



Consumer Needs

Principles

Specialist

Technology

Outcomes

Driving innovation through regulation

CONTENTS

FOREWORD	3-4
WHO WE ARE	5
WHAT WE DO	5
THE WAY WE DO IT	5
THE NEW REGULATORY CONTEXT	6
OUR VISION	7
OUR VALUES	7
STRATEGIC PRIORITIES	7
STRATEGIC OBJECTIVE 1	8
STRATEGIC OBJECTIVE 2	9
STRATEGIC OBJECTIVE 3	10
STRATEGIC OBJECTIVE 4	11
STATUTORY OBJECTIVES	11
FEEDBACK	

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Foreword

This new Corporate Plan replaces the existing Corporate Plan 2009 to 2014 that was published in 2009. The CLC has undergone significant changes since the publication of that plan. A new Council comprising a Chair and six members was appointed as from 1 May 2010. The appointment of the new Council was a significant milestone for the CLC, bringing with it an emphasis on strategic leadership. The new Council commenced its work on 1 May 2010 and has reviewed the challenges facing the organisation and our ability to respond to them. The strategic priorities outlined for the next three years have been developed taking into account the evolving market conditions, relevant major developments, our progress against our Corporate Plan 2009 – 2014 and 2010 Business Plan, and the feedback from consultations with our stakeholders.

In developing our strategy, we have assumed that we will be successful in our applications to become a licensing authority and a regulator of litigation and advocacy services later in 2011. Our plans include preparing for and discharging those new responsibilities.

This Plan is being published at a time of profound change in both the wider economy and in the legal services market. The housing market and wider economic

situation continue to present significant challenges for licensed conveyancers, particularly smaller high street players primarily because of the reduction in conveyancing transactions coupled with increasing restrictive access to lenders panels. At the same time, changes in legal services regulation, present both challenges and new opportunities; the challenges arise from the sheer weight of regulatory change for both the regulated and regulators, the opportunities arise particularly from the introduction of Alternative Business Structures (ABS) (see new Regulatory Context on page 8).

The new ABS regime is a great opportunity for the CLC. It builds on an existing strength; as the CLC has been regulating entities, in addition to individuals since 2000. The new regime creates the possibility that regulated entities will be able to swap legal regulators, presenting both an opportunity and a threat to the CLC. Finally, the aim of the new ABS regime is to create new management structures, which allow for innovation in the delivery of legal services. This too has resonance for the CLC, which was originally created with the aim of introducing innovation in the conveyancing field. Something we are very proud of having achieved.

The Legal Services Act is designed to create more choice and better access for consumers in legal services and allows regulators to expand their scope into other areas of legal practice. The CLC's expertise lies in consumer-focused retail legal services and we have created a regulatory regime that can respond to consumer need for better value for money and multi-channel delivery in the conveyancing market. Our consumer-focused regulatory framework encouraged new, innovative providers to enter the market. Having created a vibrant and successful regulatory framework in conveyancing, we have established a firm foundation to move into other areas of legal practice. By extending our scope and moving into the regulation of other legal activities, we will seek to do for other legal services, what we have done for conveyancing: allow legal service providers to be innovative and deliver more choice and greater access to legal services for retail consumers.

In the first instance, we will provide the opportunity for licensed conveyancers to extend their scope and deliver new services in new ways. In the future, we will create regulatory regimes, which allow potential for new entrants to operate in other areas of legal practice. Our particular approach to education and training will be extended to build on our existing modular educational framework to develop a similar structure for litigation

and advocacy services. This will allow us to open our doors to a wider population of providers and so contribute toward achieving the regulatory objective in the LSA of encouraging an independent, strong, diverse and effective legal profession.

These changes will create new sources of income for those licensees who are unnecessarily exposed in an economic downturn due to the current restrictive regulatory scope.

Furthermore, they will allow the potential for the CLC to license new businesses and professionals wanting to be regulated for specific areas of practice beyond conveyancing and probate. Increasing the scale of the CLC's operation will be an advantage for all our licensees because it will spread our overhead costs over a larger community.

The successful delivery of our strategy over the next three years will rely on increased involvement and participation of our stakeholders. We will be therefore be exploring a range of new approaches to involve and consult effectively with our diverse stakeholders using their views and expertise to enable us to deliver excellent regulatory services.

A key implication of the CLC becoming a licensing authority and a regulator of litigation and advocacy

services is addressing the question of our name and the title of those we regulate. We recognise that as licensed conveyancers will soon be able to deliver other legal services that clarity about the scope of services that they are authorised to provide through their title is critical for consumers. We are currently exploring a range of possible options for a new name for the CLC and those we regulate in the future and we will be making decisions on this issue later in the year.

In summary, we aim to deliver on our vision, purpose and strategic objectives by applying and building on our considerable experience of bringing about change in the legal services market. We will build on our strengths, further develop our capabilities and take advantage of the new opportunities to maximise the contribution we can make to the emerging legal services market.

Anna Bradley



Chair

Victor Olowe



Chief Executive



Council for
**Licensed
Conveyancers**

WHO WE ARE

The Council for Licensed Conveyancers (CLC) was established by the Administration of Justice Act (AJA) 1985 to regulate licensed conveyancers in the provision of legal services (currently conveyancing and probate). We are bound by the statutory regulatory objectives laid down in the Legal Services Act (LSA) 2007, which describe what we must aspire to achieve for the public, consumers and the regulated community.

The Act says that the CLC must, so far as is reasonably practicable, act in a way:

- 1 Which is compatible with the following regulatory objectives:
 - a) protect and promote the public interest;
 - b) support the constitutional principle of the rule of law;
 - c) improve access to justice;
 - d) protect and promote the interests of consumers;
 - e) promote competition in the provision of legal services;
 - f) encourage an independent, strong, diverse and effective legal profession;
 - g) increase public understanding of the citizen's legal rights and duties;
 - h) promote and maintain adherence to the professional principles
- 2 And which it considers most appropriate for the purpose of meeting those objectives.

Further, the CLC must have regard to-

- 3 General principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, and
- 4 Any other principle appearing to the CLC to represent the best regulatory practice.

WHAT WE DO

Our role is to safeguard the public interest and consumers by regulating providers to deliver high quality and accessible legal services. The CLC fulfils its responsibilities by undertaking the following range of activities:

- Set educational and training standards for entry to the profession;
- Issue licences to practise to those qualified to provide conveyancing and probate services to consumers;
- Maintain a register of all Licensed Conveyancers and approved Regulated Entities;
- Set standards to regulate the professional practice, conduct and discipline of Licensed Conveyancers and Regulated Entities;
- Set standards to maintain adequate professional indemnity insurance and a compensation fund to protect consumers;
- Monitor the work and conduct of Regulated Entities and to determine whether they are meeting the required standards;
- Provide guidance and advice to Regulated Entities to maintain compliance with the standards and those regulations relevant to our duty of consumer protection;
- Investigate allegations of misconduct against a Licensed Conveyancer, Manager and/or Regulated Entity and where appropriate take disciplinary proceedings before the Discipline and Appeals Committee;
- Investigate allegations of misconduct against a licensed conveyancer and where appropriate take disciplinary proceedings before the Discipline and Appeals Committee
- Collaborate with key stakeholders in the legal services market to monitor and shape the impact of proposed regulations on the conduct of Licensed Conveyancers and Regulated Entities in order to maintain adequate consumer protection.

THE WAY WE DO IT

The following operating principles guide the way we perform our regulatory activities. We will:

- Use the least intrusive methods of achieving our regulatory objectives;
- Ensure that our regulatory interventions are based on reliable evidence and are targeted, proportionate, consistent, accountable and transparent;
- Ensure that our work reflects consumer priorities;
- Consult effectively with key stakeholders;
- Use our resources effectively and efficiently to deliver our strategic priorities.

THE NEW REGULATORY CONTEXT

The LSA established a new framework of regulation with the Legal Services Board (LSB) as the oversight regulator. The LSB currently oversees the delivery of consumer protection in the legal services market through eleven approved regulators, including the CLC. Approved regulators are responsible for setting and maintaining standards but not for the complaints about the service provided by legal services providers. This role is performed by the Legal Ombudsman.

It is unnecessary here to repeat at length the reasons for reform and the stages this reform went through culminating in the LSA and creation of the LSB. Nevertheless, it is helpful to go back briefly to what was at the heart of the thinking in July 2003 when Sir David Clementi was appointed to carry out an independent review of the regulatory framework for legal services in England and Wales. The terms of reference set then were:

- To consider what regulatory framework would best promote competition, innovation and the public and consumer interest in an efficient, effective and independent legal sector; and
- To recommend a framework which will be independent in representing the public and consumer interest, comprehensive, accountable, consistent, flexible, transparent, and no more restrictive or burdensome than is clearly justified

These objectives are most obviously reflected in the steps taken to allow Alternative Business Structures (ABS). ABS firms will be able to adopt much more flexible

management and ownership structures than traditional law firms. The aim is to allow for more innovation and better outcomes for consumers. It is anticipated that when the LSB starts awarding Licensing Authority status later in 2011, several of the legal regulators will be granted authority to license ABS in due course. This will create the possibility of a plurality of regulatory approaches. As a result, legal services firms will be able to choose which legal regulator to be licensed by. It should be said that the individual lawyers in a firm, will still be authorised by their respective arm of the legal profession and the LSB will oversee common standards of protection in the public interest across all the ABS regimes.

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OUR VISION

Our vision is to be seen as:

The innovative legal regulator

OUR VALUES

The following values are an intrinsic part of how we work, underpinning all our decisions and actions in delivering our purpose and strategic priorities;

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 of Licensed Conveyancers and Regulated Entities in the interest of consumers and the public

EXPERTISE

Defining and promoting better practice in partnership with licence holders, regulated entities and key stakeholders (including other professional bodies and partners)

INNOVATION

Continuously looking for new and better ways to protect consumers and the public and to support students, licence holders, regulated entities, employers, partners and other stakeholders

COMMUNICATION

Encouraging open, clear, productive and valuable communication between ourselves and everyone we come into contact with

STRATEGIC PRIORITIES

In order to fulfill our statutory objectives and move toward our vision, we have agreed the following strategic priorities for 2011-2013:

- 1 Developing and delivering innovative and excellent regulatory services
- 2 Deepening our understanding of the markets that we regulate
- 3 Strengthening and growing our regulated community
- 4 Building our capability and capacity

Strategic Objective 1

Developing and delivering innovative and excellent regulatory services

Introduction

1.1 The CLC is itself a product of innovation, so it should be no surprise that we are always looking for innovative approaches to the delivery of excellent regulatory services. Innovation means both doing new things and doing old things differently, this is why over the next three years we will be both developing our existing regulatory services, and regulating new areas of legal service.

Why this is necessary?

1.2 It is vital for the protection of the public interest that we consistently deliver excellent regulatory services so that the regulated community can innovate and deliver legal services that meet the diverse needs of consumers in England and Wales, efficiently and effectively.

1.3 The quality of our regulatory services has a direct impact on the behaviour of licensees, which in turn, invariably affects the outcomes experienced by consumers. By delivering excellent regulatory services, including providing advice and guidance to our licensees, we maximise the possibility that they will understand the professional principles and associated rules and so deliver positive outcomes for consumers.

1.4 Excellent regulatory services also ensure that the minority of the licensees, that is unwilling to abide by the professional principles, is held to account swiftly through fair and effective enforcement action, that protects consumers.

1.5 Although the recent increase in mortgage fraud in the property sector is not directly related to CLC licensees, we recognise that the confidence of lenders in the conveyancing market has been shaken. We therefore need to continue our efforts to maintain and enhance trust in our licensees by identifying and responding to new and emerging risk with innovative approaches to regulation.

1.6 During the period of this plan, we will become a Licensing Authority and start regulating litigation and advocacy. In particular, as a licensing authority, we will need to be a risk-based and outcome focused regulator, this calls for revised and updated processes that are currently being developed. As we take on these new functions, we will place increased emphasis on the periodic review of our performance and the outcomes that result.

How will this be achieved?

1.7 We will develop and deliver innovative and excellent regulatory services by focusing on our business as usual activities and the following key activities:

- Maintaining and developing the regulatory framework to enable us to regulate existing Recognised Bodies and new ABS effectively and encouraging a culture of compliance with professional principles thereby ensuring the achievement of positive outcomes for consumers;
- Maintaining robust licensing and relicensing processes for licensees and enhancing those processes to handle a wider range (including greater complexity) and greater volume of applications whilst ensuring that only appropriate entities and/or individuals are licensed to operate within our regulatory framework;
- Developing and implementing an effective and dynamic risk assessment methodology to identify quickly those members of the regulated community unwilling to abide by the professional principles and taking swift appropriate action;
- Developing a package of the right incentives and sanctions (including review of the deterrent effect of all our enforcement activities) that ensure regulated entities behave in an appropriate way towards consumers;
- Developing and implementing a more attractive, flexible, modular qualifications framework that supports the effective regulation of licensees wishing to deliver litigation and advocacy services and meets the current and future needs of students and consumers of legal services.

Strategic Objective 2

Deepening our understanding of the markets that we regulate

Introduction

2.1 In order to remain an effective and modern regulator in the fast changing and increasing complex landscape of legal services, it is important that regulatory intervention is underpinned by a deep understanding of the providers we regulate and the markets in which they operate. The experience of other sectors particularly those that interface with the legal services market such as the financial services market highlights that this is a worthy and necessary priority for any regulator committed to securing greater consumer confidence.

2.2 Deepening our understanding of the markets we regulate includes greater reliance on research based evidence to inform regulatory decision making as well as enhanced sharing of intelligence and ideas with relevant partners and developing a better understanding of the systemic risks inherent in markets where we regulate.

Why this is necessary?

2.3 The implementation of the LSA places an obligation on the CLC as an Approved Regulator to operate in a way, which is compatible with the regulatory objectives in the Act. In particular, one of those objectives places a positive obligation on the CLC to promote the interests of consumers. In meeting this objective, we think it critical that our regulatory activity is focused on addressing the issues in the public interest that really matter to consumers, particularly those currently marginalised by the existing legal services provision. This understanding will ensure that the outcomes of our regulatory framework are aligned to the changing needs and expectations of consumers.

2.4 This statutory objective to promote the interests of consumers is shared with the LSB, the other Approved Regulators, and those bodies that may be designated as Licensing Authorities in the future. This means that we need to work collaboratively with a range of stakeholders in order to deliver better outcomes for consumers. Such collaboration is likely to become even more critical as the sub-markets within legal services are changed and reconfigured. Such changes could occur either because of adjustments resulting from the current economic conditions or because of intensified competition among legal services providers, particularly through the creation of new ABS.

2.5 Understanding market dynamics also helps the regulator to develop an appreciation of the pressures on licensees and the likely implications for their business, whether this is about rethinking how they deliver services or altering their business model through diversification, mergers or even closure.

2.6 For all these reasons, it will be a priority to enhance our understanding of the markets that we regulate.

How will this be achieved?

2.7 We will deepen our understanding of the markets we regulate by focusing on our business as usual activities and the following key activities:

- Systematic monitoring, including horizon scanning of the markets that we regulate to identify current and emerging risks to the public interest;
- Engaging with employers and consumers of legal services to identify gaps in the competencies and skills of regulated lawyers and entities and enhance the qualifications strategy to address any identified gaps;
- Developing a comprehensive programme of research to increase our understanding about attitudes of consumers (including the changing dynamics around the ways in which the public interest is conceived) and the regulated community in order to underpin and enhance our evidence based approach to policy making;
- Developing a package of the right incentives and sanctions (including review of the deterrent effect of all our enforcement activities) that ensure regulated entities behave in an appropriate way towards consumers;
- Collaborating effectively with key stakeholders to achieve better outcomes for consumers particularly with other licensing authorities to identify and understand any emerging risks relating to ABS and finding ways to minimise such risks.

Strategic Objective **3**

Strengthening and growing our regulated community

Introduction

3.1 The CLC is a small, specialist regulator and this makes us vulnerable to shocks among our licensees, particularly in uncertain and challenging market conditions.

3.2 In order to ensure a stable regulatory environment we must retain our current licensees and help them to strengthen their position. Expanding our regulatory services will allow existing licensees to secure their position by providing new and enhanced services to consumers.

3.3 Delivering a wider range of regulatory services will also allow the CLC to expand the number of licensees it regulates, so spreading the cost of regulation across a wider community.

Why this is necessary?

3.4 The CLC needs a robust financial position to ensure a stable regulatory framework. CLC income is correlated with the turnover of the firms that it regulates. Current forecasts indicate that the contraction in the housing market is likely to continue over the next few years. This impacts on the volume of transactions undertaken by the regulated community and in turn reduces turnover. This could inhibit the CLC's ability to invest in developing better regulatory services including enhancing its compensation fund arrangements.

3.5 We are committed to minimising regulatory burdens on our licensees, particularly the cost of regulation. Delivering smart regulation that is genuinely targeted, risk based, proportionate and effective, reduces costs to licensees and improves standards for consumers. Minimising regulatory burdens facilitates entry and diversity in the legal services market; if licensees are overburdened by regulation the costs are likely to be passed onto consumers in the form of higher prices, lower quality and reduced choice. This is not consistent with the positive outcomes we are aspiring to achieve for consumers.

3.6 The successful expansion of the CLC's remit into other legal areas will offer the opportunity for the CLC to grow and allow licensed conveyancers to increase their turnover by offering consumers a more diverse portfolio of services, which in turn enables the CLC to deliver better regulation in the public interest. The growth of our licensee base also enables us to achieve a reduced unit cost of regulation per licensee.

3.7 This is why over the next three years the CLC will continue to focus on improving the management of costs and generating new income, primarily through the growth of its regulated community.

How will this be achieved?

3.8 We will strengthen and grow our regulated community by focusing on our business as usual activities and the following key activities:

- Enabling our licensees to deliver a wider range of regulated services including litigation, advocacy and non reserved legal activities;
- Growing the number of licensees by promoting our regulatory approach to those potential licensees seeking smart regulation that delivers maximum value to the sector and consumers at a reasonable cost;
- Managing costs effectively and maximising all streams of income to ensure that the CLC has sufficient income to meet the costs of ongoing regulatory activity and the costs and obligations of the compensation fund;
- Developing and implementing a communications and marketing strategy that facilitates the growth of the regulated community and students undertaking CLC qualifications;
- Developing CPD to enable licensees to acquire specialist skills across the spectrum of the legal activities regulated by the CLC.

Strategic Objective 4

Building our capability and capacity

Introduction

4.1 Over the next three years, we will be providing different services in innovative ways to a wider range and number of regulated entities. This means that we must increase our capability and capacity to meet the new and exciting challenges ahead of us. We are confident that we can meet these challenges partly because of our resource plans for the future but also based on our experience of successfully addressing similar capacity and capability challenges in the past.

4.2 Building capability means ensuring we have access to the skills and experience we need to implement the new regulatory approach. In particular, through development and training of our people and our suppliers, in such things as the new risk-based approach and marketing of our services to deliver effective outcome focused regulation.

4.3 Building capacity means ensuring we can deploy the necessary resources to provide a wider range of services to an increasing number of regulated entities through a combination of organic growth, supplier management and joint initiatives with relevant partners

Why this is necessary?

4.4 Ensuring that we enhance our capacity and capability is critical as we take on new responsibilities, such as becoming a Licensing Authority and becoming a regulator of litigation and rights of audience.

4.5 The CLC wants to ensure that there is no diminution of standards and/or protection for consumers of legal services when regulated entities are able to choose their regulator, from October 2011. We intend to maintain the existing reputation and high standards of regulation across an expanded licensee group. This will require us to have excellent skills and experience available to us.

4.6 The CLC is also committed to delivering excellent services including faster processing times for a range of regulatory activities and this will necessitate enhancing our capability in some areas.

4.7 We will also need to develop our regulatory expertise in new areas and we need the right systems and information to help us to make better decisions.

4.8 We value knowledge and learning as key organisational and industry resources. We will therefore continue to invest in our staff, improve our skills and enhance our ability to regulate and raise our level of performance. We will develop key relationships with specialist partners to help us deliver our strategic objectives.

How will this be achieved?

4.9 We will build our capacity and capability by focusing on our business as usual activities and the following key activities:

- Enabling our licensees to deliver a wider range of regulated services including litigation, advocacy and non reserved legal activities;
- Developing our capability and capacity across the organisation to deliver effective outcomes focused regulation;
- Developing our capability and capacity to commission and manage a range of research projects to support and inform the effective delivery of the organisational priorities;
- Developing our operational capability and capacity to handle the scale and complexity of activities and new types of regulated entities brought about by achieving designation as a licensing authority and as a regulator of litigation and advocacy services;
- Implementing a comprehensive management information and knowledge management system to underpin the delivery of outcome focused and principles based regulation and to ensure that understanding of the information we hold is shared and used to best effect;
- Developing an internal review process to ensure that our regulatory activities are in line with the principles of good regulation as well as learning from best regulatory practice across a range of sectors/activities.

How our strategic themes link to our statutory objectives

Statutory Objectives	Strategic Themes			
	Delivering Excellent Regulatory Services	Deepening our Understanding	Strengthening our Regulated Community	Building our capability and capacity
Protect and promote public interest	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Support the constitutional principle of the rule of law	<input type="text"/>			<input type="text"/>
Improve access to justice			<input type="text"/>	<input type="text"/>
Protect and promote the interests of consumers	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Promote competition in provision of services			<input type="text"/>	<input type="text"/>
Encourage an independent, strong, diverse and effective profession			<input type="text"/>	<input type="text"/>
Increase understanding of citizen's rights and duties	<input type="text"/>	<input type="text"/>		<input type="text"/>
Promote and maintain adherence to professional principles	<input type="text"/>			<input type="text"/>
<input type="text"/> Represents Contribution to the Statutory Objectives				

We welcome feedback on our corporate strategy. Please email us at clc@clc-uk.org

