

## Update on the 2024 Annual Regulatory Return

**Purpose:** For information

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### Summary

This paper serves to update Council on the summary findings of the 2024 Annual Regulatory Return (ARR) and bring Council up to date on planned actions for communicating the outcomes and key messages with the regulated community, and publication of the full reports for consumers and members of the public for whom this may be of interest.

The key findings from the ARR will be used to develop our 'key messages infographics'. The infographics will be used in communications with the sector in the coming year as part of our broader policy and monitoring agenda.

### Recommendation

Council is invited to review and note the report, findings of which will be used to develop 'key messages infographics'.

### Relevant Regulatory Objectives

The purpose of the ARR is to gather information about CLC licensed practices. The data and information received is used to set priorities for the CLC's regulatory, policy and licensing work, and to inform monitoring activities.

Reporting back to the regulated community and publishing the findings of the ARR is an important part of the feedback-loop demonstrating transparency in regulation and is one of several ways that we evidence how we are fulfilling the Regulatory Objectives (ROs), specifically RO1, RO4, RO5, RO6 and RO8 (highlighted below).

As well as informing the CLC's regulatory activity and policy work, publication of the ARR findings, provides practices with information to enable them to take proactive steps where there is scope for change and improvement in their practice. It also offers practices insights into sector-wide trends and the opportunity to align themselves with the rest of the sector, where this is appropriate or in the interests of their clients.

#### **RO1 - protect and promote the public interest**

RO2 - support the constitutional principle of the rule of law

RO3 - improve access to justice

#### **RO4 - protect and promote the interests of consumers**

#### **RO5 - promote competition in the provision of legal services**

#### **RO6 - encourage an independent, strong, diverse and effective legal profession**

RO7 - increase public understanding of the citizen's legal rights and duties

#### **RO8 - promote and maintain adherence to the professional principles**

#### **RO9 - promoting the prevention and detection of economic crime.**

## Relevant CLC Principal Risks

By enhancing our insight into the operations, client base, and plans of the regulated community, the data provided by the ARR exercise helps mitigate risk to the consumer and public interest and to the CLC itself. In particular, this data collection exercise mitigates the principal risks highlighted in bold below.

1. Loss of significant practice fee income caused by depressed market conditions, practice churn or practice closure
2. **Unplanned increase in the cost of regulation to the point where expenditure exceeds income**
3. Loss of any or multiple SMT members
4. The CLC is unable to attract and retain capable and competent employees due to uncompetitive pay or benefits
5. A major incident, either physical or cyber threatens the continuity of the CLC through loss of staff or infrastructure
6. **Not delivering on the CLC Strategy**
7. **Practices are not able to secure Professional indemnity insurance or terms are unaffordable or unacceptable to the CLC**
8. Organisational performance and staff welfare risks in a small organisation

## Financial impact

The costs associated with running the ARR and analysis of the data were anticipated and included as part of the business as usual costs in the 2024/2025 budget. Costs associated with monitoring and policy initiatives taken in response to the ARR are included as part of the business as usual costs in the 2025/2026 budget.

## Diversity and inclusion impact

No differential impact identified for on any groups.

## Communications requirements

The key messages infographics developed using the data from the ARR will be published online and communicated through the monthly newsletter and via LinkedIn in the immediate term and as part of other policy initiatives throughout the year. The full ARR reports will be published on the CLC website and links to the reports included in the monthly newsletter.

## Publication

.Key messages infographics are intended for future publication