

CILEx Regulation Business Plan 2019/20

The quarterly performance summary shows:

- high level progress on key planned business activities to deliver the three strategic priorities in CILEx Regulation's Strategy 2019/2021;
- RAG (Red/Amber/Green) ratings for the last quarter with comparison to previous quarter; and
- Milestones for the year.

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: Stuart Dalton, Director of Policy and Enforcement (stuart.dalton@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

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
BME:	Black and Minority Ethnic
CPD:	Continuous Professional Development
CMA:	Competition and Markets Authority
CRM:	Customer Relationship Management (system)
OPBAS:	Office for Professional Body Anti-Money Laundering Supervision
PCF:	Practising Certificate Fees
SMT:	Senior Management Team
SRC:	Strategic Risk Committee
QE:	Qualifying Employment
WBL:	Work-based learning

Strat Pr	Link Obj	Priority project	Prev Q	Progress in previous Quarter (including current RAG)	Milestones 2019 (January to December)	Forward look
1. To ensure that the needs of the consumer, both current and future, inform our work by:	1,2,3	Instilling a culture of transparency in legal services providers we regulate		○	<ul style="list-style-type: none"> ○ CMA action plan delivery ○ Gap analysis of CMA doc ○ Consumer-led transparent policy development 	
	1,2,3	Extending knowledge of consumer needs and perspectives (Research)		○	<ul style="list-style-type: none"> ○ Research prioritisation ○ Identify plan for maximising research capacity/reach ○ Consumer focus activity plan (Feb 18 Board paper), including no blame culture ○ Training for staff 	
	1,3	Delivering a public register and corporate website that enhances consumers access to justice		○	<ul style="list-style-type: none"> ○ Consumer review of website ○ CILEx to review for members ○ Publication Scheme ○ FAQ section ○ Up-to-date website with leaflets for complainants ○ Clarity and transparency regarding membership roles and grades on the website and via communications 	
	1,2	Collaborating with other regulators on the delivery of the Legal Choices website		○	<ul style="list-style-type: none"> ○ Deliver action plan 	
	1,2,3	Ensuring that consumer impact assessment is core to the development of our regulatory arrangements		○	<ul style="list-style-type: none"> ○ Impact assessment training ○ Protections for vulnerable consumers identified 	

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	1, 3	Transition to a targeted risk-based supervision process for regulated individuals by December 2019 (linked to introduction of new CRM)		<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 .
	1,3	Undertake financial modelling and review fees to achieve a self-sustaining funding model		<ul style="list-style-type: none"> 2020 budgeting process underway. Working Group set up to produce regulatory costs and governance modelling Headlines identified by Chair in relation to greater independence for discussion at Group Board 	<ul style="list-style-type: none"> Cost modelling work to be commenced re: greater financial separation. Working Group produces financial modelling figures and action plan Responding to Internal Governance Rules consultation 	
	1,2,3	Collaboration opportunities with other regulators		<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Explore shared pool of panellists for enforcement function Explore uniformity opportunities in public interest e.g. single Code of Conduct Explore joint working on common quality standards for advocacy and education 	

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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2. To strengthen the diversity of the legal profession and accessibility to legal services by:	2,3	Reviewing the suitability of existing qualifying requirements to identify legitimate opportunities to enhance a diversified workforce whilst maintaining existing standards		○	<ul style="list-style-type: none"> ○ Development of route to authorisation for established Fellows ○ Review of authorisation processes for entity regulation ○ Research and act on research findings ○ Run publicity campaigns celebrating diversity 	
	2	Increase diversity and equality of access in legal services		○	<ul style="list-style-type: none"> ○ Review of Qualifying Employment and other authorisation/supervision activities which may lead to recommendations for change ○ Introduce online application and assessment schemes for individual and entity authorisation by June 2019 ○ Identify best practice on opening access and strengthening diversity in other regulated sectors ○ Look at legal services environment now and in the future to ensure we can deliver diversity/access through legal tech 	

Strat Pr	Link Obj	Priority project	Prev Q	Progress in previous Quarter (including current RAG)	Milestones 2019 (January to December)	Forward look
	2	Delivering entity regulation and ABS licensing through providing support to identify and realise opportunities		○	<ul style="list-style-type: none"> ○ Develop ABS regulatory arrangements subject to delays to Orders caused by Brexit ○ Develop and implement targeted engagement to address anti-competitive practices in relation to entity authorisation including monitoring and annual review ○ Practice rights and entity regulation growth interim objectives, pending consideration of options for re-branding ○ Comms work includes google ad words, direct marketing to CILEx members and opportunities to engage with SRA/CLC regulated practices ○ Identifying potential targets 	
	2,3	Providing a lean, proportionate and supportive regulatory framework whilst ensuring safe standards and oversight		○	<ul style="list-style-type: none"> ○ Internal campaign to identify process efficiencies ○ Lean training for staff ○ Processing-mapping prioritisation and pilots 	
	1, 2	Develop and implement targeted engagement to address anti-competitive practices in relation to entity authorisation including monitoring and annual review		<ul style="list-style-type: none"> ○ Rule change approved by LSB on 20 June. ○ Ongoing dialogue with MHCLG. ○ Continuing to lobby on lender panels; ○ ATE solution in place and proof of concept underway. ○ Marketing of switching through PIB and Hexagon Legal Network (22 August) 	<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 	<p>Barriers work is iterative.</p> <p>Proof of Concept to continue for ATE.</p>

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	2	Comply with revised LSB Diversity Guidance on delivering regulatory objective to encourage diverse provider base		<ul style="list-style-type: none"> o Awaiting feedback to LSB formal assessment submitted Sept 18 o New diversity strategic aim 	<ul style="list-style-type: none"> o External consultant commencing further projects on qualifying employment impact assessment and enforcement function review. 	Actions arising if any, from formal assessment.
	1,2,3	Practice rights and entity regulation growth interim objectives, pending consideration of options for re-branding		<ul style="list-style-type: none"> o New CRL website content being finalised for 2019; o Staff Business Plan workshop embedded by Board into revised strategy and thanks communicated to staff at Sept staff meeting o Implementation of marketing analysis action plan o Review of marketing collateral commenced. o Google Ads 	<ul style="list-style-type: none"> o New CRL website launched; o Entity regulation user engagement day Jan 2019. 	
	1,2,3	Ensuring regulation is objective and not influenced by any unconscious bias or discrimination		<ul style="list-style-type: none"> o 	<ul style="list-style-type: none"> o Independent review of qualifying employment (Understanding causes and solutions to high level of complaints/enforcements against BME regulated community) o Unconscious bias refresher training 	

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3. To promote and uphold the highest standards through:	3	Review of legal education and introducing new standards		<ul style="list-style-type: none"> ○ Draft Education Standards in November Board papers 	<ul style="list-style-type: none"> ○ Develop education standards and review training arrangements to deliver fit for the future regulated community ○ Understanding needs of key communities to change/review product offer ○ Consultation on new education standards, review of responses and development of new rules/policies and procedures to implement revised standards ○ Identify how to build skills needed in optimal future qualifications - Business solutions (problem-solving), IT 	
	1,2,3	Playing a leading role in promoting understanding of new technologies for legal services		<ul style="list-style-type: none"> ○ Oct 18 Legal Tech Board session ○ Seek informal feedback from BEIS ○ Identify who were successful bids 	<ul style="list-style-type: none"> ○ Research for most useful new technologies for legal services ○ Identifying key sources of legal tech development ○ Develop evidence-base to enable a successful tech funding bid in the future ○ Entity survey/research of what technology using/where see technology opportunities ○ Explore setting up a Joint Venture with a tech partner to deliver a new market solution for AI Client services 	

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	1,3	Utilising Regulator resources most effectively through a risk and evidence-based monitoring and enforcement approach		<ul style="list-style-type: none"> o 	<ul style="list-style-type: none"> o Processes developed for enforcement for risk-based regulation o Set Risk appetite o Develop a knowledge bank [see research] o Review of current Quality Assurance, audit & peer review to determine baseline o AML and entity supervision - use of risk frameworks to focus regulation on entities and individuals that pose the greatest risk 	
	3	Introduce online application and assessment schemes for individual and entity authorisation by Dec 2019 (linked to introduction of new CRM)		<ul style="list-style-type: none"> o Workshop with Silverbear on 13/09/18 o <u>Note</u>: Progress on Group procurement of new CRM is reported elsewhere. 	<ul style="list-style-type: none"> o Consider other options if CRM unable to deliver to CRL requirements 	Remains prioritised for implementation in Phase 1 - go live expected May 2019 ² .
	1, 3	Address OPBAS findings		<ul style="list-style-type: none"> o Drafted action plan to address audit findings 	<ul style="list-style-type: none"> o OPBAS Action Plan implementation 	
	1,3	New group governance arrangements / greater independence		<ul style="list-style-type: none"> o Group Chairs programme approval o Working Group set up 	<ul style="list-style-type: none"> o Implementation Plan produced by Apr 19 o Plan implemented to timescales o Protocols provided (if relevant) 	
	1,3	Customer service standards		<ul style="list-style-type: none"> o 	<ul style="list-style-type: none"> o Review standards o Publicising standards to staff and public o Monitoring and reporting mechanisms embedded 	

² Originally scheduled for February 2019

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Strategic operations key projects	3	CRM		○	○ Extension of annual return/audit of firms to include assessment of implementation of transparency rules.	
	1,2,3	Communications and Engagement		○ SMT Away Day initial strategy work	○ Produce Communications & Engagement Strategy ○ Identify key messages / compelling narrative ○ Communications plan (and education) to engage with firms on implementation and further development of areas of practice	