

Appendix 1 - 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: Helen Whiteman, CEO. (helen.whiteman@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.harpersmith@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	Q1 2018 (Jan to Mar)	Priority project	Q2 2018 (Apr to June)	Progress in Q2 2018 (Apr to June)	Q3 Milestones 2018 (July to September)	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)	G	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 approved by SRC on 8 June 2018. 	<ul style="list-style-type: none"> Final approval of risk matrix to September Board. 	Implement with new CRM ¹ .
	G	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"> Fit gap and user stories workshops completed for CRL. Feedback given to Silverbear 	<u>Note:</u> Progress on Group procurement of new CRM is reported elsewhere. Programme and budget slippage.	Remains prioritised for implementation in Phase 1 - go live expected May 2019 ² .
	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"> PII Rule change submitted to LSB, decision due 25 June, informal feedback positive; VP and DP attending meetings with Ministry of Housing, Communities and Local Government: <ul style="list-style-type: none"> Guides on how to buy/sell Choosing a conveyancer 	<ul style="list-style-type: none"> Marketing of switching both direct and through brokers, subject to approval by LSB. Continuing to lobby on lender panels; 	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

² Originally scheduled for February 2019

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				<ul style="list-style-type: none"> ○ Brokers Marsh and PIB have identified a solution for ATE supply. Sourcing two entities to undertake proof of concept. 		Proof of Concept to continue for ATE.
	A	Comply with revised LSB Diversity Guidance on delivering regulatory objective to encourage diverse provider base	A	<ul style="list-style-type: none"> ○ External consultant identified and progressing 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. ○ Further meeting with CILEx pending. <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"> ○ LSB formal assessment (August 2018) 	Actions arising if any, from formal assessment.

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3. Grow opportunities for CILEx practitioners	A	Develop education standards and review training arrangements to deliver fit for the future regulated community	A	<ul style="list-style-type: none"> ○ JET research report delayed and due for delivery end June 2018; ○ Group wide discussions on strategy in place following officer level JET discussions in May. ○ Ipsos MORI research outcomes shared by CILEx; ○ Views taken into account in development of education standards with Open University. 	<ul style="list-style-type: none"> ○ Detailed action plan developed³; ○ Further officer level JET discussion scheduled for 6 July; 	<p>Links to risk/evidence-based supervision approach and E&D activities.</p> <p>Roundtable with employers to be arranged by CILEx preceding CILEx Awards on 6 September</p>
	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"> ○ LSB Board approval (24 May 2018) with positive recommendation to Lord Chancellor; ○ ABS Comms re: LSB decision published on 12 June 2018 <p><u>Note:</u> update on performance against ABS delivery plan attached.</p>	<ul style="list-style-type: none"> ○ Note: Winding up of CCF Ltd update reported to June Board; ○ Intervention arrangements made operational; ○ ABS specific comms and marketing plan agreed by ABS Working Group. Request to raise at Group Board. 	Awaiting CILEx Professional rep(s) for ABS WG.
	A	Implement newly restructured AML supervision in line with Government timetable <u>Note:</u> joint project with CILEx	A	<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); 	<ul style="list-style-type: none"> ○ Joint plan agreed with CILEx for preparation for OPBAS audit scheduled 16 and 17 July 2018. 	Further discussions ongoing with HM Treasury and OPBAS re criminality check

³ Overall impact neutral following Group Board discussion that delays education and standards should follow Group strategy discussion.

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				<ul style="list-style-type: none"> o Inclusion in 2019 PCF maintained for OPBAS regulator fees, provisionally £5k (minimum fee); o Profile developed with OPBAS at April one day introductory visit to support scoping of OPBAS audit of CRL compliance and supervision o Guidance promulgated to regulated entities, via Regulation Matters and on CRL website⁴ (applies to entities and anyone handling client money) as per comms plan (continuous re-promotion required); o Awaiting CILEx proposals to address the need for guidance/practice advice facilities for its members. o 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; 		<p>requirements (Q2).</p> <p>Awaiting CILEx</p>
4. Practical collaboration with other regulators	G	Deliver CMA legal services market study recommendations	G	<ul style="list-style-type: none"> o Proposals for transparency rules and guidance drafted, informal discussion with LSB complete; o Legal Choices redevelopment partner selected in collaboration with co-funding regulators group; 	<ul style="list-style-type: none"> o Issue consultation on Rules and Guidance on 22 June. o Rule proposals to September 2018 Board for agreement ahead of application to LSB for rule approval. 	<ul style="list-style-type: none"> o Subject to LSB approval, comms to entities to be formalised.

⁴ <https://www.cilexregulation.org.uk/risk-management/money-laundering>

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				<ul style="list-style-type: none"> Stakeholder collaborative working continued via Regulators' Forum and bilateral collaborators. Secure validation by interactive Yoshki badge offered to regulated entities (will be mandatory from the point of introduction of transparency rules). <p>Note: update on performance against CMA action plan attached.</p>	<ul style="list-style-type: none"> Yoshki promotion and 'go live' start of Q3. 	
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"> Final consultation proposals reported to May 2018 Board with no comment from new CILEx Finance Committee; Consultation launched for responses by mid-June 2018; Consultation outcomes analysed for report to July 2018 Board and July Finance Committee. 	<ul style="list-style-type: none"> Application to LSB for approval of 2019 PCF scheduled for late July/early August 2018. Non-PCF fees review. 	Prep for 2020 PCF commences
	R	Redevelopment of protocols to fit new CILEx Group Governance structure in order to support compliance with IGR	R	<ul style="list-style-type: none"> Draft response on byelaw changes consultation to Board by 30 June for 11 July submission deadline; Group services catalogue in development for IT, HR, Facilities, Procurement and Finance, awaiting Group Services; IGR compliance operationalised for Group risk, Group strategy, Group finance and Group profile/branding. 	<ul style="list-style-type: none"> Submit response to CILEx consultation Participate in service catalogue roundtables. 	Protocols awaiting re-development. Service Level Agreements envisaged for development with Group Services Company.
	G	Practice rights and entity regulation growth interim	G	<ul style="list-style-type: none"> New CRL website content being finalised; 	<ul style="list-style-type: none"> New CRL website launched; 	

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		objectives, pending consideration of options for re-branding		<ul style="list-style-type: none"> ○ 100% of practice rights growth target for 2018 target achieved by end of Q2; ○ 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; ○ Awaiting PR report from Spencer du Bois, via CILEx. ○ Staff Business Plan workshop identifies profile, branding and promotion as the critical success factors. For discussion Board July strategy. 	<ul style="list-style-type: none"> ○ Entity regulation user engagement day postponed to end Jan 2019. 	
5 cont.	New project	Succession Planning	A	<ul style="list-style-type: none"> ○ Succession Plan raised at May Board 	<ul style="list-style-type: none"> ○ Succession Plan to be drafted 	