

Date	11 February 2025
Item	05.00
Title	Chief Executive's Report
Author	John Barwick, Chief Executive
Purpose	This report updates the Board on key activities and an overview of organisational performance since the last full Board meeting held in November 2024.
Recommendation	To NOTE the report
Timing	N/A
Impact assessment	None
Impact on Regulatory Objectives	<ul style="list-style-type: none"> 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. Section Two covers strategic performance and risk. 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.
Implications for Resources	<ul style="list-style-type: none"> This report covers staffing, operations and resource implications affecting CRL since the last Board meeting. CRL has healthy contingency and operating reserves which comply with the LSB and CILEX Group reserves policy.
Impact on Consumer Empowerment	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.
Impact on Ongoing Competence	None
Publication Status	For publication
Appendices	05.01 Corporate Plan Deliverables Progress Report 05.02 Strategic Risk Register 05.03 Regulatory Performance Assessment Action Plan 05.04 Operations Data including the Balance Scorecard 05.05 Board KPI Data Q4

Legal Services Board

1. CILEx Regulation and CILEX's joint application under Section 512 of the Legal Services Act 2007 for approval of the Practising Certificate Fees to be applied in 2025 was approved on 16 December 2024. The decision notice included a number of expectations for future PCF applications. We will be reviewing the process through which the PCF application is developed in collaboration with CILEX. This will include exploring opportunities to have dialogue with the LSB before the application is submitted.
2. CRL's application to confirm the annual contributions to the CILEx Compensation Arrangements to be made by CILEx Authorised Entities to be determined as an exempt application under paragraph 19(3), Schedule 4 of the Legal Services Act 2007 was approved on 4 December 2024.
3. CRL's request to approve by exemption changes to the CILEx Regulation Education Standards was approved on 13 December.
4. CRL's request to approve by exemption changes to the CILEx Regulation Immigration Practice Rights was approved on 19 December 2024.
5. The information request in relation to the 2024 Annual Regulatory Performance Assessment (RPA) was submitted ahead of the 15 November 2024 deadline. The assessment covers the period June 2023 – September 2024. A small number of queries were received and have been responded. The RPA report is expected to be published in March 2025. Progress against the 2023 RPA Action plan can be found at **Appendix 5.03**.
6. The CRL CEO met with the LSB CEO on 9 December 2024.
7. The CRL CEO also met with LSB CEO together with the CILEX Registrar on 20 January 2025. This meeting was primarily to review progress and relationships between CILEX and CRL in the context of the Undertakings agreed in 2023.
8. The CRL CEO and Director of Governance attended the inaugural meeting of the LSB's Innovation and Technology Forum on 2 December 2024. There was a range of common areas discussed including approaches to education and training on new and emerging technology, 'regtech'- using technology to help deliver or be more efficient in delivering day to day regulatory activities, research, and more broadly the distinction between legal advice and information and implications for consumers.
9. The CRL CEO attended a consultation presentation, including Q&A, on the LSB's proposed business plan and budget for 2025/2026. CRL's consultation response was submitted and published on 29 January 2025. The response reflected the draft and comments the Board considered at its January telecon.

CILEX

10. The CRL CEO and CILEX continue to hold constructive meetings on a fortnightly basis. At the operational level there is good cooperation and joint working to ensure the best service is provided to the regulatory community. As previously reported, both the SRA and CILEX Boards confirmed their intention to proceed with the proposals to redelegate regulation of Chartered Legal Executives from CRL at their respective Board meetings in June and July 2024. CRL reaffirmed its public position that it considers the proposals to be unlawful and is prepared to challenge this in the courts. CRL has been in correspondence with the LSB, TLS, SRA and CILEX on this.
11. The CILEX Board met on 31 October 2024 to decide whether to press on with the redelegation proposals following additional work conducted since the summer. We are

awaiting the outcome of this meeting.

12. Similarly, there has been no further progress with the clarification of the timetable for the approval by the Privy Council of the proposed amendments to the CILEX Royal Charter.
13. CRL and the CILEX President remain committed to co-authoring an article for the Solicitors Journal. The article will showcase the importance and inclusivity of the chartered legal executive career route and highlight the benefits of a career based on a CILEX qualification, the difference in this legal education path and the different skills – and therefore career advantages – this training route offers aspiring legal professionals. Unfortunately due to unforeseen circumstances there has been a slight delay in progressing this.
14. The undertakings approved by both the CILEX and CRL Boards in response to the LSB's Investigation report published in 2023 stated '*The parties will work together to give effect to CRL's request to hold its own contingency reserve so far as reasonably practicable.*' Further to this action, in June 2023 the CILEX CEO wrote to the CRL CEO on 7 June 2023 to confirm that following the balance sheet transfer of the contingent reserve, the cash funds would be transferred between December 2023 and March 2024. The CRL CEO wrote to CILEX on 5 March 2024 to seek clarification as to when the cash transfer would likely take place in view of the deadline of 31 March 2024 fast approaching. A response was received on 12 April 2024 explaining the transfer of cash funds was dependent on the sale of a property asset.
15. Following the Board meeting in November 2024, the CRL CEO wrote again to CILEX seeking a response to the letter of 15 October 2024 concerning the inter-company balance and the request for a report on the CILEX on the CILEX Investment Fund which holds CRL's £700k contingent reserves was also repeated. The CILEX Registrar has stated that an end of year (for 2024) investment fund report has been requested and will be provided to CRL as soon as it is available. In addition, further transfers from inter-company balance have been made by CILEX. The matter of reserves was raised by CRL at the recent meeting with LSB and CILEX. CILEX reiterated the position that the reserves are available to CRL if required but that the capital transfer is dependent on a property sale.

Consultations

16. CRL responded to the Office for Legal Complaints (OLC) consultation on the Legal Ombudsman's (LeO's) draft Business Plan and Budget for 2025/2026. [Consultation: Draft Office for Legal Complaints \(OLC\) 2025/26 Business Plan and Budget](#)
17. CRL responded to the LSB's consultation on its business plan and budget for 2025/26. <http://cilexregulation.org.uk/wp-content/uploads/2025/01/CRL-Response-to-LSB-Consultation.docx>

Staffing and Operations

18. Following the Director of Regulation's review of the Enforcement and Investigations, team a candidate for the new Lead Investigations Officer role has been appointed and is due to start in early March.
19. Discussions are taking place with a potential suitable candidate for the new Finance Assistant role to be appointed on a fixed term basis.
20. A temporary PAS Administrator is being sourced to provide further capacity and resilience to the PAS team during its busy renewals period

21. Following the successful all employee in person event held in July 2024, another all staff in person meeting was held on 11 December 2024. The meeting included a review of CRL's achievement led by the CRL Chair, presentation of the 2025 Corporate Plan, a introduction to finance led by the Finance Manager and a presentation of the work of the Practitioner, Authorisation and Supervision team by the PAS manager.
22. The appraisal and objective setting process for 2025 was launched at the All staff meeting on 31 January. The Business Support Manager gave an informative presentation on how individual objectives connect with CRL's core purpose. Appraisals and objectives are expected to be completed by early March.
23. A separate paper on resourcing and the 2025 pay and grading review is presented to the Board for its consideration.

Shared Services

24. In early December 2024 CRL suffered a significant IT outage resulting from an upgrade of the Microsoft Operating System conflicting with the VPN Checkpoint system. CILEX users were also affected. CRL colleagues were disrupted for several days until the problem was isolated and a fix deployed. Feedback on the impact of the issue and associated communications has been provided to CILEX. In addition, the Director of Governance is undertaking some preliminary work to establish the feasibility, including cost, of contracting with a different third-party IT supplier.
25. At the December All staff meeting, some colleagues shared their frustrations with how the current CRM is configured and the process inefficiencies it can cause. In response, a requirements gathering exercise is currently in train to identify improvements that can potentially be made. The requirements will be prioritised with a view to engaging with CILEX and their third-party supplier to obtain a quote for the works before a final decision is made.

Public Affairs

26. An introductory letter has been sent to Sarry Sackman KC MP who replaced Heidi Alexander MP as Minister of State.

External meetings















27. The CRL CEO attended a roundtable meeting convened by the Lord Chancellor and Secretary of State for Business and Trade on 19 November 2024 to discuss the government's growth agenda in the context of legal services provision.
28. The CRL CEO met with the CEO of The Law Society on 30 November and 9 January to discuss matters of mutual interest.
29. The CRL CEO attended a webinar on 5 December 2024 hosted by the Institute of Regulation and Deloitte on the impact of Artificial Intelligence on regulation .
30. On 10 December 2024, the CRL CEO and Director of Governance attended a Westminster Legal Policy Forum webinar on the next steps for legal technology in legal services. The event included a keynote address by the LSB's Director of Regulation & Policy.
31. The CRL Chair and CEO met with MoJ officials on 28 November 2024.

32. The CRL CEO met with MoJ officials on 17 January to consider issues relating to the Assisted Dying Bill which is currently going through Parliament.
33. The CRL CEO met with the Immigration Services Commissioner on 5 December 2024 to discuss the transition of the Office of the Immigration Services Commissioner (OISC) to the Immigration Advice Authority (IAA). On 16 January 2025 the CRL CEO attended a roundtable launch event of the IAA. The Home Office Minister with responsibility for migration, Seema Malhotra MP, gave an opening address and took questions.
34. The CRL CEO and Senior Policy Officer attend a webinar on first-tier complaints handling hosted by the Legal Ombudsman on 4 February 2025.
35. The CRL CEO was invited to attend a roundtable of CEO's of regulators of professions on 5 February 2025. Attendees included: Professional Standards Authority, LSB, Teaching Regulation Agency, Architects Registration Board as well as many of the healthcare regulators.

Corporate Plan, Risk and Performance

Balanced Scorecard

36. The CRL balance scorecard is an assessment of the performance of CRL extracted from the various reports and tables presented to the Board at each Board meeting. The score for shared services has been adjusted to reflect the IT issues outlined at paragraph 23.

Finance (Information from Finance Paper)		Stakeholder	
PCF v other sources of income		External stakeholder relationships	
Reserves within target range		Regulated community	
Variance to budget		CILEX (including shared services)	
Internal Processes (Information from regulatory objectives update)		Staffing	
Practitioner		Vacancies	
Entity		Sickness	
Enforcement		Learning and Development	
Governance			
General Management			

37. The 2025 Corporate Plan was published on 8 January 2025 and attracted coverage in the legal press. As approved at the December 2024 Board telecon, an updated Deliverables Progress Report (DPR) will be used to monitor the delivery of the Corporate Plan. The DPR incorporates means there are no longer separate reports for what was previously referred to as BAU activity and the Strategy Implementation plan.
38. The DPR will be updated for each Board meeting. Areas of note for January are highlighted below:

- a. Application to amend CRL transparency rules need to comply with LSB consumer empowerment statement of policy has been approved. submitted.
- b. The application for the 2025 PCF has been submitted to the LSB. In addition an exemption application to maintain the current Compensation Fund contributions has also been submitted.
- c. Additional resource has been allocated to support the PAS team and CPD related activities.

Risk

Strategic Risk Register

39. This can be found at **Appendix 05.02** Each of the strategic risks have been reviewed and updated in light of:
 - a. developments in relation to testing the lawfulness of CILEX’s re-delegation proposals and the likely impact on timing
 - b. recent approval of the 2025 PCF and CRL’s other exemption directions applications.
 - c. CRL’s financial position including reserves
 - d. launch of Higher rights courses and improved availability of advocacy training provision in partnership with CRL’s third-party providers
 - e. OPBAS audit and increasing AML workload
 - f. publication of 2025-2027 strategy, 2025 Corporate Plan and improved progress reporting.
 - g. improved staff retention and continued ability to attract high calibre employees.

40. At the October 2024 teleconference the Board approved revised terms of reference for the Strategic Risk Committee (SRC) which extended its remit to include oversight of CRL’s corporate strategic risks. The CRL CEO and Director of Regulation has met with the Chair of the SRC, and he is satisfied with the proposals and revised Terms of Reference. The next meeting of the SRC is scheduled for 5 March 2025. The intention is for the SRC to review CRL’s strategic risk register alongside the proposed risk appetite statement for 2025.

Performance

Strategic KPI data for Q4 2024

41. CRL’s financial performance for the year up to the end of December 2024 showed an operational surplus of £89,366. This includes an additional £48,000 in PCF income resulting from the end of year reconciliation.

42. CRL’s reserves position up to 31 December 2024 was as follows:

Description	Total £	Committed £	Uncommitted £
Total Reserves Working & Contingency	£1,267,750	£495, 729	£772,021

43. There has been a positive increase in CRL’s engagement reach through increased website users coupled with an improved newsletter open rate. Although the number of

LinkedIn followers remains stable, the average post engagement rate has improved.

44. CRL has not received any corporate complaints for Q4 2024.
45. The Practitioner team is generally performing well with the average decision time for QE, WBL, Practice Rights and Advocacy applications being maintained.
46. Regulated firms have increased, with 21 CRL firms and 39 ACCA firms regulated at January 2025.
47. With regards enforcement activity, 33 new complaints were received in December 2024 which is the highest number received in one month during 2024. The total number of live prior conduct cases is 77, which is an increase of 12 on the previous month. The average length of time to conclude prior conducts is broadly in line with the previous months. For misconduct cases, there has been a small reduction in the number of live cases as well as an improvement in the percentage of cases that have the initial assessment completed in one month (75.0% from 66.7%). However, this improvement needs to be sustained in order to meet the 100% performance target.
48. **Recommendation**
49. The Board is asked to:
 - **NOTE** the update.