

	CILEx Regulation Limited
Date	27 September 2023
Item	7.00
Title	EDI Strategy (2022 - 2024)
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Purpose	This paper provides the Board with a report on progress to date against the CRL EDI Strategy, planned activity for the remainder of 2023 and sets out the proposed activity in 2024
Recommendation	The Board is asked: <ul style="list-style-type: none"> (a) to NOTE progress in 2023; and (b) to APPROVE the proposed workstreams for Q4 2023 and Q1-Q2 2024 (c) to APPROVE the draft diversity report, and (d) to APPROVE the draft Annual Report on Strategy to July 2023
Timing	This Report details Q4 work streams in 2023 and initial planning for Q1-Q2 2024
Impact assessment	Work being undertaken demonstrates that CRL is well-led, consumer-focused and promotes an independent, strong, diverse profession
Impact on Regulatory Objectives	The assurance provided by this report has a positive impact on the following regulatory objectives: <ul style="list-style-type: none"> - Public interest - Consumer interest - Independent, strong, diverse profession
Implications for resources	Provision for the research on digital inclusion has been provided for in the CRL budget
Impact on consumer empowerment	Increased commitment of CRL entities and members to EDI improves access to services for consumers in all their diversity
Impact on ongoing competence	N/A
Publication status	For publication
Appendices	Appendix 7.01 Draft Diversity Survey Report 2023

Introduction

1. This paper provides an annual update to the Board on progress against the equality, diversity and inclusion (EDI) strategic objective.
2. The paper is divided into four parts:
 - Part 1 reviews progress against agreed workstreams for 2023
 - Part 2 presents the draft diversity report relating to regulated members
 - Part 3 presents the latest information from the Legal Services Board (LSB) on EDI expectations

- Part 4 sets out the proposed activity for CRL for EDI in Q4 2023 and Q1-Q2 2024

Recommendation

3. The Board is asked:
 - (a) to NOTE progress in 2023; and
 - (b) to APPROVE the proposed workstreams for Q4 2023 and Q1-Q2 2024
 - (c) to APPROVE the draft diversity report, and
 - (d) to APPROVE the draft Annual Report on Strategy to July 2023.

Part One: Review of progress against current workstreams

4. The CRL [Strategic Objectives 2022-24](#) commit CRL to champion fair access for all in the legal services market by:
 - (a) Improving the ability of aspiring lawyers to enter and progress in the profession based on merit and regardless of their background or diverse characteristics in partnership with CILEX and with other regulators and stakeholders, focusing on areas where we can make a difference.
 - (b) Using data effectively to set goals to measure impacts, chart progress and evaluate the effectiveness of equality actions to enable us to understand the outcomes for consumers and the regulated community.
 - (c) Identifying and working to resolve barriers faced by consumers from diverse backgrounds to improve access to legal services, leading the collaboration across stakeholders where appropriate.
5. The CRL [Equality, Diversity & Inclusion Strategy 2022-24](#), launched in January 2022 underlines CRL's commitment to EDI and we have already made progress delivering against some commitments for 2023, but progress against others has been hindered by factors outside CRL control.
6. As regulator within our strategy, we committed to: *Work with our regulated firms to develop their commitment to implement EDI policies.*
 - EDI work with CRL firms was paused following CILEX's announcement of the case for change, since this put their ability to continue providing legal services at serious risk and meant they were not sufficiently committed to progress this work.
7. Our strategy sets out our intention: *to work with CILEX to improve our knowledge of members of our regulated community and will publish the results annually.*
 - We have been successful in engaging with CILEX on a functional level. We agreed changes to the diversity collection questions in the CRM to incorporate best practice and consistency of data collected across legal professions. We collaborated with CILEX to provide data and input to the judicial diversity [report](#).
 - Our requests to collaborate with CILEX in other areas have not been successful. These include improving our understanding about the motivations of leavers and analysis of data for the progression project.

8. Our progress against the implementation plan to support the strategy is set out below.

	Objective	Action Programme	Status
Progression in the Profession			
1	Objective: Improve the ability of aspiring lawyers to enter and progress in the profession	Work with entities to raise awareness of EDI, develop their commitment to implement EDI policies and approaches, including: <ul style="list-style-type: none"> discussion of EDI at CRL Entities Event and reporting of learnings review of soft engagement and if no positive change, explore with CRL entities/stakeholders whether to move to a more direct approach. consult on rules change if required. 	EDI work with CRL firms was paused following CILEX's announcement, which included postponement of the Entities Event. This work will be rescheduled to the latter part of 2024 if appropriate.
2		Create dedicated EDI webpage for entities and individuals explaining benefits for businesses of active EDI engagement.	Repositioned/republished previously EDI website page.
3		Approach CILEX to suggest collaboration on EDI for progression championing staffing resources to plan a campaign, reach members, prepare case studies and delivery to membership (reached via CILEX).	Definition of progression shared with CILEX. Proposal to collaborate on analysis of data and developing progression work discussed with CILEX but no response from CILEX to written proposal.
4		Working with CILEX to improve knowledge of regulated community	Although it was agreed at 2022 IGR NEDs meeting to work with CILEX to identify areas for further projects, this has not progressed (leavers and progression initiatives).
Data Collection and Analysis			
5	Objective: Use data effectively to set goals to measure impact, chart progress and evaluate the effectiveness of equality actions	Publish data on the regulated community biennially on EDI and encourage participation in EDI statistical collection. Campaign to improve data provided and reduce PNS responses on CRM <ul style="list-style-type: none"> - PCF comms - Social media - CILEX Journal 	Multi-channel campaign Q3 2022 to end Q1 2024 to raise awareness of new diversity questions (including social mobility), improve data and reduce prefer not to say (PNS) succeeded in securing an increase in data provided and reduction in PNS for some characteristics.
6		Review wording of diversity questions in time to be included in data collection 2023 (hopefully with input from EDI Forum)	Incorporated into diversity survey recommendations from Judicial Diversity forum combined statistics working group (JDF CSWG) and questions/responses asked by legal regulators shared at EDI forum. Collaborated with CILEX to agree changes/additions to diversity

			questions and updating of CRM in time for data collection through 2023 renewals.
7	Understand and support our regulated individuals to progress their legal career – develop a better understanding of what progression looks like within firms and other work settings.	<p>Begin collection of data to track progression</p> <ul style="list-style-type: none"> • Agree evaluation measures • Build the means of capturing and reporting evaluation measures • Use of data collected via a form / automated • Monitor use of CILEX route to become Solicitor (covered below) • Monitor decrease in 16-24 membership • Develop understanding from Bridge Group report • Develop understanding from any LSB revised guidance <p>Collaborative bodies consortium (12 professional/regulatory bodies) research to understand professional progression barriers more broadly</p>	<p>Working definition of progression approved by Board Q2 2022. Desk top research into additional data that could be collected to measure progression concluded that there is no clear best practice established. Decision taken to work with current data and monitor situation, First analysis of 2023 diversity data against the progression characteristics Q1 2024.</p> <p>Use of CILEX route to become a solicitor and reduction in 16-24 membership reported in draft diversity report 2023.</p> <p>Research group: Young Foundation retained by the consortium. Quantitative research November/ December 2022 and qualitative research completed April 2023. First draft report received July and second August 2023.</p>
8		<p>Analyse the data from 2023 Diversity Data Survey by reference to previous data surveys to identify any new trends.</p> <p>(i) publish the Data Diversity Report in similar format to 2021 updated to include benchmark progression data</p> <p>(ii) develop a plan to address any issues of concern which are identified and celebrate successes</p>	Data analysed and draft Diversity report prepared in similar format to 2021.
9		Publish a supplementary report on progression data	Definition of progression shared with CILEX. Initial analysis of diversity progression data work included in diversity data survey report 2023. Subject to appropriate resources in place, supplementary report published Q1 2024
10		JDF CSWG project to harmonise collection of data across the sector.	New social mobility questions agreed/ implemented. Collaborated with CILEX provided information to MoJ for the Diversity of the judiciary 2023
11		<ul style="list-style-type: none"> • Arrange and complete meetings with other regulators and relevant stakeholders re: <ul style="list-style-type: none"> - QE requirement barriers/ general barriers 	Engagement with City Socio-economic diversity taskforce; SRA and EDI forum to develop understanding of approach to progression and seniority. Unable to

		<ul style="list-style-type: none"> - Barriers to firms / indirect discrimination – diverse membership unable to progress into own-run firms - SRA cross-qualification <ul style="list-style-type: none"> • Identify best solutions for raising awareness of pathways into the law (looking at SQE and CILEX route) and addressing barriers to progression 	take work forwards with Seema Kennedy, Levelling Up law.
12		Leavers Surveys 2022 and 2023.	High level analysis carried out for 2022 data and findings presented to Board in November 2022. Explored collaboration on leavers survey with CILEX but not a priority for CILEX. Survey 2023 ran June/July 2023.
13	<p>Objective: identifying and working to resolve barriers faced by consumers from diverse backgrounds to improve access to legal services</p> <p>Improve our understanding of the potential differential impact on diverse consumers of legal services</p>	<p>Outreach to other regulators and stakeholders to identify areas where we can make a difference.</p> <p>Commissioning new research (linked to other planned research activity):</p> <ul style="list-style-type: none"> (a) Review regulatory model (b) Increase understanding of consumer protections) <ul style="list-style-type: none"> (i) Initial research and scoping (ii) Outreach to other regulators and stakeholders to identify areas where we can make a difference (iii) Commissioning new research (iv) Review research findings and publish (v) Develop a plan for 2024 roll out of initiatives identified where we can make a difference 	<p>Action was contingent on SRA completing consumer segmentation project, which has not yet been published. Used LSCP Tracker survey reports to remain up to date with issues.</p> <p>Inaugural meeting to discuss collaborative research between CRL, BSB, ICAEW into digital exclusion commenced (budget £10-15,000). Indications are that CLC will also join the research.</p>
		Building on the commitment to the LSB statement on counter-inclusion and EDI	Enforcement case prioritisation is being achieved through development of risk factors to enable /support staff to identify / prioritise cases involving counter inclusive practices.
		<p>Understand and explore differential impacts of our enforcement processes.</p> <ul style="list-style-type: none"> a) Analyse the data b) Develop our understanding of fully balanced panels 	<p>EDI data report embedded in ALC Annual Report and as a standalone Enforcement -EDI AR report.</p> <p>Wider range of diversity characteristics data for PCP, DT and AP published in Enforcement -EDI AR for first time and compared against membership profile.</p>
	Reporting		

	Provide updates on progress (including through Annual Report)		ALC and Enforcement EDI Annual reports published.(also in Board Papers) and regulatory performance assessment framework
		Update Strategy once a year reporting on progress and updating action plan	Proposed update for consideration (Part 4 below)

Part Two: Draft Diversity Report 2023 relating to the regulated community.

9. The Diversity Survey Report 2023 (draft at Appendix 7.01) is the second to report using the CILEX CRM data base with data from 16,757 regulated members, the highest number to date, and 1,500 more than in 2021 (15,260). There is an analysis for each of the diversity categories, except for gender identity which is a statistical anomaly (and can not currently be explained). There is some limited analysis of career progression

Notable Insights

- Males continue to advance their careers further than females (partnership level comparison with 2021 report).

	Females %	Males %	Total %
Partnership level	68.7 (69.5)	30.8 (30.8)	99.5
CILEX members	76.9	22.4	99.3

- Positively, there is strong evidence that the CILEX route into a legal career continues as a popular choice for individuals from less affluent backgrounds. This is underpinned by the responses to the newly introduced questions on social economic backgrounds (SEB).
- The age profile of members continues the movement members moving into older age groups, with members aged 35 to 44 increasing and a reduction on number of members between 25 and 34
- There appears to be an under declaration of disability for CILEX members compared to rates for England and Wales. The disability declaration rate for Chartered Legal Executives is itself a third of the rate for membership.
- Consistent with 2019 and 2021 reports, black and ethnic minority members are not progressing their careers in the same way as white members as a Chartered Legal Executive.
- The data continues to indicate the possibility that individuals from some ethnic minority backgrounds use the CILEX education and training pathway as a route to qualification as a solicitor.

Part Three: Latest information from the Legal Services Board (LSB) on EDI expectations

10. The LSB has developed its policy on EDI for over the last two years (Board paper [July 2021](#): proposed direction of travel following the Bridge report). The initial thinking was to update their diversity guidance and over time this has changed to their intention to publish a policy statement.
11. The LSB's current expectations on EDI have been incorporated at 14 and 15 of the [Regulatory Performance Assessment Framework Sourcebook](#). CRL reported against these for the first time in 2023 and published its [Mapping Document](#) in July 2023.
12. The LSB has since signalled its expectation that regulation acts as a catalyst to increase the pace of changes on EDI. In its [July Board](#) paper, the LSB considers whether there is scope for regulatory interventions to address some of the structural challenges in the sector, such as “billable hours” and long working hours cultures, and insufficient reasonable adjustments.
13. In December 2023, the LSB will consult on an EDI statement of policy to replace [current guidance](#) and provide regulators with clear expectations of the progress required from them.
14. The following are being considered for inclusion in the policy statement:
 - evaluation of the impact of EDI initiatives using the Theory of Change - specific and measurable description of the change we want to achieve
 - further LSB powers alongside those to convene and influence regulators to enhance the pace of change.
 - mandated collection of a centralised and comparable data set from each regulator
 - collection or presentation of data on intersectionality.
 - quotas or hard targets to increase the representation and/or experience of currently under-represented groups, particularly at senior levels.
15. The LSB may also consider enforcement work towards promoting a zero-tolerance approach to processes, behaviours and cultures that counter efforts to eliminate discrimination and support an inclusive profession. The LSB could use its own enforcement powers to ensure regulators are taking reasonable and proportionate steps to meet the challenge of counter-inclusive practices.
16. The LSB notes that regulators have access to different levels of dedicated EDI resource and that regulated communities may face specific challenges. It considers that there are many shared sector challenges “that require a robust, collaborative and ambitious approach to achieving change”.

Part four: Proposed activity for CRL for EDI in 2024

17. Details of the priorities for Q4 2023 and for Q1 and Q2 2024 are detailed in the Table below.
18. We have planned work through to Q2 2024 when we will reassess our plans for implementation of the strategy. At that point we should have seen the LSB policy statement and have a clearer understanding of the situation with CILEX.
19. At paragraphs 6 and 7 we have detailed the issues we have faced in progressing the strategy as it stands. To take our strategy forwards from Q4 2023 to end of Q2 2024, we have concluded that it is necessary to refocus our work on individual CILEX members where we believe we can make a difference and pause further work with CRL firms.
20. In Q4 2023 through to Q2 2024 we will:

AS AN EMPLOYER:

- We will carry out a further survey in 2024 to collect and publish diversity monitoring data about our staff and the people who carry out work for CILEX Regulation which include the Board, panels and committees.
- We will continue to provide EDI training for our staff both at induction and annually, with other training available to our various panels, committees, and our Board.

AS A REGULATOR:

❖ Analyse the data

- We will continue to work to analyse the data from the 2023 diversity data collection to better develop an understanding of progression
- We will analyse the data from the leavers survey 2023 for emerging insights
- Carry out a high level analysis of the diversity data collected from our authorised firms in 2023

❖ Work with our regulated individuals to make them aware of best practice in EDI

We will develop and publish information for our regulated individuals to:

- make them aware of initiatives and practices that might be available to support them in their practice and empower them to progress their career, and
- requirements of legal regulators of behaviour within their regulated communities

AS A PARTNER:

❖ **Respond to the LSB’s consultation on an EDI policy statement**

We will provide constructive feedback to the LSB, using our insights and knowledge of our regulated community.

❖ **Participate in cross-profession research to understand professional progression barriers more broadly**

Publication of the research report is due at the end of 2023. We will work with the professional bodies where possible to raise awareness of where the legal sector sits amongst professions and challenge, outdated attitudes to progression and inclusion for diverse groups.

❖ **Improve our understanding of the potential differential impact on diverse consumers of legal services**

We will participate in cross-regulator research into digitally excluded consumers of legal services to better understand the types and diverse characteristics of consumers that are digitally excluded to better inform our understanding of their needs and how these might be met by the professionals that we regulate:

	EDI Objectives	Action Programme	Time frame
	Progression in the Profession		
	Improve the ability of aspiring lawyers to enter and progress in the profession based on merit	Engage with other regulators (specifically SRA) to improve how we track seniority and progression.	Q1 2024
		Continue to provide regulated individuals with an understanding of what they can expect as best EDI practice from employers and empower them to communicate about this with their employers by: <ul style="list-style-type: none"> • use of the Bridge report materials • if possible, approach firms with diversity programme, to gain information • where possible, finding out what other regulators publish to inform, and require of, regulated employers (including behaviour/how to behave/what not to tolerate/what to do if experience) • prepare materials to communicate information • plan and carry out varied comms to publish and inform regulated individuals 	Q1 2024
		Work with professional bodies research to finalise report. CEOs meet to agree proposed action. Publication	Q4 2023 Q1 2024

		Raise awareness of where the legal sector sits amongst professions and challenge, outdated attitudes to progression and inclusion for diverse groups.	
		Prepare response to LSB consultation on EDI policy statement	Q4 2023
Data Collection and Analysis			
Use data effectively to set goals to measure impact, chart progress and evaluate the effectiveness of equality actions		Publish the Data Diversity Report 2023	Q4 2023
		Analyse the diversity data 2023 for more insights into progression and prepare a short “further insights” report.	Q4 2023
		Analyse the diversity data collected from CRL firms and publish high level report.	Q4 2023
		Analyse leavers survey and report to Board	Q1 2024
		Campaign to increase data/reduce PNS (focus on characteristics where less data/higher PNS).	Q4 2023/Q1 2024
		Seek to collaborate with CILEX if require change in diversity data questions for 2024 onwards (CSWG for JDF work anticipated)	Q2 2024
		Carry out a further survey in 2024 to collect and publish diversity monitoring data about our staff and the people who carry out work for CILEx Regulation which include the Board, panels and committees.	Q1 2024
Improving Access to Legal Services (link with Consumer Action Programme)			
Identify and work to resolve barriers faced by consumers from diverse backgrounds to improve access to legal services (linked to other planned research)		Participate in cross-regulator research into digitally excluded consumers of legal services with BSB, ICAEW and possibly CLC.	
		ITT and funding agreement / Research proposals from companies.	Q4 2023
		Research commenced	Q4 2023/ Q1 2024
		Draft report	Q2 2024

21. The Board is asked to **APPROVE** the proposed workstreams for Q4 2023 and Q1-Q2 2024.