

<b>Date</b>	<b>14 November 2024</b>
<b>Item</b>	<b>05.00</b>
<b>Title</b>	<b>Chief Executive's Report</b>
<b>Author</b>	<b>John Barwick, Chief Executive</b>
<b>Purpose</b>	This report updates the Board on key activities and an overview of organisational performance since the last full Board meeting held in September 2024.
<b>Recommendation</b>	The Board is asked to <b>NOTE</b> the report and <b>REVIEW AND DISCUSS</b> the planned developmental and research activities outlined at Annex 05.07 to be included in the 2025 Corporate Plan.
<b>Timing</b>	N/A
<b>Impact assessment</b>	None
<b>Impact on Regulatory Objectives</b>	<ul style="list-style-type: none"> <li>Section One provides an update on activities carried out by the CEO and senior managers and a summary of other areas of the business of which the Board should be aware. These affect all the regulatory objectives. More detail will be found in other reports presented at the meeting.</li> <li>Section Two covers strategic performance and risk. Monitoring performance of the organisation ensures that CRL is able to meet the regulatory objectives, in particular: protection of the public and consumer interest, access to justice, promoting competition and encouraging an independent, strong, diverse and effective legal profession.</li> </ul>
<b>Implications for Resources</b>	<ul style="list-style-type: none"> <li>This report covers staffing, operations and resource implications affecting CRL since the last Board meeting.</li> <li>CRL has healthy contingency and operating reserves which comply with the LSB and CILEX Group reserves policy.</li> </ul>
<b>Impact on Consumer Empowerment</b>	This report covers some high-level meetings linked to consumer empowerment. The consumer facing projects and issues can be found in the Director of Governance report.
<b>Impact on Ongoing Competence</b>	None
<b>Publication Status</b>	For publication
<b>Appendices</b>	<b>05.01</b> Strategic Implementation Plan <b>05.02</b> BAU plan <b>05.03</b> Strategic Risk Register <b>05.04</b> Regulatory Performance Assessment Action Plan <b>05.05</b> Operations Data including the Balance Scorecard <b>05.06</b> Board KPI Data Q3 <b>05.07</b> 2025 Corporate Plan activities

## Legal Services Board

1. The application to the LSB for approval of alterations to CRL's regulatory arrangements relating to transparency was approved on 13 September 2024.
2. CILEx Regulation and CILEX's joint application under Section 512 of the Legal Services Act 2007 for approval of the Practising Certificate Fees to be applied in 2025 was submitted on 14 October 2024.
3. An application to confirm the annual contributions to the CILEx Compensation Arrangements to be made by CILEx Authorised Entities to be determined as an exempt application under paragraph 19(3), Schedule 4 of the Legal Services Act 2007 was submitted for approval on 18 October 2024.
4. The information request in relation to the 2024 Annual Regulatory Performance Assessment has been received and a response is currently being prepared ahead of the 15 November 2024 deadline. The assessment covers the period June 2023 – September 2024.
5. The CRL CEO attended the Welsh Regulators Forum on 6 November 2024. The Forum included an update from the Welsh Government and a presentation from the Legal Services Consumer Panel on evidence from Welsh consumers derived from its Tracker Survey.
6. The CRL CEO is scheduled to meet the LSB CEO on 7 November 2024.

## *Axiom Ince*

7. The LSB published its independent review of the regulatory events leading up to the Solicitors Regulation Authority's intervention into Axiom Ince Ltd. We will be reviewing the report carefully to identify any learning which may help improve the effectiveness of CRL's regulatory processes and risk management. The outcome of this review will be presented to the Board at its February 2025 meeting.

## CILEX

8. As previously reported, both the SRA and CILEX Boards confirmed their intention to proceed with the proposals to redelegate regulation of Chartered Legal Executives from CRL at their respective Board meetings in June and July. The SRA's Board decision attracted considerable media attention. CRL reaffirmed its public position that it considers the proposals to be unlawful and is prepared to challenge this in the courts.
9. At the time of writing, the CILEX Board met on 31 October to decide whether to press on with the redelegation proposals following additional work conducted since the summer. We are awaiting the outcome of this meeting.
10. There has been no further progress with the clarification of the timetable for the approval by the Privy Council of the proposed amendments to the CILEX Royal Charter. As previously reported, CRL has written to both the Lord Chancellor and Privy Council to raise its objections. CRL has received from the Privy Council CILEX's responses to the concerns raised by both CRL and The Law Society, and also confirmed that CRL's concerns were being considered by the Privy Council's advisers at the Ministry of Justice.
11. CRL and the CILEX President have agreed to co-author an article for the Solicitors Journal. The article will showcase the importance and inclusivity of the chartered legal executive career route and highlight the benefits of a career based on a CILEX qualification, the difference in this legal education path and the different skills – and

therefore career advantages – this training route offers aspiring legal professionals.

12. Following the Board meeting in September, the CRL CEO wrote to CILEX regarding the inter-company balance and the forecast end of year position. Following this, a transfer of £85K has been received. The request for a report on the CILEX Investment Fund which holds CRL's £700k contingent reserves was also repeated. This is being considered by the CILEX Finance Committee.

### Consultations

13. The Office for Legal Complaints (OLC) has launched its consultation on the Legal Ombudsman's (LeO's) draft Business Plan and Budget for 2025/2026. We will be providing a response which is due by 13 December 2024.

### Staffing and Operations

14. An Investigation Officer in the Enforcement and Investigations team has resigned and will leave on 24 December 2024. Following the Director of Regulation's review of the Enforcement and Investigations team, job descriptions have been developed for two new roles: Lead Investigations Officer and a Professional Support Lawyer. Recruitment for these roles will commence shortly. These roles are covered by the existing budget which includes the vacant Enforcement and Investigations Manager role.
15. The deadline for applications for the new Finance Assistant role has closed. A significant number of applications have been received which has resulted in shortlisting taking longer than expected. Interviews are expected to be held soon.
16. Following the successful all employee in person event held in July and reflecting the appetite from staff to meet in person as a whole organisation at least twice year, the next all staff in person meeting is being held on 11 December. This will provide an opportunity to reflect on the achievements of the past year and consider the new three-year strategy and Corporate Plan for 2025.
17. Actions relating to objective setting and appraisals, as outlined in the Staff Survey action plan considered at the September Board meeting, have been completed, with all employees now having agreed objectives for the remainder of the performance year.
18. The following arrangements for the Christmas period are proposed:
  - a. 12pm close on Tuesday 24 December 2024
  - b. CRL operations shutdown between Christmas and New Year, reopening on Thursday 2 January 2025. Discretionary additional leave days on 27, 30 & 31 December 2024.
  - c. £600 Christmas bonus for each member of staff as recognition of staff commitment and achievements during the year whilst there continues to be uncertainty. This is reflected in the approved budget for 2024.

### Corporate Social Responsibility

19. Following the success of CRL's participation in the London Legal Walk a Corporate and Social Responsibility statement is being developed and will be brought to the February 2025 Board for consideration.

### Shared Services

20. The contracts for the additional lay panel members and panel clerks for the Prior Conduct Panels and Disciplinary Tribunals have been issued following the review which was undertaken to ensure compliance with recent case law concerning the 'worker' status of these type of roles. Arrangements for the retrospective payment of accrued annual leave are in hand.

### Public Affairs

21. An introductory letter and briefing note have been sent to Andy Slaughter MP, the new Chair of the Justice Select Committee. An acknowledgement has been received.











### External meetings





22. The CRL CEO met with the CEO of The Law Society on 11 October and 1 November, to discuss matters of mutual interest.
23. The CRL CEO attended the Legal Choices Governance Board (LCGB) meeting on 30 September 2024. The LCGB received an update on the progress of the development of the Regulatory Information Service (RIS) project, which is on track. A proposal for additional funding this financial year to support the evaluation of Legal Choices was received.
24. The CRL CEO attended a webinar run by the Institute of Regulation and Deloitte on regulating with Artificial Intelligence.
25. The CRL CEO, Director of Regulation and the Entity Authorisation and Supervision Officer met with representatives from ACCA. It was agreed to extend the current MoU for three months, as this was due to expire, to allow a more thorough review of both the MoU and information sharing agreement to be undertaken. A similar meeting has been held with the CPS.
26. The CRL CEO is due to meet with the Head of Legal Services Regulation at the Ministry of Justice (MoJ) on 7 November. The CRL Chair and CEO are due to meet with the Director of Judicial and Legal Services Policy at the MoJ on 28 November 2024.

## **Business Plan, Risk and Performance**

### Balanced Scorecard

27. The CRL balance scorecard is an assessment of the performance of CRL extracted from the various reports and tables presented to the Board at each Board meeting.

<b>Finance (Information from Finance Paper)</b>		<b>Stakeholder</b>	
PCF v other sources of income		External stakeholder relationships	
Reserves within target rang		Regulated community	
Variance to budget		CILEX (including shared services)	
<b>Internal Processes (Infomation from BAU update)</b>		<b>Staffing</b>	
Practitioner		Vacancies	
Entity		Sickness	

Enforcement		Learning and Development	
Governance			
General Management			

## Corporate Plan

28. The Business Plan is made up of two documents:

- a. The Strategy Implementation – Corporate Plan 2024 (**Appendix 05.01**), and
- b. The BAU Business Plan (**Appendix 05.02**)

### *Strategy Implementation - Corporate Plan 2024*

29. To avoid unnecessary duplication of reporting, the Strategy Implementation Plan has been updated to reflect CRL's priorities for 2024 as set out in the published Corporate Plan. The updates are reflected in red text.
30. The plan has been amended to reflect objectives that will not be progressed in 2024, notably developing proposals for enhancing entity regulation, which are dependent on CILEX cooperation and certainty regarding future regulatory arrangements in view of CILEX's re-delegation proposals.

### *BAU Business Plan update*

31. A full update against the plan appears on the document itself. The following report sets out areas of note from the plan:
  - a. Application to amend CRL transparency rules need to comply with LSB consumer empowerment statement of policy has been approved. submitted.
  - b. The application for the 2025 PCF has been submitted to the LSB. In addition an exemption application to maintain the current Compensation Fund contributions has also been submitted.
  - c. Additional resource has been allocated to support the PAS team and CPD related activities.
  - d. Recruitment of two new posts to support the performance improvement activities within the Enforcement & Investigations team is due to commence in November.

## 2025-2027 Strategy and 2025 Corporate Plan

32. The Board approved CRL's next three-year strategy for 2025-2027 at the Board Telecon in October. This is due to be published in November 2024.
33. The PCF application for 2025 recently submitted to the LSB reflected the new strategic objectives and included proposed developmental and research activities. This can be found at Appendix 05.07. The intention is to move away from having separate Business as Usual and strategic implementation plans to having one consolidated corporate plan each year which reflects the planned activities, deliverables, timelines and expected outcomes. A draft corporate plan for 2025 will

be presented to the December Board telecon for approval.

34. To inform the drafting of the Corporate Plan for 2025 the Board is asked to **REVIEW AND DISCUSS** the planned developmental and research activities outlined in **Appendix 05.07** and to identify those activities it thinks should be prioritised.

## Risk

### *Strategic Risk Register*

35. This can be found at **Appendix 05.03** The Board approved at the October 2024 teleconference revised terms of reference for the Strategic Risk Committee (SRC) which extended its remit to include oversight of CRL's corporate strategic risks. The intention is for the SRC to review CRL's strategic risk register alongside the proposed risk appetite statement for 2025 at a meeting early in the New Year.
36. The Board has previously committed to undertaking a 'deep dive' review of the strategic risks registers, normally at the November Board meeting. The strategic risk register has been reviewed and updated in the light of:
- a. the underlying risk in relation to CILEX's review of its regulatory arrangements and the continued delay
  - b. the collaborative relationship with CILEX
  - c. bedding down of the use of a third party to provide HR services
  - d. CRL's financial position including reserves
  - e. Improvement in staff retention and ability to attract high quality employees
  - f. Being more assured about the organisation's core purpose and future direction through the development of a Corporate Plan and stakeholder engagement with the 2025-2027 Corporate Strategy
  - g. Proactive approach to public affairs
  - h. Improvements to risk reporting and oversight.
37. The Board's attention is drawn to SR4. The risk assessment has been reduced to be in line with the target risks. This reflects CRL's improved financial position and stability, improvement in staff retention and continued ability to attract high calibre employees.

## Performance

### *Strategic KPI data for Q3 2024*

38. CRL's financial performance for the year up to the end of September 2024 showed an operational surplus of £54,484.
39. CRL's reserves position up to 30 September 2024 was as follows:

Description	Total £	Committed £	Uncommitted £
Total Reserves Working & Contingency	£1,232,868	£495, 729	£737,139

40. Whilst the number of website users has decreased the number of website sessions continues to increase which indicates the website is seen as a good source of information. There continues to be an increase in the number of followers by LinkedIn compared with the same period last year.
41. CRL has not received any corporate complaints for Q2 2024.

42. The Practitioner team is generally performing well with small improvements in the average decision time for QE, WBL, Practice Rights and Advocacy applications.
43. The number of authorised CRL entities remains at 20, with 38 ACCA firms regulated at the end of Q3 2024. Two ACCA firms are currently going through the authorisation process.
44. With regards enforcement activity, two meetings of the Professional Conduct Panel (PCP) have been held and two misconduct cases are due to be heard by the Disciplinary Tribunal in November. The number of open misconduct cases has reduced significantly compared to the same period last year, this includes a reduction in the number of the very oldest live cases. Improving the timely conclusion of both prior conduct and misconduct cases remains a priority going into 2025. Further information is available in the Director of Regulation Report.

### **Recommendation**

45. The Board is asked to:
  - **NOTE** the update.
  - **REVIEW AND DISCUSS** the planned activities for the 2025 Corporate Plan at **Appendix 05.07**.

## Strategy Implementation - Corporate Plan 2024

<b>UPHOLDING STANDARDS WHILST PURSING INNOVATIVE MODELS TO IMPROVE ACCESS AND MINIMISE THE REGULATORY BURDEN</b>	<b>Total Budget: £127,373</b>
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	<b>Objective</b>	<b>Measurement</b>	<b>Target</b>	<b>Action Programme</b>	<b>Timescale</b>	<b>Resources</b>	<b>Responsible Officer</b>	<b>Current Position</b>
1.1	Review regulatory model	Improved length of time for case progression.		Carry out a review of our Enforcement Rules and arrangements in line with any recommendations following the LSB review in 2024	Dependent on LSB business plan	Staff time (CEO, DoR, DoG)	DoR	Further substantive work on the review pending conclusion of the LSB Enforcement review
1.2	Review regulatory model <i>(Links to LSB and SRA research into the unregulated sector and includes consideration of CLE work in unreserved areas)</i>	Identification of groups for CRL regulation in the future	TBC	Review of legal landscape Commission research to explore the legal services landscape to understand gaps in the regulatory market from the perspectives of the regulated community and consumers.	Q2	Staff time (CEO, DoR, DoG) (GP, SK, SC, SO)	CEO	Literature review commissioned with IRN. Report considered by Board at October telecon. Report shared with LSCP and LSB. Discussion between CRL Chair and LSCP Chair re potential roundtable. Publication scheduled for November.



	Objective	Measurement	Target	Action Programme	Timescale	Resources	Responsible Officer	Current Position
				<p>Convene a roundtable meeting with key stakeholders to examine the growing unregulated sector of the market.</p> <p>Present findings to the Board.</p>				
1.3	<p>Review regulatory model</p> <p><i>Review the scope of reserved activity-based regulation against the requirements for delivering specialist legal services in practice</i></p>	<p>Reduced complaints from practitioners in relation to operation of specialist authorisation in practice.</p>	<p><i>0 complaints relating to activities that can be undertaken by specialist practitioners</i></p>	<p>Research with regulated community to identify limitations of regulation by specialism v generalist authorisation</p> <p>Recommendations for change presented to CRL Board</p> <p>Publish guidance from Russell-Cooke on litigation following discussion with CILEX on impact on CLEs</p>	<p>March 2024</p> <p>July 2024</p> <p>January 2024</p>	<p>CEO, DoR (SO)</p>	<p>CEO, DoR</p>	<p>This is yet to be initiated. The focus of available resource has been on the transparency rules application.</p> <p>In progress with Disciplinary Standards and Process (policy) Manager</p>

	<b>Objective</b>	<b>Measurement</b>	<b>Target</b>	<b>Action Programme</b>	<b>Timescale</b>	<b>Resources</b>	<b>Responsible Officer</b>	<b>Current Position</b>
1.4	Review regulatory model <i>NEW OBJECTIVE</i>  <i>Develop with CILEX a cohesive approach to the understanding of and encouraging the take up of practice rights.</i>	Increased applications for practice rights from individuals.	<i>TBA individuals by end 2024</i>	Implement the authorisation of CILEx practitioners with litigation and advocacy rights to hold higher rights of audience. Develop with CILEX a cohesive approach to understanding and encouraging the take up of practice rights.	Q3 2024  Then ongoing	DoR  MW & SO + PAS team	CEO, DoR	Meeting held with CILEX to consider the benefit of joint comms.  CRL website updated with information for prospective candidates.  Contract with the training provider is close to approval. Eligible applicants for higher rights are being advised of course dates to aid their planning.
1.5	Review Regulatory model	Meet LSB expectations in relation to new Economic Crime Objective		Continue to develop our approach to prevention and detection of Economic Crime			DoR	Prevention and detection of Economic Crime now embedded into supervision programme and monitoring of CRL firms 2023/24 AML Supervision Report published and submitted to OPBAS
2.1	Embed culture of innovation at CRL  (External focus)	Attendance at external meetings and collaboration with other frontline regulators.	<i>TBC</i>	Collaboration with other front-line regulators, the LSB and other interested parties to promote the use of legal technology	Ongoing  Q1 2024	DoG	CEO, DoG	Paper on AI was considered at Board Strategy Day on 16 May.

	Objective	Measurement	Target	Action Programme	Timescale	Resources	Responsible Officer	Current Position
				<p>and innovation in the sector.</p> <p>Further our understanding of the opportunities and threats to the delivery of legal services posed by the development of Artificial Intelligence and how the current model of regulation may need to adapt.</p> <p>Implement proposals in relation to unbundling projects to develop innovation in CRL firms</p>		DoG, DoR (SC, GP)	DoR	<p>Meeting with LSB to share thinking.</p> <p>Webinars for CRL entities and members in partnership with legal AI provider held in July.</p> <p>CRL CEO attendance at IoR/Deloitte webinar.</p>
2.2	<p>Embed culture of innovation at CRL</p> <p>(Internal focus)</p> <p><i>This has been written assuming that 2022 CRM developments have been implemented during 2023</i></p>	CRM developments for CRL are implemented and effective	<p>Online applications</p> <p>Process improvements for enforcement and authorisation</p>	<p>Utilise technology and innovation within CRL and embed a culture of continuous improvement to aid delivery of best value legal regulation.</p> <p>Revisit online requirements with CILEX IT team to</p>	Dependent on outcome of CILEX review.	<p>CEO, DoR, (SO, GP, AA)</p> <p>And in conjunction with CILEX IT team.</p>	CEO	<p>Piloting of AI software has been explored with the CILEX IT team but may not be possible using the existing shared platform. Alternative approaches to be considered.</p>

	Objective	Measurement	Target	Action Programme	Timescale	Resources	Responsible Officer	Current Position
				deliver all outstanding requirements including online application processes				
3.1	Enhanced approach to individual supervision  <i>Links to LSB's ongoing competence requirements</i>	Full risk profiles of CILEX membership available on CRM	Risk profiles available on all CILEX TBC: members (KPI = 99%)	<b>Further develop our approach to risk-based supervision and implementation of the LSB's policy statement for ongoing competence in line with our ongoing action plan.</b>  Using risk profiles, existing CPD information and working with other regulators, implement ongoing competence action plan provided to LSB in Jan 23	Rule change submitted Q1 2024 for Probate Education standards	Staff time DoG, DoR (SO)  Collaboration with LSB and front-line regulators	DoG	Consulted on changes to Probate Education Standards. LSB rule change application being prepared.
3.2	Introduce practice rules and guidance to	Enforcement Rules and Guidance	Handbook drafted	Consultation released	Q1 2024	CEO, DoR, (SM, AA)	DoR	Revised timetable to align with LSB Enforcement project

	Objective	Measurement	Target	Action Programme	Timescale	Resources	Responsible Officer	Current Position
	support the CRL code of conduct	consolidated in a handbook		<p>Consultation analysis</p> <p>Proposals developed and agreed with Board</p> <p>Proposals submitted to LSB</p>	<p>Q2 2024</p> <p>Q3 2024</p> <p>Q3 2024</p>			has provided the opportunity for a review of guidance for the conduct of disciplinary proceedings and guidance on misconduct issues for the profession
3.3	Review of regulatory arrangements	Create proposals for future of regulatory arrangements at CRL	Proposal submitted to CILEX	<p>Engage constructively from a position of insight and experience with CILEX and SRA on proposals to change the current regulatory arrangements to ensure the consumer and public protection interest remains paramount.</p> <p>Work with the LSB on its review of the Internal Governance Rules to encourage a further strengthening of regulators' independence.</p>	<p>Ongoing</p> <p>Dependent on LSB work plan.</p> <p>Q2-Q3</p>	<p>Executive Team</p> <p>Executive Team</p>	<p>CEO</p> <p>DoG</p>	<p>Response sent on 24 March to LSB request for input into the scope of their IGR effectiveness evaluation.</p> <p>Response to LSB call for evidence provided on 6 September.</p>

**ENHANCING THE INFORMATION AVAILABLE TO CONSUMERS TO IMPROVE ACCESSIBILITY TO LEGAL SERVICES**

**Total Budget: £127,373**

	<b>Objective</b>	<b>Measurement</b>	<b>Target</b>	<b>Action Programme</b>	<b>Timescale</b>	<b>Resources</b>	<b>Responsible Officer</b>	<b>Current Position</b>
4.1	Improve the information available to consumers	Legal Choices development plan completed	By end of Q1	<u>Legal Choices Development Plan</u>  Continue to contribute to and engage with the development of the Legal Choices website and press for an impact assessment of its effectiveness to support its future development.	Q1 2024	DoG, (SC)	DoG	Funding agreed for 2024, including proposals for developing the RIS.  RIS progress update provided to MTCOG in July.  LCGB meeting on 30 September received progress update. RIS discovery phase complete. Additional funding for evaluation in 2024/2025 agreed.
4.2	Improve the information available to consumers	BSB-led PLE sub-group of MTCOG actions implemented	Create Cymreag tab on website with first level of CRL website translated.	Participate in cross-regulator research into digitally excluded consumers of legal services to understand better the types and needs of digital exclusion and how these might be met by the professionals we regulate.	Linked to BSB digital exclusion research	CEO, (SC)	DoG	Research partner commissioned.
4.3	Improve the information available to consumers	Single Digital Register (now known as the Regulatory Information	Regulatory Information Service live	<u>MTCOG subgroup</u>  - Cost/benefit analysis	Lead by LSB, CRL	CEO, (SC)	DoG, DoR	RIS discovery phase completed.

	Objective	Measurement	Target	Action Programme	Timescale	Resources	Responsible Officer	Current Position
		Service) or equivalent agreed to be in place  Quality Indicators Pilot evaluation completed and implementation action plan in place	Actions agreed Actions implemented	<ul style="list-style-type: none"> <li>- Product live</li> </ul> <p>Contribute to the development of the Regulatory Information Service to provide a single point of information access for consumers provided this can be done cost effectively.</p> <p><u>Improving access to regulatory information</u></p> <ul style="list-style-type: none"> <li>- Review quality indicators pilot</li> <li>- Agree cross-regulator actions</li> <li>- Implement changes</li> </ul>	will engage as required.  Q1 2024	Staff time DoG (SC)		
4.4	Improve the information available to consumers	Key CRL information can be accessed in Welsh.		<p>Make key information on our website available in Cymraeg/Welsh to improve accessibility for Welsh speaking consumers, practitioners and firms and ensure that the distinctness and differences between operating in Wales and England is reflected in our service offer.</p>	Q3	Translation		Cymraeg tab implemented on CRL website home page using ReachDeck translation software.

	<b>Objective</b>	<b>Measurement</b>	<b>Target</b>	<b>Action Programme</b>	<b>Timescale</b>	<b>Resources</b>	<b>Responsible Officer</b>	<b>Current Position</b>
5.1	Ensure that there are high levels of compliance with the minimum standard of transparency across the legal services sector	<p>ACCA firms compliant with transparency rules</p> <p>Success of Transparency Rules has been evaluated, to include:</p> <ul style="list-style-type: none"> <li>- Effectiveness of existing rules (e.g., should they be more prescriptive)</li> <li>- Extension to other areas of practice</li> <li>- Extension of information provided by firms (e.g., mix of staff, outcomes from QI pilot etc.)</li> <li>- Extension to regulated individuals</li> <li>- Provision of information to assist consumers in finding legal representation (e.g., digital comparison tools)</li> </ul>	ACCA firms compliant with Transparency Rules	<p>Guidance and support issued to all ACCA firms to ensure compliance</p> <p>Evaluation of Transparency Rules in accordance with gap analysis provided to LSB and participation in subsequent initiatives led by LSB (where instigated)</p> <p>Consultation on proposed changes to regulatory arrangements</p>	<p>Completed</p> <p>Q1 2024</p> <p>Q2 2024</p>	<p>Staff time DoR SC, GP</p> <p>DoG (SC)</p>	DoG	Amendments to the Transparency rules approved by LSB.
6.1	Contribute to the development of new technologies	TBA		Continued involvement in legal tech forums and groups with focus on improving legal services for consumers		DoG	DoG	



**CHAMPIONING FAIR ACCESS FOR ALL IN THE LEGAL SERVICES MARKET**

**Total Budget: £127,373**

	<b>Objective</b>	<b>Measurement</b>	<b>Target</b>	<b>Action Programme</b>	<b>Timescale</b>	<b>Resources</b>	<b>Responsible Officer</b>	<b>Current Position</b>
7.1	Improve the ability of aspiring lawyers to enter and progress in the profession	CRL regulated firms develop EDI policies, checked through entity annual returns		(i) Renewed EDI campaign reporting of learnings at CRL Entities Event, including discussion of EDI at CRL Entities Event (ii) review outcomes of soft EDI engagement with CRL entities (iii) publish a second report of progression data  Following the agreement by the CRL Board of a working definition of progression, commission analysis of our diversity data to build an evidence-based understanding of how our regulated members progress through their careers	Dependent on outcome of CILEX review	CEO, DoG, DoR (GP, SC)  CEO, DoG, DoR (GP, SC)  SC	DoG	Bridge Group commissioned to undertake further data analysis.
8.1	Use data effectively	Analyse the data from 2023 Diversity Data Survey by reference to previous data		(i) publish the Data Diversity Report in similar format to 2021 updated to include	Data Diversity Report	SC	DoG	

	Objective	Measurement	Target	Action Programme	Timescale	Resources	Responsible Officer	Current Position
	Measure impact, chart progress and evaluate the effectiveness of equality actions to enable us to understand the outcomes for consumers and the regulated community	surveys to identify any new trends e.g.,: <ul style="list-style-type: none"> <li>- Cross-qualification to become a solicitor</li> <li>- Leavers</li> <li>- Review and implementation of LSB's research into solutions for counter inclusive practices</li> <li>- Monitoring CPQ EDI data</li> </ul>		benchmark progression data.  (ii) develop a plan to address any issues of concern which are identified and celebrate successes	published Q3 2023  Q1 2024	DoG (SC)		
9.1	Improving access to legal services: identifying and working to resolve barriers faced by regulated community and consumers from diverse backgrounds to improve access to legal services	Research commissioned and findings analysed  <i>Research linked to with other strategic objectives:</i> <ul style="list-style-type: none"> <li>- Standards, and Consumer</li> </ul> CRL is participating in cross-regulator research into digitally exclusion		(i) Initial research and scoping  (ii) Outreach to other regulators and stakeholders to identify areas where we can make a difference  <b>Work with other regulators to develop a fuller understanding of what career progression looks like within firms and other work settings.</b>	Completed  Q2 2024	£Budget required  +  DoG (SC)	DoG	Continued participation as a member of the Professional Bodies collaborative. Imminent publication of <i>Beyond buzzwords – Embedding a systemic approach to EDI across the UK professions</i> . Research conducted by the Young Foundation.

**Business as Usual and Shared Services Plan 2024**

**05.02**

<b>BUSINESS AS USUAL ACTIVITIES: 2024</b>					<b>Total PCF Budget: £991,422, plus £345,122 other income</b>
<b>Description of activity</b>	<b>Budget £</b>	<b>Regulatory Objectives</b>	<b>Owner</b>	<b>RAG rating</b>	<b>Update against KPIs</b>
<b>Education standards:</b> <ul style="list-style-type: none"> <li>- accredit training providers,</li> <li>- act as External Quality Assurer for the Chartered Legal Executive apprenticeship,</li> <li>- annual review of accredited providers and exemptions</li> <li>- review of CLE apprenticeship</li> <li>- review of assessment methodology for CLE</li> <li>- review of Higher Rights of Audience</li> </ul>	35,392	<ul style="list-style-type: none"> <li>• protecting and promoting the public interest,</li> <li>• protecting and promoting the interests of consumers</li> <li>• encouraging an independent, strong, diverse and effective legal profession</li> </ul>	DoO & HoE		<ul style="list-style-type: none"> <li>- Annual review of CILEX (June 2024)</li> <li>- Annual review of Bloomsbury (November 2024)</li> <li>- Annual review of ULaw delivery (December 2024)</li> <li>- EQA of Chartered Legal Executive apprenticeships (June 2024)</li> <li>- Applications from training provider (as and when received)</li> </ul>
<b>Authorisation:</b> <ul style="list-style-type: none"> <li>- assess qualifying employment,</li> <li>- assess competence for admission</li> <li>- assess &amp; recognise overseas Professional Qualifications</li> <li>- assess firm applications</li> <li>- oversight by committees</li> </ul>	353,343	<ul style="list-style-type: none"> <li>• protecting and promoting the public interest,</li> <li>• improving access to justice</li> <li>• protecting and promoting the interests of consumers</li> <li>• encouraging an independent, strong, diverse and effective legal profession</li> </ul>	DoO & HoE		<ul style="list-style-type: none"> <li>- DPB authorisation process</li> <li>- Advocacy review (exemptions)</li> <li>- Review authorisation arrangements post LSB RPA of CRL.</li> </ul>
<b>Supervision:</b> <ul style="list-style-type: none"> <li>- ensure competence of individuals through CPD activity monitoring,</li> <li>- ensure firm supervision via annual returns and visits (inc. AML)</li> <li>- Implementation of risk matrices and ongoing competence agreed by LSB</li> </ul>	133,354	<ul style="list-style-type: none"> <li>• protecting and promoting the public interest,</li> <li>• protecting and promoting the interests of consumers</li> <li>• encouraging an independent, strong,</li> </ul>	DoO & HoE		<ul style="list-style-type: none"> <li>- Review supervision arrangements post LSB RPA of CRL.</li> <li>- Quarterly review of current individual supervision arrangements to meet ongoing competence expectations and targets.</li> </ul>

		diverse and effective legal profession			
<b>Enforcement:</b> <ul style="list-style-type: none"> <li>- review annual prior conduct declarations,</li> <li>- investigate complaints and identify misconduct</li> <li>- oversight from enforcement panels.</li> <li>- general rules review</li> <li>- remain aware of new risks such as AML, sanctions.</li> </ul>	404,614	<ul style="list-style-type: none"> <li>• protecting and promoting the public interest,</li> <li>• supporting the constitutional principle of the rule of law</li> <li>• protecting and promoting the interests of consumers</li> <li>• promoting and maintaining adherence to the professional principles</li> </ul>	DoR & Enforcement Manager		<ul style="list-style-type: none"> <li>- <b>Review enforcement arrangements post LSB RPA of CRL.</b></li> <li>- <b>Review annually EDI differential impacts</b></li> <li>- <b>Prioritisation of rules and guidance review</b></li> <li>- <b>EDI data collection for complainants</b></li> <li>- <b>Data analysis of complaints relating to regulated community and levels of engagement</b></li> <li>- <b>Regular communications to regulated community</b></li> </ul>
<b>Governance:</b> <ul style="list-style-type: none"> <li>- Board meetings and preparation,</li> <li>- review transparency of publication of papers</li> <li>- risk management,</li> <li>- performance,</li> <li>- strategy and business planning, and</li> <li>- liaison with other regulators and government.</li> </ul>	171,305	<ul style="list-style-type: none"> <li>• protecting and promoting the public interest;</li> <li>• supporting the constitutional principle of the rule of law;</li> <li>• improving access to justice;</li> <li>• protecting and promoting the interests of consumers;</li> <li>• promoting competition in the provision of services within subsection (2);</li> <li>• encouraging an independent, strong, diverse and effective legal profession;</li> <li>• increasing public understanding of the</li> </ul>	CEO & DoG		<ul style="list-style-type: none"> <li>- <b>Review governance arrangements post LSB RPA of CRL.</b> <ul style="list-style-type: none"> <li>○ Complete review of website to ensure consumer-friendly</li> </ul> </li> </ul>








		citizen's legal rights and duties			
<b>General management:</b> - Calculation of the practising certificate fee, - finance activities - networking, - CRM development, and - business support and wellbeing	236,536	<ul style="list-style-type: none"> <li>protecting and promoting the public interest</li> <li>encouraging an independent, strong, diverse and effective legal profession</li> </ul>	CEO & FM		- <b>PCF 2025 application submitted, including full impact assessment</b> - <b>Wellbeing</b> - <b>Networking</b> - <b>CRM development</b>

<b>Shared Services</b>					<b>Total Budget: £181,982</b>
<b>Description of activity</b>	<b>PCF actual £</b>	<b>Regulatory Objectives</b>	<b>Owner</b>	<b>RAG rating</b>	<b>Update against KPIs</b>
<b>Shared services:</b> this includes reduced Finance, L&D, IT and Group insurance	181,982	<ul style="list-style-type: none"> <li>protecting and promoting the public interest,</li> <li>protecting and promoting the interests of consumers</li> </ul>	CEO		- <b>Review of service levels and payments for shared services and activities carried out on behalf of CRL by CILEX through permitted purposes.</b>

**CILEx Regulation Ltd Strategic Risks**

Strategic Objective	Strategic Risks – High level	Risk description	Current Risk	Target Risk
<b>High standards</b> We will uphold standards whilst pursuing innovative models to improve access and minimise the regulatory burden.	<b>1.</b> 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.	<b>12</b>	<b>9</b>
<b>Consumer empowerment</b> We will enhance the information available to consumers to improve accessibility to legal services.	<b>2.</b> 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.	<b>9</b>	<b>9</b>
<b>Equality, diversity &amp; inclusion</b> We will champion fair access for all in the legal services market	<b>3.</b> 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.	<b>9</b>	<b>6</b>
<b>Build a resilient, healthy, capable and sustainable organisation</b>	<b>4.</b> 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.	<b>9</b>	<b>9</b>

**Mitigation key**

	<b>Preventative</b>
	<b>Monitoring</b>
	<b>Detective</b>
	<b>Remedial</b>
	<b>Horizon scanning</b>
	<b>Best practice development</b>
	<b>Communication</b>

**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 <sup>rd</sup> 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**

November -2024

**Risk Owner**

CEO

	Impact	Likelihood	Risk Score
<b>Inherent Risk</b>	5	4	20
<b>Current Risk</b>	4	3	12
<b>Target Risk</b> (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. Action plan to respond to high level of non-compliance with uploading CPD records by Sept '24 deadline
Enforcement review	Performance measurement dashboard developed.
Strategic review of unregulated sector.	IRN report to be published in November. Report shared with LSB and LSCP.
Source additional educators to offer CRL regulatory services	Education provider confirmed availability of family advocacy courses.
Corporate Plan – Roundtable to examine growth of unregulated sector	Roundtable planned for early 2025 subject to LSCP and LSB engagement
Analysis of 2023 LSB RPA and action plan	RPA action plan approved
Higher rights comms. Public affairs strategy	Briefing provided to new Justice Select Committee Chair

**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**

November 2024

**Risk Owner**

DoG








	Impact	Likelihood	Risk Score	
<b>Inherent Risk</b>	5	5	25	No Change
<b>Current Risk</b>	4	3	12	
<b>Target Risk</b> (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 to be published in November
	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. Concerns raised with MoJ and Privy Council.
	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. Additional funding agreed for evaluation. Joint CILEX/CRL Practice Webinars



**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**  
November 2024

**Risk Owner**  
CEO/DoG

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

	Impact	Likelihood	Risk Score
<b>Inherent Risk</b>	5	4	20
<b>Current Risk</b>	4	3	9
<b>Target Risk</b>	3	2	6

**No change** ←

**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

**Risk Appetite**

Regulatory - Minimal  
Communication and Profile – Seeks

**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

Planned Migrations 2024		Progress	
	Development of CRL comms plan		Comms plan approved by the Board. Digital Engagement and Communications Executive JD reviewed to include relationship management with comms third party suppliers and CSR plan. Proactive placement of articles with legal press eg Solicitors Journal.
	Continue to review KPI metrics and maintain momentum with EDI action plan including publication of next EDI report		EDI strategy progress update provided to Sept Board
	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.		Issue of accessibility of the data form in the MyCilex portal raised with CILEX
	Ongoing engagement with key stakeholders including Select Committee and MoJ		Briefing for new Chair of the Select Committee and Lord Chancellor. Meetings scheduled with MoJ
	Develop CSR plan to improve CRL's external profile		CRL team participating in 2024 London Walk CSR Policy statement being drafted
	Higher rights comms and engagement with training provider on implementation plans		Contract with training provider awaiting final sign off.

**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**  
November 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

	Impact	Likelihood	Risk Score
<b>Inherent Risk</b>	5	4	20
<b>Current Risk</b>	3	3	9
<b>Target Risk</b>	3	3	9

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. Recruitment has been brought forward. New posts identified in E&I team with JDs developed
	Annual staff survey.		Completed. Action plan in approved at September Board
	Strategic review of unregulated sector. Enhance monitoring of		Literature review report to be published in November. Collaboration with LSCP via Chair to Chair meeting.
	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		£85k transferred from CILEX via inter-company balance. FTCs made permanent plus permanent CEO appointment. Reserves in healthy position. Projected end of year surplus.
	2025 PCF application		Application submitted.
	Explore investment options for reserves and cash balance that maintain liquidity.		Interest yielding accounts identified although likely return will be less than anticipated due to low interest rates
	Corporate Plan. Cost transparency statement		Cost transparency statement published. 2025-2027 strategy to be published in November.

**Response and Actions for CRL arising from the RPA 2023**

**05.04**

Standard	Issues	Actions	Responsibility	Progress
Well-led	Continued assurance that the recommendations and findings of the LSB investigation report are implemented.	<ul style="list-style-type: none"> <li>• Regular contact between CILEX and CRL CEOs.</li> <li>• Reconciliation of historic PCF payments.</li> <li>• Transfer of contingent reserves.</li> <li>• Sharing and scrutiny of communications.</li> </ul>	CEO	<ul style="list-style-type: none"> <li>• A minimum of fortnightly meetings taking place between CILEX and CRL CEOs.</li> <li>• Positive dialogue and awareness of CILEX’s timetable.</li> <li>• Meeting between CEOs to consider transition risks relating to re-delegation.</li> <li>• PCF reconciliation agreed.</li> <li>• 2025 PCF application reflects that the reconciliation of historic PCF has been completed and a method for future reconciliation is agreed.</li> <li>• Formal request for the transfer of reserves made to CILEX but this is dependent on KM sale. Investment</li> </ul>

Standard	Issues	Actions	Responsibility	Progress
				<p>report requested from CILEX.</p> <ul style="list-style-type: none"> <li>Regular update of Undertakings action plan and attendance at joint LSB progress review meetings.</li> </ul>
	<p>Assurances given in 2020 by CILEX and CRL regarding compliance with the IGRs and IGR guidance indicated there may be weaknesses in technical governance.</p>	<ul style="list-style-type: none"> <li>Review technical governance arrangements.</li> </ul>	DoG	<ul style="list-style-type: none"> <li>Annual review of governance considered at <a href="#">May</a> 2024</li> </ul>
	<p>Transparency of decision-making</p>	<ul style="list-style-type: none"> <li>Update the agenda format for Board meetings to make clear matters that are Public and those that are private.</li> <li>Adhere to CRL's publication policy by publishing Board papers in advance of meetings</li> <li>Invite questions from the public in advance of Board meetings.</li> <li>Extend the scope of papers that are published to include but not limited to: CEO performance report, Directors' report, strategic implementation plan/ corporate plan progress updates, strategic risk register and policy papers.</li> </ul>	DoG	<ul style="list-style-type: none"> <li>Revised Board Agenda format agreed to be used from May 2024 Board meeting.</li> <li>Presumption now is that all papers should be published in advance. Reasons for papers to be considered in private and the exemption being applied will be clearly outlined. Papers to be published include: full CEO and Directors reports, the Finance report and strategic plan updates.</li> </ul>

Standard	Issues	Actions	Responsibility	Progress
	Improved reporting to the Board	<ul style="list-style-type: none"> <li>Further development of the assessment and reporting of strategic and operational risks.</li> </ul>	CEO, DoG.	<ul style="list-style-type: none"> <li>Risk appetite statement published February 2024.</li> <li>Proposals for risk reporting considered at Feb 2024 Board.</li> <li>New Strategic Risk reporting format implemented– May 2024.</li> <li>Remit of Strategic Risk Committee (SRC) extended to consider CRL corporate strategic risks and risk appetite statement.</li> </ul>
		<ul style="list-style-type: none"> <li>Confirm effectiveness of current performance metrics for core regulatory processes.</li> </ul>	DoR	<ul style="list-style-type: none"> <li>Performance metrics review. Proposals inc a dashboard to be presented to Sept Board.</li> </ul>
	Capacity and Capability	<ul style="list-style-type: none"> <li>Monitor and report on delivery against Corporate Plan, adjusting priorities where necessary.</li> <li>Ensure effective knowledge capture and transfer between outgoing and incoming employees.</li> <li>Ensure adequate resourcing to deliver strategic priorities and BAU activities.</li> </ul>	Executive Team & Board	<ul style="list-style-type: none"> <li>Corporate Plan published in January 2024. Progress updates to be reviewed by the Board and published.</li> <li>CRL has continued to recruit high calibre staff. Significant reduction in staff turnover.</li> </ul>

Standard	Issues	Actions	Responsibility	Progress
	<p>Quality of the joint CRL and CILEX's PCF application for 2024.</p>	<ul style="list-style-type: none"> <li>• Identify and remedy potential 'single point of failure' risks.</li>   <li>• CRL will continue to collaborate fully with CILEX, although noting the concern raised by LSB regarding charging the non-authorized/paralegals for regulation is dependent on CILEX charter change.</li> <li>• Ensure significantly more clarity and transparency in the presentation of financial information in the next PCF application.</li> </ul>	<p>CEO</p>	<ul style="list-style-type: none"> <li>• Additional CPD and PAS resource recruited. competence.</li> <li>• Development of EA role to include Business Support to widen the knowledge of HR and Finance processes.</li> <li>• Finance Assistant to be recruited to bolster business support resilience.</li> <li>• Update assurance mapping against LSB regulatory performance framework – Q2.</li> <li>• Weekly meetings between CRL Finance Manager and CILEX CFO to progress 2025 PCF application.</li> <li>• 2025 PCF application submitted earlier than 2024.</li> <li>• Identification of new E&amp;I roles – Lead Investigations Officer and Professional Support Lawyer.</li> </ul>

Standard	Issues	Actions	Responsibility	Progress
	Financial resilience	<ul style="list-style-type: none"> <li>• Reconcile any PCF surplus or deficit using the method agreed with CILEX.</li> <li>• Ensure timely transfer of the contingent reserves.</li> <li>• Ongoing monitoring of CRL's financial performance.</li> <li>• Compliance with LSB and CILEX Group reserves policy.</li> </ul>	CEO & Board	<ul style="list-style-type: none"> <li>• 2023 PCF reconciliation agreed.</li> <li>• CRL now meeting both LSB and CILEX reserve policies.</li> <li>• Publication of Board Finance Report to inform LSB's understanding of CRL's financial position.</li> </ul>
Effective approach to regulation	Robustness, quality and accuracy of applications for approval of alterations to regulatory arrangements (and PCF)	<ul style="list-style-type: none"> <li>• Review other rules changes submissions from other regulators and learn from successful submissions.</li> <li>• Address the need to provide a better evidence base in support of applications.</li> <li>• Work with CILEX on ensuring accurate information is provided to the LSB in PCF applications and review internal approval arrangements.</li> <li>• Review the <i>Commencing &amp; Implementing Change</i> procedure, including for Board approval of LSB submissions.</li> </ul>	DoG	<ul style="list-style-type: none"> <li>• Complete by Q2 2024.</li> <li>• Reflect on any feedback received from the LSB on the transparency rule change application.</li> </ul>

Standard	Issues	Actions	Responsibility	Progress
	Assurance of how CRL ensures its activities translate to effective consumer outcomes.	<ul style="list-style-type: none"> <li>To provide better analysis and advanced research on how consumers will be impacted by changes in regulation or associated activities.</li> <li>Include consumer impact as part of the Board paper template.</li> <li>Consumer perspective to be included as part of 2025-28 strategy development.</li> </ul>	DoR	<ul style="list-style-type: none"> <li>Ongoing</li> <li>Complete by Q2</li> <li>Complete by Q3</li> </ul>
	<p>Consumer Empowerment</p> <p>CRL has committed to meeting the expectations in our statement of policy in this area by September 2024.</p>	<ul style="list-style-type: none"> <li>CRL is on track to be compliant with the LSB's statement of policy by September 2024, and on remote hearings in future.</li> <li>CRL will work with others within the sector with a view to ensuring consistency of standards and approach, whilst differentiating our requirements to the particular nature of the firms that we regulate.</li> </ul>	DoG	<ul style="list-style-type: none"> <li>September 2024. Assurance statement submitted to LSB.</li> </ul>
	Concerns that CRL had not been able to establish long-term compensation fund arrangements.	<ul style="list-style-type: none"> <li>Given continuing uncertainty on regulatory arrangements, it has been confirmed that the current arrangement will now continue into 2024 with CRL and CILEX jointly underwriting the fund at the same level.</li> </ul>	CEO	<ul style="list-style-type: none"> <li>Letter sent to LSB confirming existing arrangements to continue until there is clarity regarding future regulatory arrangements.</li> </ul>

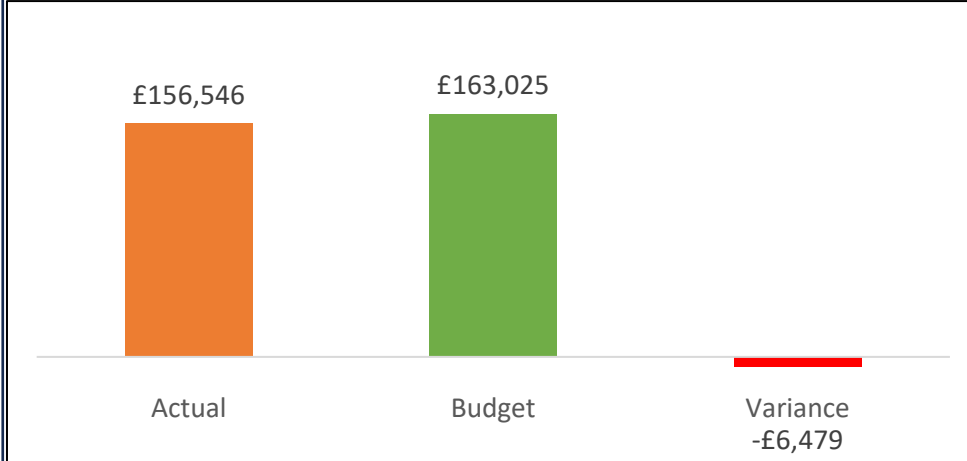


Standard	Issues	Actions	Responsibility	Progress
				<ul style="list-style-type: none"> <li>• Actuary engaged to review and advise on the operation of the compensation fund.</li> <li>• Response provided to LSB and exemption application submitted.</li> </ul>

**Balance Scorecard Data - Q3 2024**

**Finance**

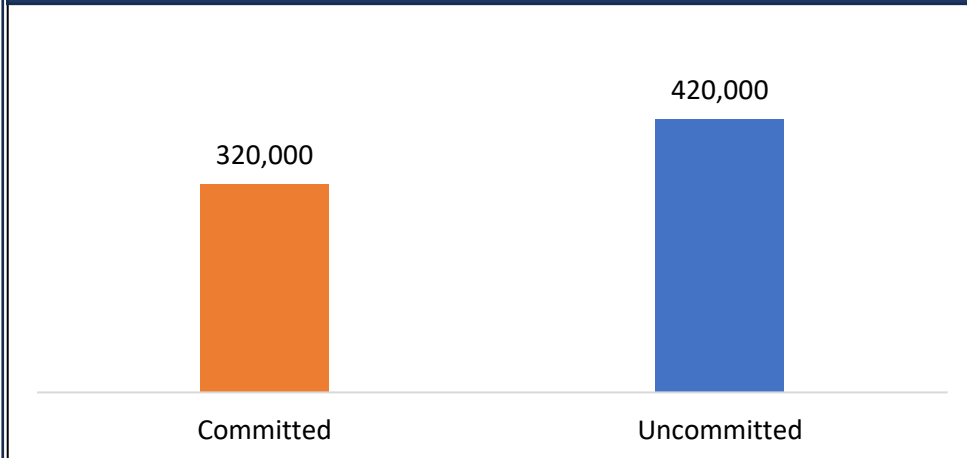
**Income Q3 2024**



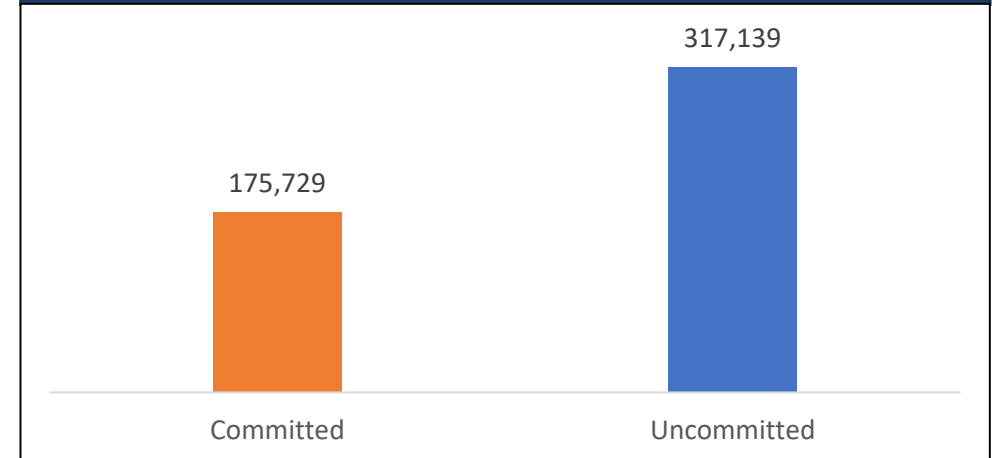
**Expenditure Q3 2024**



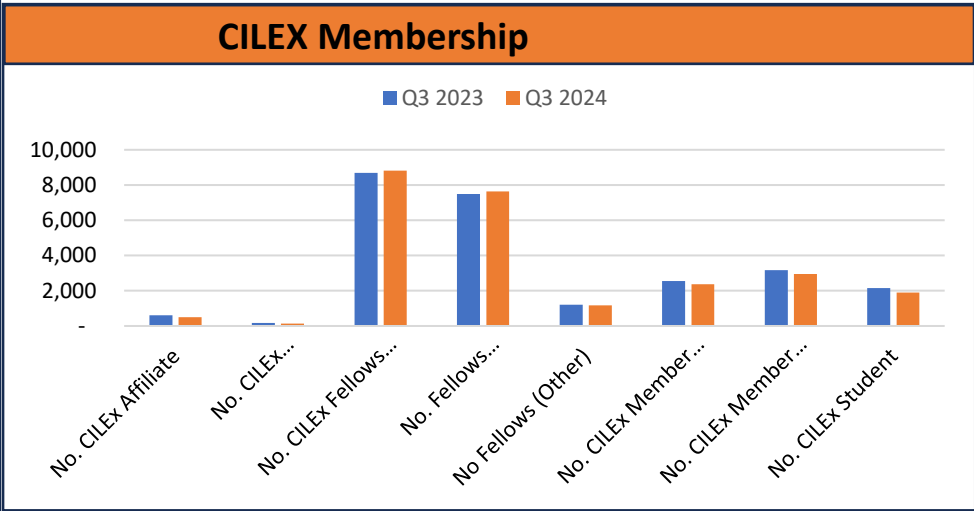
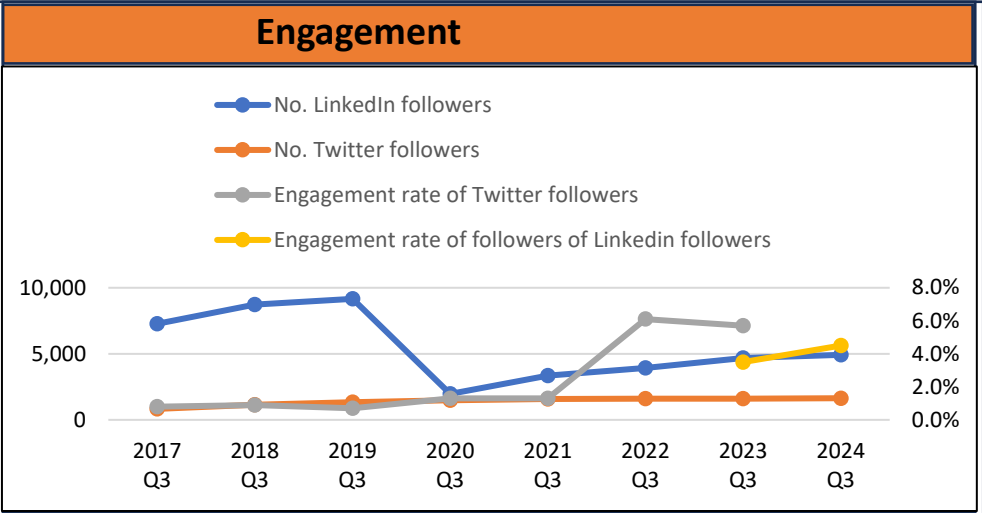
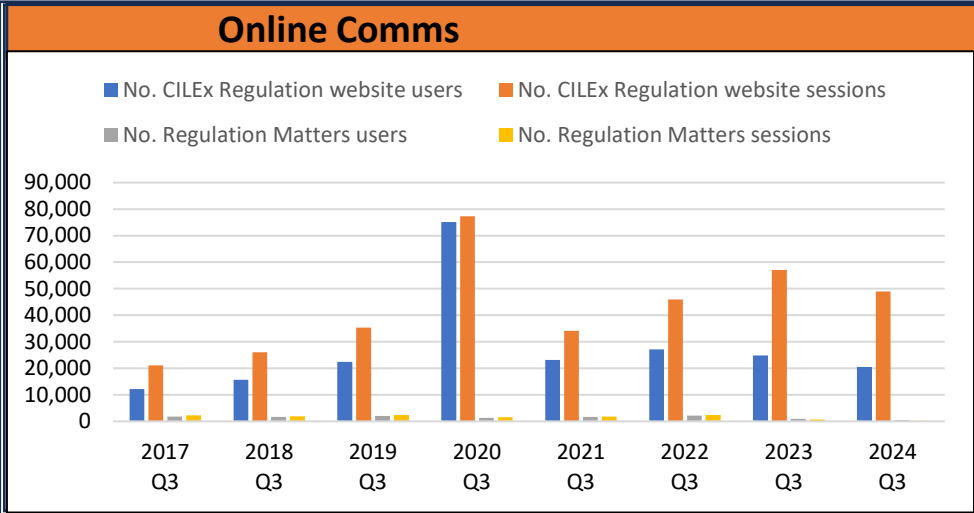
**Contingency Reserve Q3 2024**



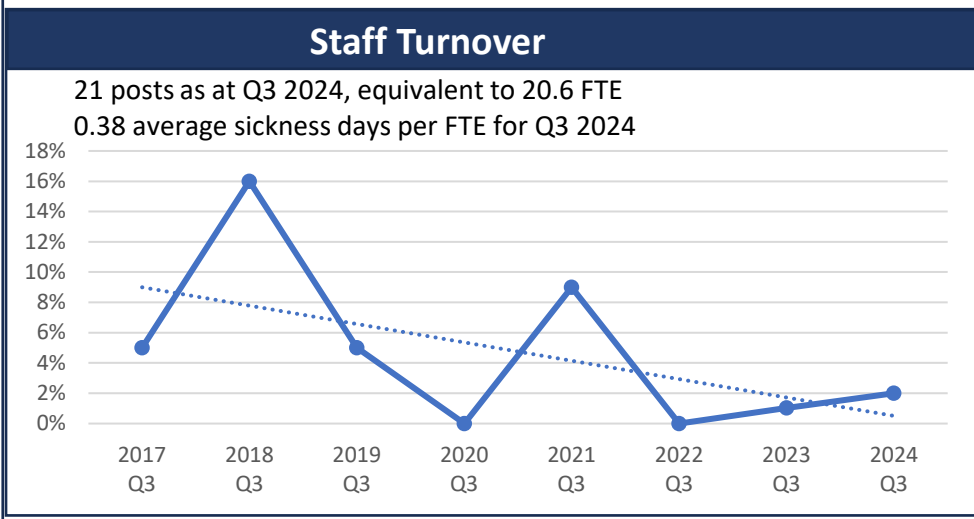
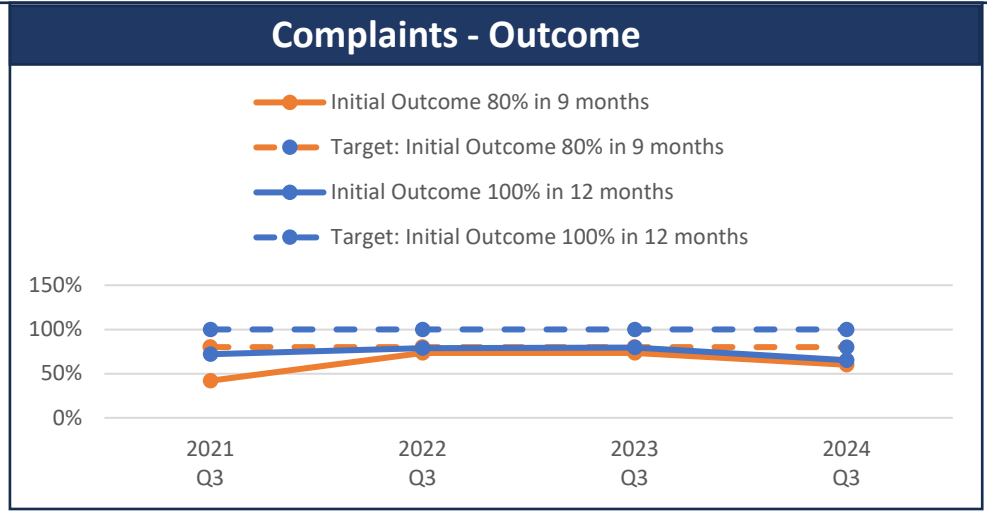
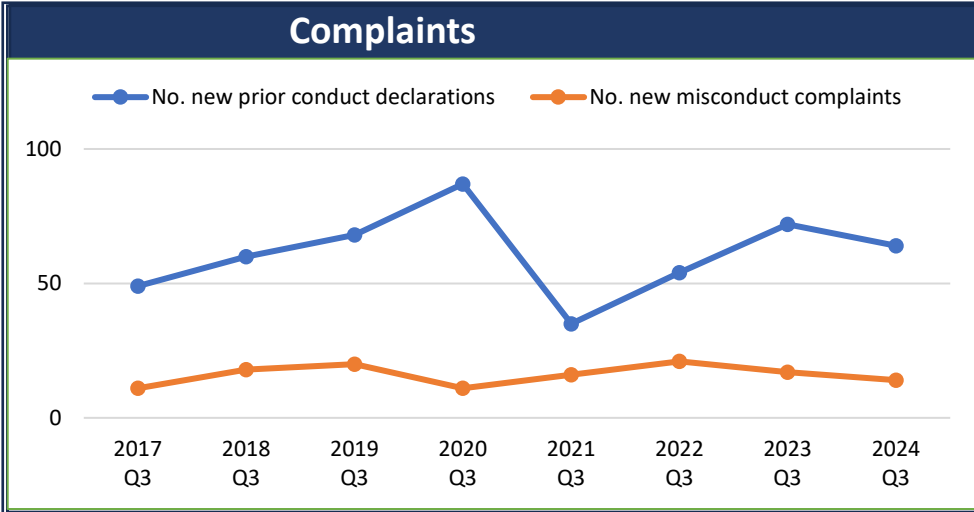
**Working Capital Q3 2024**



STAKEHOLDER/COMMS DATA



OPERATIONS



**Authorisation:** Ensuring competence on entry to the profession

**Supervision:** Assuring maintenance of lifelong competence

OPERATIONS

Practitioner		
<b>Applications in Q3 2023 and Q3 2024</b>		
	<b>Q3 2023</b>	<b>Q3 2024</b>
WBL	185	↓ 161
QE	133	↑ 135
Practice Rights/ Advocacy /ACCA	17	↑ 23
<b>Applications - Cumulative 2023 and 2024</b>		
	<b>Q1&amp;Q2&amp;Q3 2023</b>	<b>Q1&amp;Q2&amp;Q3 2024</b>
WBL	518	↓ 480
QE	448	↓ 418
Practice Rights/ Advocacy /ACCA	56	↑ 68

Practitioner		
Non-compliance figure at CPD year-end: 3,135 (2,512 for 2022-2023)		
<b>CPD non-compliance in Q3 2023 and Q3 2024</b>		
	<b>Q3 2023</b>	<b>Q3 2024</b>
Authorised persons	942	1,172
Non-authorised	1,570	1,963
<b>Total</b>	<b>2,512</b>	<b>3,135</b>

Entity		
No. of CRL firms active: 20 (19 in Q3 2023)		
No. of ACCA firms active: 38		
<b>Firm authorisation data in Q3 2023 and Q3 2024</b>		
	<b>Q3 2023</b>	<b>Q3 2024</b>
CRL firms authorised	0	↑ 1
ACCA firms authorised	37	↓ 38

Entity		
No. of firms ceasing regulation with CRL: 5		
<b>Annual Returns in Q3 2023 and Q3 2024</b>		
	<b>Q3 2023</b>	<b>Q3 2024</b>
CRL firms renewed	19	↑ 20
Renewals authorised	3	↑ 5

GDPR Data: Breaches reported/not reported to the ICO. (2  
breach not reported in Q3 2023)



**Core regulatory activities at CRL**

Description of activity	% total PCF allocated to activity	PCF actual £	Permitted purpose	Regulatory objective
<b>Education standards:</b> keeping the standards for authorisation under review, accrediting training providers, acting as External Quality Assurer for the Chartered Legal Executive apprenticeship, annual review of accredited providers and exemptions	1.7% of CRL share of PCF (or 1% of total PCF)	£28,440  <i>Other income from accreditation fees and EQA of CLE Apprenticeship</i>  £8,481	Regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons	<ul style="list-style-type: none"> <li>protecting and promoting the public interest,</li> <li>protecting and promoting the interests of consumers</li> <li>encouraging an independent, strong, diverse and effective legal profession,</li> <li>developing new education standards,</li> <li>review the current education standard to ensure fit for purpose</li> </ul>
<b>Authorisation:</b> authorising individuals and firms as authorised persons (includes assessment of qualifying employment, competence for admission and oversight by committees.)	6.3% of CRL share of PCF (or 3.5% of total PCF)	£104,436  <i>Other income from application fees</i>  £268,776	Regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons	<ul style="list-style-type: none"> <li>protecting and promoting the public interest,</li> <li>improving access to justice</li> <li>protecting and promoting the interests of consumers</li> <li>encouraging an independent, strong, diverse and effective legal profession</li> </ul>
<b>Supervision:</b> ensuring competence of individuals through CPD activity monitoring and firm supervision via annual returns and visits.	5.3% of CRL share of PCF (or 3% of total PCF)	£87,457  <i>Other income from renewal fees</i>  £53,218	Regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons	<ul style="list-style-type: none"> <li>protecting and promoting the public interest,</li> <li>protecting and promoting the interests of consumers</li> <li>encouraging an independent, strong, diverse and effective legal profession,</li> <li>commencement of ongoing competence work,</li> <li>Economic Crime including AML &amp; sanctions,</li> <li>.</li> </ul>
<b>Enforcement:</b> includes review of the annual prior conduct declarations and investigations	24.8% of CRL	£410,723	Regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons.	<ul style="list-style-type: none"> <li>protecting and promoting the public interest,</li> </ul>



Description of activity	% total PCF allocated to activity	PCF actual £	Permitted purpose	Regulatory objective
of misconduct together with oversight from enforcement panels.	share of PCF (or 15% of total PCF)	<i>Other income from enforcement action</i>  £13,000	Preventing any person, who is not a relevant authorised person and/or does not hold a current relevant practising certificate, purporting to be such a person or to hold such a certificate	<ul style="list-style-type: none"> <li>• supporting the constitutional principle of the rule of law</li> <li>• protecting and promoting the interests of consumers</li> <li>• promoting and maintaining adherence to the professional principles</li> </ul>
<b>Business planning, risk management and compliance</b> includes engagement and communications, Board meetings and preparation, risk and performance management, strategy and business planning, stakeholder engagement and compliance activities.	10.81% of CRL share of PCF (or 6.5% of total PCF)	£178,370	Regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons  Participation in law reform and legislative change  Collaboration and co-operation with other regulators and government	<ul style="list-style-type: none"> <li>• protecting and promoting the public interest;</li> <li>• supporting the constitutional principle of the rule of law;</li> <li>• improving access to justice;</li> <li>• protecting and promoting the interests of consumers;</li> <li>• promoting competition in the provision of services within subsection (2);</li> <li>• encouraging an independent, strong, diverse and effective legal profession;</li> <li>• increasing public understanding of the citizen's legal rights and duties</li> </ul>
<b>General management:</b> HR (including 3 <sup>rd</sup> party provider). Finance activities including calculation of the practising certificate fee,, professional fees not covered in other activities, expenses, networking, CRM development and business support and wellbeing	15.1% of CRL share of PCF (or 9% of total PCF)	£249,733	Regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons  Participation in law reform and legislative change  Collaboration and co-operation with other regulators and government  The promotion of and protection by law of human rights and fundamental freedoms	<ul style="list-style-type: none"> <li>• protecting and promoting the public interest</li> <li>• encouraging an independent, strong, diverse and effective legal profession</li> </ul>
<b>Total</b>	<b>64.1% of CRL share of PCF (or 38% of total PCF)</b>	<b>£1,059,161</b>		

## Strategic objectives 2025:

Strategic Objective	% total PCF allocated to activity	PCF actual £	Permitted purpose	Planned developmental and research activities	Regulatory Objectives
<p><b>Standards and public trust:</b> Promote high quality professional practice that enables individuals and entities to meet CRL standards, so they are able to adapt to changes in the delivery of legal services and utilise the benefits of innovation and law tech for the benefit of consumers.</p>	6.1% of CRL share of PCF (or 5% of total PCF)	£133,944	Regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons	<ul style="list-style-type: none"> <li>• Desk-based and possibly additional research into the legal services landscape to understand regulatory issues referencing research from LSB and other frontline regulators</li> <li>• Implement ongoing competence and use risk-based model to improve individual supervision and reduce incidents of poor conduct and unethical behaviour.</li> <li>• Review the activity-based model of authorisation of individual practitioners</li> <li>• Develop practice rules and guidance to support the principles-based code of conduct.</li> <li>• Engage with the policy outputs from LSB PERL work.</li> <li>• Implement outcomes of enforcement review, reflecting LSB's thematic review.</li> <li>• Enable the development of innovative approaches to service in legal regulation through the adoption of new technology including AI.</li> </ul>	<ul style="list-style-type: none"> <li>• Protecting and promoting the public interest</li> <li>• Encourage strong, independent, diverse and effective profession</li> <li>• Access to justice</li> <li>• Protect and promote interests of consumers</li> <li>• Professional principles: proper standards</li> <li>• Promoting the prevention and detection of economic crime</li> </ul>
<p><b>Access to justice and consumer empowerment:</b> Champion fair access to all in the legal services market. Continue to improve the information available to consumers to improve accessibility to legal services so they are able to make informed choices and have confidence in the legal professionals they engage with.</p>	6.1% of CRL share of PCF (or 5% of total PCF)	£133,994 (including the contribution to Legal Choices)	<p>Regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons</p> <p>Law reform and legislative change</p> <p>Collaboration and co-operation with other regulators and government</p>	<ul style="list-style-type: none"> <li>• Develop proposals for entity reform</li> <li>• Contribute to and agree the development plan for legal choices and development of the Regulatory Information Service.</li> <li>• Continue to contribute to cross-regulator initiatives delivering PLE, implementation of regulatory information service and other technological initiatives.</li> <li>• Improving access to regulatory information <ul style="list-style-type: none"> <li>◦ Implement outcomes of quality indicators pilot and unbundling</li> <li>◦ Continued guidance and support issued to all ACCA firms to ensure compliance</li> </ul> </li> <li>• Implementation of revised transparency rules and monitoring Continued involvement in legal tech forums and groups with focus on improving legal services for consumers such as Land Registry initiatives DPMSG and DCMS Digital Identity</li> </ul>	<ul style="list-style-type: none"> <li>• Protecting and promoting the public interest,</li> <li>• Improving access to justice</li> <li>• protecting and promoting the interests of consumers</li> </ul>
<p><b>Independence and sustainability:</b> Promote the value and importance of independent, specialist regulation</p>	6.1% of CRL share of PCF		Regulation, accreditation, education and	<ul style="list-style-type: none"> <li>• Contribute to LSB's review of the IGRs and implement outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• Encourage strong, independent, diverse and effective profession</li> </ul>

Strategic Objective	% total PCF allocated to activity	PCF actual £	Permitted purpose	Planned developmental and research activities	Regulatory Objectives
	(or 5% of total PCF)		<p>training of relevant authorised persons and those wishing to become such persons</p> <p>Law reform and legislative change</p> <p>Collaboration and co-operation with other regulators and government</p>	<ul style="list-style-type: none"> <li>Develop Environmental, Social and Governance programme</li> <li>Review resourcing and capability requirements in order to invest in those areas of operation which are most important to consumers, members and regulated entities.</li> </ul>	<ul style="list-style-type: none"> <li>Improving Access to justice</li> <li>Protect and promote interests of consumers</li> <li>Encourage competition</li> <li>Professional principles: proper standards</li> </ul>
<p><b>Authoritative, inclusive and capable organisation:</b> CRL is resilient and has the capacity to quickly adapt to changes in the external environment. Continue to champion fair access for all in the legal services market</p>	6.1% of CRL share of PCF (or 5% of total PCF)	£133,944 (including research budget)	<p>Regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons</p> <p>Collaboration and co-operation with other regulators and government</p>	<ul style="list-style-type: none"> <li>Utilise data collected and analysed to monitor progression of the CRL regulated community within the legal profession and identifying actions to improve progression</li> <li>Implementation of initiatives to ensure fair access for all to the legal services market</li> <li>Develop requirements to ensure CRL regulated firms contribute to removing any barriers that exist both for consumers and individuals</li> <li>Working with other regulators and stakeholders to identify areas where we can make a difference</li> <li>Commissioning new research</li> <li>Review research findings and publish</li> <li>Develop action plan in response to 'Beyond Buzzwords' research</li> </ul>	<ul style="list-style-type: none"> <li>Protecting and promoting the public interest</li> <li>Promoting competition in the provision of legal services</li> <li>Encouraging an independent, strong, diverse and effective legal profession</li> <li>Improving access to justice</li> <li>protecting and promoting the interests of consumers</li> <li>increasing public understanding of the citizen's legal rights and duties</li> <li>Economic Crime including AML &amp; sanctions,</li> </ul>
<b>Total</b>	<b>24.4% of CRL share of PCF (or 20% of total PCF)</b>	<b>£401,983</b>			