

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: Victoria Purtill, Director of Authorisation and Supervision (victoria.purtill@cilexregulation.org.uk)

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

Stuart Dalton, Director of Policy and Enforcement (stuart.dalton@cilexregulation.org.uk)

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	Q2 2018 (April to June)	Priority project	Q3 2018 (July to Sept)	Progress in Q3 2018 (July to September)	Q4 Milestones 2018 (October to December)	Forward look
1. Ensure the needs of the consumer inform all our work	A	July Board Strategy confirmed support for increased consumer activity, proposals will be presented to November Board with a view to commencing activity from January 2019. 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"> Final approval of risk matrix to September Board. 	<ul style="list-style-type: none"> Develop and implement pilot for testing using self-employed members Consider other tools that can be used to support higher risk members 	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)	A	<ul style="list-style-type: none"> Workshop with Silverbear on 13/09/18 <u>Note:</u> Progress on Group procurement of new CRM is reported elsewhere. 	<ul style="list-style-type: none"> Consider other options if CRM unable to deliver to CRL requirements 	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"> Rule change approved by LSB on 20 June. Ongoing dialogue with MHCLG. Continuing to lobby on lender panels; 	<ul style="list-style-type: none"> Ongoing dialogue regarding barriers Continue to identify options to market entity (see separate paper) Consideration of other avenues (e.g. escrow) to mitigate issues 	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"> ○ ATE solution in place and proof of concept underway. ○ Marketing of switching through PIB and Hexagon Legal Network (22 August) 		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"> ○ LSB formal assessment due 13 September 2018) ○ Draft being reviewed by external consultant on 04/09/18. ○ Further meeting with CILEx pending. ○ New strategic aim embedded into Board strategy <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"> ○ External consultant commencing further projects on qualifying employment impact assessment and enforcement function review. 	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"> Detailed action plan developed³; First draft report received, summary included under Education paper. Further officer level JET discussion scheduled for 17/09/18 Detailed action plan by year end. 	<ul style="list-style-type: none"> Research received at end August. Action plan to follow Education standards to be finalised by external consultant Consultation to be issued Final report to be published. November Ipsos Mori to November Board Roundtable with employers TBA 	<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"> Final intervention draft docs received from Blake Morgan, being operationalised by end Sept. <u>Note:</u> Winding up of CCF Ltd update published in the Gazette 	<ul style="list-style-type: none"> Final meeting in November 2018 Sourcing second intervention agent Sourcing forensic investigation training CCF Ltd to be closed Comms on ABS to be developed, noting possible delay to designation 	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"> Positive OPBAS audit feedback 11 September, letter to follow. Criminality checks for those subject to AML regulations resolved with OPBAS. Prospective DBS checks only. 	<ul style="list-style-type: none"> Implement OPBAS feedback to ensure compliance Consideration of use of external to provide critical friend feedback and suggest 	

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"> Frequency of AML comms increased. 	improvements to process	
4. Practical collaboration with other regulators	G	Deliver CMA legal services market study recommendations	G	<ul style="list-style-type: none"> Consultation closed 3 August DP and VP visit LSB 10 August. Rule proposals elsewhere on the Board agenda for September 2018. Draft application submitted to LSB for informal feedback. Final application to be submitted by 30/09. Yoshki now live. Consumer testing HW attending Legal Choices Governance Board and RPIG meetings on 25/09. <p>Note: update on performance against CMA action plan attached.</p>	<ul style="list-style-type: none"> Comms plan to continue with regulated entities ready for 'go live' Prepare entities for CMA rule implementation 	<ul style="list-style-type: none"> Subject to LSB approval, comms to entities to be formalised.
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"> PCF application submitted to LSB on 24 August, 21 day decision. 2020 PCF timetable mapped. Non-PCF fees review under unit cost section of Finance paper. Finance approached for resource to work on regulatory costs modelling (alternatives to PCF model) Headlines identified by Chair in relation to greater independence for discussion at Group Board 	<ul style="list-style-type: none"> PCF fees confirmed and issued to CILEx for subs invoicing 2020 PCF budgeting process underway. Cost modelling work to be commenced re: greater financial separation. 	Prep for 2020 PCF commences

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	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"> ○ Approach from LSB to participate in formal discussions with LSB/CILEx over byelaws and potential significant impact on regulatory arrangements and IGR compliance. ○ Participate in service catalogue meeting on 13/09/18. 	<ul style="list-style-type: none"> ○ LSB IGR consultation expected November 2018. Iain Miller scheduled for advice on new Protocols in collaboration with CILEx. ○ IGR compliance operationalised for Group risk, Group strategy, Group finance and Group profile/branding. ○ Understand impact of additional Group Service (finance/HR) resource on 2020 budget and agree 2019 adjustment with CILEx. 	<p>Protocols awaiting re-development.</p> <p>Service Level Agreements envisaged for development with Group Services Company. Impact on Group Services recharge yet to be determined.</p>
	G	Practice rights and entity regulation growth interim objectives, pending consideration of options for re-branding	A	<ul style="list-style-type: none"> ○ New CRL website content being finalised for end 2018; ○ 100% of practice rights growth target for 2018 target achieved by end of Q2; ○ Marketing update included in paper on the September Board agenda. ○ Spencer du Bois, PR agency, via CILEx stood down. ○ Staff Business Plan workshop embedded by Board into revised strategy and thanks communicated to staff at Sept staff meeting. 	<ul style="list-style-type: none"> ○ New CRL website launched; ○ Entity regulation user engagement day postponed to end Jan 2019. ○ Review of marketing collateral commenced. 	

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5 cont.	G	Succession Planning	A	<ul style="list-style-type: none"> ○ Succession Plan framework annexed to Ops report. 	<ul style="list-style-type: none"> ○ Succession Plan to be developed. 	