

**MINUTES OF THE MEETING OF
THE BOARD OF DIRECTORS OF CILEx REGULATION LIMITED (CRL)
HELD ON 11 FEBRUARY 2025**

Present:

Jonathan Rees (Chair), Helen Astle, Alice Belcher, Douglas Blackstock and Patricia White

In attendance (CILEx Regulation):

John Barwick, Chief Executive Officer

Simon Blandy, Director of Regulation

Richard Hood, Interim Director of Governance, Policy and Legal

Mark Wood, Head of Education (item 10 – Annual Education Report)

Gerrard McCarthy, Finance Manager (item 12 – Financial Update)

Tom Hayhoe, Chair of LSCP and Lola Bello, Head of the Consumer Panel (for item 6)

Note: the formal meeting had been preceded by a private Board discussion.

1 Welcome and Apologies

The Chair opened the meeting and welcomed everyone. All Board Members were present.

2 Declarations of Interests

Douglas Blackstock – in relation to his position on the University of Law's Board (*in relation to item 10*).

3 Minutes of previous meetings

The Board received and **APPROVED** as a correct record the minutes of the meeting on 14 November 2025.

The Board reviewed the Action Log and noted that all outstanding actions had been picked up on this agenda.

4 Chair's Update

The Chair thanked colleagues for the feedback received as part of the on-going CEO appraisal process.

5 Chief Executive's Report

The Board considered the Chief Executive's report, which had been circulated within the Board pack and updated the Board on key activities across the organisation over the last few months.

The Board reviewed the information on the key strategic and performance activities, which included the review of the Corporate Plan Deliverables Progress Report, Strategic Risk Register, RPA Action Plan, Operations Data including Balanced Scorecard and Board KPI Data Q4, and Corporate Plan Activities.

The new Corporate Plan had come into effect in January and the risks and mitigations in the Risk Register had been updated to align with the Plan. Risk Appetite was something that would need to be reviewed over coming months and would be considered by the Strategic Risk Committee, which had taken on its new role in relation to corporate risks, when it next meets on 5 March 2025.

The 'Corporate Plan Deliverables Progress Report' was a new paper being presented showing performance and progress against the 2025 Corporate Plan. Currently, this was indicating that most activities were meeting their performance targets and were on-track as planned whilst reflecting the improvement work underway in relation to CRL's enforcement activity.

Further updates were provided as follows:

- Consideration was being given to the efficacy of the CRM and how this could be improved to help streamline and improve organisational efficiencies and effectiveness;
- Reserves and cashflow – information from CILEX on the performance of investments was still not forthcoming, despite numerous requests, and the undertaking to transfer Reserves had not been fulfilled almost 12 months on from CILEX's undertaking, and nearly two years after the LSB Investigation Report requiring this. This would now need to be escalated; and
- Consideration would also be given to further enhancing the Board's transparency and engagement with the membership, giving publicity to the opportunity to ask questions.

The Board reaffirmed its commitment to working as openly as possible with the regulated community, consumers and other stakeholders. Board papers were published at least a week before meetings and questions and comments were invited

in advance. A webinar for the entities regulated would be held sometime during the first half of April.

The Board welcomed the report and **NOTED** the updates provided.

6. Discussion with Tom Hayhoe, Chair of LSCP

Tom Hayhoe and Lola Bello attended to talk about the LSCP's work in representing the voice of the consumer and to provide information about their current work programme.

The LSCP's current key priorities were:

- A tracker survey
- Promoting access to justice
- Research around online-v-face to face services
- Reviewing arrangements around the Compensation Fund

The Board engaged in a wide-ranging discussion, including within this the following:

- The role of CILEX members and how they worked within the context of the legal market, in particular to the specialist nature of their work.
- The government's approach of regulating for the promotion of growth.
- The need to ensure that regulatory arrangements were fit for purpose and proportionate to requirements.
- Noting CRL's Roundtable Event on 26 February focusing on the unregulated sector.
- The need to revisit the complex structures set out in the 2007 Legal Services Act, looking forward to the unregulated legal service providers roundtable CRL is hosting later this month
- The issue and concern of lawyers acting with areas of law outside of their scope of expertise and competence.
- The requirement to comply with the LSB's Statement of Policy on First-Tier Complaints and the work being done towards.
- The need to share good customer practice and disseminate lessons to be learned widely.

- The behaviour of in-house lawyers and the conflicts that they face from working for one organisation.
- The potential of Legal Choices and Regulatory Information Service for enhancing consumer empowerment.

Some of these issues were mentioned elsewhere on the Board's agenda in the Director of Governance's report (*item 9*).

CRL's 2025 Corporate Plan included access to justice and consumer empowerment as one of its four key strategic objectives. CRL recognised the importance of regulators collaborating on consumer research and improving consumer information given that most consumers only access legal services infrequently and often at times of vulnerability.

Tom and Lola were thanked for their attendance and insights. CRL and LSCP would continue to work closely together to promote the interests of consumers.

7. Director of Regulation Report

The Director of Regulation provided an update on the work of his Directorate undertaken since the last meeting. This included the work of:

- Practitioner Team,
- Entity Team, and
- Enforcement Team.

This was contained within a comprehensive report circulated within the agenda papers.

Of particular note from the paper:

- Interest in the practice rights course was continuing to decline and if this pattern persisted it was likely that the number of courses delivered would be reduced from four to three a year. CRL was investigating the opportunities for a joint marketing campaign with CILEX to increase the uptake in practice rights.
- In late November and early December 2024 members of the team attended meetings of the Legal Sector Affinity Group (LSAG), AML Supervisors Forum (AMLSF), Office of Financial Sanctions Implementation (OFSI), Shared Intelligence Service (SIS) and Legal Sector Intelligence Sharing Expert Working

Group (ISEWG). The Office for Professional Body Anti-Money Laundering Supervision (OPBAS) Conference in November 2024 provided a useful update on AML issues and gave advance notice of the Financial Action Task Force (FATF) Mutual Evaluation for the UK (currently scheduled for early 2028).

- Preparations were in place for the inspection of AML supervision arrangements by OPBAS the week commencing 10 March 2025.

The Board **NOTED** the report and endorsed the action being taken particularly in relation to the work to improve enforcement case management.

8. Proposed Action Plan following consideration of the Axiom Ince Review

The Director of Regulation's paper set out the context of the Axiom Ince review into the failures of supervision by the SRA and proposed an action plan to address the issues identified in the investigation report.

This action plan stated the lessons to be learnt by CRL and other legal regulators. Whilst CRL had identified the need to act immediately on this following the publication of the investigation report, a letter had subsequently been received from the LSB had been received encouraging CRL to consider the ways in which it discharges its regulatory functions and decision-making processes in the light of the review findings.

The action plan summarised the key findings of the Axiom Ince review, compared them with CRL's current position and presented a series of actions (with timings) to address any identified deficiencies. For the most part CRL's existing activities were fit for purpose but there were areas where improvements could be made. An Action Plan was presented in Appendix 2 of the paper. Updates on progress would be made to the Board.

The Board welcomed the review work undertaken, was reassured by the good work underway, **APPROVED** the Action Plan, and agreed to revisit the issue once the outcome of LSB enforcement action was known.

9. Director of Governance Report

The interim Director of Governance, Policy and Legal provided an update on the work undertaken in his teams since the last Board meeting, referring to the paper that had been circulated with the agenda pack.

Work was moving forward on the project to measure career progression as part of CRL's EDI strategy, which was being assisted by the Bridge Group. A full report would be presented to the next meeting.

Also, there was currently focus on working to comply with the requirements of the LSB's statement of policy on first-tier complaints, with an analysis having been produced to identify where action should be taken to address gaps in our regulatory approach and arrangements to comply fully.

Finally, an update was provided on the arrangements for the Roundtable event on 26 February 2025, which CRL was hosting, with attendance by key stakeholders in the debate, at the Wellcome Institute in London.

The Board **NOTED** the report.

10. Annual Education Report

The Head of Education presented his report providing an update on current activity and reviewing the past achievements.

An update was provided on the position with CPD Non-Compliance and the actions that had been taken to address the situation. The Board welcomed the new robust approach and asked that consideration be given to what more could be done to enhance compliance levels and take enforcement action where there is evidence of non-compliance.

New training providers and an end-point assessor were entering into the market and the Board noted the effect that this might have on competition generally. Whilst this might provide opportunities to CILEX members, the consequences from this and any potential threats would need to be considered and reflected in the strategic risk register.

The Board **NOTED** the report.

11. Annual Cycle of Business

The Board **NOTED** the annual cycle of business without comment.

This was a revised format of the schedule, recognising the change in the synchronicity of the meetings cycle and rhythm of business to be considered over the year.

12. Any Other Business

None.

13. Resources and Pay Review 2025

This minute is not for publication on the basis it contains personal data.

14. Financial Update

This minute is not for publication on the basis it contains commercially sensitive information.

15. Future Regulatory Arrangements

This minute is not for publication on the basis it includes legal or other professional advice on sensitive or confidential matters.

16. Board Effectiveness Survey

This minute is not for publication on the basis it contains personal data.

17. CILEX Education Annual Report

This minute is not for publication on the basis it contains a confidential report.