

Date	12 May 2026
Item	05.00
Title	Annual Review of Governance Framework
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Purpose	This paper reviews key governance documents and processes to ensure that they remain fit for purpose and meet best practice
Recommendation	The Board is asked to NOTE the report and CONSIDER and AGREE the governance changes proposed and any others required in light of the report and the Board's discussions at its strategy session.
Timing	As set out in the paper, as required
Impact assessment	Set out below
Impact on Regulatory Objectives	The assurance provided by this report has a positive impact on the following regulatory objectives: <ul style="list-style-type: none"> - Public interest - Consumer interest - Access to Justice - Rule of Law - Professional Principles
Implications for resources	No additional resource implications.
Impact on consumer empowerment	The regular review of governance arrangements assists in the promotion of consumer empowerment.
Impact on ongoing competence	N/A
For publication	Yes
Appendices	05.01 draft standing orders 05.02 draft board and panel periods of appointments

Background

1. It is a good governance measure to review at regular intervals key governance documents to ensure they remain fit for purpose and reflect best practice. These documents were last reviewed and updated by the Board in May 2025.
2. The following governance documents were reviewed:
 - [Board member Code of Conduct](#)
 - [Schedule of matters reserved to the Board](#)
 - [Standing Orders](#)
 - [Governance Transparency Policy](#)
 - [Board, committee and panel periods of appointment](#)
 - [Expenses Policy](#) (all non-executive roles)
 - [Board member Appraisal Arrangements](#)
 - [IGR Dispute Resolution Annex](#)

Governance review

3. This review helps achieve the transparency and public accountability element of the consumer objective and underpins CRL's performance in accordance with the LSB's regulatory performance framework, particularly the well-led standards.
4. No significant governance matters have arisen during the year. However, following the Board Effectiveness Review, the Board agreed that Chief Executive should formally be appointed a Board member and that provision be made for an associate Board member to attend the Board. As set out at Para 9a of this document, amendments are proposed to the Standing Orders to enable changes. An additional change to Paragraph 4 of the Board, Committee and Panel Periods of appointments is proposed for the sake of consistency.
5. In our review, we also noted that nominations panels for Board recruitment usually includes an independent member. This is considered best practice – and something CRL has adhered to in the past. We have therefore proposed changes to the Standing Orders to make this clear as set out at Para 9a.
6. Additionally, following the successful round of Panel recruitment conducted in 2026, the Board asked whether Panel members can join the Board. Currently, Paragraph 17 of the Board, Committee and Panel Periods of appointments states that: "A person who has served as a member of a CILEx Regulation Committee, Panel or Trust Fund will be eligible to make an application and serve on the CILEx Regulation Board without any time having elapsed between the respective appointments. A person may not serve in two capacities at the same time." The Board may consider making a minor change to the start of the paragraph to enable existing panellists to apply to future Board roles.
7. Review of the Board, Committee and Panel periods of appointments, has highlighted that Paragraph 16 prevents panellists from moving between panels should the need arise. This prevents CRL from retaining qualified and experienced panellists and deploying them where needed. We propose to remove this paragraph from the document. Paragraph 17 already prevents panellists from serving on two panels at the same time.

8. Issues discussed at the Board's strategy session may also inform the review of the governance framework.

Governance documents review

9. The following amendments are proposed:

a. **05.01** Draft amended Standing Orders

i. Amendment to 55 and 55 e):

- to make it clear that the Chief Executive role is a Board role
- to make clear that if the need arose, the Chief Executive would be excluded from any decision to remove them from post by the Board.

ii. Insert a new paragraph at 56:

- To enable the Board to appoint an associate member for a period of up to three years and to clarify that this role is not a full Board position with associated rights and responsibilities.

iii. Amendment to 54 c):

- To set out that any appointments panel should include an independent member.

b. **05.02** Draft amended Board, Committee and Panel appointments:

- i. Amendment to Paragraph 4 to clarify that the Chief Executive sits on the Board.
- ii. Suggested amendment to Paragraph 17 for Board consideration to allow existing panellists to apply for Board roles.
- iii. Removal of Paragraph 16 to allow panellists to move between panels once a term concludes, subject to any panellist being allowed to serve on one panel at a time.

Recommendation

8. The Board is asked to **CONSIDER** and **AGREE** the governance changes proposed and any others required in light of the report and the Board's discussions at its strategy session on 11 May 2026.