

CILEx Regulation Business Plan 2018/19

The quarterly performance summary shows:

- high level progress on key planned business activities to deliver the five strategic priorities in CILEx Regulation's Strategy 2018/2020 (last reviewed by the Board on 21 February 2018);
- RAG (Red/Amber/Green) ratings for the last quarter with comparison to previous quarter; and
- next quarter milestones.

Where business activities are managed through associated delivery plans updates to these are shared in the Board member secure online area. Delivery plans and plan owners/sponsors currently in place are as follows:

Diversity Action Plan: Jill Durham, Director of Policy and Enforcement (jill.durham@cilexregulation.org.uk)

Educational Standards Review Project Plan (in development): Victoria Purtill, Director of Authorisation and Supervision (victoria.purtill@cilexregulation.org.uk)

Entity/ABS Delivery Plan: Victoria Purtill, Director of Authorisation and Supervision

Contact for questions: Clare Harper Smith, Research and Performance Analyst
(Clare.harper@cilexregulation.org.uk)

Key:

Red: Project not progressed or on hold

Amber: Project partly progressed, milestones partly met

Green: Project progressing as planned with milestones achieved

Abbreviations:

ALC: Admissions and Licensing Committee

CRM: Customer Relationship Management (system)

SMT: Senior Management Team

SRC: Strategic Risk Committee

QE: Qualifying Employment

WBL: Work-based learning

Strategic Priority	Q4 2017 (Oct to Dec)	Priority project	Q1 2018 (Jan to Mar)	Progress in Q1 2018	Q2 Milestones 2018 (April to June)	Forward look
1. Ensure the needs of the consumer inform all our work	A	Options proposals reported to 21 February 2018 Board - deferred to July Strategy Day for prioritisation. In the meantime work streams to meet CMA recommendations continue as reported below.				
2. Minimise barriers to entry for practitioners (cost and bureaucracy)	A	Transition to a targeted risk-based supervision process for regulated individuals by December 2019 (linked to introduction of new CRM)	G	<ul style="list-style-type: none"> Risk matrix reviewed and further updated by SRC on 5 Feb 2018. 	<ul style="list-style-type: none"> SRC Final approval of risk matrix. 	<p>Risk matrix to September Board.</p> <p>Implement with new CRM¹.</p>
	A	Introduce online application and assessment schemes for individual and entity authorisation by Dec 2019 (linked to introduction of new CRM)	G	<ul style="list-style-type: none"> Sprint Zero workshops completed for CRL; Sprint Zero follow up queries from preferred supplier dealt with as necessary. 	<p><u>Note:</u> Progress on Group procurement of new CRM is reported elsewhere.</p>	Remains prioritised for implementation in Phase 1 - go live expected Feb 2019.
	A	Develop and implement targeted engagement to address anti-competitive practices in relation to entity authorisation including monitoring and annual review	A	<ul style="list-style-type: none"> Regulator switching protocol with SRA finalised and signed; Confirmation received from Marsh/RSA, that subject to trends in profiling of areas of entity authorisation, impact of switching is cost neutral for compensation insurance premiums 	<ul style="list-style-type: none"> LSB approval of PII Rule change by extension of scope to incoming entities (anticipated exempt direction); Next review of mortgage lender panel eligibility lobbying outcomes completed; 	Barriers work is iterative.

¹ The new approach will include the actions from QASA which will not now be implemented. Action for this element will be required by Q3 2018 and can be utilised as proof of concept

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				<ul style="list-style-type: none"> Representations on mortgage lender panel eligibility and ATE insurance lodged with CMA; Representations on mortgage lender panel eligibility lodged with Ministry of Housing, Communities and Local Government for their discussion with UK Finance² 	<ul style="list-style-type: none"> Further discussions, supported by Marsh, held with ATE insurers (6 or so providers nationally) on alternative options for accessing ATE without Designated Professional Body status. 	
	G	Comply with revised LSB Diversity Guidance on delivering regulatory objective to encourage diverse provider base	A	<ul style="list-style-type: none"> 2017 Diversity survey report and infographic published; Three quotes sought for external consultancy to meet research brief. <p><u>Note:</u> update on performance against published Diversity Action Plan to meet revised LSB Diversity Guidance attached.</p>	<ul style="list-style-type: none"> Means of achieving planned engagement with CILEx identified; Timescales agreed with preferred external supplier for research activity and reporting on: <ul style="list-style-type: none"> ➤ barriers to career progression; ➤ diversity profiling for respondents at disciplinary hearings; ➤ selection for improved diversity across governance structures. 	Formal assessment by LSB in August 2018.
3. Grow opportunities for CILEx practitioners	G	Develop education standards and review training arrangements to deliver fit for the future regulated community	A	<ul style="list-style-type: none"> Interim report by Lisa Webley considered at 21 February Board; Draft standards developed (see annexed to education update report). 	<ul style="list-style-type: none"> Final report delivered by L Webley; Detailed action plan developed; Group wide consensus on strategy in place following officer level JET discussions in May; 	Links to risk/evidence-based supervision approach and E&D activities.

² UK Finance represents circa 300 leading finance, banking, markets and payments-related services firms. UK Finance was created in 2017 combining most of the activities of the Asset Based Finance Association, British Bankers' Association, Council of Mortgage Lenders, Financial Fraud Action UK, Payments UK and the UK Cards Association.

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					<ul style="list-style-type: none"> Ipsos MORI research outcomes shared by CILEx; Wider stakeholder views taken into account in development of education standards. 	
	G	Development of ABS/entity regulatory arrangements, including intervention by Q2 2018 and forensic investigation by end Q4 2018	G	<ul style="list-style-type: none"> Responded to LSB addressing issues raised by all statutory consultees (CMA, LSCP and LCJ). <p>Note: update on performance against ABS delivery plan attached.</p>	<ul style="list-style-type: none"> LSB approval (24 May 2018 LSB Board) with positive recommendation to Lord Chancellor; Winding up of CCF Ltd completed; Intervention arrangements made operational; ABS specific comms and marketing plan agreed by ABS Working Group. 	
	G	Implement newly restructured AML supervision in line with Government timetable Note: joint project with CILEx	A	<ul style="list-style-type: none"> Cross sector guidance approved by HM Treasury March 2018; Guidance promulgated to regulated entities, via Regulation Matters and on CRL website³ (applies to entities and anyone handling client money) as per comms plan (continuous re-promotion required); Awaiting CILEx proposals to address the need for guidance/practice advice facilities for its members. 	<ul style="list-style-type: none"> Final sign off completed by HMRC of data sharing MoU (enables HMRC to access data on tax and company partnership service providers); Inclusion in 2019 PCF maintained for OPBAS regulator fees, provisionally £5k (minimum fee); 	Further discussions ongoing with HM Treasury and OPBAS re criminality check requirements (Q2).

³ <https://www.cilexregulation.org.uk/risk-management/money-laundering>

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					<ul style="list-style-type: none"> ○ Profile developed with OPBAS at April one day introductory visit to support scoping of OPBAS audit of CRL compliance and supervision; ○ Means of achieving planned engagement with CILEx achieved on interim solution to identification of member subset to be AML supervised ahead of improved profiling under new CRM; ○ Joint plan agreed with CILEx for preparation for OPBAS audit scheduled 16 and 17 July 2018. 	
4. Practical collaboration with other regulators	G	Deliver CMA legal services market study recommendations	G	<ul style="list-style-type: none"> ○ Consultation responses analysed; ○ Proposals for transparency rules and guidance developed; ○ Board decision of 21 February 2018 reported to CMA and LSB; ○ Legal Choices redevelopment partner selected in collaboration with co-funding regulators group; ○ Stakeholder collaborative working continued via Regulators' Forum and bilateral collaborators. <p>Note: update on performance against CMA action plan attached.</p>	<ul style="list-style-type: none"> ○ Secure validation by interactive Yoshki badge offered to regulated entities (will be mandatory from the point of introduction of transparency rules). 	Rule proposals to September 2018 Board for agreement ahead of application to LSB for rule approval.

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5. Address anticipated changes in the operating environment	G	Align costs modelling, review fees and PCF to achieve a self-sustaining funding model by 2019	G	<ul style="list-style-type: none"> 2019 PCF fee proposals agreed at 21 February 2018 Board. 	<ul style="list-style-type: none"> Final consultation proposals reported to May 2018 Board with any comment from new CILEx Finance Committee; Consultation launched for responses by mid-June 2018; Consultation outcomes analysed for report to July 2018 Board. 	Application to LSB for approval of 2019 PCF scheduled for late July/early August 2018.
	G	Redevelopment of protocols to fit new CILEx Group Governance structure in order to support compliance with IGR	R		<ul style="list-style-type: none"> Response made to CILEx consultation received 18 April on bylaw changes (due for approval by July 2018 Privy Council); Group services catalogue developed for IT, HR, Facilities, Procurement and Finance; Revised arrangement to replace other SLAs for Membership, Qualifications, Comms and Marketing developed; Internal customer service standards agreed with CILEx for communication at officer level; 	<p>Protocols awaiting re-development.</p> <p>Service Level Agreements envisaged for development with Group Services Company (when incorporated).</p>

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					<ul style="list-style-type: none"> ○ IGR compliance operationalised for Group risk, Group strategy, Group finance and Group profile/branding. 	
	A	Practice rights and entity regulation growth interim objectives, pending consideration of options for re-branding	G	<ul style="list-style-type: none"> ○ New CRL website design finalised; ○ Draft practice rights and entity marketing strategy approved at 21 February 2018 Board; ○ 100% advocacy rights growth target for 2018 achieved by end of Q1; ○ 67% of practice rights growth target for 2018 target achieved by end of Q1; ○ Affiliate membership of Conveyancing Association secured (at no fee); ○ Flyer designs finalised; ○ 2nd annual entity regulation user engagement day scheduled for 8 September 2018. 	<ul style="list-style-type: none"> ○ Practice rights flyers including call for action distributed with approved WBL applications; ○ Entity flyers including call for action distributed with approved practice rights applications and to existing practice rights holders; ○ Entity regulation user engagement day plan finalised - practice rights holders will be invited to network with regulated entity delegates. 	