

Date	30 September 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 CEO report which was presented to the Board at its July 2025 meeting.
Recommendation	To NOTE the report and APPROVE Christmas arrangements.
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 Policy and Governance report.
Impact on Ongoing Competence	None
Publication Status	For publication
Appendices	05.01 Corporate Plan Deliverables Report 05.02 Strategic Risk Register 05.03 2025 Regulatory Performance Assessment Action Plan 05.04 Operations Data including the Balance Scorecard Q2 05.05 Board KPI Data Q2

Section 2

Legal Services Board

1. The CRL CEO met with the LSB Interim CEO on 6 August 2025. In addition, the CRL CEO, Director of Policy and Governance and Director of Regulation met with the LSB Relationship Manager on 7 August 2025. The meetings provided an opportunity for both LSB and CRL to provide updates on their respective activities. The key updates from the LSB were:
 - a. Professional Ethics and the Rule of Law (PERL) Policy statement – consultation responses are being analysed. An update on emerging key themes is expected to be presented to the LSB Board later in the autumn.
 - b. EDI – a draft statement of policy was considered at the LSB’s July Board meeting. A final draft statement of policy is due to be consulted on in the autumn. The draft statement of policy has been considered as part of the development of CRL’s new EDI strategy
 - c. Access to justice – the project is currently exploring further policy development, as well as an access to justice sandbox.
 - d. Tech and innovation – the next Innovation and Technology Forum is scheduled in late October. The LSB has submitted a joint bid to the Regulators Pioneer Fund to develop a Voluntary Standards Sandbox that will explore voluntary standards for consumer-facing AI-powered legal technology.
 - e. Economic crime -LSB’s statutory guidance on the new economic crime regulatory objective was published on 22 July 2025. The guidance follows a public consultation to which CRL [responded](#).
2. CRL used the meeting to provide an update on the external Board Effectiveness Review, Regulatory Performance Assessment Action Plan, progress on consultations relating to First Tier Complaints Handling rules, standalone litigation practice rights and the proposed Practising Certificate Fee for 2026.
3. The analysis of the responses to the LSB’s evaluation of the operation of the Internal Governance Rules (IGR) 2019 was presented to the LSB’s June Board meeting. The analysis concluded that the IGR seem to be broadly working as intended. Whilst some comments were made around regulatory independence and the “residual role” of the approved regulator, and on other specific areas of the IGR, the responses showed that, overall, the IGR have been implemented and appear to be understood by both approved regulators and regulatory bodies. The LSB also noted that any further work arising from the evaluation would not be progressed until the outcome of any potential proceedings in connection with the IGR and Legal Services Act has been clarified.
4. The CRL CEO and Director of Policy and Governance attended a meeting on 10 September 2025 convened by the LSB of all the relevant parties, CILEX, CRL, SRA and The Law Society that have an interest CILEX’s proposed redelegation.

Regulatory Performance Assessment

5. The 2025 Regulatory Performance Assessment (RPA) Action was approved at the July Board meeting. An update is provided at Appendix 05.03 to this report.
6. The LSB is currently reviewing its approach to the annual RPA, informed by feedback provided by the regulators on their experience of the 2024/25 assessment. In view of the ongoing nature of the review the LSB has confirmed that the annual assurance information request will not be issued until January 2026 at the earliest.

CILEX

7. CILEX CEO Craig Hamer left the organisation on 31 July. The CRL CEO has continued to meet with CILEX's Director of Regulation and Standards to discuss operational matters including the consultation on standalone litigation practice rights and the 2026 PCF application.
8. Jennifer Coupland, CILEX's new CEO, started on 1 September 2025. An initial introductory meeting took place on 5 September.
9. 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 October 2024. CRL reaffirmed its public position that it considers the proposals to be unlawful and is prepared to challenge this in the courts. CRL continues to be in dialogue with the LSB, the Law Society, SRA and CILEX on resolving the legal position.

Consultations

10. CRL has conducted the following consultations:
 - a. Changes to CRL's requirements for First Tier Complaints Handling – closed 15 September
 - b. Standalone litigation rights – closed 9 September
 - c. 2026 Practising Certificate Fee – the consultation period was extended to 15 September (original closing date 31 August).

Staffing and Operations

11. The Policy Research Officer took up their position on 15 July.
12. The Practitioner Authorisation and Supervision (PAS) Manager started on 1 August 2025.
13. Interviews have taken place, and an offer made, for the Practitioner Authorisation Officer role which became vacant at the end of July.
14. The Enforcement Administrator resigned and left CRL in early August. A temporary replacement is in post. This allowed for a handover with the incumbent.
15. The Research and Performance Analyst has resigned and leaves at the end of September 2025. The job description has been reviewed to ensure the role better reflects the analytical capabilities required to support CRL's research and policy work. The role is now *Information Analyst*. An agency has been engaged to source suitable candidates.
16. Recruitment to the Professional Support Lawyer post which was approved by the Board as part of the resource plan in February 2025 has commenced.
17. A temporary Investigations and Enforcement Officer is being recruited to support the timely progression and disposal of prior conduct and misconduct cases.
18. The following arrangements for the 2025 Christmas period are proposed:
 - a. CRL operations close at 12pm on Wednesday 24 December 2025
 - b. CRL operations shutdown between Christmas and New Year, resuming Friday 2 January 2026. Discretionary additional leave days for eligible staff on 29-31 December 2025.

- c. £600 Christmas bonus for each member of staff as recognition of staff commitment and achievements during the year whilst there continues to be uncertainty. This is reflected in the approved budget for 2025.

External meetings















19. On 12 August the CRL CEO attended a meeting hosted by HMRC regarding draft legislation aimed at promoters of marketed tax avoidance.
20. The CRL CEO attended a Home Office IAA Policy and PED teams meeting on 21 August 2025.
21. On 15 September the CRL CEO met with the Chief Executive of the Immigration Advisory Authority.
22. The CRL CEO participated as a member of a panel discussing risk and governance as part of a PEXA launch roadshow on 23 September.

Section 2

Corporate Plan, Risk and Performance

Balanced Scorecard

23. 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 amber ratings reflect the continuing focus on reducing the length of time to progress and conclude prior conduct and misconduct cases. Additional resource has been earmarked to support this. Shared services remains amber due to the backlog of CRM improvements.

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			

24. As approved by the Board, an updated Deliverables Progress Report (DPR) is now used to monitor the delivery of the Corporate Plan. The latest DPR can be found at **Appendix 5.01**.
25. Areas of note for August – September are highlighted below:

- a. Consultation on stand-alone litigation practice rights
- b. Consultation on changes to CRL's requirements for first-tier complaints
- c. Consultation on 2026 Practising Certificate Fee
- d. OPBAS action plan and draft AML Supervision report
- e. Recruitment, including resourcing for the enforcement team

Risk

Strategic Risk Register

26. This can be found at **Appendix 05.03** 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. CRL's financial position including reserves
 - c. Commissioning of the external Board effectiveness review and succession planning
 - d. Increased interest from education and skills providers to develop courses for CILEX Lawyers.
 - e. Impact of CILEX new membership titles resulting from the Charter change
 - f. OPBAS audit and increasing AML workload
 - g. Staff turnover and continued ability to attract high calibre employees.

Performance

Strategic KPI data for Q2 2025

27. CRL's financial performance for the year up to the end of August 2025 showed an operational deficit of £106, 284. This is the result of exceptional costs.
28. CRL's reserves position up to 31 August 2025 was as follows:

Description	Total £	Committed £	Uncommitted £
Total Reserves Working & Contingency	£1,127,979	£532,241	£595,738737,139

29. The appointment of the Director of Policy and Governance has enabled a renewed focus on complaints handling and recording. This includes reviewing CRL's complaints handling processes and raising awareness of complaints management within the organisation. In Q2, four complaints and two Subject Access Requests have been received.
30. The Practitioner team performance is consistent with the average decision time for QE, WBL and Advocacy applications being the same as Q2 2024. There has been a notable reduction in the length of time to complete the authorisation of Practice Rights applications, with the average length of time to decision now at 11 weeks compared to 33 weeks in Q2 2024.
31. Regulated firms have stabilised, with 19 CRL firms and 39 ACCA firms regulated at the end of Q2 2024. One firm is expected to seek authorisation.
32. With regards enforcement activity, there has been an increase in the number of live prior conduct cases compared to the same period in 2024. However, the age of the

oldest live prior conduct cases has reduced from 183 weeks in Q2 2024 to 78 weeks in Q2 2025.

33. For misconduct cases, the number of live cases has increased from 103 to 139 between Q2 2024 and Q2 2025. The age of the oldest case has also increased. This, in part, reflects the complexity of some of the misconduct cases and the time taken to manage member and complainant communications. Additional resource is being provided to the enforcement team to support the timely assessment, progression and disposal of misconduct cases.

Recommendation

34. The Board is asked to:
 - **NOTE** the update and **APPROVE** the proposed Christmas arrangements at paragraph 18.