

MEETING DATE: 11 MAY 2021

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

APPENDIX: 2 – Business Plan

CILEx Regulation Business Plan 2021

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 are milestone that have 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 or on target

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

APPENDIX 1: 2021 Business Plan

Strat - Priority	Ref / External	Priority project	Status	Progress in last Quarter (including current RAG)	Milestones 2021 (January to December)	Focus for next quarter
1. To ensure that the needs of the consumer, both current and future, inform our work by:	A1	Instilling a culture of transparency in legal services providers we regulate	CB	<ul style="list-style-type: none"> Agreement to proceed with transparency rules for immigration now the CMA report has been published LSB agreeing to lead on QIs 	<ul style="list-style-type: none"> LSB decision on its role and policy post CMA review 2020 recommendations New CMA action plan (pre and post LSB decision) delivery Rolling out transparency to immigration Assessing research findings and recommendations on quality indicators 	<ul style="list-style-type: none"> Submit Immigration Transparency Rules to LSB. Expected in next 2 weeks Progress work on Quality Indicators with other regulators. Submission to LSB on Quality Indicators April 2021
	A2	Collaborating with other regulators on the delivery of the Legal Choices website	CB	<ul style="list-style-type: none"> Clarity over funding mechanisms after first 3 year agreed funding ends Roll out of disciplinary records integration on Legal Choices website. Confirmed delivery plan following agreement of costs for 2021 	<ul style="list-style-type: none"> Finalising plan for 2020/2021 including agreement of budget and costed delivery plan (Development of site content, products, evaluation: user feedback, dashboard) Clarify lead role for Legal Choices Measures of success agreed by the Legal Choices Board Single digital register 	<ul style="list-style-type: none"> Update on progress of Legal choices expected at Governance Board meeting in April 2021.
	A3	Rolling out public legal education priorities beyond Legal Choices	CB	<ul style="list-style-type: none"> Discussed collaborative activity with other regulators. 	<ul style="list-style-type: none"> <i>To be developed</i> 	<ul style="list-style-type: none"> Discuss with BSB further collaboration on PLE. Agree whether further staff resource is needed in this area.
	A4	Transition to a targeted risk-based supervision process for regulated individuals (linked to introduction of new CRM)	VP	<ul style="list-style-type: none"> Risk data being collected with renewals for the first time 	<ul style="list-style-type: none"> Consider other tools that can be used to support higher risk members Risk data collected with renewals Application form and fields to be agreed by CRL to enable data survey to be released. Risk matrices Embedded 	<ul style="list-style-type: none"> Review collected data from renewals Awaiting finalisation on risk matrices in the CRM, currently with SilverBear.

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2. strengthen the diversity of the legal profession and accessibility to legal services by:	B1	Implementing changes to qualifying requirements to enhance a diversified workforce	VP	<ul style="list-style-type: none"> Currently tendering 	<ul style="list-style-type: none"> Education Standards rule approval Review of authorisation processes for entity regulation Proposal of extending Entity to Fellows Gaining CILEx buy in to marketing entities from a diversity perspective 	<ul style="list-style-type: none"> Education standards application – submitted 26 March, extension issued by LSB – final decision expected by 23 June. Assessment organisation appointed – Awaiting final decision from Board May Board will consider Entity for Fellows, review of entity auth processes. Links with diversity point
	B2	Delivering entity regulation and ABS licensing through providing support to identify and realise opportunities	VP	<ul style="list-style-type: none"> See top issues for PII risk 	<ul style="list-style-type: none"> Develop KPIs (what success looks like) Contribution to CILEx Group comms Develop and implement targeted engagement to address anti-competitive practices in relation to entity authorisation including monitoring and annual review. Put marketing plan in place with targets based on marketing activity 	<ul style="list-style-type: none"> Assess if market opens now SRA firms have renewed PII issue outlined on risk register. Review of PII will be covered on May Standards Review for Board. Still some issues for some firms on premium changes – for discussion at the May Board.
	B3	Deliver the LSB's revised diversity outcomes and be rated by the LSB as achieving EDI outcomes that are within CRL's gift	SD	<ul style="list-style-type: none"> EDI action plan drafted Meeting with Jonathan and Alice and desire to develop an EDI strategy (see Ops report) 	<ul style="list-style-type: none"> A new EDI action plan is developed for the LSB's new revised outcomes CILEx detailed EDI member survey Encouraging LSB improving diversity/removing barriers as a key objective in their 2021-24 strategy Amend action plan in light of LSB State of the Nation Revise EDI governance reporting structures 	<ul style="list-style-type: none"> EDI strategy discussion as part of broader strategy discussion EDI action plan finalisation

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strengthen the diversity of the legal profession and accessibility to legal services by:	B4	Align CILEx/CRL diversity approaches to maximise delivery of respective CRL and CILEx EDI objectives	SD	<ul style="list-style-type: none"> ○ CILEx manifesto aligns with CRL's EDI goals – manifesto launch planned for CILEX AGM ○ Simon Garrod advised no agreement for dedicated resource/staff for EDI in CILEx 	<ul style="list-style-type: none"> ○ Formalise governance/ structure now we have cultural buy in with CILEx ○ Contribute to CILEx's EDI Strategy development ○ EDI covered in CRL and CILEx Board to Board in 2021 ○ Embed CRL contributions to newly formed EDI NEDs Group 	<ul style="list-style-type: none"> ○ Finalising CRL strategy incorporates EDI and what is CRL and what is CILEX
	B5	NEW 2021: Building a reliable understanding of the <u>full</u> diversity profile of the regulated community and internal decision-making groups	SD	<ul style="list-style-type: none"> ○ Lapsing of membership has been pushed back by CILEX until May ○ Testing of EDI reporting has identified further support is needed to produce the EDI whole member report 	<ul style="list-style-type: none"> ○ Produce first ever full membership composition (and therefore diversity) of regulated community ○ Agree plan to re diversity on the Board ○ Recruitments target diversity applications ○ Explore affordable ways to remove EDI identifiers in recruitment applications ○ Amending EDI data to reflect cross-sector data fields determined by the LSB (once produced by the LSB) 	<ul style="list-style-type: none"> ○ Initial whole member survey report will identify if any significant differences with 2019 survey data
	B6	NEW 2021: Understanding the barriers to entry and progression within our regulated community and develop a programme of initiatives to mitigate/break down identified barriers with measures in place to evaluate effectiveness	SD	<ul style="list-style-type: none"> ○ CILEx aim to complete their membership survey in May so that the findings are ready in time for July AGM ○ EDI CRM reporting has been tested and support is needed from CRM experts to produce the reports we need. This support has been agreed with CILEX 	<ul style="list-style-type: none"> ○ Membership survey with free text to identify barriers and potentially solutions ○ CILEx membership survey analysis ○ Using CRM, cross-compare regulatory outcomes with EDI characteristics to identify any significant unexplained differences [will require build up of data on CRM – likely to need to stretch into future years to build up meaningful data] 	<ul style="list-style-type: none"> ○ June Regulators Forum to discuss next steps on EDI collaboration [where we need cross-sector support to address progression barriers]

					<ul style="list-style-type: none"> ○ User feedback survey to seek feedback on EDI barriers and use within work to identify solutions to issues identified ○ Develop an action plan to address entry and progression barriers – particularly for priority areas: BAME, gender, social mobility ○ Diversity Group develops KPIs to assess the effectiveness of actions ○ designing evaluation approaches which assess impact and monitor progress over time 	
	<p>B7</p>	<p>NEW 2021 Measures in place to understand any differential impact on protected characteristics within their disciplinary/enforcement procedures and then mitigation activities</p>	<p>SD</p>	<ul style="list-style-type: none"> ○ We have started manually capturing this data in enforcement. It will take time to build up an understanding within misconduct due to low numbers of misconduct cases ○ Feedback obtained from other regulators on a disciplinary database 	<ul style="list-style-type: none"> ○ Build disciplinary section on CRM (or alternative database plug in to CRM) ○ Build means of capturing data manually in the meantime ○ Analysis of disciplinary findings update to Board ○ Prior conduct analysis ○ Ensure EDI data captured for all relevant people to be able to demonstrate diversity e.g. panels ○ Unconscious bias training for panellists 	<ul style="list-style-type: none"> ○ The annual report to July Board to include differential impact where we have built up sufficient data [this may be confidential for Board eyes only due to low numbers making individuals identifiable]

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3. To promote and uphold the highest [member] standards through:	C1	Contributing to understanding of new technologies and innovation for legal services	VP	<ul style="list-style-type: none"> Discussion with other regulators and DCMS on digital ID Meeting attended on future of the regulators' pioneer fund Regular meetings co-ordinated by the regulatory representation unit 	<ul style="list-style-type: none"> Identifying key sources of legal tech development Analysing the LSB's research papers Take forward outputs from design sprint to develop into Regulators Pioneer Fund bid in conjunction with SRA and CLC. Publishing outputs to see if there are companies that would like to take up the challenge irrespective of funding fostering technology skills within qualifications and entity growth] 	<ul style="list-style-type: none"> Meeting tech start ups through regulatory response unit and ID opportunities to work with them on other solutions (e.g. Legal Utopia & comparison tool) Working with SRA/CLC on outcomes of design sprint Working on Digital ID with DCMS
	C2	Risk-based Enforcement	SD	<ul style="list-style-type: none"> Schedule to LSB advises submission end of 2021 – the Investigation Manager leaving may impact on the timeline 	<ul style="list-style-type: none"> Rule change submission to LSB [timescale dependent in supervision risk matrices work Risk-based scoring system embedded 	<ul style="list-style-type: none"> This is not time critical and waiting for risk matrices work
	C3	NEW 2021 Risk-based supervision	VP	<ul style="list-style-type: none"> Testing on the risk matrices has been completed and feedback has been provided to Silver Bear 	<ul style="list-style-type: none"> Develop options to enhance supervision of regulated community through increased understanding of individual risk profiles Link to LSB's review of ongoing competence Develop rule changes to introduce new supervisory tools Understanding risk profiles of regulated community once practitioner risk matrix live in CRM 	<ul style="list-style-type: none"> Undertake initial analysis of collected data and include as part of May Standards Review. See update above, waiting to hear from silver bear about final release of risk matrices. Working with Barbri and Sean Hutton to develop the youth court competencies for the QASA rule change Working with SRA and BSB on coroners' court competencies.

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Strategic operations key projects Strategic operations key projects	D1	Ensuring financial sustainability for CRL in light of significant change projects (<i>reserves; PCF application process etc</i>)	VP/ SMT	<ul style="list-style-type: none"> ○ A latest position on renewal numbers will be provided at the May Board ○ Actions to address LSB PCF requirements e.g. reserves policy – meeting in for 23 April re reserves. Draft 2022 PCF budget in May papers 	<ul style="list-style-type: none"> ○ Reserves Policy (linked to PCF LSB review) ○ PCF work on permitted purposes / feed modelling ○ Review PCF revised timetable in light of LSB proposals and risks around application refusal. ○ <i>Update milestones following outcome of LSB consultation</i> 	<ul style="list-style-type: none"> ○ Documented process agreed by both CRL and CILEX over financial delineation/separation for CRL finances for key areas ○ Carried forward awaiting appointment of new CILEX CFO – meeting on 23 April to discuss reserves and PCF timetable etc.
	D2	CRM	SMT	<ul style="list-style-type: none"> ○ CILEX asking that prior conduct is moved and rebuilt – which is be a duplication and resource drain but may improve the functionality of the system ○ Weekly SMT catch ups with CILEX's CRM lead Tacy, which is helping 	<ul style="list-style-type: none"> ○ P2s rolled out ○ Online applications to carry over into 2021 ○ Database developed to address limitations ○ Disciplinary database built 	<ul style="list-style-type: none"> ○ Agreement on the prior conduct new CRM area timeline ○ Decision on whether to build a separate misconduct database or as part of CRM ○ P2s for final sign off (entity directory, risk matrices and WBL portfolio) ○ Working with CILEX to incorporate the CRL roadmap items into CILEX CRM work (includes online applications, collection of PCF from entity and practitioner etc) ○ Requirements for CPD compliance to be agreed and completed.
	D3	Communications and Engagement account management approach	CB	<ul style="list-style-type: none"> ○ SMT view not to market entity at the moment given PII challenges 	<ul style="list-style-type: none"> ○ Practice rights marketing ○ Entity marketing 	<ul style="list-style-type: none"> ○ Focus on practice rights ○ Some social media messaging going out.

				<ul style="list-style-type: none"> o <i>EDI comms & engagement plans identified following action plan & analysis of broader EDI</i> 	
D4	Strategic KPIs for Board to be able to measure progress of the strategic objectives	SD	<ul style="list-style-type: none"> o The Destination statement as part of the strategy is the first step in identifying useable/relevant KPIs 	<ul style="list-style-type: none"> o SMT recommendation that measures of success are developed alongside development of the 2022-24 strategy as part of Board strategy discussion 	<ul style="list-style-type: none"> o Complete the Destination Statement o Develop draft KPIs arising from the Destination Statement for the Board to review
D5	NEW 2021: Develop Rule change processes to meet new LSB requirements	SD/VP	<ul style="list-style-type: none"> o Proposed internal QA process for rule change applications included in the Annual Governance Review o Improving the rule change process was made an objective for Vicky and Stuart 	<ul style="list-style-type: none"> o Assess if any changes are required to our processes in light of LSB feedback o Review LSB updated guidance o Creating a procedure for putting applications together o Develop regulatory impact assessment template 	<ul style="list-style-type: none"> o Implementing finalised rule change QA and accountability changes
D6	NEW 2021: Develop policy positions for key matters (e.g. Mayson; LSB approach)	CB/SD	<ul style="list-style-type: none"> o The LSB sector-wide strategy gives us a clear steer to help our focus o The Strategy is the current focus. Once that is finalised we will look at developing policy positions for any matters not covered by the strategy 	<ul style="list-style-type: none"> o Board strategy session o CRL/CILEx Board to Board o Document listing all policy positions o Develop 2022-24 strategy 	<ul style="list-style-type: none"> o Criminal Defence position will be put to May Board as an example of issues that impact both reg community and consumers. o Issues that affect our regulated community policy positions
D7	NEW 2021: Effective working with CILEx	SMT	<ul style="list-style-type: none"> o A positive contract management meeting with CILEx in March o IGR NEDs mtg just prior to Board [after this document was finalised] o CILEX searching for new premises 	<ul style="list-style-type: none"> o OLAs sitting under the PCF permitted purposes o Post-COVID working arrangements o IGR compliance 	<ul style="list-style-type: none"> o Meeting with CILEX Marketing wit discuss shared services activities. o Continued discussions about future of CILEX working arrangements and premises.

	D8	NEW 2021: Reviewing the PCF process, timetable and policy	VP	<ul style="list-style-type: none"> ○ LSB has not altered its approach significantly in light of regulator feedback (including CRL) ○ Joint CILEX/CRL meeting provided some helpful clarifications on the application process for 2021. ○ CILEX has decided not to change its share of permitted purposes for 2021 	<ul style="list-style-type: none"> ○ PCF timetable amended in light of 2020 experiences 	<ul style="list-style-type: none"> ○ Contract management after Board to raise PCF timetable ○ Regular meetings required with CILEX to progress the PCF application for 2021
	D9	NEW 2021: Collaboration and joint working with the other regulators	SD/ CB	<ul style="list-style-type: none"> ○ Positive Regulators Forum discussions on collaboration with agreement to explore collaboration possibilities for 5 areas (Research; EDI; Legal Tech; Shared Services; Ongoing Competence) ○ LSB Chair's letter on collaboration (discussed at 13 April Teleconference) ○ Ongoing joint working at operational level for the benefit of the consumer (e.g. competencies for coroners' court advocates). 	<ul style="list-style-type: none"> ○ Agreed areas of collaboration with other regulators identified 	<ul style="list-style-type: none"> ○ Firming up next steps depending on Board decisions as part of the new strategy ○ Meetings being held by CEO/Chair with a number of regulators to see where joint activities could be developed.