

Council for  
**Licensed  
Conveyancers**

# **Business Plan**

**August 2013 - December 2014**



# Foreword

**Anna Bradley, Chair**

The CLC has been at the forefront of effective and proportionate regulation for over 25 years and has an important role in the next phase of the development of legal services in England and Wales. We were established to introduce competition into conveyancing services and presently Licensed Conveyancers have an approximate 10% share of that still extremely fragmented market.

There is growing evidence of recovery in the housing market and associated growth in conveyancing activity. There is also a clear ambition amongst conveyancers and probate practitioners to secure a greater share of the market for themselves based on business models focused on the customer that meet the challenge of providing high quality services at low cost through volume. This seems to indicate that we can expect the pace of consolidation and change in conveyancing and probate services to pick up.

It is often observed that the impact of the liberalisation to be triggered by

provisions in the Legal Services Act 2007 has been slow to make itself felt. The rising housing market and the ambitions of Licensed Conveyancers indicate an increase in the pace of change now and it is important that the CLC should be able to support innovation and growth while regulating in a robust and effective manner.

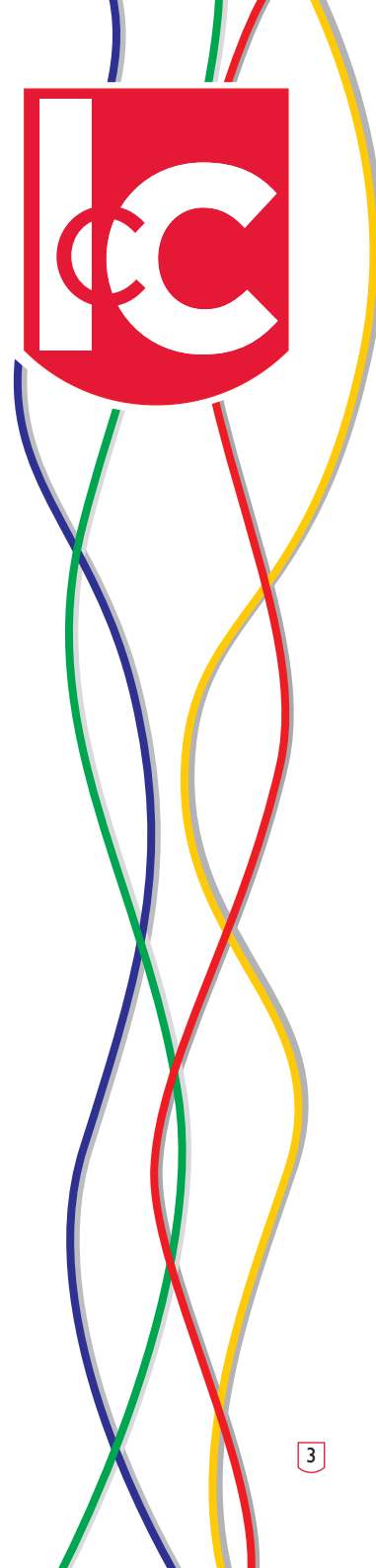
Licensed Conveyancers have an excellent track record in terms of risk management and this is no doubt largely due to their and our degree of specialisation. Our distinctive approach, which seeks first to help the regulated community avoid difficulties by providing support, is doubtless a key factor too, but our ability to act quickly and robustly when things do go wrong is also at the heart of effective regulation.

As a small regulator that aims to be smart in its approach and operations, our challenge is to keep ahead of developments in the market so that we can protect the consumer interest effectively and support the emergence of new ways of providing

services that meet consumer need and expectation. We want also to engage with and inform the government's review of the regulation of legal services and have submitted an initial response to the first call for evidence.

The CLC went through a period of significant internal upheaval in 2012 so I was delighted to welcome our new Chief Executive Sheila Kumar when she took up her new role full time in April, having been working on a part time basis since January 2013.

Sheila and I have been using the first half of the year to identify with the Council and senior team of the CLC the challenges that now face us. This business plan sets out our high-level strategy for meeting those and taking the organisation and the professionals we regulate through another period of change in legal services.





# Introduction

The CLC has regulated Licensed Conveyancers in England and Wales for over 25 years. More recently, we extended our scope to regulate probate work and Alternative Business Structures (ABS) delivering conveyancing and/or probate services.

Our aim is to protect the consumer and public interest and to promote effective competition in the legal services market. We do so by working with our regulated community to ensure the highest standards in delivering accessible and high quality legal services.

## Our work

Our work includes:

- setting educational and training standards for entry to the profession

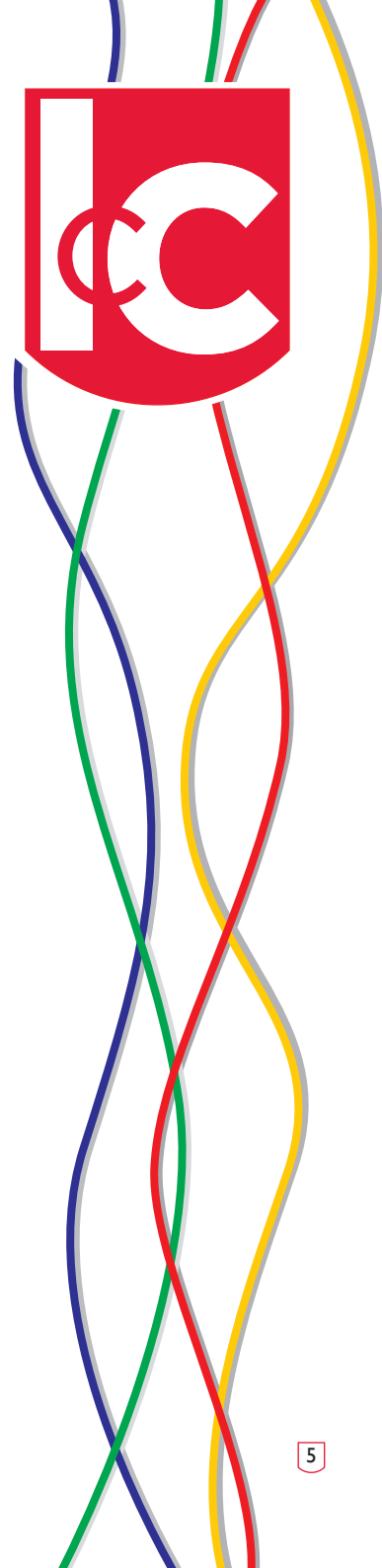
- issuing licences to practise to those qualified to provide conveyancing and probate services
- licensing recognised bodies and ABS together known as regulated entities
- maintaining a register of all licensed conveyancers and regulated entities
- setting standards to regulate professional practice, conduct and discipline of licensed conveyancers and regulated entities
- monitoring the work and conduct of licence holders
- providing guidance and advice to licence holders to help them comply with our regulatory requirements
- investigating allegations of misconduct and where appropriate taking disciplinary action
- collaborating with key stakeholders in the legal services market to monitor developments and shape future policy.

## Our approach

Our approach to regulation is proportionate, risk-based and outcome-focused. Licence holders are required to demonstrate that they:

- act with independence and integrity
- maintain high standards of work
- act in the best interest of clients
- comply with duties to the court
- deal with regulators and ombudsmen in an open and cooperative way and
- promote ease of access and service

“ setting educational and training standards for entry to the profession ”



## Our Values

All of our decisions and actions are underpinned by our shared values:

- **Integrity:** Acting professionally and being accountable in all that we do
- **Effectiveness:** Providing reliable and recognised qualifications and maintaining the standards of competence and professional conduct in the regulated community in the interests of consumers
- **Expertise:** Delivering and promoting better practice in partnership with licence holders, regulated entities and key stakeholders
- **Innovation:** Continuously looking for new and innovative ways to protect consumers and the public and to support students, licence holders and regulated entities, employers, partners, and other stakeholders

- **Communication:** Encouraging open, clear, productive and valuable communication between ourselves and everyone with whom we come into contact.

## This business plan

This business plan is for the period from August 2013 until the end of 2014.

This plan is at a high level and does not set out to capture all business as usual activity. It attempts to set out the actions that we plan to initiate and which will, in part, support the evolution of legal services, ensuring that the client and public interest continue to be protected effectively.

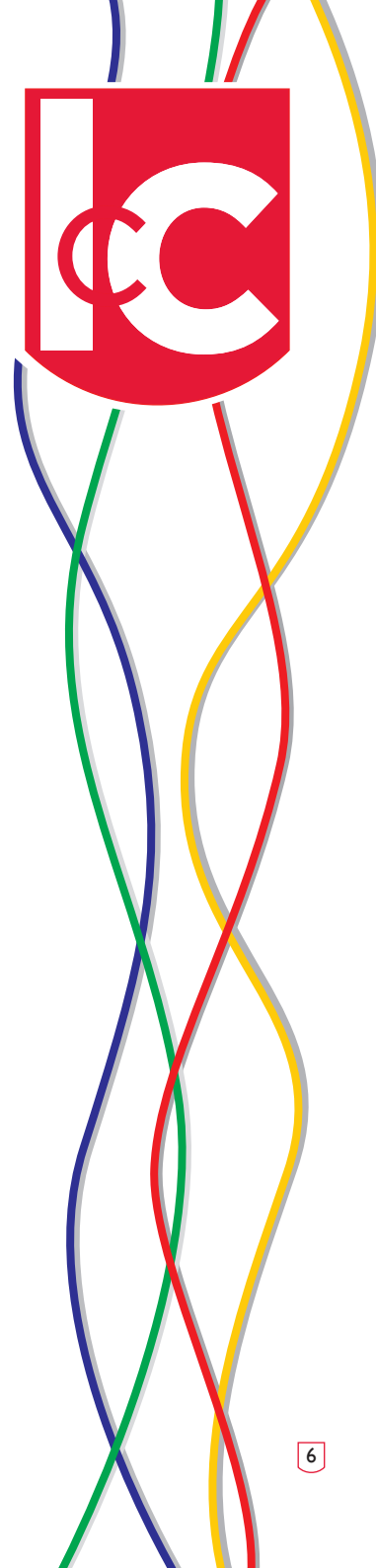
Many of the objectives described in this business plan form a rolling programme of work which will continue into 2014.

The business plan is set out in three sections:

- **Protecting the Consumer**
- **Supporting Innovation**
- **Strengthening Infrastructure**

Clearly work under all three headings is closely linked and the objectives under each heading are complementary and not delivered in isolation of each other.

“Acting professionally and being accountable in all that we do”



# BUSINESS PLAN 2013-2014

## PROTECTIING THE CONSUMER

### Objectives

- Identify property related areas that might be regulated/accredited to create broader and deeper protection for consumers
- Continue to work for a compensation fund and professional indemnity approach across the legal services sector that is more responsive to the needs of consumers
- Develop a formal regulatory response to persistent low level non-compliance
- Continue to deepen our knowledge of the regulated community
- Seek greater consumer engagement and feedback
- Strengthen our working relationships with other relevant bodies to prevent and detect inappropriate activities

Protecting the consumer is our central purpose and leads all of our operations. The excellent reputation of our regulated community is proof that specialist regulation can deliver a very effective regime. It has absorbed well the addition of probate to the scope of regulation by the CLC.

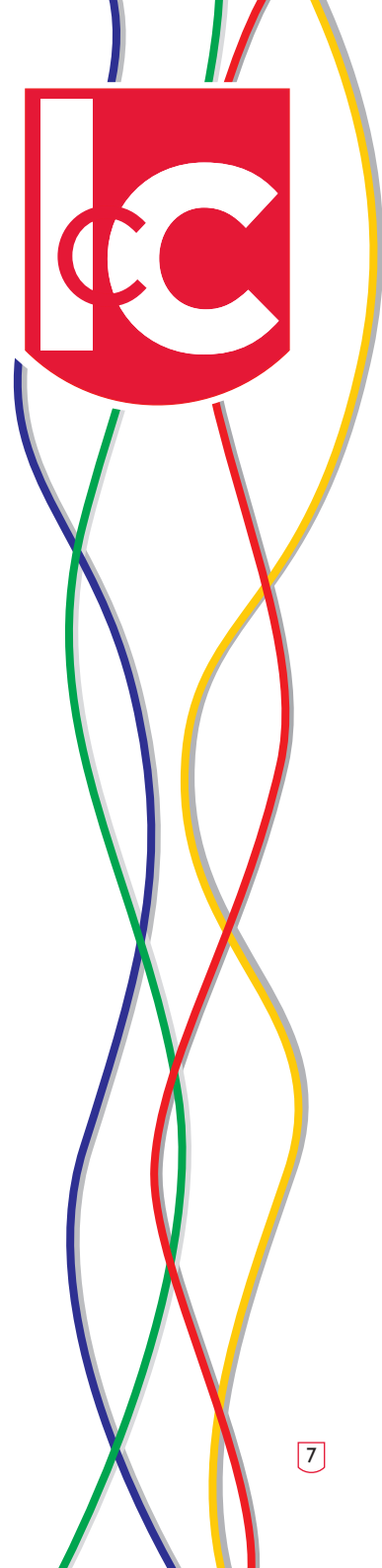
We now want to look at whether and how we can extend our scope sensibly within the field of property transactions more broadly to provide more comprehensive quality and standards assurance to protect the consumer.

The more we know about all aspects of the sector we regulate, the better. Our knowledge of the regulated community is good. We are turning our attention to understanding better their plans for the future and how they think the market and their businesses will evolve. This will help us

to plan our own work more effectively and has already helped shape this business plan.

In a similar vein, we want to engage more directly with the users of legal services to get a better understanding of their experiences and expectations. Closer working with the Legal Ombudsman has already borne fruit in the shape of more comprehensive data on consumer complaints. This is very helpful to us in identifying patterns of issues that may result in a need for regulatory action.

“ Deepening our knowledge of the regulated community ”



## SUPPORTING INNOVATION

### Objectives

- Provide a regulatory regime that supports the legitimate needs of new business models
- Engage effectively with the review of regulation of legal services to drive positive change for the consumer and the legal sector
- Continue to work with LSB and MoJ to build a statutory framework for the CLC and the profession which enables evolution of our role
- Move away from the direct provision of professional education and to be a standard-setter and accreditor of third party providers
- Develop a new, more flexible and modular qualifications framework

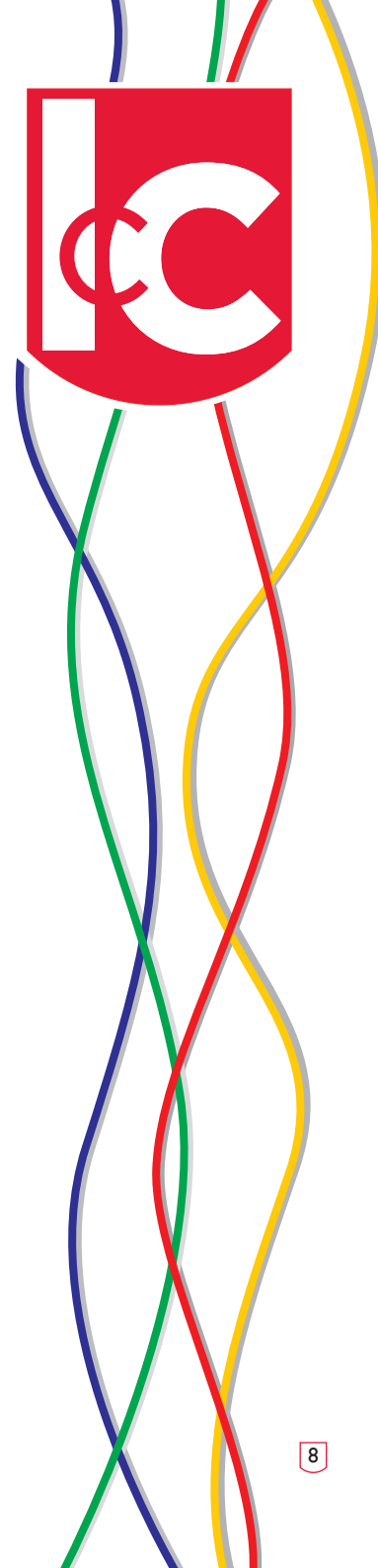
Like any regulator, as the legal services market continues to evolve we need to keep our approach, policies and scope under review to ensure that new business models are being regulated effectively and that innovation is being supported within the context of protecting the consumer.

The CLC is unique among regulators in the legal sector because it was initially established to foster competition in the conveyancing market. So we are adopting objectives that are explicitly aimed at continuing to deliver positive change in legal services by supporting innovation. This will require sweeping away some of the obstacles to change that persist despite the liberalising intent of the Legal Services Act 2007 such as the limitations that face the CLC as a result of its statutory foundation or the disincentives to changing regulator that face legal practices.

The government's review of the regulation of legal services provides a good opportunity to move the agenda on and support change that will bring positive benefits to the consumer as well as supporting growth in the legal sector. We aim to play a key role in the debate that will be engendered by the review.

We also believe that it is time to move away from being not only the standard setter for qualifications, but also the provider of education for those qualifications and the examiner. There is a clear conflict of interest in that arrangement - which we have no reason to believe has caused any harm - but which is undesirable. There is benefit in entrusting the provision of education to specialists who will have the expertise and resources to deliver education in potentially more effective and contemporary ways.

“ Providing a regulatory regime that supports the legitimate needs of new business models ”





## STRENGTHENING INFRASTRUCTURE

### Objectives

- Build current capacity and capability
- Continue review of regulatory fee structure
- Implement effective CRM and knowledge management
- Improve financial management and management information
- Embed a risk-based approach to regulation
- Secure the right to regulate lawyers other than Licensed Conveyancers
- Continue to prepare an application to regulate property-related litigation

Given the degree of change that we see in the market that we regulate, we need to ensure that we have the resources and expertise that will be needed to keep up with that change.

However it is recognised that we need to be efficient to keep to a minimum the burden on the regulated community. We are consequently working hard to remove costs wherever possible and to redirect financial resources to important consumer focused work or seeking to maintain reserves at appropriate levels. We also plan to keep under review the framework for regulatory fees so that the scheme is fair and ensures that we have a sustainable platform for the coming years.

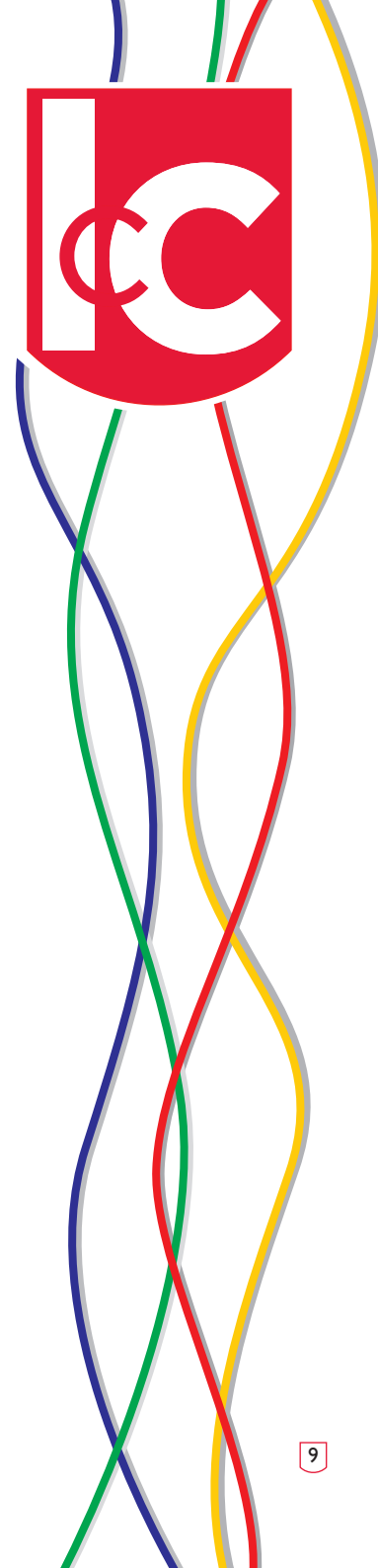
Having the right tools and information is also vital which is why successful implementation of a comprehensive CRM system is so important. As well as keeping us fully informed about changes in the regulated community and supporting two-way contact with individuals in that community, it will help to inform financial planning and provide better management information than is presently available to us.

We need to ensure that we are managing all types of risk, both regulatory

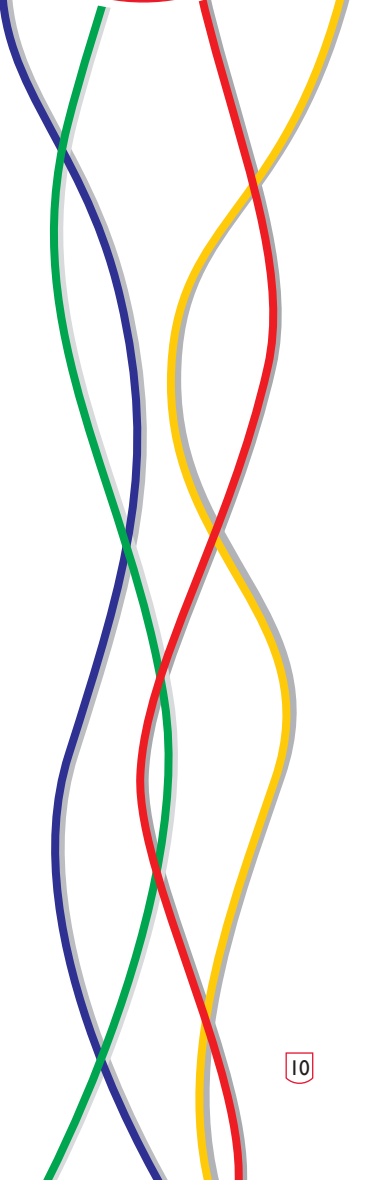
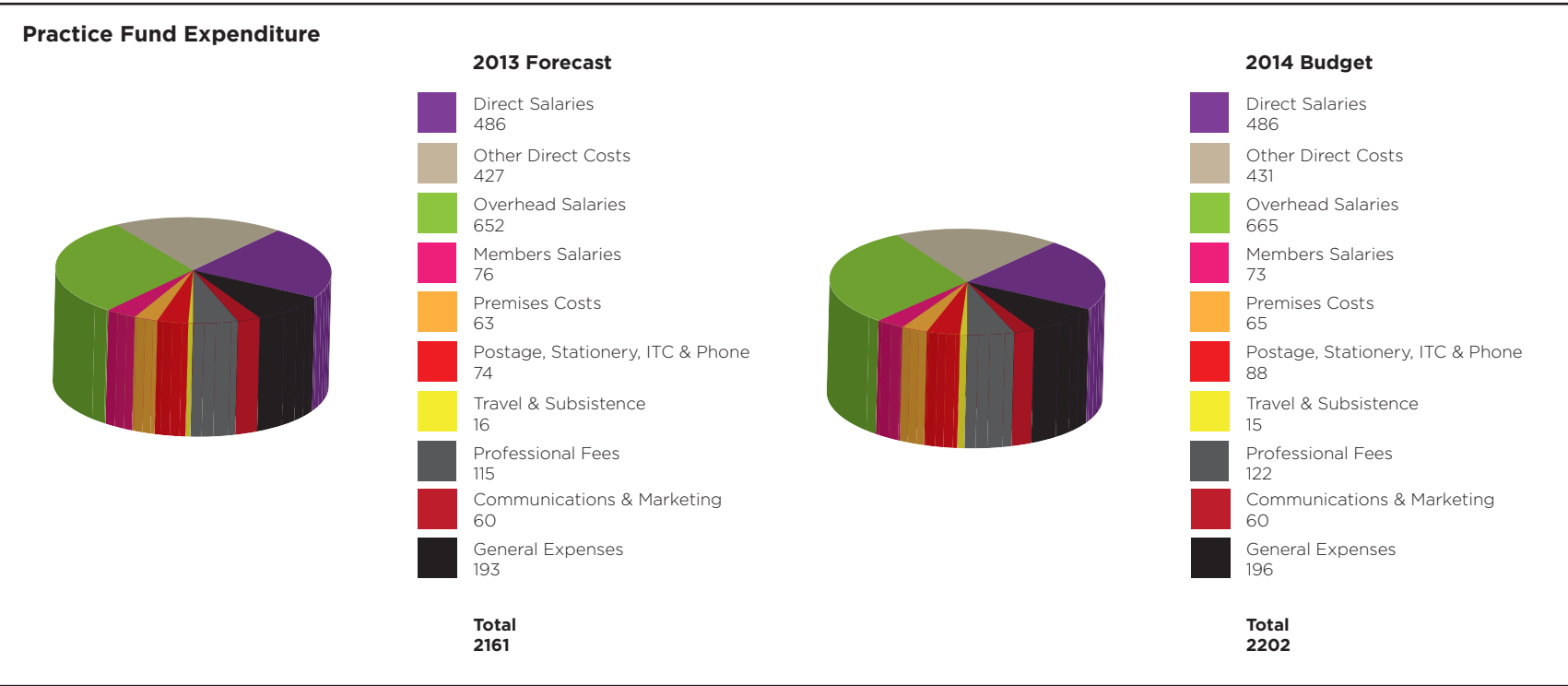
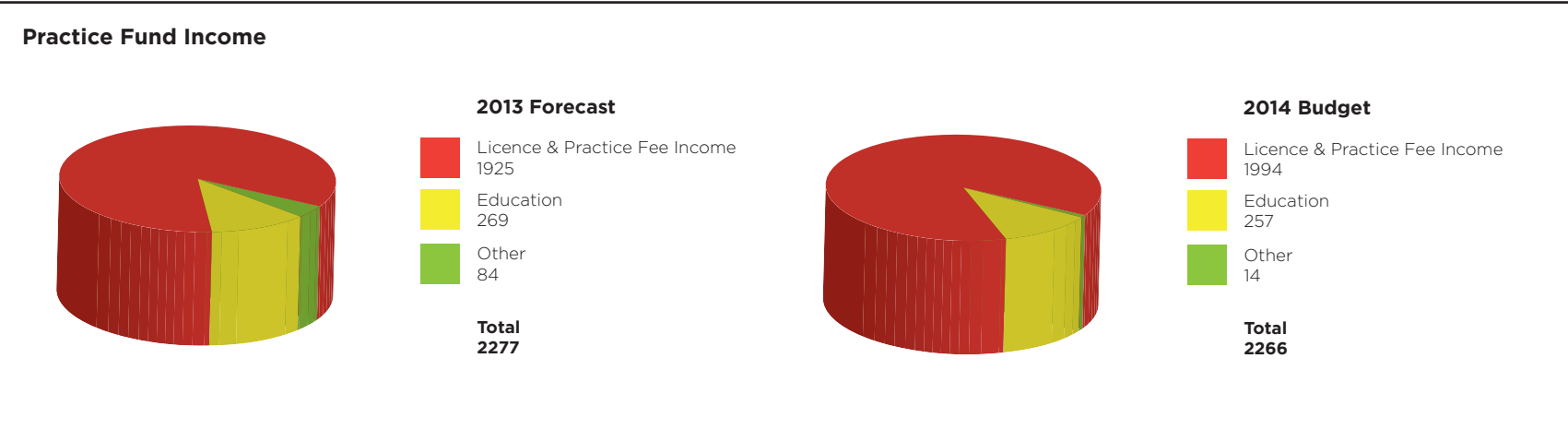
and organisational, by properly embedding a risk-based approach across the organisation. The detailed approach to implementing this high-level business plan will be based on a clear assessment of all risks facing the CLC and the sensible and proportionate steps to take to mitigate them. A more rounded understanding of the regulatory risks in particular will help to inform work across the organisation and assist greatly in moving us forward.

We also need to overcome the limitations placed on us by the quirk of our founding statute which means that we have to apply for the right to regulate authorised persons other than Licensed Conveyancers. As the development of new business models through alternative business structures gathers pace, we will find it difficult to provide the breadth of regulation that those businesses need. Given the success of our regulation in fostering innovation and protecting consumers, this would be a serious loss to the sector.

“ Improving financial management and management information ”



# BUDGET SUMMARY 2013 / 2014

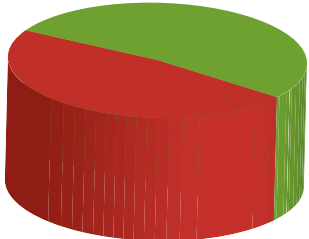


# BUDGET SUMMARY 2013 / 2014



## Compensation Fund Income

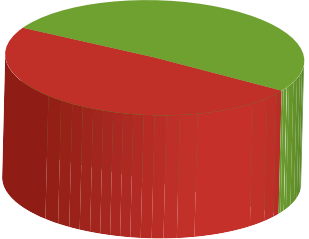
### 2013 Forecast



- Contributions to Fund  
376
- Other  
412

**Total  
788**

### 2014 Budget

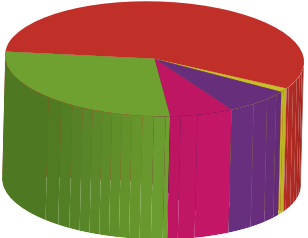


- Contributions to Fund  
394
- Other  
409

**Total  
803**

## Compensation Fund Expenditure

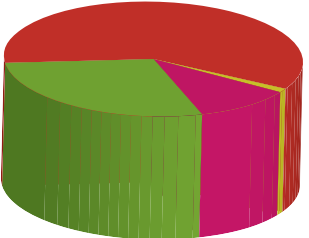
### 2013 Forecast



- Insurance Costs  
538
- Comp Fund Grants  
262
- Legal & Professional Fees  
67
- Service Charge  
69
- General Expenses  
10

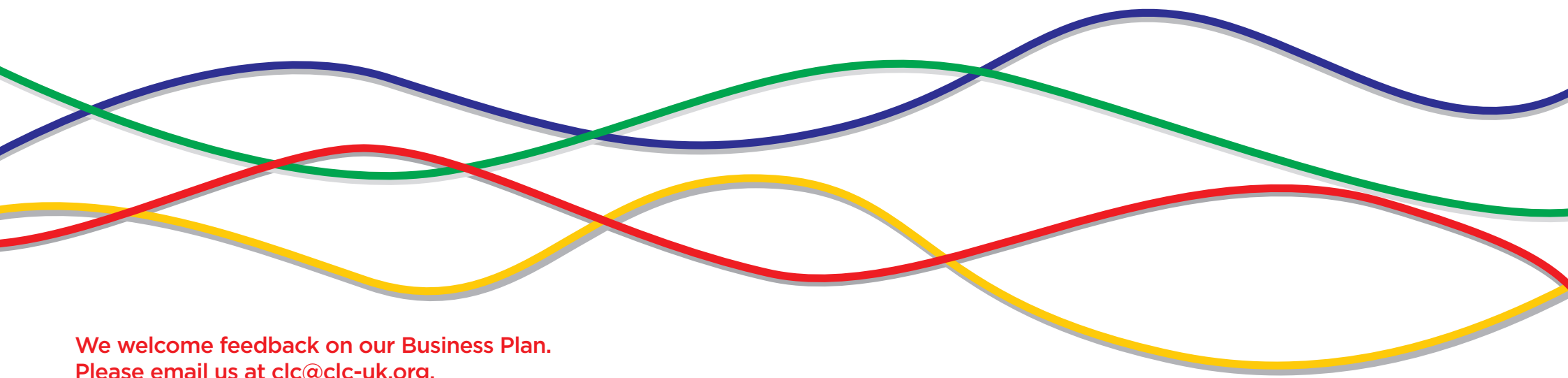
**Total  
946**

### 2014 Budget



- Insurance Costs  
553
- Comp Fund Grants  
261
- Legal & Professional Fees  
100
- Service Charge  
0
- General Expenses  
10

**Total  
924**



We welcome feedback on our Business Plan.  
Please email us at [clc@clc-uk.org](mailto:clc@clc-uk.org).



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