

REPORT TO: CILEx REGULATION BOARD

FOR: DISCUSSION

DATE: 23 FEBRUARY 2021

REPORT TITLE: Strategic Performance, Risk & Operational Report

SUBMITTED BY: Stuart Dalton, Director of Policy, Governance & Enforcement
Vicky Purtill, Director of Authorisation & Supervision

PURPOSE OF REPORT:

1. For Board to consider strategic objective delivery, performance, and risk alongside significant operational developments as a whole to, maximise integrated consideration.

HIGHLIGHTED MATTERS:

2. Renewal levels are positive. At the time of drafting SMT's view is income will meet projections. Latest renewals numbers and impact on income will be provided at the Board.
3. Key matter to highlight and discuss are:
 - Availability of professional indemnity insurance for entities
 - CRM contractual and governance changes
 - The impact of the published PCF rules
 - Coronavirus and its impact on staff, particularly with protracted lockdown and challenges for parents

Strategic Dashboard – Business Plan Delivery

4. The Strategic Dashboard (**Appendix 6.1**) provides a high-level progress and exceptions report for the 2021 Business Plan (**Appendix 6.2**). The Business Plan has been updated following the CMA and LSB Strategy and the Board are asked to consider if there are any further additions/changes to the Business Plan.

Risk Section

5. The Risk Register (**Appendix 6.3**) sets out only the top risks. SMT have reviewed the top risks on the Heat Map (**Appendix 6.4**). The complete risk register can be viewed on SharePoint.



6. One top risk has been separated into two risks at the November Board's request so that the coronavirus impact on Entities/ABS can be considered in its own right. There are no other new top risks. However, one risk is highlighted to the Board as an enduring unresolved risk given the bank transfer highlighted the risk: Lack of dedicated non-conflicted strategic financial planning expertise for CRL and financial risk management.
7. Two previous top risks have been removed from the risk register entirely due to the excellent work to fully mitigate the risks in the last year, with considerable assistance from the Board: 'Lack of buy-in from CILEx to our diversity strategic objective' and 'Limited member data'.
8. Two new risks have been added to the register but are not top risks: 1) Delivery of CMA report (quality indicators and single digital register); 2) Anti money-laundering - Capacity to deliver AML and disproportionate use of resources given the small number of entities.
9. Whilst the full risk register is on SharePoint, the Board has not discussed the full risk register since the decision to just present the top risks to the Board a year ago. Therefore, it is proposed that the full risk register is included in Board papers for fuller discussion at the May meeting for good practice and ensuring effective Board oversight of all risks. It is proposed that the Board review the full risk register annually going forward.

RECOMMENDATION:

- To **NOTE** the report and consider matters that require further discussion.

APPENDICES:

Appendix 6.1: Strategic Dashboard

Appendix 6.2: Business Plan

Appendix 6.3: Risk Register

Appendix 6.4: Risk Heat Map

Appendix 6.5: Operational Report

Appendix 6.6: Performance report

Appendix 6.7: Practice Rights and Entity Dashboard