

Date	14 November 2024
Item	06.00
Title	Director of Regulation Report
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Purpose	This paper provides the Board with an update on the work of the Regulation Directorate
Recommendation	The Board is asked to NOTE this report.
Timing	N/A
Impact Assessment	N/A
Impact on Regulatory Objectives	The work covered in this report impacts on the following: <ul style="list-style-type: none"> - encouraging an independent, strong, diverse, and effective legal profession. - protecting and promoting the consumer and public interest; and - promoting and maintaining adherence to the professional principles. - promoting the prevention and detection of economic crime
Implications for resources	This report covers a period in which there continues to be changes in staffing impacting on the operational areas.
Impact on consumer empowerment	N/A
Impact on ongoing competence	CPD non-compliance is being monitored. See further the Director of Governance report.
Publication status	For publication.
Appendices	None

Introduction

1. This paper provides the Board with an update on the work of the Regulations Directorate including:
 - The work of the Practitioner Team,
 - The work of the Entity Team, and
 - The work of the Enforcement Team.
2. The data in this Report is supplemented by the performance data which is published on a quarterly basis.

PRACTITIONER TEAM UPDATE

Operations

- There have been no staff changes to the PAS Team since the September report.
- The PAS Team has been dealing with a significant volume of queries and phone calls in response to the mail out to CPD non-compliant members (detailed in the Head of Education report). Over 1500 queries have been generated and the team has been working on a rota basis to respond as well as log outcomes where necessary. This increased activity is expected throughout November 2024.

Applications for Recognition of lawyers qualified outside of the UK

- There are currently five live applications and in total 15 applications have been approved in 2024 and one application has been rejected.

Qualifying Experience (QE)

Qualifying Experience														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	FY
Applications 2024	28	37	58	57	56	47	35	35	58				411	
Applications 2023	55	57	63	51	44	45	41	33	57	44	39	31	446	560
Applications 2022	61	65	62	70	57	72	43	67	58	43	42	28	555	668
Av No weeks to overall decision-2024	5	4	5	5	5	5	5	5	5					

Work Based Learning (WBL)

Work Based Learning														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	FY
Applications 2024	44	39	58	69	67	42	44	51	65				414	
No. authorisations - 2024	64	31	37	44	46	58	51	48	50				379	
Applications 2023	54	58	59	62	57	43	43	80	62	61	59	21	518	659
No. authorisations - 2023	72	53	38	53	65	63	57	47	78	73	70	39	526	708
Applications 2022	42	37	71	70	62	52	48	77	65	65	60	38	524	687

Practice Rights & Advocacy

Practice Rights & Advocacy 2024														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	YTD	FY
No of practice rights holders	286	302	328	341	357	364	376	391	406				406	
Applications received	17	6	6	7	6	3	11	9	3				68	
Applications authorised	24	17	26	13	16	7	12	15	15				145	

Av. no. weeks to overall decision	37.5	37.5	37.5	34.5	33.1	32.3	32.3	32.3	32.3				32.3	
No of practice right holders (ACCA-Probate)	58	60	61	61	62	62	62	62	62				62	
2023														
No of practice rights holders	149	155	164	165	165	165	195	204	216	236	264	280	216	280
Applications received	5	9	4	8	9	4	5	5	7	10	6	2	56	74
Applications authorised	2	3	11	2	0	2	9	22	11	22	16	26	62	126
Av. no. weeks to overall decision	40.6	40.5	47.6	47.2	45.8	44.8	42.8	41.3	40.1	39.4	38.2	37.5	40.1	
No of practice right holders (ACCA-Probate)	54	55	49	49	49	49	48	45	45	46	46	46	45	46

Courses

6. Two advocacy skills courses are scheduled to run in November 2024 for family and civil. A criminal course has been scheduled for January 2025. Demand for the civil course is high with a waiting list for dates yet to be confirmed in 2025. As noted in the Head of Education's report, CILEX Law School has shown interest in delivering advocacy courses which would complement the Barbri offer.

Practice Rights training and assessments

7. The results of the next practice rights course are due in November 2024.

CPD Non-Compliance

8. The CPD year ended on 30 September 2024 with 3,135 members (1,172 authorised and 1,963 non-authorised) having failed to comply with their CPD requirements. Details of the strategy to address this non-compliance are outlined in the Head of Education's report. Its immediate impact is encouraging. As at 31 October 2024 the total non-compliant members had been reduced to 2,474. Based on this progress, it is anticipated that a substantial tranche of the remaining non-compliant members will be compliant by the end of 2024. Those who remain non-compliant from the 2022-2023 CPD year will be added to the sample pool for the 2023-2024 CPD year.

ENTITY TEAM UPDATE

Rule changes

Designated Professional Body (DPB) application.

9. The FCA have confirmed that the work related to the Statutory Instrument is currently on hold and have asked for an update following CILEX's Board meeting in October 2024.

Operations

ACCA Performance Update

Current ACCA Firms												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
No. of CILEX-ACCA Probate firms 2024	37	37	39	36	37	38	37	38	38	38		
No. of CILEX-ACCA Probate firms 2023	42	42	39	39	39	40	39	39	37	38	38	37
No. of CILEX-ACCA Probate firms 2022	21	28	37	39	42	43	43	43	43	42	42	42

10. There has been no change to the number CILEX ACCA firms. Two ACCA firms are currently going through the authorisation process but seeking to have authorisation start in January 2025.
11. CRL met in October 2024 with the ACCA to discuss the continued operation of the CILEX-ACCA MoU. An interim extension of three months to the MoU has been agreed to allow for a review of the MoU and of the Data Sharing Protocol.
12. Work is now underway to ensure the CILEX ACCA renewal process is ready to go live in early January 2025. As part of this process firms are being reminded to ensure that their transparency information is brought up to date with the revised Transparency Requirements. This includes some changes to Complaints Handling Procedure related information and to the need to provide information on staffing.

Entity Performance Update

Current Entity applications												
2024												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
No. of CILEX Authorised firms	20	19	19	19	20	20	21	20	20	20		

No. applications granted full authorisation	0	0	0	0	1	0	1	0	0	0		
No. renewals authorised (YTD)	1	3	3	7	7	8	10	11	13	15		
No. ABS	1	1	1	1	1	1	1	1	1	1		
2023												
No. of CILEX Authorised firms	22	20	19	19	19	19	19	19	19	20	20	20
2022												
No. of CILEX Authorised firms	24	24	24	25	25	25	25	24	23	23	22	22

13. There has been no change to the number of authorised entities which remains at 20 including one ABS. In October 2024 one firm was granted provisional authorisation for civil and family litigation, and it is anticipated that this will be converted to full authorisation before the end of 2024.
14. With the launch of the revised Transparency Rules at the end of September 2024, the Entity Team has been working with firms (particularly litigation firms which were previously out of scope) to ensure that they bring websites into compliance.
15. All Annual Returns and regulatory fee payments are now up to date. The Entity Team continues to work with a non-compliant firm (as previously reported) to ensure it meets the requirements of an agreed action plan.
16. The Entity Team is dealing with a Land Registry requisition relating to a matter dealt with by a conveyancing firm that ceased operating in March 2023. The file has been located. A law firm is willing to act, subject to instructions from the former clients.

ECONOMIC CRIME UPDATE

Anti-Money Laundering (AML) Supervision

17. In September 2024, CRL attended the Home Office as part of its stakeholder engagement programme on the review of the National Risk Assessment. The revised National Risk Assessment is likely to be published in early to mid 2025.
18. In September 2024, OPBAS published its [annual review](#) of the Professional Body Supervisors (PBSs). It concluded that while most PBSs continue to comply with the requirements set out in the Money Laundering Regulations 2017 (MLRs), pockets of ineffectiveness remain. OPBAS stated they are intervening more forcefully to address the concerns they had identified and make sure PBSs continue to improve and fulfil their obligations

19. Building on its work earlier in 2024, including analysis of the AML Statements that all firms authorised by CRL (not just those within the scope of the MLRs), CRL developed and published its latest [Sectoral Risk Assessment](#) in October 2024. Firms have been encouraged to use it as a resource in determining how to mitigate the risks highlighted in the report.
20. In October 2024 CRL also published its [AML-Supervision-Report-2023-2024.pdf](#) which reports CRL's supervisory work during 2023-24 and includes findings from the Sectoral Risk Assessment.
21. The AML Regulators Forum in October 2024 included discussions on possible findings of the National Risk Assessment and OPBAS recently published annual report on the effectiveness of PBSs.
22. At a meeting in November 2024 NECC reported back on the outcomes of a series of workshops they had held in the summer on the sharing of intelligence particularly between Law Enforcement and the PBSs. NECC are now devising a programme aimed at increasing confidence in the sharing of information across the sector.

ENFORCEMENT TEAM UPDATE

Operational

Context

23. An Investigations Officers has resigned and will leave CRL in December 2024. A recruitment campaign is being launched for a Lead Investigations Officer and Practice Support Lawyer. This has resulted in adjustment to the work plan although encouraging progress is being made:
 - Meetings of the Professional Conduct Panel (PCP) resumed in August 2024. There have been further meetings in September and November 2024 and a meeting is scheduled for December 2024
 - Two misconduct cases are being heard by the Disciplinary Tribunal in November 2024
 - Guidance on applying for interim orders is currently being trialled
 - The findings of a review of the operation of remote hearings are reported in the [2023 Enforcement Annual Report](#).
 - The newly appointed panel clerks and lay members are attending an induction workshop in November 2024.

Prior conduct

Prior Conduct Declarations														
2024														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	FY
Declarations received	28	24	26	20	14	16	15	25	24				192	
No of cases resolved	41	36	26	25	8	15	17	23	17				208	

No of cases open	67	55	68	63	69	70	68	70	77				77	
No of cases 'On hold'	16	16	20	17	15	15	15	17	17				17	
No of cases - live	51	52	48	46	54	55	53	53	60				60	
2023														
Declarations received	27	22	24	21	22	14	16	26	30	12	19	27	202	260
No of cases resolved	37	32	25	19	24	18	32	29	21	20	14	18	237	289
No of cases open	99	89	88	90	88	84	68	65	74	66	71	80	74	80
No of cases 'On hold'	23	24	26	26	24	24	23	24	21	19	23	23	21	23
No of cases - live	76	65	62	64	62	60	45	41	53	47	48	57	53	57
2022														
Declarations received	18	20	16	22	22	17	18	17	18	19	43	28	168	258
No of cases resolved	13	17	21	30	27	33	22	16	34	44	25	21	213	303
No of cases open	172	203	185	168	162	139	143	115	115	87	94	109	115	109

24. Progress made this year in reducing the number of aged prior conduct cases will continue in 2025. Prior conduct complaints by age (as of 30 September 2024):

September 2024	0-6 months	6-12 months	12-18 months	18-24 months	24+ months	Total
No of open cases	40	20	9	4	4	77
Those 'On Hold'	5	5	2	3	2	17
No of cases - live	35	15	7	1	2	60
January 2023						
No of open cases	50	17	13	10	9	99
Those 'On Hold'	10	7	2	1	3	23
No of cases - live	40	10	11	9	6	76

Misconduct

Misconduct Complaints														
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	FY
2024														
No of New Complaints	8	5	7	9	1	2	7	3	4				46	
No of Complaints resolved	12	12	19	9	7	5	4	3	4				75	
No of cases open	131	124	112	112	106	103	106	106	106				106	
No of cases 'On hold'	48	50	47	45	41	40	41	40	41				41	

No of cases - live	83	74	65	67	65	63	65	66	65				65	
2023														
No of New Complaints	4	6	7	4	11	4	5	7	5	12	3	3	53	71
No of Complaints resolved	1	1	7	4	8	3	5	3	4	2	6	0	36	44
No of cases open	128	133	132	132	135	136	136	140	141	149	145	138	141	138
No of cases 'On hold'	37	38	39	39	44	45	46	45	45	46	50	49	45	49
No of cases - live	91	95	93	93	91	91	90	95	96	103	95	89	96	89
2022														
No of New Complaints	3	4	5	11	5	8	3	10	8	10	3	3	57	73
No of Complaints resolved	1	4	3	13	4	4	2	1	2	13	9	2	34	58
No of cases open	112	112	114	112	113	117	118	127	133	130	124	125	133	125

25. The open misconduct cases have been reduced by 26% from 143 on 30 September 2023 to 106 on 30 September 2024:

Authorised Entities	2	1.9%
Fellows	52 (one Fellow is subject to 3 separate complaints)	50.5%
Non-Authorised grades	49 (7 members are subject to a total of 19 separate cases)	47.6%
Total	103	100.0%

26. As at 30 September 2024, the oldest case had been open (on hold) for **297 weeks** pending conclusion of an investigation by another regulator. Following an internal review the complainant was notified in mid September 2024 that the case was being closed because of lack of evidence. Since no request for a review has been received, the complaint has now been closed.

27. Open conduct complaints by age:

30 September 2024	0-6 months	6-12 months	12-18 months	18-24 months	24+ months	Total
No of live cases	23	22	14	10	37	106
No of 'On Hold' cases	1	4	3	7	26	41
30 September 2023	0-6 months	6-12 months	12-18 months	18-24 months	24+ months	Total
No of live cases	28	19	22	15	59	143
Those 'On Hold'	3	8	9	7	17	44

Recommendation

28. The Board is asked to **NOTE** the report.

