MEETING DATE: **15 July 2020**

REPORT TITLE: **ITEM 6 – Strategic Performance, Risk and Operational Report**

APPENDIX: **2 – Business Plan**

CILEx Regulation Business Plan 2020

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;
- ➤ Text in grey has been completed
- ➤ 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.harpersmith@cilexregulation.org.uk)

Key:
Red: Activity not progressed or on hold
Amber: Activity partly progressed milestones partly met
Green: Activity progressing as planned with milestones achieved
Purple: Activity highly reliant on external entities/factors to deliver, not directly in our control

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 Priority	External	Priority project	Status	Progress in last Quarter (including current RAG)	Milestones 2020 (January to December)	Focus for next quarter
To ensure that the needs of the consumer, both current and future, inform our work by: 1.		Instilling a culture of transparency in legal services providers we regulate		o 16 weeks Immigration transparency consultation closes 31 July 2020. o CMA attending next Regulators Forum mtg, which CRL are chairing	o CMA action plan delivery o Rolling out transparency to immigration in 2020 o Assisting CMA in their review o Support work on a single digital register	o Subject to immigration transparency consultation outcomes, proceeding with transparency measures o Assessing LSCP research findings and recommendations on quality indicators
		Extending knowledge of consumer needs and perspectives (Research)		o The IRN research: first draft received and on track for October launch o Recruitment of a Consumer Manager will be considered after an internal discussion around areas of work to be covered and cross over of work from existing staff. Also dependent on financial forecast following impact of covid-19.	o IRN consumer research o Recruiting a Consumer Manager o Share findings with CMA and LSCP and other relevant stakeholders	o IRN research to be developed to include focus groups ready for launch in October 2020. o Decision on recruitment of a Consumer Manager.
		Delivering public directories (entity and individual) that enhances consumers' access to justice		o Practitioner Directory - the amendments requested have been made re speed. We are unlikely to get significant functionality changes (e.g. search by postcode). o Entity Directory - approved at One CILEx Programme Board	o Entity directory fed from CRM o Finesse the practitioner directory following CRM roll-out	o Completed Practitioner directory next quarter o Entity Directory progressing scope

Strat Prior ity	Exte rnal	Priority project	Prev Q	○ Progress in Quarter (including current RAG)	Milestones 2020 ○ (January to December)	○ Focus for next quarter
To ensure that the needs of the consumer, both current and future, inform our work by: 1.		Collaborating with other regulators on the delivery of the Legal Choices website		○ Significant Board discussion ○ PLE BSB discussions	○ Deliver RPIG action plan ○ Produce a cross-regulator joint disciplinary record ○ Marketing activity to consumers	○ Clarity over funding mechanisms after first 3 year agreed funding ends ○ Clarify lead role for Legal Choices ○ Seeking measures of success from the Legal Choices Board
		Collaborating with other regulators to produce a single digital register		○ No change given other regulators preference for Legal Choices upload solution over a single digital register [therefore no RAG rating]. Keeping on awaiting CMA report	○ Working with other regulators for agreement	○ Working with other regulators for agreement
		Rolling out public legal education priorities beyond Legal Choices		○ PLE Roundtable jointly with CILEx in October - exploring online conferencing options	○ Alternative public legal education options developed (from Board deep dive) ○ Public Legal Education and Consumer round-table ○ Follow-up with APPG for booklet with MPs	○ PLE Roundtable being built for Oct
		Transition to a targeted risk-based supervision process for regulated individuals (linked to introduction of new CRM)		○ May Board agreed risk-based in principle Covered in the Standards deep dive paper ○ Development of risk matrices being scoped with Silver Bear	○ Consider other tools that can be used to support higher risk members ○ Risk matrices ○ LSB call for evidence on ongoing competence will inform supervisory tools utilised	○ Awaiting implementation of risk matrices on CRM One CILEx Board agreed the development, so CRL expects progress update in the next quarter.

Strat Prior ity	Extn eral	Priority project	Prev Q	o Progress in Quarter (including current RAG)	Milestones 2020 o (January to December)	o Focus for next quarter
		IGR compliance and greater regulator independence		o 17 June NEDs Steering Group agreed ready to send to Boards for sign-off	o Both CRL and CILEx Board's sign-off compliance certificates before July deadline o LSB positive IGR performance assessment o Evidence Plan for LSB o Contract for support services signed o Protocols produced	o IGR compliance certificate sent to LSB o Start scoping Phase 2 independence
2. strengthen the diversity of the legal profession and accessibility to legal services by:		Implementing changes to qualifying requirements to enhance a diversified workforce whilst maintaining existing standards		o Rule change to July Board Paper to July Board for entity o Paper to July Board for entity for Fellows	o Rule change submission for standards o Review of authorisation processes for entity regulation o Proposal of extending Entity to Fellows	o Acting LSB feedback
		CRM captures accurate and up-to-date member diversity data (that provides the insights for strategic development and monitoring of the impact of activities designed to deliver the diversity objective)		o Member survey results published in June o CILEx have made diversity on CRM a phase 3 project [clarifying with CILEx the timeline]	o Transition from survey approach to capturing information at joining/renewal/key moments o CRM captures statutory E&D data o CRM captures data needed for strategic objective insights o Diversity Working Group develops insights from data to develop actions to deliver the strategy o Diversity Group develops KPIs to assess the effectiveness of actions o Comms campaign with members to demonstrate why data collection is important	o Diversity Working Group starts developing insights data to develop actions to deliver the strategy o Clarifying with CILEx the timetable to ensure it meets CRL and LSB expectations

Strat Priority	Exte rnal	Priority project	Prev Q	Progress in Quarter (including current RAG)	Milestones 2020 (January to December)	Focus for next quarter
		Delivering entity regulation and ABS licensing through providing support to identify and realise opportunities		o Content design completed (awaiting upload to website) o Apr 20 letter from LSB Chair acknowledging LSB commitment to addressing barriers	o Section 80 order o ABS launch event booked Feb 2020 o Develop KPIs (what success looks like) o Contribution to CILEx Group comms o Develop and implement targeted engagement to address anti-competitive practices in relation to entity authorisation including monitoring and annual review. o Develop innovation sandbox policy subject to Board approval	o To be discussed at ABSWG in April including marcomms with Harvey o Some delay to launch owing to lockdown o Sandbox policy developed
strengthen the diversity of the legal profession and accessibility to legal services by:		Deliver the LSB's four diversity outcomes (the Board can see these on the E&D action plan)		o Response sent to LSB for 4 LSB outcomes June o Agreement Panellist diversity details added to CRM once CRM allows this	o Best practice on opening access and strengthening diversity in other regulated sectors added to Research Plan o Collaborating to ensure the data collected by individual regulators is similar across the legal workforce o Agree with CILEx via the EDI Group the best way of achieving Outcome 4: Accounting to stakeholders on progress	o Identify a plan for achieve compliance for the LSB's new Enforcement equality requirement [reliant on CRM changes] o Action plan updated/ developed following LSB diversity assessment
2.		Improving social mobility and greater diversity throughout regulated members [this will take longer than 2021 to deliver]		o Social mobility data action plan just awaiting CP confirmation o Member survey analysis identified some improvement in social mobility in recent years	o Agreeing baseline data to enable social mobility/greater diversity progress o Starting to capture data o Working with CILEx to identify activities to deliver this ambition o Prioritise relationships with lawyer groups representing protected characteristics o Comms campaign for social mobility o Develop KPIs/measures for social mobility to enable assessment of progress	o Social mobility action plan signed off by respective Exec Groups

Strat Priority	External	Priority project	Prev Q	Progress in Quarter (including current RAG)	Milestones 2020 (January to December)	Focus for next quarter
strengthen the diversity of the legal profession and accessibility to legal services by: 2.		Female equality of opportunity in relation to progression, parity and entrepreneurship		o Female parity the main agenda item for July EDI Group o Member survey analysis identified disappointing progress regarding female parity in the legal profession in recent years	o Agreeing baseline data to enable social mobility/greater diversity progress analysis and measures o Starting to capture data o Working with CILEx in EDI Group to identify activities to deliver this ambition o Comms campaign for female o Prioritise relationships with lawyer groups representing those with relevant protected characteristics o Develop KPIs/measures for social mobility to enable assessment of progress	o Brainstorm on female parity activities for next EDI Group
		Align diversity approaches to maximise delivery of respective CRL and CILEx EDI objectives		o EDI Group agreed initial high level priorities (that align with CRL's Board's priorities)	o EDI Group agree priorities o EDI Group agree an Action Plan to deliver the agreed priorities (what we aim to deliver) o Respective CILEx and CRL approval of the identified priorities o Start delivering the actions in the Action Plan set for 2020	o Awaiting insights work on social mobility and female parity first

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To promote and uphold the highest *[member]* standards through: 3.		Contributing to understanding of new technologies and innovation for legal services [July 19 Board steer - accessibility activities should focus on what is within CRL's direct gift to influence including fostering technology skills within qualifications and entity growth]		o Technologies paper to May Board o Technologies paper to July Board	o Identifying key sources of legal tech development o Entity survey/research of what technology is being used/where firms see technological opportunities o Look at legal services environment now and in the future to ensure we can deliver diversity/access through legal tech/innovation in legal services o Analysing the LSB's research papers	o A design sprint is planned for September which would consider what developments in AI would mitigate risks in conveyancing. The outputs of this meeting were to provide a basis for applying for the regulators' pioneer fund. CRL is investigating to likelihood that this meeting will proceed
		Enforcement minimum standards agreed		o Enforcement covered in standards paper to May Board following, Enforcement improvements paper to Feb 20 Board	o Enforcement improvements paper to Feb 20 Board o Agreeing minimum standards with CILEx o Rule changes drafted and consulted on o Rule change submission to LSB [may be early 2021]	o Covered in risk-based enforcement below
		Risk-based Enforcement		o Board in May endorsed risk-based approach.	o Enforcement improvements paper to Feb 20 Board o Processes developed for enforcement for risk-based regulation o Rule changes drafted and consulted on o Rule change submission to LSB [may be early 2021]	o Rule change consultation on remote enforcement panels and 3x3 panel terms o Wider Rule changes likely to go into 2021 given breadth of changes

Strat Priority	External	Priority project	Prev Q	Progress in Quarter (including current RAG)	Milestones 2020 (January to December)	Focus for next quarter
Strategic operations key projects		Ensuring financial sustainability for CRL in light of significant change projects (independence, CPQ; Membership proposed grade changes; CILEx strategy and PCF changes)	(amber)	o CILEx verbal agreement that CRL can create Fellows without prior membership or CPQ o Risks related to later PCF timeline flagged with CILEx CEO and CEO understood and accepted the risks o IGR sign-off is due	o Financial modelling to Board o Reserves Policy (linked to PCF LSB review) o PCF work on permitted purposes	o Actions inter-related to the change to PCF timeline are completed
		CRM	(red)	o Remaining red due to deadline passed	o CRM P1 functionality improvements o P2s rolled out o Member journey project o Database developed to address limitations	o Ability to open prior conduct for September. Pressure being put on CILEX to ensure any changes to the prior conduct / subscription process is fully tested and implemented by 1st September.
		Communications and Engagement account management approach [subject to Board approval]	(green)	o Comms discussion planned for Sept Board	o Recruit maternity cover Digital Comms Co-ordinator role o Specification for central CILEx comms support needs o Early engagement with new BD Director	o BD Director - invited to attend Sept Board [unable to attend July Board]
		Relations with CILEx (to enable effective joint working/initiatives to help CRL fulfil its role in improving and protecting member standards)	(green)	o Put as green given best relations for a while but still a work in progress o IGR and Business continuity work has helped with relations	o CPQ Programme Board o Agree way of measures for progress o Explore liaison arrangements o Finalise new protocols o Contract with dispute resolution clause o SLAs for membership, quals and marketing o OLAs sitting under the PCF permitted purposes	o First NEDs Steering Group post IGR go-live in Sept o Measurement: monitor progress on agreed joint projects and joint comms

Strat Priority	External	Priority project	Prev Q	o Progress in Quarter (including current RAG)	Milestones 2020 o (January to December)	o Focus for next quarter
Strategic operations key projects		Strategic KPIs for Board to be able to measure progress of the strategic objectives		o Progress presented to Feb Board o SMT recommendation that measures of success are developed alongside development of the 2022-24 strategy	o May Strategy Day consider strategic focus on core business o Identify any gaps in core/critical business functions reporting o Seeking agreement for a CILEx-wide Information Management strategy/approach	o Await feedback from Board on new KPIs o Link with future strategy work
		Measuring customer experience/satisfaction		o Feedback surveys for PAS, Entity and Enforcement services produced o Managers meeting agreed to postpone rollout due to COVID and needing to divert resources	o Monitoring and reporting mechanisms embedded o Survey Enforcement and PAS teams service users and analysis o Building a first year of data to enable analysis o Incorporate website feedback into customer experience analysis	o Q4 roll out
		Develop Rule change processes for new LSB requirements		o LSB introduced new process for Rule changes o We will have a better understanding of the process after submissions feedback	o Develop regulatory impact assessment template	o Assess if any changes are required to our processes in light of LSB feedback to initial Rule change submissions e.g. template to be filled out for each Rule change submission and including a mapping table