








CILEx Regulation Ltd Strategic Risks

Strategic Objective	Strategic Risks – High level	Risk description	Current Risk	Target Risk
High standards We will uphold standards whilst pursuing innovative models to improve access and minimise the regulatory burden.	1. Our regulatory performance does not meet the expectations of our stakeholders and as a result stakeholders have negative experiences of our regulation. CRL’s regulatory expectations are not appropriate or understood by the regulatory community.	This includes the inability to deliver the 9 regulatory objectives and meet the LSB’s performance expectations as reflected in the annual Regulatory Performance Review. This includes the appropriateness of our performance measures, and requires awareness of new developments in the sector underpinned by strong stakeholder engagement to ensure expectations are met. This also includes the existential threat posed by the CILEX re-delegation proposals.	12	9
Consumer empowerment We will enhance the information available to consumers to improve accessibility to legal services.	2. We do not understand consumer needs and so are unable to be as effective a regulator as we can be.	This includes the ability to respond and influence external drivers for change for example, technological developments, the unregulated/unauthorised legal services sector, consumer empowerment and the development of entities.	9	9
Equality, diversity & inclusion We will champion fair access for all in the legal services market	3. We do not have the data and/or harness the benefits of our data to understand the barriers to access and translate this into positive action.	This risk includes the management of stakeholder engagement and key relationships as well as reputation management.	9	6
Build a resilient, healthy, capable and sustainable organisation	4. The resources we require to achieve our strategy and deliver BAU activity are not in place or are not financially sustainable.	This risk includes not having the resources we need to be effective and/or not being efficient in our use of resources (resources include financial, knowledge, skills, culture and infrastructure). It includes the development of our culture, people and physical assets, our continued financial viability and the significant failure of key business process.	12	9

Mitigation key

	Preventative
	Monitoring
	Detective
	Remedial
	Horizon scanning
	Best practice development
	Communication

Strategic Risk 1 – Our regulatory performance does not meet the expectations of our stakeholders

Risk Summary

This includes the inability to deliver the 9 regulatory objectives and meet the LSB’s performance expectations as reflected in the annual Regulatory Performance Review. This includes the appropriateness of our performance measures, and requires awareness of new developments in the sector underpinned by strong stakeholder engagement to ensure expectations are met. This also includes the existential threat posed by the CILEX re-delegation proposals.

Current Risk Influencers

+/-	LSB Performance report 2023 and action plan
-	Hard insurance market results in continued low entity numbers
-	LSB proposed workplan and potential impact on resources
+	Higher rights approval by the LSB
+	Technology/market changes lead to greater unregulated legal services market – opportunity to provide regulation to a wider area
-	CILEX continue to progress with regulatory redelegation proposals which creates uncertainty
-	Technology/ market changes, lead to greater unregulated legal services market - potential lower demand for paralegals leading to fewer CILEX members
-	Provision of advocacy training by 3 rd parties

Mitigations in place

	Legal advice obtained in respect of CILEX’s proposed changes
	Balance scorecard and KPI monitoring. Board review of Strategic and BAU implementation plans
	Observer at CILEX External Relations Working Group. Watching brief on LSB/MoJ decisions. Monitor LSB impact on resourcing.
	Obtain pipeline data for litigation and advocacy courses to better match demand with supply. Exploring an additional course supplier to supplement Barbari Altior provision and improve mitigations
	Ongoing monitoring of CILEX membership numbers
	Review LSB RPA for best practice and reflect in action plan
	Bi-monthly calls with CILEX and regular engagement with LSB and SRA. Publication of Corporate Plan

Review Date

May-2024

Risk Owner

CEO

	Impact	Likelihood	Risk Score
Inherent Risk	5	4	20
Current Risk	4	3	12
Target Risk (planned migrations in place)	3	3	9

No Change

Risk Appetite

Regulatory - Minimal
Communications and Profile – Seeks

Planned Migrations 2024

Progress

Planned Migrations 2024	Progress
CPD spot checks on those working in the highest risk areas	CPD sampling complete & publication of CPD report Development of PERL content and video
Enforcement review	
Strategic review of unregulated sector.	
Source additional educators to offer CRL regulatory services	Working with education providers to increase litigation and advocacy rights course provision
Corporate Plan – Roundtable to examine growth of unregulated sector	Commission a literature review
Analysis of 2023 LSB RPA and action plan	RPA action plan approved
Higher rights comms. Public affairs strategy	Correspondence with Justice Select Committee Chair and MoJ

Strategic Risk 2 – We do not understand consumer needs and so are unable to be as an effective regulator as we can be.








Risk Summary

This includes the ability to respond and influence external drivers for change for example, technological developments, the unregulated/unauthorised legal services sector, consumer empowerment and the development of entities.

Current Risk Influencers

-/+	LSB Business Plan and publication of statutory guidance on technology and innovation
-	LSB proposed workplan and potential impact on resources
+	Legal Choices and the development of the RIS
+	Technology/market changes lead to greater unregulated legal services market – opportunity to provide regulation to a wider area
-	Consumer detriment owing to lack of consumer knowledge of legal services market
-	Uncertainty created by CILEX proposals results in hard insurance market impacting entity numbers and barrier to growth
-	Digital exclusion prevents individuals accessing essential legal services

Mitigations in place

	AI and innovation paper for Board discussion.
	Review of LSCP and LSB consumer research eg Legal Needs survey. Member of Law Tech UK
	Increased emphasis on PLE – development of CRL website content
	DPD application. Liaison with Insurers to resolve barriers to potential CRL regulated entities.
	AI and Law tech paper and discussion at Board level to assess impact and regulatory response
	Cross regulatory working led by MTCOG and Legal Choices Governance Board
	Legal Choices and development of the Regulators Information System.

Review Date

June-2024

Risk Owner

DoG








	Impact	Likelihood	Risk Score	
Inherent Risk	5	5	25	No Change
Current Risk	4	3	12	
Target Risk (planned migrations in place)	3	3	9	

Risk Appetite

Communication and Profile – Seeks Reform - Seeks

Planned Migrations 2024

Progress

	Corporate plan – unregulated market literature review and roundtable		Literature review commissioned
	Continued engagement with MTCOG and Legal Choices		
	Response to SRA consultation and associated comms highlights consumer impact of CILEX proposals		SRA consultation response publish. Public affairs strategy.
	Ongoing development of web content and comms collateral with a consumer focus.		
	Engagement with Lexis Nexus Gen AI product. Attend AI and Tech webinars to understand impact and opportunities relating to Law Tech		Ongoing. CRL attendance at SRA and LSB conferences. Engagement with Lexis Nexus and entities webinar.
	Digital exclusion collaborative research with BSB, CLC & ICAEW		Research launched with M-E-L research
	Legal Choices and development of RIS. Engagement with LSB on AI thinking.		RIS discovery phase complete. Options for delivery phase to be shared with Legal Choices governance Board in June

Strategic Risk 3 – We do not have the data and/or harness the benefits of our data to understand the barriers to access and translate this into positive action

Review Date
June-2024

Risk Owner
CEO/DoG

Risk Summary

This risk includes the management of stakeholder engagement and key relationships as well as reputation management.

Current Risk Influencers

-	Quality and availability of data impacts career progression EDI research
-	Lack of effective Marketing and Communications leads to inability to promote CRL brand
+	Low brand awareness of CRL in the market place leads to lower growth and strengthens case for redelegation
+	Failure to deliver EDI action plan leads to reputational damage
+/-	Higher rights of audience approval by LSB and ability of CRL to implement in the 2024/25 academic year
+	No corporate complaints
+	Beyond Buzzwords collaborative EDI research published

Mitigations in place

	Increased transparency with the publication of corporate information including Board papers.
	Balance scorecard and KPI monitoring of website traffic and social media engagement
	Observer at CILEX External Relations Working Group. Watching brief on LSB/MoJ decisions. Monitor LSB impact on resourcing.
	Kysen contract extended
	Public affairs strategy
	DPMSG survey. Regulators forum and cross regulatory working
	CRL Firms diversity data collection report published Published article on EDI research

	Impact	Likelihood	Risk Score
Inherent Risk	5	4	20
Current Risk	4	3	9
Target Risk	3	2	6

Risk Appetite

Regulatory - Minimal	
Communication and Profile – Seeks	

Planned Migrations 2024		Progress	
	Development of CRL comms plan		First draft complete. Digital Engagement and Communications Executive JD reviewed to include relationship management with comms third party suppliers and CSR plan.
	Continue to review KPI metrics and maintain momentum with EDI action plan including publication of next EDI report		
	EDI career progression research		Engaging with the Bridge Group to explore options in context of currently available data
	Liaison with CILEX to widen scope of annual member data survey to include employer information. Review resourcing in policy team.		
	Ongoing engagement with key stakeholders including Select Committee and MoJ		Correspondence with the Chair of the Select Committee and Lord Chancellor. Regular meetings with LSB and TLSCG
	Develop CSR plan to improve CRL’s external profile		CRL team participating in 2024 London Walk
	Higher rights comms and engagement with training provider on implementation plans		CEO and HoE have met with training provider to scope out requirements

Strategic Risk 4 – The resources we require to achieve our strategy and deliver BAU activity are not in place or are not financially sustainable.

Review Date

June-2024

Risk Owner

CEO

Risk Summary

This risk includes not having the resources we need to be effective and/or not being efficient in our use of resources (resources include financial, knowledge, skills, culture and infrastructure). It includes the development of our culture, people and physical assets, our continued financial viability and the significant failure of key business process.

Current Risk Influencers

-/+	SQE impacts future Fellow numbers and leads to reduced PCF income to CRL
-	High staff turnover due to uncertainty resulting from CILEX proposals impacts on corporate memory
+	Lack of access to reserves leads to financial instability
+	Lack of checks and balances on financial records leads to a risk of fraud
-	Limited funding restricts CRL's ability to regulate effectively
-	Reliance on shared services for delivery of IT results in poor service for CRL
-	Ability to recruit and retain sufficient PCP and DT panel members and Clerks to run hearings effectively
+	Operational surplus and transfer of inter-company balance by CILEX
+	CRL currently meeting CILEX Group and LSB reserves policy requirements
-	Single points of failure impact CRL's ability to deliver core services eg Finance

Mitigations in place

	Reconciliations prepared for all accounting entries, assets and liabilities. Conversion of FTC to Perms contracts. Updated staff handbook. Update process documentation and key tasks, esp Finance and HR.
	Balance scorecard. Monthly management accounts and reserves position regularly reviewed by Executive and Board.
	Seek new regulatory areas for expansion. Law firm in a box and research into unmet legal need and unregulated markets
	E&I Manager exploring other options for extending pool of Panel Clerks. Advertising for more panel members.
	Ongoing monitoring of CILEX membership numbers
	Ensure reserves position continues to meet reserves policy requirements
	Monthly all staff meetings and meetings with managers with a focus on successes and challenges

Inherent Risk
Current Risk
Target Risk

Impact

Likelihood

Risk Score

5
4
3

4
3
3

20
12
9

No Change

Risk Appetite

Financial (investment) – Measured/Open
Financial (control/compliance) - Minimal
People – Open

Planned Migrations 2024

Progress

	Additional resource to support PAS team and CPD. Review of JDs for Digital Comms and EA. Consider need for finance administrator.		CPD and PAS Administrators in post. Draft budget for 2025 includes Finance Administrator. Need to consider whether to bring this forward.
	Annual staff survey.		Completed. Report due to September Board
	Strategic review of unregulated sector. Enhance monitoring of		Literature review commissioned
	Request transfer of inter-company balance and inter-company reserves. Budget for salary increases and bonuses to support retention. Extension of notice periods from 1 – 3 months for critical roles		Positive response on inter-company balance. Need to consider options in view of CILEX's reserves position. FTCs made permanent plus permanent CEO appointment
	2025 PCF application		To be considered at July Board
	Explore investment options for reserves and cash balance that maintain liquidity.		
	Corporate Plan. Cost transparency statement		Corporate plan published. Cost transparency statement to be considered at July Board