



## Introduction -

### **Outcomes-focused Regulation**

#### **The Legal Services Act**

The **2007 Act** introduced **Regulatory Objectives** championing the interests of consumers of legal services:

- Protecting and promoting the public interest;
- Supporting the constitutional principle of the rule of law;
- Improving **access to justice**;
- Protecting and promoting the interests of consumers;
- Promoting competition in the provision of services;
- Encouraging an independent, strong, diverse and effective legal profession;
- Increasing public understanding of the citizen's legal rights and duties; and
- Promoting and maintaining adherence to the **professional principles**.

The objectives focus upon the principled behaviour of legal services providers and the interests of the consumer and the public. They are therefore best supported through regulation based in **principles** and focused upon positive **Client Outcomes**.

#### **Outcomes-focused and principles-based regulation**

Our **regulatory arrangements** must uphold the **Regulatory Objectives** and are therefore concentrated on delivery of high standards alongside the 3 Cs of **client**, competition and choice.

The **Code of Conduct** is the parent document of the **CLC Handbook and Frameworks**; it sits above all other Codes in our **regulatory arrangements** and must be complied with at all times in the delivery of all its authorised **reserved legal activities** and permitted non-**reserved legal activities**, as specified in the **CLC licence**. It specifies the **Outcomes** you as members of the **CLC** regulated community are expected to deliver. The following behaviours are considered essential to delivery of these **Outcomes**:

1. Act with independence and integrity.
2. Maintain high standards of work.
3. Act in the best interests of **Clients**.
4. Comply with duty to the court.
5. Deal with regulators and ombudsmen in an open and co-operative way.

- Promote equality of access and service.

These six **Overriding Principles** are derived from the **Regulatory Objectives** set out above. The six have equal ranking and permeate our entire **regulatory arrangements**; you/the body you own or manage must act in this principled way at all times. The **Overriding Principles** are underpinned by **Principles** and **Specific Requirements**:

**Outcomes** – *delivery of a positive result for clients; it is the end result of the applications of a principle or specific requirement;*

**Principle** – *an essential quality; a characteristic, behaviour or ethic, which must be demonstrated so that positive outcomes are generated for clients;*

**Specific requirement** – *a strict direction for conduct.*

Should a circumstance present an apparent conflict between a **principle** and another regulatory requirement you should opt for that which delivers the most positive **Outcome** for the **Client** concerned whilst maintaining independence, integrity and high standards of work. If in doubt, contact the **CLC** for advice.

### **Minimising prescription**

Our **regulatory arrangements** are intended to ensure that **clients** receive a service tailored to their needs; and legal service providers develop new and different ways of delivering services to their **clients**. We will always look to provide **principles** rather than **specific requirements** wherever possible in order that we promote, not just allow, competition and choice. More prescriptive, '**specific requirements**' are present only where they are required in the public interest and to protect the consumer. Such non-principled regulatory requirements will be applied in a principled-based way wherever possible so that any penalty imposed is proportionate to a breach.

In providing you with flexibility we are also giving you responsibility - of good governance, quality assurance and risk management. The **Guidance** attached to Codes is there to provide useful information to the regulated community and in the case of **Example Policies or Procedures** to provide a possible route to the positive **outcomes** sought, but importantly, not the only route. If you are able to generate the same or better **outcomes** another way you are free to do so.

## Applicability of Codes

All the Codes underpin the **Code of Conduct** and are in place to support the delivery of that Code's **Outcomes**. The relevant **Code of Conduct Principles** and **Specific Requirements** are referenced in each Code so each one can be referenced as a standalone document where needed. The Universal Codes pertain to all **Regulated Services** which a body provides. All individuals/bodies regulated by the **CLC** must comply with these Codes. The Codes identified as Specific – located in the rear of this Handbook – are relevant only to those bodies specified, or those providing the identified services.

We retain the discretion to waive a particular requirement of the **regulatory arrangements**. A body may apply for a modification of its **licence** to this end or we may apply a waiver due to particular circumstances.

Words presented in bold italicised font – such as **Regulated Services** above - are defined in the Glossary of Terms provided at the rear of this handbook.

## Frameworks & Policies

We currently operate the following 7 Frameworks:

- **Compensation Fund** Operating Framework;
- **Continuing Professional Development** Framework;
- **Licensed Body (ABS)** Licensing Framework;
- **Licensed Conveyancer** Licensing Framework;
- **Professional Indemnity Insurance** Operating Framework;
- **Recognised Body** Recognition Framework; and
- Student Training Framework.

These define our operating parameters, setting out the process which will be followed in the relevant instances e.g. the **Compensation Fund** Operating Framework sets out the rules by which the **CLC** manages its compensation scheme. We have provided the **Compensation Fund, Continuing Professional Development** and **Professional Indemnity Insurance** Frameworks within the **CLC** Handbook for your reference. The remaining frameworks are available to view on the **CLC** website (along with the 3 provided here and our Fees Framework) and are not provided in the Handbook as they are the frameworks under which you applied to be regulated by us, and through which your **licence** or **certificate** was granted.

Policies mandate the performance of our activities. They set out the principles and values which will be applied in our approach to the relevant instances. The **CLC** Regulation and **Enforcement** Policy is provided in the Handbook due to its relevance to all of the **CLC** regulated community and to the **regulatory arrangements** set out in this Handbook.

The Regulation section of the Policy explains what we as a regulator of legal services are seeking to achieve and how our regulatory philosophy is put into practice. The **Enforcement** section explains how we identify and respond to non-compliance with our regulatory requirements and the factors which determine the form our response takes.

This Handbook and its accompanying Frameworks come into force on October 6<sup>th</sup> 2011, on which date the CLC Rules and Guidance Notes which they replace cease to have effect, save and except as the same still subsist or are capable of taking effect. The CLC can still take action in respect of any breach of the CLC Rules and Guidance Notes, which occurred before 6<sup>th</sup> October 2011.

The Regulations for the Appointment and Service of Council Members 2011, the Discipline and Appeals Committee Rules 2009, the Discipline and Appeals Committee (Procedure) Rules 2011, the Adjudication Panel (No 2) Rules 2011, the Approved Regulator (Disciplinary Procedure) Rules 2011, the Licensing Authority (Disciplinary Procedure) Rules 2011 and the CLC Fees Framework 2011 continue in full force and effect, unaffected by the coming into force of the CLC Handbook and its accompanying Frameworks.

Welcome to the **CLC**!