



CRL CONSULTATION

**Specialist Regulation for the Future
of an Independent Profession**

SUMMARY OF RESPONSES

July 2023

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INTRODUCTION

CRL's Consultation paper was published on 15 May 2023 and closed on 26 June 2023, a six week consultation period. The purpose of the consultation was to seek views on how we can make CRL's present system of regulation work better for consumers, the regulated community, and the wider public

We received over 1,000 responses to the consultation which have informed the Proposal we submitted to CILEX on 12 July 2023 in response to their Case for Change. CILEX plan to publish their own consultation at the end of July 2023 which will set out their options for change.

KEY POINTS

The key points we take from the Consultation

- A record number responded in writing and engaged in our webinars
- More than 2 out of 3 respondents want to stay regulated by CRL
- There is strong support for our plans to do more “championing” and “CRL law firm in a box”
- There is a real wish to be fully engaged in decisions on the future of regulation,
- CILEX and CRL should work together to secure the best outcome for the regulated community.

THE CONSULTATION PROCESS

The consultation paper was posted on the CRL website. We issued a press release generating some press coverage. Messages were regularly posted on social media. Judging from the timing of responses received, the most successful activities were the launch announcement, the CRL May and June Newsletters, the webinars and a series of reminder emails sent towards the end of the consultation period.

We held three webinars: on 9 June 2023 for CRL Firms (10 attendees) and on 13 and 15 June 2023 for CILEX members (59 and 69 respectively), a total of 138 attendees. We were pleased with the level of engagement this represented. We were able to have an informal dialogue with those attending the Firms webinar. For the webinars with CILEX members, to ensure questions could be answered at pace we asked for questions to be submitted in the Q&A function which our Chair and Interim CEO answered during the webinar. After those webinars we posted written responses on the CRL website to each of the questions asked and the comments we received. Links to these Q&As were included in the CRL June newsletter.

RESPONSES TO THE CONSULTATION

Respondents were invited to submit their responses online or by email. There were two versions on the online survey: the longer one with 20 questions and a shorter version with 6 questions. Both included an EDI survey. None of the sections in the surveys was compulsory. In particular, there was no requirement for any respondent to leave their name.

We have considered the risk that one or more individuals may have submitted multiple responses. Using IP addresses as an identifier, we found 95 instances where the same IP address has been used for more than one response. This in itself is not necessarily problematic. Organisations frequently require staff to connect to their IT systems by VPN for

security. These systems have one IP address even though staff may connect from different locations. Of the 95 instances we have identified 15 (1.5%) where it appears more likely than not that the same individual has submitted two or more responses. We have decided not to remove those responses. The purpose of the consultation exercise was to take soundings which are strongly indicative of the views of the CILEX community to inform next steps. In that it has been very successful.

STAKEHOLDER RESPONSES

We are pleased to have had responses from:

- the Legal Services Consumer Panel (which expressed broad support for a number of the proposals made whilst remarking on the absence of supporting evidence),
- CRL's Strategic Risk Committee which commended 'CRL's robust and evidence based approach to regulation that is highly regarded' and expressed the view 'there is no apparent need to consider another regulatory framework based on the current performance of CRL'
- Bloomsbury Institute, a training provider, which commented 'having its own regulator means the profession benefits from a more focused, effective regulatory model'

We thank them for their responses which have also been published on the CRL website.

SURVEY RESPONSES

It appears that all the other respondents have a direct connection to CRL whether because they are authorised by CRL or because they are CILEX members. We received a total of 1,018 responses (264 to the long survey and 754 to the short survey). This exceeds by some margin the number of responses we received to the Practising Fee consultation we published in October 2020, our next most successful consultation.

Different respondents took different approaches to responding to the consultation, as appears from the table (pages 6-7). There were 1,018 responses to questions 1-3 and 600 to questions 4 & 5 all of which were in both consultation surveys. The remainder of the questions were only in the longer form consultation response. There were 219 responses to questions 8 & 9, 112 to question 9 and 139 to questions 11-12, 14 and 17-18. A report on the responses to the EDI section of the consultation responses is at pages 8-14.

Responses to Key Questions

The percentages given are based on the total number of responses received to the particular question.

The regulatory system

- 687 (68%) respondents do not consider it to be a priority to change the current regulatory system (Q1)
- 756 (74%) respondents believe that the CILEX profession is enhanced by having its own regulator focused on the profession's unique place in the delivery of legal services (Q2)
- 195 (89%) respondents support independent regulation of all CILEX professionals serving the public (Q7)
- 113 (81%) agree that a tailored approach to the regulation of a unique profession by its own regulator is beneficial (Q18)

CRL's Role

- 577 (96%) respondents support CRL increasing its emphasis on championing the work of CILEX professionals (Q5)
- 66 (47%) agreed and 73 (53%) disagreed that CRL consult on changing its name, with a view to improving recognition of the distinct roles of CRL and CILEX, and the distinctive professionals it regulates (Q11)

Relations with CILEX

- 107 (77%) respondents agreed CRL should undertake a feasibility study into the costs and benefits of assuming all or more of the functions ancillary to its work, with a view to changing its operational arrangements with CILEX, potentially to increase its operational independence and secure cost savings (Q12)
- 90 (65%) consider that increasing operational separation is a desirable goal (Q14)

Non-authorised members

- 171 (78%) respondents think that CRL should seek to engage with CILEX on reform of regulation for non-authorised CILEX members (Q8)
- Of 112 who expressed a view (Q9):
 - 44 (39%) favoured rebalancing the fee between authorised and non-authorised individuals
 - 50 (45%) favoured reforming regulation for non-authorised members
 - 18 (16%) thought CRL should cease to regulate non-authorised members

CRL Law Firm in a Box

- 794 (78%) respondents think that there are benefits in making it easier to set up a regulated law firm (Q3)
- 543 (90%) respondents agreed that making it easier to set up a regulated law firm will bring benefits to the consumer (Q4)
- 115 (83%) respondents support CRL's proposals to make it easier for individuals to set up a law firm (Q17)

Free Text Responses

Respondents also made comments to explain their responses. Questions 6, 10, 13, 15-16 and 19-20 invited free text responses only. We are very pleased that CILEX members have taken the trouble to set out their views so clearly. They have been published on an anonymous basis. It will take time for us to analyse them and decide what steps we can take to address the issues raised.

These are some of the main themes:

- A strong sense of pride in the CILEX qualification, and a desire that it should continue to be cherished.
- Continuing frustration that CILEX professionals are not universally acknowledged as having the same skills, expertise and status as other lawyers, solicitors in particular
- An expectation that CRL will help them achieve that recognition
- Why was this the first time CILEX members had been asked for their views on CILEX's case for change
- A range of expectations about the respective roles of CILEX and CRL
- How CILEX is able unilaterally to transfer regulatory functions to another legal regulator

- Why was a decision taken to start discussions with the SRA without first consulting CILEX members
- A wish to understand how transfer to the SRA would improve the standing and recognition of legal executives and other CILEX professionals
- A desire to understand the risks and benefits of any changes and the impact such changes will have on CILEX members
- Frustration about the qualifications processes, especially practice rights, and why it felt more difficult than the processes for other regulated lawyers
- How to avoid the risk of increasing the regulatory burden when a lawyer and their firm have different regulators
- A desire that the CILEX and CRL should work together collaboratively to secure the best outcome for the regulated community.
- Having its own regulator means the profession benefits from a more focused, effective regulatory model
- Concern that a move to regulation by the SRA would undermine the specific characteristics of the CILEX profession.
- An expectation that their regulator should understand and work towards addressing the challenges the CILEX profession faces.
- CILEX Lawyers working in local government feel outsiders within the profession
- Regulatory constraints being imposed on longer standing CILEX professionals
- CRL seen as remote from the profession

A number of issues have been raised which we are unable to answer:

- Queries about the title CILEX lawyer and changes to titles of CILEX membership
- Concern that members of the Institute of Paralegals transferring to CILEX membership would have an adverse impact on the standing of CILEX members and professionals
- What transfer to regulation by the SRA would mean for them

Table
Consultation Responses

		Yes	No	Total
1	Do you consider it to be a priority to change the current regulatory system?	331 (32%)	687 (68%)	1018 (100%)
2	Do you believe that the CILEX profession is enhanced by having its own regulator focused on the profession's unique place in the delivery of legal services?	756 (74%)	262 (26%)	1018 (100%)
3	Do you think that there are benefits in making it easier to set up a regulated law firm?	794 (78%)	224 (22%)	1018 (100%)
4	If so, do you think making it easier to set up a regulated law firm will bring benefits to the consumer?	543 (90%)	57 (10%)	600 (100%)
5	Would you support CRL increasing its emphasis on championing the work of CILEX professionals?	577 (96%)	23 (4%)	600 (100%)
6	If you had to choose just one, what would be your greatest priority that CRL should use as a focus for its work for the next three years?			
7	Do you support independent regulation of all CILEX professionals serving the public?	195 (89%)	24 (11%)	219 (100%)
8	Do you think that CRL should seek to engage with CILEX on reform of regulation for non-authorised CILEX members?	171 (78%)	48 (22%)	219 (100%)
9	If yes, which would be your preferred option:			112
	Rebalancing the fee between authorised and non-authorised individuals,	44	(39%)	
	Reforming regulation for non-authorised members, or	50	(45%)	
	Ceasing to regulate non-authorised members.	18	(16%)	
10	What do you see as the benefits and risks of having a regulator focused on regulation of the CILEX profession?			
11	Should CRL consult on changing its name, with a view to improving recognition of the distinct roles of CRL and CILEX, and the distinctive professionals it regulates?	66 (47%)	73 (53%)	139 (100%)
12	Should CRL undertake a feasibility study into the costs and benefits of assuming all or more of the functions ancillary to its work, with a view to changing its operational arrangements with CILEX, potentially to increase its operational independence and secure cost savings?	107 (77%)	32 (23%)	139 (100%)
13	Are there any reasons or objections in principle to CRL undertaking all/more of its own operational functions?			

14	Do you consider that increasing operational separation is a desirable goal?	90 (65%)	49 (35%)	139 (100%)
15	What benefits do you see in the present arrangements which you believe should be preserved?			
16	Do you believe that there are opportunities for improvement in operational processes as they are currently delivered?			
17	Do you support CRL's proposals to make it easier for individuals to set up a law firm?	115 (83%)	24 (17%)	139 (100%)
18	Do you agree that a tailored approach to the regulation of a unique profession by its own regulator is beneficial?	113 (81%)	26 (19%)	139 (100%)
19	Are there other initiatives or improvements that CRL could introduce to enhance its regulation of legal professionals and firms?			
20	Do you have any other comments or suggestions?			

DIVERSITY OF THE RESPONDENTS

INTRODUCTION

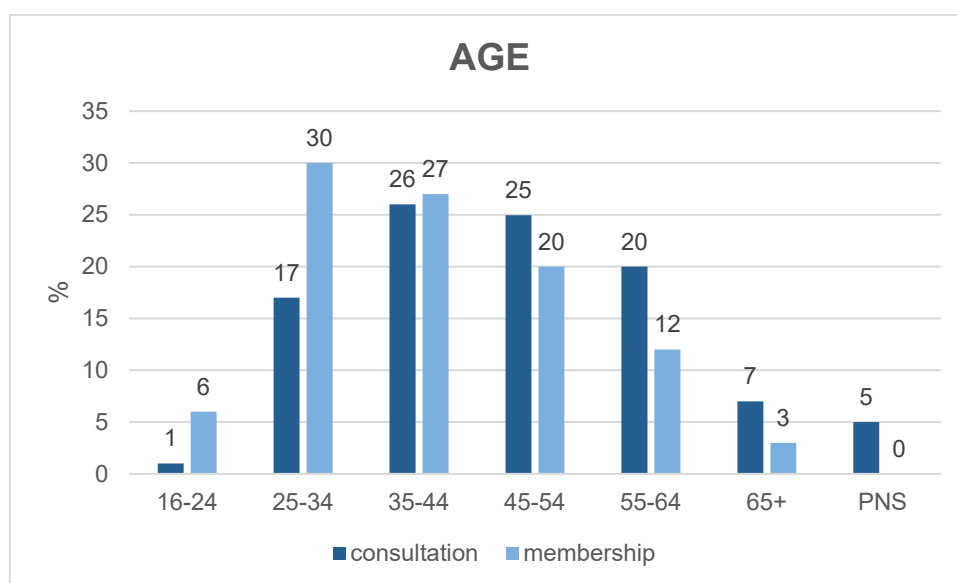
Respondents to the consultation were asked to share their diversity characteristics. Data was provided for the different characteristics by between 638 and 624 of the 1018 respondents. An average response rate of 62 %.

We have carried out a high-level analysis of the respondents' diversity data and compared it against the 2021 diversity data collected from regulated members (membership/members).

AGE

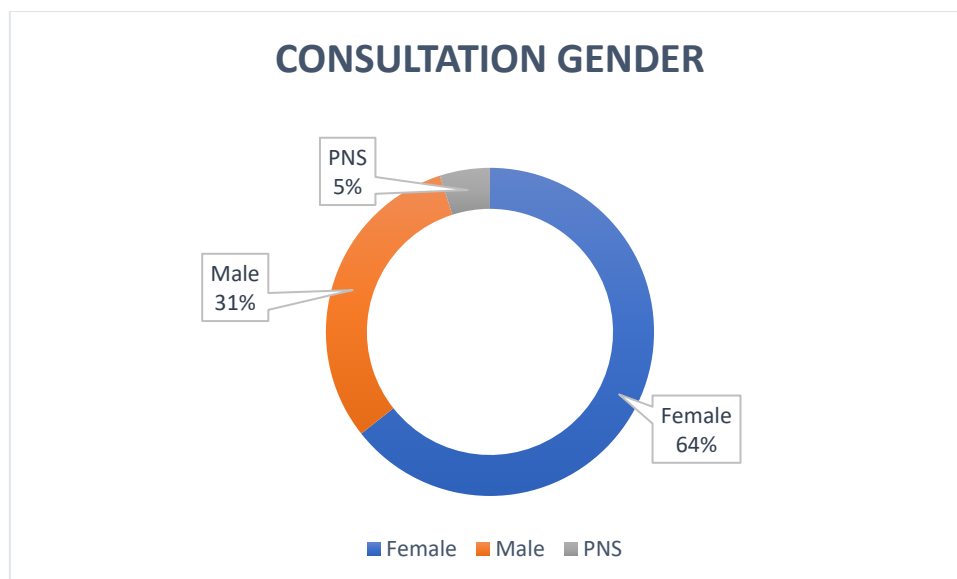
Significantly fewer consultation respondents (respondents) were under 34 years of age (17%) compared with membership (35%).

While more respondents were over 55 (26%) than members (15%), the percentage of respondents between 35-54 (51%) was broadly representative of membership (48%).



GENDER

The percentage of female respondents (65%) was considerably lower than membership (77%). More males (31%) responded compared to males in membership (22%). The response option "prefer not to say" (PNS) was 5% which compares to 1% of members.

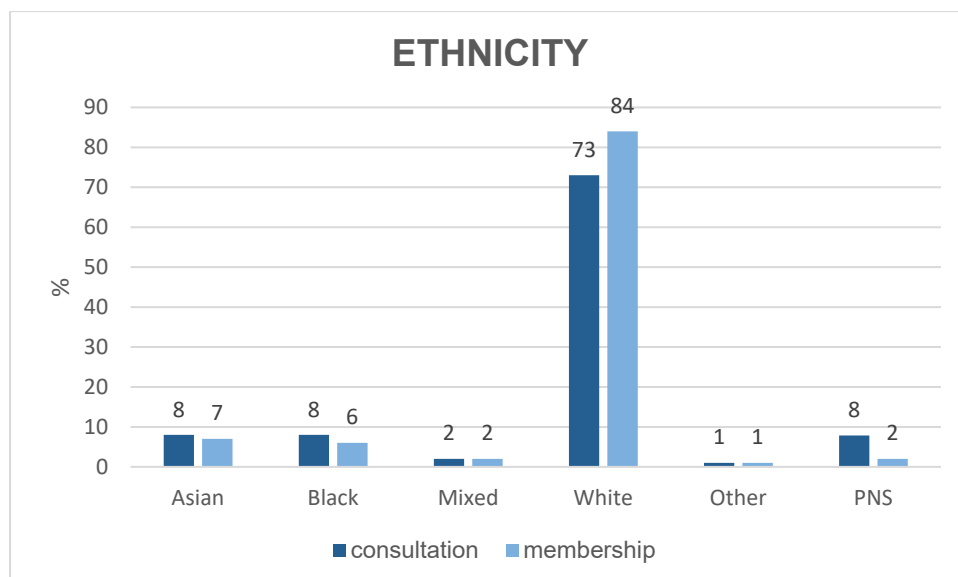


ETHNICITY

More Black, Asian and minority ethnic people responded (18%) compared to members (15%).

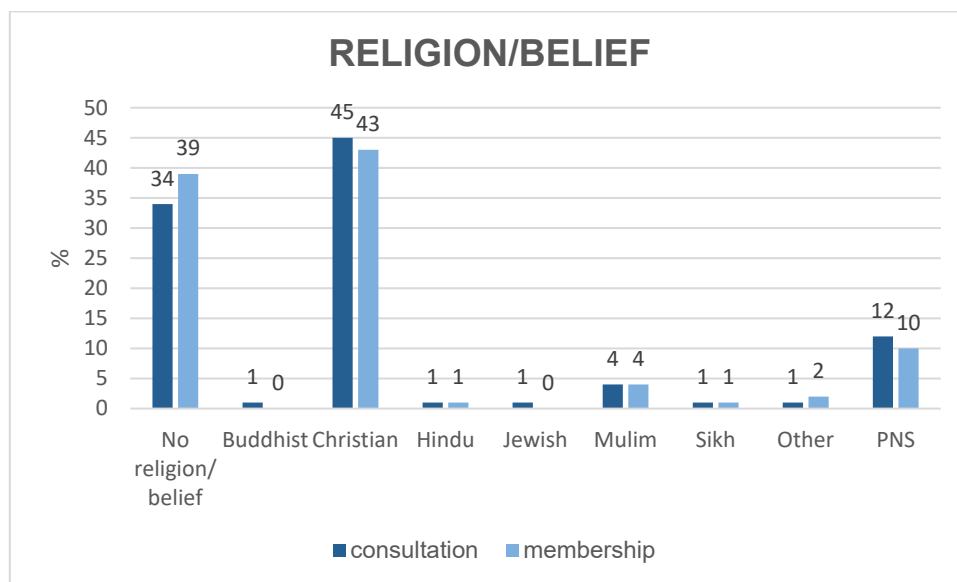
While respondents with Asian and mixed ethnic backgrounds were broadly similar to members, the percentage of Black respondents (8%) was higher than membership (6%). Fewer respondents identified as White (73%) than in membership (84%).

A significantly higher proportion of respondents answered PNS (8%) than in membership (2%).



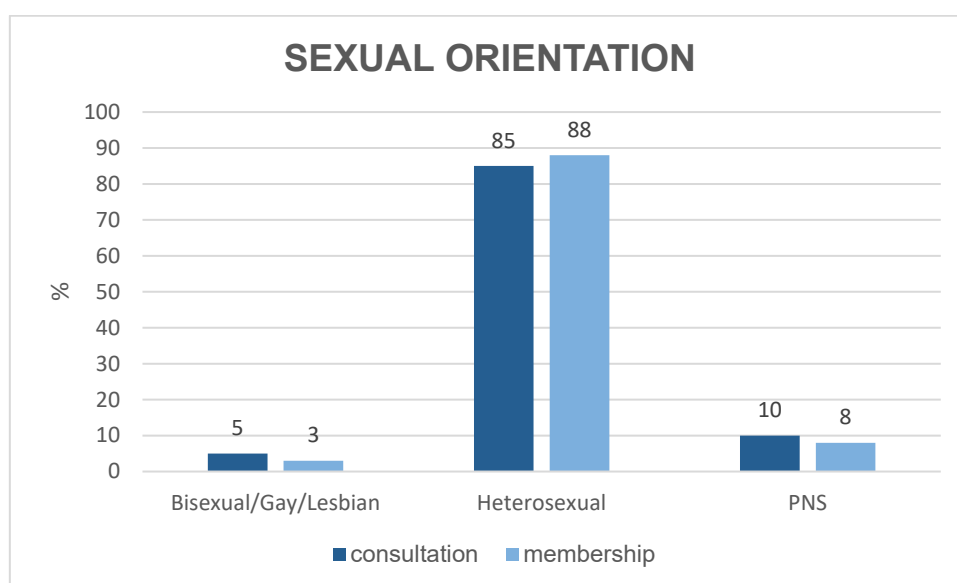
RELIGION or BELIEF

Slightly more respondents were Christian (45%) compared with membership (43%). There was a lower percentage of respondents with no religion (34%) than in membership (39%). PNS for religion or belief was higher at (12%) than for membership (10%).



SEXUAL ORIENTATION

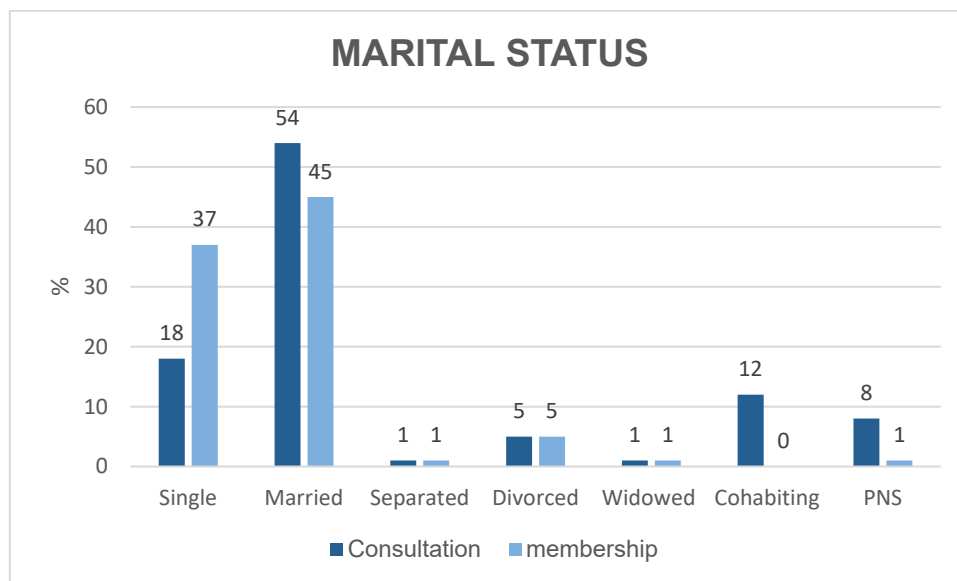
Three percent fewer respondents were heterosexual (85%) than in membership (88%), while the combined figures for bisexual, gay and lesbian respondents (5%) were two percent higher than in membership (3%).



MARITAL STATUS

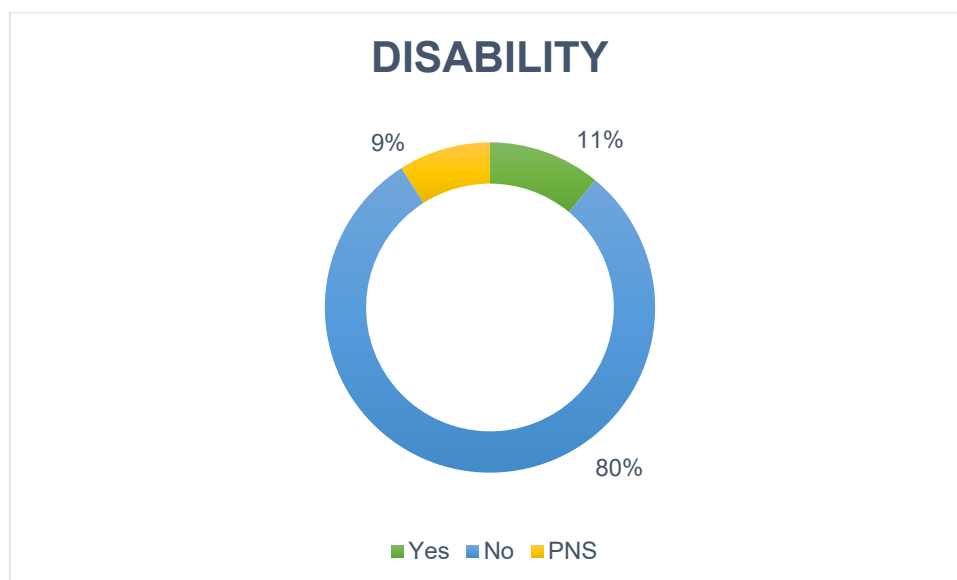
Marital status response options have been expanded since 2021 with the addition of a "cohabiting" category. It is possible that some people who previously identified as single may have identified as cohabiting. Of the respondents, 18% were single and 12% cohabiting, which is less than membership for single (37%)

Married respondents are higher (54%) compared to membership (45%). This may reflect the higher proportion of respondents in the older age categories than in membership.



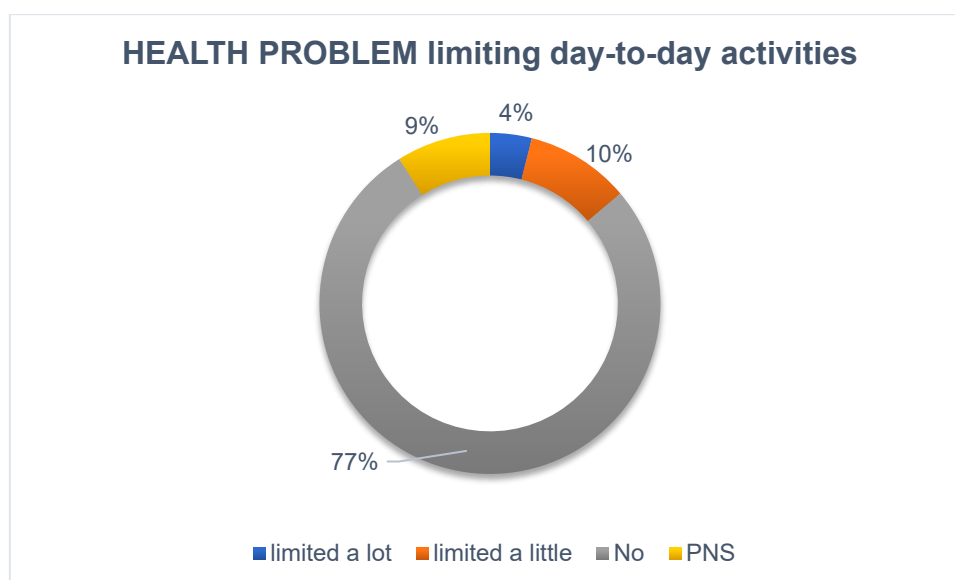
DISABILITY

Of the respondents, 11% declared that they have a disability which compares with 4% of membership. Respondents declaring that they do not have a disability were 80% compared to 90% of members. PNS was higher for respondents at 9% compared with 5% membership.



HEALTH

Respondents identifying with a health problem that limited their daily activities a lot was 4% and that limited a little, was 10%. Respondents not declaring a health problem was 78%, and 9% PNS.



PARENTAL OCCUPATION

The question asks for the occupation of the main household earner when a person was about 14. The responses to this together with those for school attended, income support and free school meals provide insight into socio-economic background.

Parental occupation of the respondents is shown in the following table.

PARENTAL OCCUPATION	
Modern professional and traditional professional occupations	24%
Senior, middle or junior managers or administrators	18%
Clerical and intermediate occupations	7%
Technical and craft occupations	13%
Routine, semi-routine manual and service occupations	16%
Long-term unemployed	3%
Small business owners	6%
Other	2%
PNS	11%

SCHOOL ATTENDED (11 – 16 years of age)

Fewer respondents attended state school (76%) than membership¹ (85%). The membership data collected school attended between 11-18, rather than 11-16.

More respondents attended fee-paying school (8%) compared to membership (6%).

PARENTS ATTAINED DEGREE / ATTAINED DEGREE

Of the respondents, a higher proportion had attained a degree (46%) than their parents (24%).

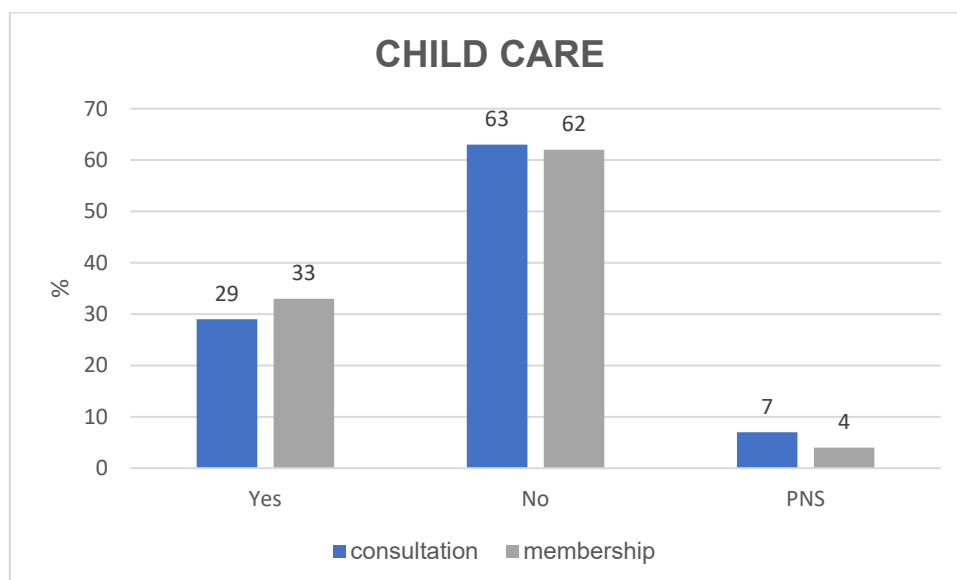
INCOME SUPPORT/ FREE SCHOOL MEALS

The families of more respondents received Income Support (21%) than membership (13%). While fewer respondents indicated that they did not know (11%) compared with membership (16%).

Similarly for free school meals, more respondents stated that their families received free school meals (20%) compared to membership (15%). Respondents indicating that they did not know was lower (8%) compared with membership (10%).

CHILD CARE

While more respondents answered PNS (7%) compared to membership (4%), slightly fewer respondents had childcare responsibilities (29%) compared to membership (33%).



¹ The membership data collected school attended between 11-18.

CARE FOR OTHERS

More respondents had caring responsibilities for people (28%) than membership (17%). Of membership, 75% declared that they do not have these caring responsibilities, while fewer respondents (61%) stated this.

