulated, serves consumers well and supports a thriving legal sector.

We firmly believe that proactive assisted compliance is the most successful approach to reducing the risk of harm, not just sweeping it up when things have gone wrong.

Assisted compliance is not about simplifying or lowering standards of consumer protection. It is about us helping the firms and individuals that we regulate to meet our expectations and the requirements of the law. We can also describe it as helping practices deal with issues before they cause harm to the client or public interest. It is an intensive approach to regulation that focusses on the prevention of harm to clients. Risk can be mitigated but not removed. If there is persistent non-compliance or if actual harm has occurred, then the CLC moves swiftly to use all the disciplinary tools at its disposal.

The Chair of the CLC, Dame Janet Paraskeva also set out the CLC's approach again at the annual conference of the SLC in November 2022, stressing that it depends for its success on open and honest engagement by the regulated community.

In her speech, Dame Janet explained:

"The whole approach depends on frankness and candour on the part of the lawyer."

"If you are not open and cooperative with us, we will not be able to help you effectively."

"You will be much more likely to find yourself facing disciplinary action."

"We are now making more use of sanctions such as warning notices and enforcement determination decisions to move firms along the road to compliance if that is what is needed."



THE REGULATED COMMUNITY



Ensuring regulatory compliance

The post-lockdown conveyancing boom did not lead to a growth in compliance failures. We were very clear with our advice that firms should not take on more work than they could cope with, and that message appears to have been heeded.

At the same time, we have worked on ensuring that when we do have to take regulatory action — we use the most appropriate of the range of regulatory interventions we have at our disposal.

The first step in most regulatory matters – except where immediate action is required, in response to actual harm having already occurred or there being an immediate threat to clients – is what we call ‘assisted compliance’, meaning the CLC works with the firm to bring it back into line within a reasonable timeframe.

That timeframe is limited and requires a firm commitment by practices to put things right to a deadline agreed with their Regulatory Supervision Manager.

Years of experience of the assisted compliance approach means we are now making more use of the other powers we have, such as warning letters and Enforcement Determination Decisions, to speed up the process where firms are not moving quickly enough. It is a more calibrated approach that delivers the consumer protection more quickly and proportionately than any automatic referral to the Adjudication Panel could.

Further, we have intensified our monitoring and inspection of firms. Our regulatory supervision managers are in regular contact with practices to head off any potential problems and are supported by a new cadre of more junior regulatory supervision officers to deal with lower-level compliance work.

We use experienced external inspectors to increase our regulatory capacity as required. The inspectors work to a set inspection programme. The Regulatory Supervision Manager closely manages the process and performs quality assurance as well as oversees the implementation of any actions arising from the inspection.



THE REGULATED COMMUNITY



Anti-money laundering (AML)

The CLC's second [Anti-Money Laundering Report](#) was published in October 2022 setting out some of the critical work undertaken during 2021-22.

Money laundering facilitates some of the most harmful crimes in the UK and abroad and enables them to become more profitable. It is not in dispute that this occurs on an industrial scale and permeates many sectors of society. In its most recent National Strategic Assessment of Serious and Organised Crime, the National Crime Agency (NCA) reported that over £12bn in criminal cash is generated annually by this activity.

As key participants in a range of legal checks and activities (including but not limited to property transactions) the conveyancers and practices we regulate have a core role in ensuring these proceeds of crime are identified and reported appropriately.

To achieve this the CLC has developed an Anti-money Laundering & Combating Terrorist Financing Code supported by guidance and comprehensive toolkits which are focused on mitigating the risks seen in conveyancing transactions.

Our suite of AML specific monitoring activities includes desk-based reviews, onsite inspections, investigations and surveys. Up to a third of our practices are inspected each year. We have the power to apply disciplinary and/or financial sanctions ourselves or, in more serious cases, by referral to our independent Adjudication Panel. The data derived from the above processes is captured by an AML Risk Register.

From our close and frequent interaction with the sector we are aware that there is a very large majority who want to adhere to AML requirements and uphold their reputation, and that of the profession, while protecting consumers. However - as in every single sector - there is a small group that does not meet the standards we expect. Our focus remains on identifying and dealing with such practices, to maintain confidence in the profession as well as the rule of law and the administration of justice and in the wider public interest.

As such we continue to take our work as an AML supervisor very seriously.

AML is a key focus area and the CLC has allocated additional resources to AML activities. This is together with having a dedicated money laundering reporting officer and deputy in post to meet our obligations to both identify and report suspicions of money laundering to the NCA. In line with all our regulatory activity, AML is an area where our work has evolved to understand potential gaps and risks. As an illustration, we are ensuring we obtain a clearer view of Trusts and Company Service Providers by undertaking a comprehensive thematic review to map the potential risks that could emerge around AML.

In addition, the CLC remains committed to continued close engagement and information-sharing with the regulated community, government agencies, legal (and other) sector regulators, financial services providers (informally and through formal networks) and consumers to tackle crime and to protect clients and citizens.

THE REGULATED COMMUNITY



Sanctions

The advent of the war in Ukraine in February 2022, saw the British Government impose new sanctions on individuals and companies linked with Russia and Belarus. We acted quickly to provide a comprehensive [Advisory Note](#) to the regulated community which is kept updated as the situation evolves.

While the focus has largely remained on Russia and Belarus, we have taken the opportunity to frequently remind our regulated community of their requirements. We have also reminded them that the sanctions regime has global reach and that sanctions often go hand in hand with economic crime, anti-money laundering and cyber risks.

The Legal Services Board has singled out the CLC's work to improve its community's understanding of the UK's sanctions regime and compliance as an example for others to follow.

Monitoring

The CLC has a range of monitoring tools at its disposal. These tools are used for general routine monitoring of practices regulated by the CLC as well as targeted reviews of specific risk areas. The tools available to the CLC include:

- Routine monitoring inspections (performed on a rolling basis independent of risk assessment)
- Targeted inspections based on intelligence or risk factors. The inspection may focus on specific areas or cover all codes
- Annual accounts report review which helps highlight any account code breaches
- Client account bank reconciliation reviews – conducted periodically and randomly and used to identify issues with client monies
- ARR response reviews – monitoring based on unexpected responses or trends identified in the data
- Complaints data - complaints received are followed up and may lead to additional monitoring
- Regulatory intelligence from other regulators is always investigated
- Desk based file reviews are used to identify the application of codes, specifically AML related
- OLC case data and referrals is reviewed and trends or concerning practice is followed up with practices

The monitoring inspection programme is the core of our monitoring response. Because these inspections cover all the CLC codes, it gives us a good sense of compliance trends in practices over time. This helps inform other monitoring interventions as well as guidance and support to the regulatory community.

As of December 2022, we undertook 57 monitoring inspections in 2022. All but nine were routine and one was based on intelligence received. These were undertaken by CLC staff and by external inspectors working to the same procedures.

THE REGULATED COMMUNITY



Outcome of completed inspections	2020	2021	2022
Compliant	2	1	12
Generally compliant	24	29	22
Non-compliant	26	18	17
Total	52	48	51

Inspection Report Category	Common Findings
AML & CTF Code	<ul style="list-style-type: none"> • AML policy and procedures not updated • AML and CTF training required for MLRO and staff • No record of AML and CTF training • No practice wide risk assessment • Inconsistent approach to AML checks • Limited / ad hoc documentation on risk assessment
Accounts Code	<ul style="list-style-type: none"> • Bank reconciliations not prepared regularly • Unpresented items on bank reconciliations • Updating matter listing
Conflicts of Interest Code	<ul style="list-style-type: none"> • Practice acting on both sides of a transaction • Inadequate wording in Conflicts of Interest Policy • Client not informed of the relevant conflict issues and risks and unable to provide informed written consent

The overall findings of each inspection are categorised as either 'Compliant', 'Generally Compliant' or 'Non-compliant'.

The three categories which had the highest number of incidences were the Anti-Money Laundering and Counter-Terrorist Financing Code, the Accounts Code and the Conflicts of Interest Code.

The table below sets out the most common findings.

The insight gained from monitoring is fed back to practices via our regulatory supervision managers (RSM)s to help raise standards of practice as well as informing the development of new policy and compliance support materials.

Further, our annual [Risk Agenda](#) utilises all of these insights and sets out practical advice and action that practices can take to avoid the same problems.

THE REGULATED COMMUNITY



Enforcement

The CLC watchlist is an internal document that tracks activity with firms that are under investigation or enhanced supervision as a result of concerns that have come to light through general monitoring activity, inspection visits, consumer complaints or intelligence received. Firms that risk closure for financial reasons are also placed on the watchlist so that the Senior Management Team (SMT) and RSMs can work closely together to protect consumers until the issues are resolved by recovery or managed closure.

The total number of firms on the watchlist stood at seven for most of the year, though there were changes over the twelve months as some firms were removed as their issues were resolved and others were added as new concerns were identified.

‘Resolution’ of an issue may mean that the practice has successfully addressed the concerns identified by the CLC and is judged compliant with our requirements. This can apply to requirements we put in place for the orderly closure of a practice. Alternatively, it may mean that they have failed to do so, and some form of disciplinary action must be taken. In the event of disciplinary action short of a referral to the Adjudication Panel, there is an accompanying plan to ensure that the entity continues to work to address the CLC’s concerns. If they fail to do so, the matter will be escalated further as appropriate.

The watchlist is kept under regular review to ensure that the issues it records are resolved as quickly and efficiently as possible and to improve the clarity of reporting to the SMT and to the Council. The SMT reviews the Watchlist monthly and the Council at each of its quarterly, formal meetings.

Interventions and managed close downs

The CLC did not need to intervene in any practices during 2022 to protect the interests of clients.

RSMs worked with six practices during the year to ensure an orderly close down or merger with another practice, protecting clients’ interests by ensuring that live matters continued to be dealt with effectively during the transition period or were passed to other practices and that arrangements were made for file storage as required by our regulations.



THE REGULATED COMMUNITY



Conduct and service complaints

The CLC received 211 conduct complaints about CLC regulated Lawyers/Practices in 2022. This compares to 175 in 2021. They are investigated by RSMs and may lead to a range of outcomes

Service complaints are handled by the Office for Legal Complaints (OLC), also known as the Legal Ombudsman (LeO). We have long been concerned by lengthening delays and increasing costs at LeO. At the end of 2021, we sought and received approval from the Legal Services Board (LSB) to overhaul how we calculate and collect regulatory fees, allowing us to recharge more of the cost of LeO to the firms that generate disproportionate levels of complaints.

The approved changes have resulted in 30% of the £686,511 the CLC paid in 2021/22 for LeO's services being levied on 83 firms, based on their usage of LeO. The balance of 70% of LeO's costs is met through an availability fee that is charged to all regulated practices based on their turnover. This is in line with our own emphasis on managing the cost of regulation.

In December, [we responded to the OLC's draft 2023/24 budget consultation](#). In doing so, we made it clear that LeO needs to do more to show that it can control its very high costs.

LeO is seeking a 9.6% increase in its budget for 2023-24 – largely driven by inflation – to £16.8m. We reluctantly accepted this as it seems necessary to ensure that the backlog of complaints is reduced quickly and that new approaches are embedded and to maintain efficiency and effective complaints handling in the longer term. Nonetheless, many front-line regulators are absorbing the impact of inflation on their operations to support the financial health of the sector overall.

The CLC's most significant concern is for new and more efficient ways of working to be firmly embedded at LeO over the course of the next financial year so that the overall cost of the operation can be reduced very significantly while maintaining acceptable levels of service to complainants and the legal sector.



THE REGULATED COMMUNITY



The Adjudication Panel

The Adjudication Panel considers allegations of misconduct against Licensed Conveyancers and hears appeals against regulatory decisions. It makes its decisions independently from the CLC. The chair convenes a panel for each hearing from amongst the larger group of Panel members.

Membership of the Panel was increased in 2022. It includes nine Lay and Licensed Conveyancer (professional) members and a Lay Chair, all of whom are independent of the CLC. The Adjudication Panel Chair convenes a panel derived from the Panel's membership to hear disciplinary cases and appeals that are referred to it.

Members are appointed for an initial, four-year term of office which may be extended by a further, four-year term.

Membership of the Adjudication Panel in 2022 were as follows:

Victoria Goodfellow

Lay Chair

Paul Brooks

Lay member

Catherine Fewings

Professional member

Rachel Forster M.B.E.

Lay member
(from 1 August 2022)

Harsha Hildebrand

Lay Member (up to 20 February 2022)

Andrew Hudson

Lay Member (from 1 May 2022)

John Jones

Professional Member

Isobel Leaviss

Lay Member (from 1 May 2022)

Robert McKellar

Professional Member

Helen Riley

Lay Member

Gillian Seager

Lay Member (from 1 May 2022)

Carolyn Tetlow

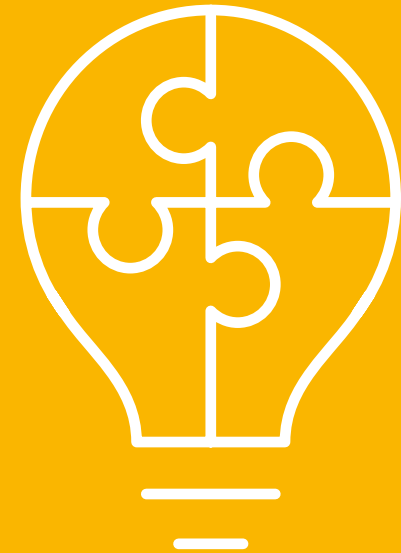
Lay Member (up to 18 May 2022)

The Panel sat on two occasions for a total of four days in 2022. The [decisions of the Adjudication Panel](#) are published on the CLC website at the end of any appeal period. They are also indicated against the online record of any individual or practice with a link to the full decision. Any disciplinary determination made against an individual or firm will remain listed on the CLC website for the duration of any suspension, disqualification, or other sanction, subject to a minimum of two years from the date of publication.

The Chair of the Adjudication Panel, which is independent of the CLC, submits an Annual Report to the Council, including an overview of cases presented to the Panel, specific learning points (where applicable) and plans for the forthcoming year.

We have consulted on revisions to the Adjudication Panel rules to make procedures more transparent and clearer. Those new rules will come into effect in 2023, subject to approval by the Legal Services Board.

STRATEGY INITIATIVES



2022 was the final year of the CLC's 2018-2022 five-year strategy period. The commentary below sets out activities undertaken under each of the three strategic objectives in turn.

They are

- Empowering Consumers
- Adapting Regulation to the Changing Market
- Becoming the Regulator of Choice

STRATEGY INITIATIVES



Strategic Objective: Empowering consumers



As a regulator we believe that providing clear information to consumers makes good business sense. As such, we expect CLC practices to see our Informed Transparency requirements, which came into effect in December 2018, as good practice in presenting to consumers the features and costs of the services they provide in a standardised way.

The rules seek to empower consumers to make better informed decisions about their choice of legal service provider.

Our own monitoring shows that compliance by CLC practices remains very high. Where practices are falling short, we take a hands-on approach in ensuring they come into compliance while being ready to take other regulatory steps if necessary.

The results of the Legal Services Consumer Panel (LSCP)'s [Tracker Survey 2022](#) confirms progress being made in this area across legal services. It reported more consumers shopping around (43% compared to 30% in 2021), with legal providers providing more information online to make this easier. For example, 65% found it easy to find information about the quality of services in 2022, compared to 51% in 2021.

Further, levels of shopping around have increased significantly; we saw in last year's results that those who used legal services during the COVID-19 pandemic (which almost all the 2022 sample would have also done) shopped around more than those who had used legal services before the pandemic (35% vs. 27%), this upward trend has continued throughout 2022.

Digital Comparison Tools (DCT) pilot

In February 2022, we launched a pilot with fellow regulators, the Solicitors Regulation Authority (SRA) and CILEx Regulation, to explore legal service quality indicators. We invited Digital Comparison Tool (DCT) providers (an umbrella term for online review websites, price comparison websites and other comparison sites) to take part, alongside legal service providers.

It is our latest move to improve the range of information available to the public when choosing a legal services provider. The [report](#) was published in June 2023 and it will be considered by the CLC's Consumer Reference Group, whose comments will inform the Council's own consideration of the next steps that the CLC should take.

Public legal education

Our website and social media channels remain key tools in helping us to develop consumer understanding of conveyancing as well as driving greater understanding about risks such as fraud and cybercrime.

During 2022 we have increased our efforts in this area. Using web content supported by social media and regular articles in What Mortgage magazine.

We have also provided helpful consumer-focused articles for Legal Choices, a consumer-facing website funded and delivered jointly by the majority of front-line legal regulators which is committed to providing public facing information and a single digital register, and for the LSB's Reshaping Legal Services microsite, which is part of its sector-wide strategy to reshape legal services to better meet society's needs.

STRATEGY INITIATIVES



Strategic Objective: Empowering consumers



Consumer reference group

In Q4, the CLC commissioned former Council Member, Teresa Perchard, who has a background in consumer affairs, to establish a Consumer Reference Group to inform the work of the CLC in the development and application of regulatory policy. The CRG significantly enhances consumer input into the CLC's thinking. The nature of the group means that it can work efficiently and quickly to provide constructive critical feedback to the regulator.

Teresa completed her second and final four-year term on the CLC Council in 2022. She has a background with Citizens Advice, leading their policy and advocacy work for 13 years.

The Consumer Reference Group brings together individuals with diverse backgrounds in consumer affairs to act as a sounding board providing informal advice, insight and challenge to the CLC, with the aim of boosting consumer input to our consultations and policy development.

The group includes Mark McLaren, a member of the Legal Services Consumer Panel and The Property Ombudsman, leading their Consumer Forum; Paula Higgins from the Homeowners Alliance; Peter Hart from the National Consumer Federation; Arnold Pindar, the Chair of the National Consumer Federation, and Jason Chapman from the Office for Legal Complaints.

We will be approaching other consumer bodies and individuals with an interest in this area to join.

Customer Charter

We continue to promote the use of our Customer Charter, which we created in 2019.

The Charter was created to:

- Enhance our public legal education objectives by reinforcing the benefits to the public of using a regulated legal service provider
- Strengthen understanding for the public of the protection they receive from using a CLC regulated practice
- Emphasise the specialist nature of CLC regulation and CLC-regulated practices, our commitment to transparency and the protections available to customers

The Charter creates an opportunity for regulated practices to attract and reassure consumers, while they are still choosing their conveyancer, about what to expect from using a CLC licensed practice. It is also a way of demonstrating that the specialist property lawyers at the CLC practice are bound by a Code of Conduct which sets out the regulatory responsibilities of all practices (and individuals) regulated by the CLC.

The CLC pioneered use of a secure badge on the websites of regulated practices. These allow consumers to check that the website they are visiting is genuine and that of a regulated practice rather than one that is impersonating the site of a regulated practice.

The CLC is also constantly reviewing and attempting to facilitate faster transformation of the home buying and selling process to secure better outcomes for consumers through faster and more secure transactions.

STRATEGY INITIATIVES



Strategic Objective: Empowering consumers



Fraud and cybercrime

The 2021 Census showed that fraud and computer misuse offences increased substantially over the previous two years. The proportion of fraud incidents that were cyber-related increased to 61% from 53%.

During 2022 we have taken further steps to reduce the risk of fraud faced by CLC practices and their clients. We have continued to develop and share material for practices and consumers to help protect against the risk of fraud and signpost our [cybercrime and fraud toolkit](#). We have also used our newsletters, website, and social media to warn of potential scams, including continued support of the Take Five to Stop Fraud Campaign, encouraging firms to join the campaign and raise awareness of types of fraud risk.

As part of our transparency requirements, it is mandatory for all CLC practices to use the CLC Secure Badge on their websites.

The badge helps to protect customers by making it more difficult for fraudsters to imitate real law firms or create fake law firms. It also allows consumers to check the regulatory status of a firm they are considering instructing and leads them to the CLC website where they can find more information about how to raise complaints and seek redress.

We were the first frontline legal regulator to introduce a Secure Badge and several others have since introduced similar schemes following a recommendation from the Competition and Markets Authority. It is an example of how the CLC is able to innovate quickly when opportunities arise.



STRATEGY INITIATIVES



Strategic Objective: Adapting Regulation to the Changing Market



Our aim is to anticipate, prepare for and respond to movements in the property market, changes in the way legal services are delivered, and evolution in the profile of risks to clients as well as the wider risks arising as the economy changes and criminal activity evolves.

This work is vital to our mission to protect consumers and our commitment to support thriving and innovative businesses.

We gather intelligence and insight from a wide range of sources, these include:

- Our inspections of firms
- Consultations with the regulated community, stakeholders, the Consumer Reference Group, Professional Reference Group and the public
- Compulsory Regulatory Return
- Informal visits to firms and discussions with their suppliers, lenders, and others in the property market

- Consumer and other research carried out by organisations across the sector
- Running our own and attending others' conferences, webinars and events
- Other research we undertake ourselves or in collaboration with others, including weekly horizon scanning reported to staff and the Council

During 2021 and 2022 the key external factors that have influenced how we achieve our objectives included work across the sector to transform the home buying and selling process through the Home Buying and Selling Group, the MyIdentity digital ID pilot and joint work with the SRA and CILEx regulation on the use of quality indicators. We also play an active part in the Regulatory Response Unit of LawTech and keep in close touch with innovative suppliers to the legal profession to understand how their work will impact the practice of conveyancing and probate and whether it may require changes to regulation.

2022 also saw widespread uncertainty about the financial health of the sector due to the challenging national economic climate, the impact of the war in Ukraine on the UK sanctions regime and increasing cybercrime.

STRATEGY INITIATIVES



Strategic Objective: Adapting Regulation to the Changing Market



Tracking the property market

We constantly track economic trends and property market data and insight from sources such as the Bank of England, HM Land Registry, the major mortgage lenders, RICS and the EY Item Club among many others.

The intelligence derived from this tracking is provided to our staff and governing Council to inform our risk-based approach to regulation. This weekly horizon scanning of the property market has been invaluable given the rapid fluctuations and fast-changing outlook for the economy and the sector since the beginning of the pandemic. It ensures that there is a clear shared understanding of the challenges the CLC faces amongst staff and non-executives alike. That is important especially when the outlook is difficult to see clearly and rapidly changing, as has often been the case since 2020.

As a result of a growing consensus that property transaction volumes look set to fall in 2023, and with practices already telling us this was beginning, we issued an Advisory Notice to all practices in 2022 instructing firms to consider how they would respond to a significant downturn in the economy. This prompt to think hard about a different market than the exuberance we had become used to was important for the sustained health of provision of legal services.

Supporting innovation

For some years now we have been engaged closely with the government as it has examined how to improve the home buying and selling process. Throughout 2022 we have continued to take a large role in the conversation that is being led by the Department for Levelling Up, Communities & Local Government and HM Land Registry, particularly through the work of the Home Buying and Selling Group.

The CLC plays very active roles in the Land Registry's Advisory Council and Industry Forum as well as the Home Buying and Selling Group that brings together representatives of all the key groups in the property transfer process.

Every year we hold an industry-wide roundtable which includes a discussion on driving innovation. It builds on our 2020 discussion paper 'Conveyancing 2030' and has quickly become an important fixed point in the year for key players to take time to reflect together on progress made and what more remains to be done to transform the conveyancing process.

The original discussion paper is here: <https://www.clc-uk.org/conveyancing-in-2030-looking-to-an-electronic-future/> and a summary of the roundtable in September 2022 is available here: <https://www.clc-uk.org/its-coming-for-homes/>

STRATEGY INITIATIVES



Strategic Objective: Adapting Regulation to the Changing Market



CASE STUDY: ELITE CONVEYANCING

Technology is no substitute for a good old-fashioned conversation, but the two together are a winning combination according to CLC-regulated practice Elite Conveyancing.

Carl Brignell, a former conveyancer and business development manager spent 15 years working for law firms before deciding to take the plunge and open his own in November 2021.

Since then, he has more than doubled his initial staff of four lawyers.

Here, he explains how Elite is harnessing technology to benefit both clients and colleagues, giving precious time back to lawyers so they can concentrate on doing what they do best.

Although at one time the main priority was price, I believe it has swung back around now and what people are most concerned with is having an experienced conveyancer.

Moving house remains one of the biggest and most stressful experiences in life and that's where we come in – to make the process of buying and selling run as smoothly as possible.

Many of the frustrations often associated with the conveyancing process are borne out of a lack of understanding or a lack of communication. We ensure we stay in regular contact and upon instruction, our clients also receive the email and direct dial of their dedicated lawyer so they can get in contact at any stage and ask any questions they may have.

We will always utilise technology where it helps the client and it's something we rely on at the onboarding stage for things like client engagement letters and mandatory anti-money laundering checks.

Within 24 hours of being instructed, their assigned lawyer will call to introduce themselves and from then on, the client decides how they wish to be kept updated. The most common request is by email and so when there is any development, from a local search coming back to receiving the memorandum of sale, we will notify them of that within 24 hours as well.

Behind the scenes we use a lot of technology, both to gather market

intelligence and also to ensure that the targets we set ourselves are met. The system we work on generates daily reports which flag if we're falling behind so we can find out why, and which also tracks the capacity of our lawyers, so we know they're not being overloaded with work.

It generates daily lists of tasks for lawyers when they log in each day, which colleagues say really helps them to stay on top of their cases.

Along with excellent customer service, staff welfare is a top priority. I've seen many good conveyancers buckle under the pressures put upon them by employers and that's why we cap instructions at 25 per month. Our aim is simple - to be the best in the marketplace – and part of that is looking after our people so that they want to stay with us long-term.

That's why investing in technology is so important as it enables us to constantly review and refine our processes, lightening the load of our lawyers so they can concentrate on doing what they do best – delivering great outcomes for our clients.

STRATEGY INITIATIVES



Strategic Objective: Becoming the Regulator of Choice



The delivery of education to achieve qualifications that pave the way to becoming a Licensed Conveyancer and Licensed Probate Practitioner is independent of the CLC. We took this step to deliver better separation between education and the granting of a licence to practice.

Under the oversight of the Scottish Qualifications Authority (SQA), our providers are ensuring that students receive the skills and knowledge they need to succeed as CLC technicians and lawyers.

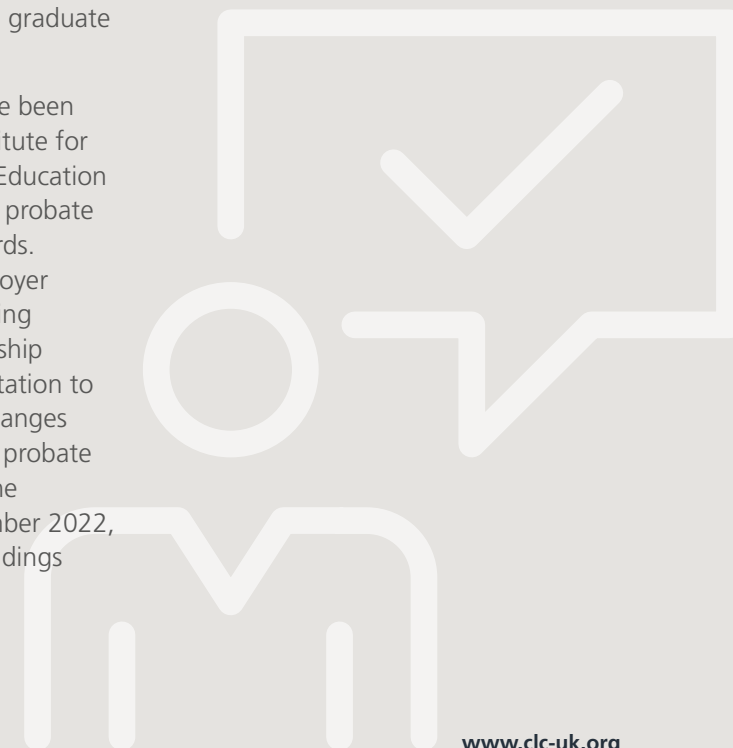
Training is delivered through colleges, private providers and employer centres:

- Access Law Online
- Law Training Centre
- MOL
- The Manchester College
- P V Training Limited

Conveyancing firms continue to be keen to recruit specialist qualified property lawyers and technicians and often report that there are real challenges around finding people with the right skills and qualifications. The CLC is determined to ease that problem. There is currently a healthy pipeline of future conveyancers, with some 300 students now studying for the qualification.

We are also liaising with apprenticeship providers and the SQA in their efforts to support employers and employees to access the CLC graduate apprenticeships.

Throughout this year we have been working closely with the Institute for Apprenticeships & Technical Education looking at conveyancing and probate Legal Apprenticeship Standards. In November 2022, the Employer Trailblazer Group that is leading the review of the Apprenticeship Standards launched a consultation to gather views on proposed changes to current conveyancing and probate Apprenticeship Standards. The consultation closed in December 2022, and we will respond to its findings during 2023.



STRATEGY INITIATIVES



Strategic Objective: Becoming the Regulator of Choice



CASE STUDY

Debbie Johnson, associate and licensed conveyancer at Harrowells Solicitors

"After doing my A-levels I was sure I wanted to be a nurse, I even went as far as securing a place at college and doing two years of training, but I finally had to admit that, in reality, it just wasn't for me. So, I fell into retail roles for the next five years where I enjoyed the variety, but I had itchy feet, as it wasn't a 'career' as such and I wanted to feel challenged.

"So back I went to college where I enrolled on a couple of word processing courses that specialised in medical and legal terminology, and it was this that led me to landing a role as a secretary at Harrowells. I absolutely loved it, the environment was great, and I had far more exposure to the legal side of things than I had expected. I saw where I wanted to go and had a chat with my boss at the time. They were hugely supportive, and I gradually started to move over to the fee earning side. Simultaneously, personal circumstances meant that I now had to be the sole wage earner at home, and this also drove me to explore progressing my role.

"I'm very fortunate to be at a great firm like Harrowells, who were fully supportive and paid for my qualifications which

allowed me to study alongside working and earning a wage. I got my CLC licence in 2012 and I haven't looked back since.

"I think this really is one of the most appealing aspects of the licensed conveyancers' qualification. It allows people to change career and access a legal career without going down the traditional university route. The law is often seen as the preserve of the wealthy and connected. I'm neither, I come from a working-class background, but I'm now an associate and I hope to make partner at some point.

"I'm really passionate now about giving other people access to the opportunities that were provided to me. My assistant has recently decided to study and qualify as a licensed conveyancer and I'm excited to support her on her journey in what I believe is a truly great career.

"I'm sometimes asked if I wish I was a qualified solicitor instead, and honestly, I don't, for a number of reasons, but mainly because I love conveyancing. As strange as it may sound, for me it has a lot of parallels with nursing, as I wanted to work in A&E. It's fast paced, it's challenging, no two transactions are ever completely alike, and you're there to help people at an important time in their life. Personally, I find it very rewarding when you get to the point of completion and

you can let your client know they can collect their keys.

"Over the ten years I have worked in conveyancing, there's been a considerable shift in how we, as licensed conveyancers, work. The biggest has probably been the advancement in digitisation, but due to the nature of the property market there are always going to be ups and downs and new challenges. As a result, it's not a job where you're going to be stagnant, it's a great industry for those who thrive on being busy.

"For anyone looking to get into conveyancing, or who is in the early stages of qualifying I would say find a great mentor, they're worth their weight in gold. I've always had good people I can go to for help, advice and guidance. Find someone in the firm who can support you.

"One of the best pieces of advice I ever received was in the CLC magazine, back when it was printed, and it came from the owner of a law firm, who had started out as an office junior and he said, 'you will never know everything about conveyancing, but if you don't know the answer, go find it.' "

STRATEGY INITIATIVES



Strategic Objective: Becoming the Regulator of Choice



At the beginning of 2022, we launched an online course for anyone wanting to learn more about the conveyancing process.

The 'Introduction to Conveyancing' aims to give non-lawyers an insight into how property is legally transferred between owners. No prior knowledge or experience is needed, and participants do not have to be employed in a legal services role.

The entry level course - broadly similar to a GCSE in difficulty - is fully accredited and certified by the SQA, whose qualifications are recognised in the UK and internationally.

It is divided into the following four modules which participants can complete online in four to five hours.

- An introduction explaining some of the key professionals and organisations involved in the house-buying process
- A guide to professional conduct and the office skills a conveyancer needs

- The difference between freehold and leasehold and the definition of land
- Key steps – and risks – in the conveyancing process

The course concludes with a final assessment, after which those who pass will be awarded a certificate.

Managing Entry to the CLC Regulated Community

The CLC sets and maintains a high bar for entry to its regulated community, with lawyers able to qualify as a Licensed Technician, Licensed Conveyancer or Licensed Probate Practitioner. The routes to qualification, including apprenticeships, on-the-job training and remote learning, are very accessible and we are pleased to report that they result in a diverse profession that closely reflects the make-up of wider society.

Lawyers, beneficial owners, and non-lawyers who are Directors, Partners or Members in a CLC Practice must satisfy our fit and proper person test and complete standard AML checks.

Experienced lawyers who have qualified by other routes, such as solicitors or via CILEX can also apply to be licensed as CLC Lawyers. Businesses seeking to transfer into CLC regulation from another regulator are subject to the same rigour together with additional compliance checks with their current regulator.

For a number of years we have been working to encourage specialist firms run by solicitors and legal executives to explore the benefits of CLC regulation and exercise the choice that is available in the legal sector. Until recently, this had met with slow progress because of issues such as run-off cover and lender panels, as well as Covid. However, these have now been resolved and in 2022, we saw more businesses and individuals taking advantage of the freedom to choose to move to specialist regulation.

We will continue to promote the specialist nature of our regulation to encourage switchers, which is also an important driver for the promotion of competition in the provision of legal services, one of the regulatory objectives in the Legal Services Act 2007.

STRATEGY INITIATIVES



Strategic Objective: Becoming the Regulator of Choice



Businesses seeking to become regulated by the CLC are encouraged to contact our Licensing Team so we can explain the process, likely timescales and agree expectations. Our approval process is outcomes focused and is centred on consumer protection. In our experience practices take advantage of moving to regulation by the CLC to transform their business model, setting ambitious targets for sustained business growth. In recognition of the time this takes, we encourage applicants to determine the pace of the application process and so properly consider the types of changes that benefit and strengthen their business.

The first trading year under new regulation is critical and when practices most look to us for support. Every CLC practice has a nominated RSM who acts as the key point of contact, especially in the first year of regulation. The RSMs help business owners and managers to become familiar with the CLC's regulatory framework and Code of Conduct so they can operate the business within our compliance framework.

Licence renewal

We continued the rolling improvement of the licence renewal process to reduce the regulatory burden on CLC lawyers and practices and undertook data checks ahead of the renewal process. As a result, licence renewal was once again a smooth and fast process. As ever, we saw a small fall in the number of regulated individuals at licence renewal as those on career breaks of one kind or another do not renew their licence. Numbers grow over the course of the year as many of those individuals return to practice, newly qualified lawyers join the regulated community for the first time and as new or growing practices appoint personnel. The overall trend underlying those seasonal variations is one of steady growth.

The licence renewal process is a useful checkpoint to remind practitioners of their responsibilities and duties and to ensure that all changes have been reported to us over the course of the year.

Fees

Following an [open consultation](#) which ran over the summer, we were able to write to our regulated community in November 2022 to inform them that they would not face any increase in application fees, licence fees and regulatory fee rates for the year 2022-23. This decision meant that the financial burden of regulation had been significantly reduced, with fee rates and contributions to the Compensation Fund falling by 50% over seven years.

All practices are required to pay the Practice Fee, OLC Levy and Compensation Fund Contribution as a condition of licence.

When we consulted on the proposals, respondents were in favour of not making any additional changes to the application fees, licence fees and regulatory fee rates that were set in 2021. Any change to what practices pay will be because the firm's turnover has changed, or the number of cases from the firm upheld by the OLC has changed.



STRATEGY INITIATIVES



Strategic Objective: Becoming the Regulator of Choice



In 2021 the CLC made significant changes to the fees levied on practices. These changes were implemented to ensure transparency and fairness. The changes implemented were:

- Increasing the number of turnover bandings from 4 to 9. This has enabled practices to benefit from lower fee rates as they grow
- Reducing the Practice Fee rates and excluding the Legal Ombudsman charge from the Practice Fee, which has improved the transparency of fees as the funds are only used for CLC operating expenditure
- [Implementing a separate OLC levy](#) to recover the cost of the Legal Ombudsman recharge. The CLC has no control over this charge, which is based on case numbers and costs provided by the Legal Ombudsman. The charge has increased significantly over the last five years and separating it has increased transparency of costs and increased the focus on complaint handling

Speaking at the time, the CLC Chief Executive Sheila Kumar said: “We believe, as a proactive and engaged regulator, it is our job to ensure we fully understand the pressures our firms face and find ways to encourage them to continue to provide a quality, cost effective service to the public.

“We have cut Practice Fee rates by more than half over the course of the last seven years, and Compensation Fund contributions have been cut by around half too.

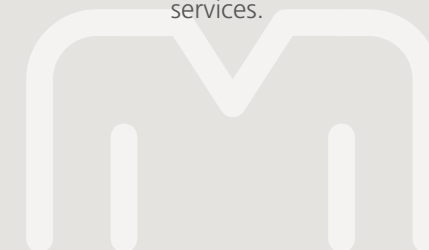
“Against the background of inflation, this year’s freeze is a significant, real terms cut in fees and fee rates. Keeping the financial burden of regulation to a proportionate level is a key element of the CLC’s commitment to supporting a thriving conveyancing and probate sector responsive to the needs of the client.”

PII arrangements

In January 2022, we launch a consultation on proposed changes to PII for our regulated community as part of a review of PII, a vital element of consumer protection that all the firms we regulate must have.

The last review was carried out in 2016, prompting the move to an open market scheme based on standard Minimum Terms and Conditions (MTC) and governed by a Participating Insurers Agreement (PIA). The agreement means that CLC-regulated practices can seek cover from any insurer who is part of the scheme, with a £2million minimum level of cover for every claim including run-off cover should firms close.

Following changes in the industry and challenges in the PII market, however, we decided it was timely to revisit the scheme to ensure it continues to protect client interests, is affordable and proportionate, and supports a healthy and competitive PII market as well as innovation and growth in legal services.



STRATEGY INITIATIVES



Strategic Objective: Becoming the Regulator of Choice



As a result, firms regulated by CLC will have to submit at least one application for PII two months ahead of the renewal deadline, under plans approved by the LSB.

From 2023, insurers receiving applications should respond no less than one month before the deadline, on 1 June, in a bid to reduce the risks involved when firms and insurers take renewal right up to the 30 June cut-off.

This move is intended to make the renewal process smoother than it has been, allowing practices time to seek alternative cover if needed and be able to plan for the outcome better.

We will also introduce a requirement for an automatic 90-day extension of cover in the event that a practice is unable to renew, with the last insurer paid a pro rata premium based on the most recent policy. The practice must not take on new work during the extended cover period. In the event cover is found during that time, the new insurer will backdate the policy to 1 July.

This will not apply to firms whose insurer has notified them and the CLC, no later than 31 March, that it will not offer renewal.

The new Minimum Terms and Conditions and Participating Insurers Agreement came into effect on 1 July 2022 and govern the policies that start on or after that date. Indications at time of writing are that these changes have improved the PII renewal process during June 2023.

Despite requests from insurers during the consultation, we chose not to remove integrated run-off cover, which should be priced into a firm's annual policy under the CLC's current rules. Some insurers argued that they should be separated, and a run-off premium made payable in all cases, with no cover if not paid.

The CLC concluded that the risk to consumers of run-off cover not being in place was too great, with the experience of other regulators showing that many closing firms do not pay their run-off cover premium.

A robust and sustainable PII scheme is a cornerstone of our regulatory approach, and we will continue to monitor its effectiveness during the renewal round, as we do every year.

Compensation Fund

The CLC operates a Compensation Fund as a last resort for clients who have suffered financial loss at the hands of a CLC-regulated firm or individual that is not covered by PII. This is funded by the regulated community. A full report on the Compensation Fund is included in the CLC's Annual Financial Statements. Compensation Fund contribution rates for 2022 were held.

The Council is currently reviewing its Compensation Fund arrangements following a consultation in 2022. It will publish a revised scheme in 2023 aimed at making the arrangements simpler, clearer, and more predictable and sustainable for all parties. In the meantime, Council has adopted an updated [policy statement](#), which supplements the operating framework and general approach to administering the fund.

STRATEGY INITIATIVES



Strategic Objective: Becoming the Regulator of Choice



Diversity and inclusion

Entry to the CLC -regulated community is satisfyingly diverse and closely reflects the make-up of wider society. However, in common with many other professions, we find that women and ethnic minority lawyers do not progress to senior roles in the proportions that we would expect. At the time of writing, we are undertaking a new survey of the regulated community to update that completed in 2019, the [findings of which are published on our website](#). The picture that provides will drive more detailed qualitative work on the key themes that emerge.

All of the CLC's policy decisions include consideration of any potential impact on particular groups, and we review disciplinary outcomes for any disproportionate impact on any groups.

Since the Equality Code was introduced, following the passing of the Equality Act in 2010, the majority of the CLC's Equality Code has remained relevant and clear.

However, in 2021, Council identified two main gaps that we have sought to close in order to encourage an independent, strong, diverse and effective legal profession. In June 2022, we launched a public consultation on changes to the Code to close these gaps and ensure regulated practices and individuals are meeting expectations.

Following the consultation, Council agreed in November 2022 to two main changes which relate to the way the CLC collects data on diversity and complaints of discrimination, victimisation or harassment.

A new requirement will be written into the Equality Code in 2023, compelling regulated practices to cooperate with the CLC in the collection and analysis of data about their workforce and owners.

In order to help monitor and drive change, the CLC will also mandate that practices "report any instances of complaints of discrimination, victimisation or harassment whether as an employer or service provider" and keep records to enable them to do so.

These changes are intended to deliver, and maintain, positive improvements by giving the CLC more levers to effect change and we are keen to hear what people think.

An added guidance section to help support the effectiveness of the Equality Code will also be included.

[A joint statement](#) issued by the LSB along with eight legal regulators towards the end of 2022, including the CLC, underlined their commitment to tackling counter-inclusive misconduct.

"We know regulation alone is not the answer, but as legal service regulators we have considerable influence over how legal professionals behave," it said.

"We oversee the way lawyers are trained and educated. We set standards of conduct and expectations of professional behaviour. And we have powers to act where conduct falls below those expectations and through our disciplinary processes."

ANNEX

Reporting against the 2021 and 2022 Business Plans



Empower consumers to make informed choices

A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
1	1, 4, 5, 8	New database will be operational and supporting management information (MI) agreed by senior management team (SMT) and Council as well as online register.	Changes to processes and policies as well as the need to verify data mean that the delivery of the new database could not be implemented in 2022.	Decommission existing database and move to new database supporting MI agreed by SMT and Council as well as online register.	Background work to enable final transition to the new database and online presentation was nearing completion
2	1, 4, 5, 8	Finalise an approach to Quality Indicators.	Pilot began well. Initial feedback from Trustpilot sees small increase in visits to reviews of legal service providers. The team began to consider evaluation and reporting for the end of the first year of the pilot in February 2022.	Finalise an approach to Quality Indicators.	The project was largely completed in 2022. A joint report with the SRA and CILEx Regulation on Quality Indicators was published in June 2023. The CLC's Consumer Reference Group will review the actions suggested in the report in July 2023 before further consideration by the Council of the CLC.
3	1, 4, 5	50% of firms will feature the Consumer Charter on their website.	In view of other demands on resources, the promotion of the Charter was removed from the 2021 business plan.	Enhance value of Consumer Charter to practices (dropping target for coverage)	The start of this promotion was postponed to 2023. It will be aligned with the work to introduce the revised ethical principles.

ANNEX

Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
4	4, 5	-	-	Development of a Single Digital Register for the legal sector.	The CLC is part of an LSB-led Task and Finish group of the front-line regulators that are looking at potential approaches. The CLC considers that the register would be best housed on the joint Legal Choices website, which already accommodates the Help Me Trust My Legal Advisor register.
5	1, 4	-	-	Take opportunities for joint research into consumer information needs as this cannot be achieved by CLC working alone.	<p>In mid-2022 the CLC asked departing lay Council Member, Teresa Perchard, to convene a Consumer Reference Group (CRG) for the CLC. The CRG has already made extremely valuable input into the development of new ethical principles for CLC-regulated lawyers, the CLC's new strategy for 2023-25.</p> <p>These arrangements will be reviewed after 12 months of operation, in Q4 2023. That work is reflected in the 2023 Business Plan.</p> <p>We have flagged with the LSCP the desirability of a sector-wide approach to consumer research.</p> <p>The CRG's expert input is an addition to insight that is gained from, e.g. the LSCP's tracker survey and any research undertaken jointly by the front-line regulators.</p>

ANNEX

Reporting against the 2021 and 2022 Business Plans



Adapt CLC regulation to Changing markets

A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
6	1, 2, 4, 5, 6, 8	Revise the rule book to ensure it is fit for the future.	Council agreed to simplification of the recognition of lawyers' status within practices which is in preparation. SMT has identified other areas of the rule book for revision. The need to focus on revision to PII arrangements in 2021 postponed further work until 2022.	Ensure the rule book meets current challenges and is fit for the future.	The CLC completed consultations on changes to the Ethical Principles and to the Equality Code. These will be the subject of rule change applications to the LSB in 2023.
7	5	Align the licensing framework for alternative business structures (ABS) and Recognised Bodies.	Council has agreed the approach in principle and the majority of the preparatory work has been completed.	Align the licensing framework for ABS and Recognised Bodies.	The major benefits will only be realised with legislative change, and we continue to explore whether and when that will be possible.

ANNEX

Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
8	1, 4, 5, 6, 8	Drive development and adoption of new tools and processes by the regulated community to improve consumer protection.	<p>In addition to playing its part in the Home Buying and Selling Group and Regulatory Response Unit, the CLC Promoted HM Land Registry Safe Harbour Scheme, contributing to development of Digital ID Standard.</p> <p>Building on the Conveyancing 2030 discussion paper of 2020, the CLC published its round table report in Q4.</p> <p>In 2021 we ran a 'state of probate' survey that identified issues in the provision of that legal service and a follow-up survey in 2023 will provide pointers for further action.</p> <p>We established our online Conveyancing Tech Guide and page of Tech Adoption Tips.</p> <p>Contributing to development of Digital ID Standard.</p>	Drive development and adoption of new tools and processes by the regulated community to improve consumer protection.	<p>We continued our follow-up on the Conveyancing 2030 discussion document with another annual round table in 2022.</p> <p>We ensured that there was sector-wide advice on digital ID tools, which otherwise was providing challenging to secure, by asking LawTech UK to coordinate the development of a Joint Statement through its Regulatory Response Unit.</p> <p>We are part of the governance group of a new digital ID trust scheme for the conveyancing sector and are promoting participation pilots.</p> <p>We worked closely with HM Land Registry, including on developing and promoting the Safe Harbour Scheme. Now we are part the group that is looking at what each of the organisations in the sector needs to do to support and speed up the transformation of the conveyancing process.</p> <p>We also contributed to the LSB's Reshaping Legal Services website with three items and have continued to engage with the Home Buying and Selling Group. We have regular meetings with new and established providers, including tech providers, to the conveyancing and probate markets.</p>

ANNEX

Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
9	1 4, 6, 8	Identify and plan mitigation of emerging risks in the marketplace	Rather than quarterly reviews, this was recognised to be a rolling exercise, in which intelligence about emerging risks drives targeted action and was rolled into the next item in the business plan in the course of 2021.	-	-
10	1 4, 6, 8	Research into regulated community to inform risk assessment, planning and consumer protection	<p>Weekly horizon scanning of developments in the legal services and property sectors is reported to staff and Council.</p> <p>In 2021 we undertook extensive research into PII in the regulated community to inform a review of arrangements that was completed in 2022.</p> <p>In 2021 we continued a series of surveys focusing on the state of the regulated community as it continued to deal with the challenges and restrictions arising from the pandemic. The findings, as in 2020, were shared with HMG, LSB and other stakeholders and continue to inform the CLC's regulatory activity to protect consumers.</p>	Research into regulated community and wider market to inform risk assessment, planning and consumer protection.	<p>Weekly horizon scanning of developments in the legal services and property sectors is reported to staff and Council.</p> <p>2021 saw a close look at AML in practices and the operation of PII.</p>

ANNEX

Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
11	1, 2, 4, 6, 8	Revised Equality Code agreed by Council.	Council signed off on the draft revised Code for consultation in 2021.	Revised Equality Code agreed by Council.	In 2022, the Council signed off on the proposals for revision to the Equality Code following consultation. A submission to the LSB for rule change approval will be submitted in 2023.
12	1, 2	Revised Compensation framework is agreed by Council.	In 2021 we published a Policy Statement to set out more clearly the operation of the Compensation Fund. Preparations began to review the Compensation Fund.	Revised Compensation Fund framework is agreed by Council	A careful review and rewriting of the rules, with close participation by a lay member of Council and review by the full Council continued throughout 2022 and will result in a consultation on the new rules in 2023.
13	1, 2, 3, 4, 5, 7, 8	The CLC is viewed as a valuable contributor to government thinking on all issues that affect the practice of conveyancing and probate.	In 2021, the CLC took part in significant work with MHCLG (as it then was), DCMS, TechNation, the Home Buying and Selling Group, Bank of England and others. The CLC was quoted in the Land Registry Annual Report for 2021. The CLC issued its first Risk Agenda and held the first Round Table following up on Conveyancing 2030 .	The CLC is viewed as a valuable contributor to government thinking on all issues that affect the practice of conveyancing and probate.	Ongoing work with key organisations continued in 2022. In 2022 we issued the second annual Risk Agenda , held our regular round table on the evolution of conveyancing and published a report on it and in early 2023, held a webinar on the CLC's approach to regulation, Prevention V Enforcement . We have played an active part in HM Land Registry's Advisory Council, supporting its transformation into a group that can ensure the delivery of fundamental and long-lasting improvement to the conveyancing process. The 2022 Stakeholder Perceptions report found that the CLC continues to punch above its weight in policy development in the sector.

ANNEX

Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
14	1, 2, 4, 8	-	-	Secure compliance with the sanctions regime.	<p>The LSB singled out the CLC as having done very good work to ensure that the regulated community understood how the sanctions regime operates and how to comply with their obligations under it.</p> <p>The CLC undertook a great deal of work on sanctions following the invasion of Ukraine. That began with the issue of an Advisory Note in February 2022 that is kept updated.</p> <p>This major new workstream required some reprioritisation of other work across the year, which is reflected elsewhere in the business plan.</p>

ANNEX

Reporting against the 2021 and 2022 Business Plans



Be the regulator of choice

A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
15	1, 4, 8	Provision of bespoke support to practices facing challenges as a result of the pandemic.	This work continued into 2021 from 2020. Frequent surveys of the profession to provide insight into challenges in the delivery of conveyancing and probate services.	Provision of bespoke support to practices facing challenges as a result of the pandemic.	This work was completed in 2022 and this item will be removed from the business plan other than as BAU support for practices. If a new and specific need arises, it will be the subject of a new item in the business plan.
16	1, 4, 6, 8	Fee rates for the next licence year agreed by Council.	Council reviewed the CLC's fee-setting and charging and approved arrangements following consultation. In view of the economic uncertainty, fees were frozen. Submissions were then made to the LSB and approved in time for collection according to the usual timetable.	Complete review of CLC's fee-setting arrangements.	Council reviewed the CLC's fee-setting and charging and approved arrangements following consultation. In light of the continuing ongoing uncertainty and not wishing to increase the financial burden on clients and practices, fee rates were frozen, resulting in an effective 50% drop in fees over seven years. Submissions were then made to the LSB and approved in time for collection according to the usual timetable.
17	-	CLC has set out a clear CSR plan for 2021.	This item was removed from the business plan in light of continued remote working for most colleagues. The organisation continues to reduce its resource usage – notably paper.	-	-

ANNEX

Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
18	7, 8	Report with compelling narrative about the CLC published April 2021.	The Annual Report 2020 was published in early 2021.	Report about the CLC's work in 2021 to be published.	The report on 2021 was held over to be included in this report on 2022.
19	1, 2, 4, 5, 6, 7, 8	Continue to grow CLC's visibility in legal press and impact of public legal education through consumer press.	The CLC's targets for coverage in the legal and consumer press were met in line with a workplan agreed by the Council in January.	Continue to grow CLC's visibility in legal press and impact of public legal education through consumer press.	The CLC's targets for coverage in the legal and consumer press extended when they were agreed by the Council in January. The new targets were met. 2022 saw some planned evolution away from PR to more direct engagement through social media, growing engagement on Twitter and LinkedIn in particular.
20	1, 4, 8	Regulated community and stakeholders value the CLC's e-newsletters.	The newsletters continue to achieve good open and engagement rates. These are consistently around a 50% open rate and 6% click rate compared to 32% and 5% respectively for organisations the mail software (MailChimp) considers our peers.	Regulated community and stakeholders value the CLC's e-newsletters.	The newsletters continue to achieve good open and engagement rates. These are consistently around a 50% open rate and 6% click rate compared to 32% and 5% respectively for organisations the mail software (MailChimp) considers our peers.
21	1, 4, 8	Conference maintains high satisfaction rating, attracts larger attendance.	The Council decided not to hold a conference in 2021 due the ongoing uncertainty around face-to-face events.	Consider holding a conference or other face to face activity in 2022.	In 2022, the Council took the view that there was still too much risk in relation to face to face events.

ANNEX

Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
22	1, 4, 5, 6, 8	Ensure equal market access for CLC-regulated firms and seamless service for transferring conveyancing firms.	The CLC has always worked closely with financial institutions, lender panels and others to ensure that CLC lawyers, as Authorised Persons, are able to carry out their work unhindered. In 2021 there was an issue with the Nationwide that was dealt with successfully.	Ensure equal market access for CLC-regulated firms and seamless service for transferring conveyancing firms	The CLC continued work with UK Finance and CILEx Regulation to ensure that financial institutions do not place barriers in the way of CLC-regulated probate practitioners. The focus was (and continues to be) on some financial institutions rules in relation to estate management, that UK Finance is leading.
23	1, 4, 5, 6, 8	Ensure sustainable education provision to CLC qualifications.	Level 2 online qualification was launched as a stand-alone qualification and feeder for higher levels. New education case studies have been added to the website for use promoting CLC qualifications.	Ensure sustainable education provision to CLC qualifications.	The de-recognition of one provider of education to CLC qualifications has impacted confidence in the apprenticeship route across the sector. However, the pipeline of students continues to grow. There is new work in 2023 with the education providers to reach employers more effectively to help address both of those challenges.
24	1, 4, 8	CLC is a high-profile presence at key conferences and events for conveyancing and probate specialists.	Activity remained subdued in 2021, but the CLC was a visible participant in a range of industry events online. The Conveyancing Association and SLC both ran annual conferences in November and the CLC presented at both.	CLC is a high-profile presence at key conferences and events for conveyancing and probate specialists.	In the last quarter of 2022, the Chair and Chief Executive both spoke at the SLC Conference on 2 November. The Director of Strategy and External Relations spoke at a high profile LawTech webinar run by InfoTrack in October.
25	5, 8	-	-	Ensure that licence application fees for different types of regulated entities are appropriate.	It was agreed to make no changes in 2022 because the Council did not want to increase the financial burden of regulation given the uncertain economic outlook at that time.

ANNEX

Reporting against the 2021 and 2022 Business Plans



Consumer protection and redress

A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
26	1, 3, 4, 5, 6,	Surveys of the regulated community to assess the impact of the pandemic and inform CLC's response.	One pandemic-specific survey took place in Q1. Surveys in Q3 focused on PII renewal.	Surveys issued as the changing situation requires, much lower frequency than in 2020/21.	The need to survey the impact of the pandemic restrictions on the regulated community did not arise in 2022. In 2022 we made a deep dive into the PII renewal process through research at the time.
27	1, 4, 5, 6, 8	Maintain effective oversight of PII provision and market.	The PII renewal round was extremely challenging, and insurers did not meet the CLC's expectations or the requirements of the Participating Insurers Agreement and Council has approved a review of PII.	Maintain effective oversight of PII provision and market.	We implemented new PII arrangements in early 2022 following consultation in 2021. We held meetings with brokers and insurers in December 2022 to deal with issues new practices face securing quotes and looking ahead to renewal 2023.
27a	1, 4, 5, 6, 8	Review the CLC's PII arrangements in time for a new approach to be followed at PII renewal in June 2022.	CLC launched a consultation on potential new arrangements for PII, with changes to the Minimum Terms and Conditions and Participating Insurers Agreement.	Review the CLC's PII arrangements in time for a new approach to be followed at PII renewal in June 2022.	Completed as planned. The LSB approved the CLC's rule changes in early 2022. The renewal round was smoother in 2022 than 2021 following the changes made to the scheme.

ANNEX

Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
28	1, 4, 8	Reduce number of Tier 2 complaints.	Planned workshops with LeO in had to be postponed pending the availability of LeO resource. The CLC consulted on the introduction of a partial 'polluter pays' approach to recharging for the costs of LeO.	Close monitoring of the impact on complaints handling of the new approach to covering OLC costs Reduce Tier 2 Complaints.	We maintained a close watch on complaints and especially referrals to OLC. A 2021 workshop with LeO yielded useful insight into issues in practices with high levels of referrals.
29	1, 2, 4, 5, 6, 8	Maintain CLC's proactive approach to monitoring and compliance.	The CLC met its targets for planned inspections and its usual proactive monitoring work with some reprioritisation to enable focus on some disciplinary cases.	Maintain CLC's proactive approach to monitoring and compliance.	In addition to regular inspections, 2022 saw a significant emphasis on anti-money laundering and on 1 November 2022 we published our second annual report on AML work.
30	1, 2, 4, 5, 6, 8	Accountants' reports reviewed for all firms within the individual deadlines.	The targets here were met as planned and findings from accountants' reports fed into compliance and disciplinary work.	Accountants' reports reviewed for all firms within the individual deadlines.	The targets here were met as planned and findings from accountants' reports fed into compliance and disciplinary work.
31	1, 4, 5, 6, 8	Efficient licence renewal process delivered and assessed positively by the Regulated Community.	The renewal process was very efficient. Licence design and wording has been refreshed and permissions and conditions included on certificates as required. The online register presents information from the database accurately.	Efficient licence renewal process delivered and assessed positively by the Regulated Community.	The renewal process continues to improve and become more efficient year-on-year. The online register presents information from the database accurately. The online register presents information from the database accurately.

ANNEX

Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
32	1, 2, 4, 7, 8	Review Adjudication Panel Rules.	This has been a major exercise with the input of the chair of the Adjudication Panel. The work has resulted in a fundamental rewrite of the rules and creation of a suite of documents to future-proof arrangements. This increased the size of the project and has pushed consultation and decisions into 2022.	Review Adjudication Panel Rules.	Proposed new rules were the subject of public consultation in 2022 and an informal submission to the LSB. A submission for rule changes is in preparation.
33	1, 2, 4, 8	Disciplinary process and sanctions support the CLC's compliance regime.	Regulatory Supervision Managers, the Senior Management Team and external advisors reviewed options for greater use of the full range of sanctions available to the CLC and put the findings into practice.	Disciplinary process and sanctions support the CLC's compliance regime.	The Council reviewed the Publication Policy at the November 2022 Council meeting in light of LSB calls for greater transparency of decision-making.
34	1, 2, 4, 6, 8	-	-	Review arrangements for assuring ongoing competence of CLC-regulated lawyers.	This was work that the CLC put on hold in 2020 following the LSB's announcement of its own review of arrangements for ongoing competence. A consultation on changes to Continuing Professional Development (CPD) was launched in 2022 and ran until January 2023. An application for rule changes will be made to the LSB in 2023.

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Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
35	1, 4, 5, 6, 8	-	-	Enhance engagement with CLC consultations and improve level of feedback secured.	The PII consultation enjoyed a better response than past consultations. We will continue to build on the approach used there. The Adjudication Panel Rules and CPD consultations both gathered a good number of responses via the questionnaires alongside the formal consultations.
36	1, 4, 5, 8	-	-	Collect the appropriate fees from firms to meet the costs of LeO.	This was completed as planned in 2022.
37	1, 2, 4, 5, 8	-	-	Ensure that clients are properly protected when one practice is acting for both sides in a transaction.	New guidance was developed following close comment from the Consumer Reference Group and Professional Reference Group.
38	1, 4, 6, 8	-	-	Rebaselining risk profile of all regulated entities.	We identified the biggest drivers of risk to focus monitoring and compliance effort.

ANNEX

Reporting against the 2021 and 2022 Business Plans



Administration

A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
39	1, 2, 3, 4, 5, 6, 7, 8	Clearer, streamlined processes for staff policy and admin are in place.	Move payroll and expenses management were moved to a new and better system to coincide with new financial year in April.	Find solution for leave recording.	Leave management was maintained in existing system following review.
40	1, 2, 4, 5, 6, 7, 8	Maintain up to date Operational Risk Register.	The Operational Risk Register is reviewed regularly by the SMT to ensure that it recognises all relevant risks.	Maintain up to date Operational Risk Register to drive mitigation planning and inform the Strategic Risk Register.	The Operational Risk Register was reviewed regularly by the SMT to ensure that it recognises all relevant risks.
41	1, 2, 4, 5, 6, 7, 8	Clear KPIs are in place, being met and feeding MI.	KPI updates are published quarterly following their review by Council. See here	Monthly reporting to SMT and quarterly reporting to Council and publication of key metrics.	KPI updates are published quarterly following their review by Council. In 2022, the Council reviewed the format of the reports and added data on referrals to the OLC for 2023 onwards.
42	1, 2, 3, 4, 5, 6, 7, 8	Review staff handbook.	The Staff Handbook was reviewed in 2021, consulted on with staff and the new version was issued.	-	-

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Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
43	1, 4, 5	Ensure sufficient access to external resource to support interventions.	Discussions have been had with our primary agent to ensure adequate availability and capacity.	Ensure sufficient access to external resource to support inspections and disciplinary work.	Current provision was judged to be effective.
44	1,2, 3, 4, 5, 6, 7, 8, 9, 10	Realisation of cost savings projections.	Cost savings were achieved in line with projections as agreed with the Council.	Realisation of cost savings projections.	Cost savings continued to be realised.
45	1,2, 3, 4, 5, 6, 7, 8, 9, 10	Develop business case for new premises solution for the CLC.	This was completed and implemented ahead of schedule.	-	-
46	1, 2, 4, 5, 6, 7, 8	-	-	Ensure flexible working policy is appropriate for post-pandemic circumstances.	The staff team has been moving into hybrid working for some time, with flexibility for teams to make their own arrangements, assuming that most colleagues will be in the office for an average of two days each week or more.
47	1, 2, 4, 5, 6, 7, 8	-	-	Recruitment to the Adjudication Panel and to the Council and potential recruitment to staff team.	Non-executive recruitment was completed to timetable.

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Reporting against the 2021 and 2022 Business Plans



A	B	C	D	E	F
Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
48	1, 4, 5, 6, 8	-	-	Ensure resilience of inspection and disciplinary processes.	The current approach and capacity were reviewed in 2022 and judged to be effective.
49	6, 8	-	-	Ensure arrangements for the delivery and oversight of education to CLC qualifications are effective.	The CLC continued its close working with the SQA.
50	1, 2, 4, 5, 6, 7, 8, 10	-	-	Ensure that the CLC is able to attract and retain the right staff and non-executives.	Review of remuneration was completed for 2022.
51	1, 2, 4, 5, 6, 7, 8		-	Maintain a learning culture at the CLC.	Staff undertook AML training and Theory of Change training. All staff are regularly trained in data protection and reporting requirements. The Head of the Executive Office undertook a comprehensive General Data Protection Regulation (GDPR) training course as our lead Data Protection Officer (DPO) and cascaded that training to the Deputy DPO. One SMT member undertook a mini-MBA course.

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Reporting against the 2021 and 2022 Business Plans



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Item	Relevant Regulatory Objectives	Objectives 2021	End of 2021 Commentary	Objectives 2022	End of 2022 Commentary
52	1,2, 3, 4, 5, 6, 7, 8, 9, 10		-	Assess CLC performance and effectiveness.	The CLC devotes very considerable resource to the annual programme of independent, internal audits. The programme was completed during the year as planned with the CLC securing a high degree of assurance.
53	1,2, 3, 4, 5, 6, 7, 8, 9, 10		-	Review the CLC's strategy as the current strategy period comes to an end in 2022.	The Council agreed the new strategy for the CLC at its November 2022 meeting following extensive work by staff and non-executives.



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Contact Centre

Tel: 020 3859 0904

Email: clc@clc-uk.org

Postal address:

Council for Licensed Conveyancers

WeWork

120 Moorgate

London

EC2M 6UR



www.clc-uk.org