

**STRATEGY MINUTES  
CILEx REGULATION LIMITED (CRL)  
15 MAY 2025**

**Present:**

Jonathan Rees (Chair), Helen Astle, Alice Belcher, Douglas Blackstock (joined at Item 2) and Patricia White

**In attendance (CILEx Regulation):**

John Barwick, Chief Executive Officer

Simon Blandy, Director of Regulation

Jonathan Levack, Director of Policy & Governance

Gerard McCarthy, Finance Manager

Sue Chandler, Senior Policy Officer (**Item 2 EDI only**)

Amanda Pipe, Head of Awarding Body, CILEX (**Item 2 EDI only**)

Simon Garrod, Director of Policy and Public Affairs , CILEX (**Item 2 EDI only**)

**1 Horizon Scanning**

The Board were asked to consider the critical challenges and issues arising or likely to arise in the short and medium term. The Board's discussion focused broadly on five issues:

- Regulatory landscape and framework. The Board noted that the current regulatory framework is approaching 20 years old and continues to be tested. However, radical change to the framework is unlikely in the short to medium term. The Chair also noted that the Government have been pursuing a economic growth agenda and this is likely to trickle down into legal services. As a regulator, CRL should be aware of the possible tension between consumer protection and facilitating economic growth.
- Professionalism and ethics. The Board noted that this is likely to continue to be a regulatory priority in the medium term.
- Technology. Innovation, particularly the adoption of Generative AI, will continue to be a strategic priority and challenge. CRL will have to balance the desire for growth and innovation against the need for consumer protection.

- [REDACTED]

- Consumer habits and needs. The Board considered the evolving nature of consumer needs from regulation. The Board were concerned that the prevalence of consumer vulnerability continued to rise, particularly around mental health issues for instance.. The Board considered what obligations should be placed on the regulated community to consider consumer vulnerability and whether further support and guidance might be necessary.

### Compensation Fund

The Director of Regulation presented options for the CRL Compensation Fund. The presentation set out the current situation, the LSB expectation on CRL and the various options available to meet this expectation.

The Board considered the presentation and **AGREED** that an ad hoc group of the Strategic Risk Committee be established to assess this issue in depth. The Board recommended that Terms of Reference be drawn up for the Strategic Risk Committee to consider the relative merits of the various options and recommend a preferred option. The assessment should:

- Determine the risk and scale of the problem faced by CRL
- Based on the evidence, consider the relative merits of all available options apart from do nothing and remove the requirement for the fund
- Report back to the Board after a period of 6 months.

### Consumer Focused Regulation Self-Assessment

The CEO presented a self-assessment of CRL's regulatory focus on consumers and the need to embed a consumer focused culture amongst the regulated community. The self-assessment was conducted against the Legal Services Consumer Panel's set of indicators, developed by London Economics.

The Board welcomed the assessment and noted that CRL had made progress in this area. The Board also noted that this is a challenge faced by many regulators and no single regulator has all the answers.

The Board considered what further steps CRL can take in the short and medium term. These included:

- Collaborating with partners to understand consumer perspectives
- Developing a vulnerable consumers definition and workstream
- Ensuring we are communicating learnings and expectations from CRL's enforcement work to demonstrate regulatory effectiveness and encourage best practice among the regulated community.

## 2 EDI

The Chair welcomed CRL's Senior Policy Officer, CILEx's Director of Policy and Public Affairs and CILEX Head of Awarding Body to the meeting. The Chair opened the discussion by noting that EDI has been a priority area for CRL, since the launch of its EDI strategy in 2022. We are now developing the second iteration of this strategy, but the Chair noted that this was a challenge we cannot solve alone. The Chair therefore welcomed CILEX's attendance and stressed that he hoped this was an issue the two organisations could work together on.

CRL's Senior Policy Officer outlined the progress CRL have made since the launch of CRL's first EDI strategy. This included in data collection, engaging in diversity forums and conducting research. It was noted that more needed to be done in understanding and supporting career progression and recognition. To this end, CRL are working with Bridge Group to assess career progression among CILEx members.

CILEx's Director of Policy and Public Affairs then outlined CILEx's activities in this area. CILEx are currently developing a three year EDI strategy based around four pillars. These are:

- Leadership and governance – to demonstrate organisational leadership by embedding EDI in CILEx's own leadership and governance structures
- Organisation – to ensure CILEx is an attractive employer that values EDI
- Career partnership – to support CILEx members to progress
- Influencing sector culture – to promote different types of lawyers and practice and to encourage the legal services sector to recognise the value and contribution of them.

The Board welcomed CILEx's strategy and considered how the two organisations should work together to further its aims. This included promoting the value of the CILEx qualification and ensuring our collective communications were aligned in this area.

The Board **AGREED** that CRL's draft EDI Strategy should be reviewed in light of the discussion with a particular focus on recognition, progression, CRL as an exemplar and the LSB's emerging policy work.

## 3 Regulatory Performance Assessment

The LSB published its CRL Performance Assessment in March 2025. In response, the Board considered the six focus areas the Assessment highlighted. These were Compensation Fund, Board effectiveness, engagement with consumers, EDI, quality of applications and stakeholders. The Chair was pleased to report that actions were already underway in respect of the first four areas.

In respect of the quality of applications received by the LSB, the Board discussed what further actions may be considered proportionate. These included establishing internal assurance processes, independent third party support and an assessment of other regulator's applications. In respect of stakeholders, the Board considered whether to commission a stakeholder survey in due course.

#### **4 Board Effectiveness Review**

The Chair informed the Board that [REDACTED], who is an independent member of the Remuneration Committee, had been commissioned to conduct a review of the Board's effectiveness. Terms of Reference had recently been circulated to the Board. The review will report back to the Board in September.