

<b>Date</b>	<b>22 February 2024</b>
<b>Item</b>	<b>5.0</b>
<b>Title</b>	<b>Chief Executive's Report</b>
<b>Author</b>	<b>John Barwick, Interim Chief Executive</b>
<b>Purpose</b>	This report updates the Board on key activities across the organisation since 16 November 2023. Section two provides an overview of organisational performance.
<b>Recommendation</b>	To <b>APPROVE</b> the proposed staff salary increase for 2024 and <b>NOTE</b> the remainder of the report.
<b>Timing</b>	N/A
<b>Impact assessment</b>	
<b>Impact on Regulatory Objectives</b>	<ul style="list-style-type: none"> <li>Section One provides an update on activities carried out by the CEO and senior managers and a summary of other areas of the business of which the Board should be aware. These affect all the regulatory objectives. More detail will be found in other reports presented at the meeting.</li> <li>Section Two covers strategic performance. Monitoring performance of the organisation ensures that CRL is able to meet the regulatory objectives, in particular: protection of the public and consumer interest, access to justice, promoting competition and encouraging an independent, strong, diverse and effective legal profession.</li> </ul>
<b>Implications for Resources</b>	<ul style="list-style-type: none"> <li>This report covers staffing, operations and resource implications affecting CRL since the last Board meeting. There have been a number of recent resignations which have increased short term resource pressures, particularly in the PAS team. Contingencies have been put in place to support the team, with resource levels expecting to return to normal when new starters join in February.</li> <li>CRL has healthy contingency and operating reserves which comply with the LSB and CILEX Group reserves policy.</li> <li>IT resourcing generally is satisfactory; however, the shared services element of the CRM remains unchanged.</li> <li>HR support has been brought in-house with specialist HR advice being outsourced to Croner and systems support via the Bright HR software.</li> </ul>
<b>Impact on Consumer Empowerment</b>	This report covers some high-level meetings linked to consumer empowerment. The consumer facing projects and issues can be found in the Director of Governance report.
<b>Impact on Ongoing Competence</b>	None
<b>Publication Status</b>	Section One is for publication Section Two is not for publication
<b>Appendices</b>	<ul style="list-style-type: none"> <li>05.02 Strategy Implementation plan Jan 2024</li> <li>05.03 BAU Plan Jan 2024</li> <li>05.04 Strategic risk register Jan 2024</li> </ul>

	<ul style="list-style-type: none"><li>• 05.05 Heat Map Jan 2024</li><li>• 05.06 Performance Data for BSC Q4 2023</li><li>• 05.07 Board KPI Data Q3 2017 – Q4 2024</li><li>• 05.08 Board KPI Data Q4 2017 – Q4 2023</li></ul>
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## **Section One: For Publication**

### Legal Services Board and Legal Services Consumer Panel

1. The CRL CEO met with the LSB CEO for an introductory meeting on 17 November 2023.
2. The CRL CEO attended a meeting with the LSB CEO and CEOs of SRA, CLC and ICAEW on 22 November 2023 for a joint discussion on the handling of complaints about alleged unauthorised provision of probate activities.
3. In the absence of a dedicated LSB relationship Manager the CRL CEO met with LSB's Head of Performance on 30 November 2023. The LSB has recently advised CRL of the new relationship manager who returned from parental leave at the beginning of January 2024. The CRL CEO and Director of Governance met with them on 1 February 2024.
4. The CRL CEO met with the Chair of the Legal Services Consumer Panel on 30 November. He also attended a workshop held by the LSCP on 24 January 2024 considering consumer focused regulation.
5. The CRL CEO and Director of Governance attended the LSB's 2024/25 Business Plan consultation webinar on 17 January 2024.

### CILEX

6. Ongoing fortnightly meetings between the CRL CEO and the CILEX CEO have been held, plus adhoc meetings to discuss the PCF reconciliation and Practice Rights.
7. Agreement has been reached with CILEX on the PCF reconciliation for 2019-2022, with the exception of 2020, as well as a methodology for calculating future years which has been applied to 2023. Agreement of 2020 has been complicated due to issues with the reliability of CILEX's membership and financial data due to a systems change in 2020. Alternative parameters to inform a settlement have been identified and the necessary data is being obtained.

### Law Society

8. An introductory meeting took place on 8 November 2023 between the CRL CEO and Law Society CEO. A further meeting has been scheduled for 28 February 2024 between the CRL Chair and CEO and Law Society President and CEO.

### Consultations

9. CRL responded to the LSB's First-tier complaints: a consultation on draft section 112 requirements, guidance and policy statement for approved regulators under the Legal Services Act on 17 November 2023.
10. CRL responded to the Legal Ombudsman's consultation on its draft strategy for 2024-2027 and Draft Business Plan and Budget for 2024/25 on 6 December 2023.
11. CRL responded to a Department for Business and Trade consultation on proposed reforms to The Provision of Services Regulations 2009 on 7 November 2023.

### Applications

12. CRL's application to the LSB to amend practitioner authorisation rules and rights of audience certificate rules to authorise CILEx practitioners with litigation and advocacy rights and chartered legal executive advocates for Higher Rights of Audience was approved by the LSB on 15 January 2024.

13. The 2024 Practising Certificate Fee application was approved by the LSB on 12 December 2023.

#### Staffing and Operations

14. The following resignations have been received: PAS Officer, PAS Administrator, Director of Regulatory Operations, Enforcement and Investigations Manager and Finance Manager. At the time of writing the status of recruitment is as follows:
  - a. PAS Officer and PAS Administrator positions have been filled with start dates confirmed for early and mid-February;
  - b. Simon Blandy has been appointed as Director of Regulation (previously Director of Regulatory Operations) and is due to start on 11 March 2024;
  - c. Interviews for the Enforcement and Investigations Manager are scheduled for 8/9 February;
  - d. Interviews for Finance Manager are scheduled for 19&20 February 2024.
15. Arrangements are in train to ensure a comprehensive transfer of knowledge. This includes updating operating processes and manuals as well as face to face training sessions.
16. The role of the PA to the Chair, CEO and Executive Team has been reviewed to reflect HR and finance administration responsibilities. The role has been retitled Executive Assistant and Business Support Manger
17. Regular all staff meetings have been held in November and January, with most colleagues having the opportunity to meet in person in December.
18. As previously approved by the Board, a Christmas bonus was paid in December to all staff.

#### Staff Salary Increases

19. The PCF Budget for 2024 agreed by the board last year included a 5% pay increase, with effect from 1st April 2024. This aims to recognise inflationary, and cost of living increases as well as the positive performance of staff over the last year.
20. Based on the current staff structure as at 31st January 2023, the cost to CRL is calculated at £23,128. This does not include five new employees who will be in their probationary periods.
21. A bonus for each member of staff payable in December remains in the budget and will be reviewed/agreed later in the year.

The board is asked to **APPROVE** a 5% pay increase for all staff with effect from 1st April 2024.

#### CRM update

22. The only work that is currently progressing relates to the Entity Directory where CILEX IT and Silverbear are trying to address the outstanding issues with the directory.

#### Shared Services

23. The HR through Croner utilising Bright HR software is now fully operational and is running well. A contract performance review meeting is scheduled for early March.

24. Other shared services continue, the costs of which have been agreed as part of the 2024 PCF application.

#### Corporate Plan 2024

25. The CRL Corporate Plan for 2024 was published on 18 January 2024. Publication was supported by a press release as well as promotion via the Newsletter and CRL social media channels.

#### External meetings

26. The CRL Chair and CEO gave evidence to the Justice Select Committee on 28 November 2023 in relation to the non-inquiry sessions examining the regulation of the legal professions.
27. The CRL CEO has had introductory meetings with the CEOs of the SRA and BSB as well as with the Deputy Director of Legal Services Policy at the Ministry of Justice.
28. The CRL CEO attended the Legal Choices Governance Board meeting on 13 December 2023.

#### Recommendation

29. The Board is asked to **APPROVE** the proposed staff salary increase for 2023 and **NOTE** the remainder of the report.