

<b>Date</b>	<b>9 December 2025</b>
<b>Item</b>	<b>05.00</b>
<b>Title</b>	<b>Chief Executive's Report</b>
<b>Author</b>	<b>John Barwick, Chief Executive</b>
<b>Purpose</b>	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 September 2025 meeting.
<b>Recommendation</b>	To <b>NOTE</b> the report.
<b>Timing</b>	N/A
<b>Impact assessment</b>	None
<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 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.</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.</li> <li>CRL has healthy contingency and operating reserves which comply with the LSB and CILEX Group reserves policy.</li> </ul>
<b>Impact on Consumer Empowerment</b>	The consumer facing projects and issues can be found in the Director of Policy and Governance report.
<b>Impact on Ongoing Competence</b>	None
<b>Publication Status</b>	For publication
<b>Appendices</b>	<p><b>05.01</b> Corporate Plan Deliverables Report</p> <p><b>05.02</b> Strategic Risk Register</p> <p><b>05.03</b> 2025 Regulatory Performance Assessment Action Plan</p> <p><b>05.04</b> Operations Data including the Balance Scorecard Q3</p> <p><b>05.05</b> KPI Worksheet Q3</p>

## Section 1

### Mazur

1. Responding to the impact of the judgement in the case of *Mazur v Charles Russell Speechlys LLP HC 2025* has been CRL's primary focus since the September Board meeting. CRL's focus has been to understand the implications of the judgement and actively work to address the challenges in line with the regulatory scheme and legislation under which CRL operates. The Board agreed the following actions at its September meeting:
  - a. Approve the submission of an early application to the Legal Services Board (LSB) to change the rules to allow those eligible to apply for standalone litigation practice rights
  - b. Ensure CRL has sufficient capacity to process practice rights authorisations applications so there is no impact on service times. This includes streamlining our processes where we can, whilst ensuring we maintain standards
  - c. Issue interim guidance and related FAQs.
2. The Board has been provided with progress updates at its telecon meetings held in October and November. The latest update (at the time of writing) is as follows:
  - a. Establish a dedicated Mazur Information Hub on the CRL website.
  - b. Interim guidance and FAQs was issued on 2 October. The guidance and FAQs have been updated on a regular basis to respond to queries received. This includes providing clarification in relation to Employment Tribunals and Appeals Tribunals.
  - c. Provided additional guidance for those involved in Court of Protection work.
  - d. CRL's application to the LSB for approval to authorise standalone litigation practice rights was approved on 3 November. Created a dedicated landing page on the CRL website for individuals interested in standalone litigation practice rights.
  - e. Additional resource has been recruited to the Practitioner Authorisation and Supervision Team. Extra External Assessors for the portfolio route have been recruited and trained. The number of External Assessors now available has increased from four to circa 30.
  - f. Streamlined and enhanced the portfolio application process. This includes providing an online portal through which applicants can submit the required documentation and including an initial screening stage whereby an assessor checks an application is complete and provides quick initial feedback to the applicant should any aspects of their application require attention before it is progressed to the final assessment stage.
  - g. Worked closely with The University of Law (ULaw) to increase capacity and reduce the length of time for the Assessment only and assessment and training routes which they offer. This includes:
    - i. Shortening the time taken between enrolment and assessment from 13 weeks to 6 weeks for the assessment only route
    - ii. Providing additional assessment opportunities during 2026 which means assessments are available in most months

- iii. Commence developing an assessment only route for criminal litigation.
- h. Held webinars for CILEX practitioners and entities on 10 and 17 November. The webinars had over 1300 attendees.
- i. Working closely with CILEX to:
  - i. Understand the issues of concern to members and respond where appropriate. This resulted in the development of bespoke guidance on litigation practice rights for those working in the Court of Protection sphere.
  - ii. Forecast the likely demand for litigation practice rights through a member survey
  - iii. Identifying employers who have multiple employees requiring practice rights and liaising with them directly to explore possible bespoke solutions to enable their employees to obtain practice rights as quickly as possible,
- 3. CRL is working closely with stakeholders including the Ministry of Justice (MoJ) and the LSB to provide assurance and updates on what CRL is doing to respond to the Mazur challenge. Further details of these meetings are provided in the following sections of this report.
- 4. At the time of writing 346 applications for the portfolio route have been received, and 223 individuals had registered for the ULaw Assessment route in December and January. The first two authorisations for standalone litigation rights were made on 17 November.

#### Communications

- 5. CRL has adopted a proactive approach in recognition of the uncertainty and distress the Mazur judgement has caused some CILEX members. The focus has been on supporting members who are seeking practice rights. We have moved to a regular cadence of communications to reinforce the message that obtaining litigation practice rights is the best option for being able to conduct litigation without supervision. CRL's communication approach includes:
  - a. Establishing a dedicated standalone litigation rights home page on the website
  - b. Regular progress updates summarising the number of applications received
  - c. Guidance and top tips for successfully completing portfolio applications
  - d. CILEX Journal article and CRL Newsletter
  - e. Learner journey information
  - f. Regular updates to FAQs
  - g. Promotion via CRL's social media channels
- 6. Alternative communications approaches to compliment what has already been produced are also being progressed, for example brief explanatory videos and a dedicated webinar on the practice rights application process.

#### Legal Services Board

- 7. The CRL CEO has met with the LSB Interim CEOs on regular basis to discuss the impact of Mazur and CRL's response. Joint meetings with CRL and CILEX CEOs have been held on 2 October and 5 November. The CRL CEO has also attended meetings of all the Approved Regulators and Regulatory Bodies impacted by Mazur on 9 October and 19 November.

8. The CRL Chair and CEO met the LSB Chair and Interim CEO on 13 November. Understandably the agenda focussed on Mazur. However, there was a brief opportunity to discuss the outcomes of CRL's external review of board effectiveness, the soon to be published refreshed EDI strategy and recent dialogue with CILEX regarding alternatives to regulatory redelegation.
9. On 13 October 2025 the LSB announced its review how approved regulators and regulatory bodies ensured that the information and guidance provided to the profession on conducting litigation was accurate and reliable. A request for the provision of information and documents pursuant to Section 55 of the Legal Services Act 2007 was sent to CILEX on 28 October. CRL is been collating information in readiness for the 28 November submission deadline. Further detail is provided in the Director of Policy and Governance report.
10. The CRL CEO, Director of Policy and Governance and Director of Regulation met with the LSB Relationship Manager on 2 October and 25 November 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. LSB Governance and Appointments – Catherine Brown will continue as Interim Chair until 31 March 2026. Recruitment for a permanent Chair and CEO is ongoing.
  - b. Professional Ethics and the Rule of Law (PERL) - the LSB recently published a high-level update of consultation responses and next steps. It is anticipated that a Statement of Policy will be published in the New Year.
  - c. Consumer protection – a paper was presented to the October Board meeting setting out the LSB's focus on consumer risks in the market including mass claims, third-party litigation funding, large firm failures and the unregulated sector
  - d. EDI – a draft statement of policy was considered at the LSB's July Board meeting and published for consultation on 27 November 2025. The draft statement of policy has been considered as part of the development of CRL's new EDI strategy. CRL's response to the LSB consultation will be presented for consideration at the Board's February 2026 meeting.
  - e. Tech and innovation –The LSB's joint bid to the Regulators Pioneer Fund to develop a Voluntary Standards Sandbox was unsuccessful. The LSB are considering other ways in which the aims of the bid can be progressed.
  - f. Economic crime -implementation of the LSB's statutory guidance on the new economic crime regulatory objective which was published on 22 July 2025 will be considered in the next Regulatory Performance Assessment.
11. CRL used the meeting to provide an update on the discussion and decisions made at CRL's September Board meeting which include the risks and impact arising from the Mazur judgement and CRL's response, the external Board Effectiveness Review, and progress on consultations relating to First Tier Complaints Handling rules, standalone litigation practice rights and the proposed Practising Certificate Fee for 2026.

### **Regulatory Performance Assessment**

12. An update on progress against the 2025 Regulatory Performance Assessment (RPA) Action Plan is provided at Appendix 05.03 to this report.

13. 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. To further inform this review, the LSB requested an estimate of both person days and monetary costs incurred in the preparation of the 2024 RPA information request. CRL's response was sent on 10 November 2025.
14. The LSB has confirmed that the annual assurance information request will be not be issued until January 2026 at the earliest.

#### CILEX

15. The CRL CEO attended a meeting, convened by the LSB, of representatives from CILEX, SRA and the Law Society on 10 September to discuss the CILEX/SRA redelegation proposals and possible ways forward that may avoid costly legal action. CRL reaffirmed its public position that it considers the proposals to be unlawful and is prepared to challenge this in the courts but agreed to enter into dialogue with CILEX to explore alternatives. Whilst there have been initial discussions between CRL and CILEX the response to Mazur has been prioritised. The CRL and CILEX CEOs jointly wrote to the LSB confirming the commitment to working together to further the public interest and that both organisations will resume activity as soon as is practicable.
16. The CRL and CILEX Executive teams have been meeting on a weekly basis to liaise on the response to Mazur and understand impacts on the regulatory community.
17. CILEX announced on 18 November 2025 that it is seeking to appeal the Mazur judgement. CRL was not party to the original Mazur case and is not a party to the appeal. Details of the appeal grounds have been requested from CILEX but the request has been declined. CRL reserves its position.

#### Consultations

18. CRL is due to respond to two consultations. The draft responses are included separately on this agenda:
  - g. Office of Legal Complaints Budget and Business Plan 2026/27 – deadline 16 December 2025
  - h. HM Treasury consultation on Anti-Money Laundering and Counter Terrorist Financing Supervision Reform – deadline 24 December 2025.

#### Staffing and Operations

19. The focus has been on ensuring sufficient resource is in place to support the timely processing of practice rights applications. This is reflected in the recent recruitment activity outlined below.
20. The Practitioner Authorisation and Supervision (PAS) Officer and PAS Administrator joined in November 2025. Recruitment of a further PAS Administrator is in progress. These roles increase the capacity of the PAS team to support the processing of practice rights applications.
21. The two temporary Investigating and Enforcement Officers have been moved to permanent contracts and are on the CRL payroll. This saves on agency costs.
22. A temporary Investigations and Enforcement Officer joined in November to support the timely progression and disposal of prior conduct and misconduct cases. An offer has been made for another temporary Investigations and Enforcement Officer position.

23. The recruitment for a permanent Enforcement Administrator is in progress. This is an existing role which has been filled on a temporary basis since August.
24. The Regulatory Support Lead is due to start on 1 December 2025. The postholder will take the lead on the enforcement review project.
25. We have successfully recruited to the the Information Analyst position. The postholder is due to start on 24 November.

#### External meetings

26. Most external meetings attended by the CRL CEO have been Mazur related.
27. On 13 October the CRL Executive team met with the Association of Personal Injury Lawyers (APIL). The CRL CEO also met APIL on 18 November as part of a joint meeting with the Solicitors Regulatory Authority (SRA)
28. On 15 October the CRL CEO met with Ministry of Justice officials to discuss Mazur.
29. On 16 October the CRL CEO attended a meeting of the Legal Ombudsman Regulator Forum.
30. On 6 November the CRL Chair and Chief Executive met with representatives of the CILEX Support Group.
31. The CRL CEO met the Legal Aid Agency, Public Defender Service and MoJ officials as part of a joint meeting with the SRA.
32. The CRL CEO and SRA met with the Local Government Association on 12 November.

## **Section 2**

### **Corporate Plan, Risk and Performance**

#### Balanced Scorecard

33. 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 is being put in place to support this, including capacity to progress the enforcement review project.
34. With regards CRL's authorisation activities, the assessment is that we are still operating within our KPIs and the mitigation measures put in place in response to Mazur should ensure performance is maintained. New operational dashboards have been developed to monitor the progress of the practice rights applications and are reviewed at the weekly Mazur Operations meeting. Shared services remains amber due to the backlog of CRM improvements.

<b>Finance (Information from Finance Paper)</b>	<b>Stakeholder</b>
PCF v other sources of income	External stakeholder relationships

Reserves within target range		Regulated community	
Variance to budget		CILEX (including shared services)	
<b>Internal Processes (Information from regulatory objectives update)</b>		<b>Staffing</b>	
Practitioner		Vacancies	
Entity		Sickness	
Enforcement		Learning and Development	
Governance			
General Management			

35. As approved by the Board, an updated Deliverables Progress Report (DPR) is now used to monitor the delivery of the Corporate Plan. Although the response to Mazur has been prioritised across the organisation the Executive has endeavoured to minimise the impact on the delivery of the Corporate Plan. The latest DPR can be found at **Appendix 5.01**.

36. Areas of note for October – November are highlighted below:

- a. Submission and approval by the LSB of the application for stand-alone litigation practice rights
- b. Application to the LSB for changes to CRL's requirements for first-tier complaints
- c. Submission to the LSB for approval of 2026 Practising Certificate Fee and Compensation Fund exemption application.
- d. OPBAS action plan, AML Supervision report, AML strategy and sectoral assessment
- e. Appointment of a research agency to conduct the stakeholder perception work
- f. Recruitment, including resourcing for the PAS team as part of the Mazur response.
- g. Finalising the EDI strategy and biennial diversity data report ready for publication.

## Risk

### *Strategic Risk Register*

37. This can be found at **Appendix 05.02** Each of the strategic risks have been reviewed to reflect the impact and risks associated with the Mazur ruling and the mitigations that have been put in place. Most of the Mazur impacts have been reflected in Strategic Risk 1.

## Performance

### *Strategic KPI data for Q3 2025*

38. CRL's financial performance for the year up to the end of 31 October 2025 showed an operational deficit of £171,756. £109,203 is due to exceptional costs and the remainder is due to higher than budgeted administration costs resulting from increased recruitment activity including additional response in response to Mazur.

39. CRL's reserves position up to 31 October 2025 was as follows:

Description	Total £	Committed £	Uncommitted £
Total Reserves Working & Contingency	£1,107,745	£374,361	£733,115

40. The Practitioner team performance has maintained the reduction in the length of time to complete the authorisation of Practice Rights to 11 weeks. As the KPI data is up to the end of Q3 it does not reflect the standalone litigation practice rights applications post Mazur. The average decision time for QE and WBL applications has reduced slightly from 15 weeks to 11 weeks between Q3 2024 and Q3 2025. We are closely monitoring performance in light of the increase in practice rights applications. The recently appointed Information Analyst has been tasked with producing performance dashboards for PAS activity

41. Regulated firms have stabilised, with 21 CRL firms (including one ABS) and 35 ACCA firms regulated at the end of Q3 2025 which is a reduction on the same period last year when there were 38 CILEX-ACCA firms.

42. With regards enforcement activity, there has been an increase in the number of live prior conduct cases.

43. For misconduct cases, the number of live cases has increased from 106 to 147 between Q3 2024 and Q3 2025 which has partly been driven by an increase in new conduct referrals compared to previous years. The age of the oldest case has reduced slightly but remains too high. Additional resource is being provided to the enforcement team to support the timely assessment, progression and disposal of misconduct cases. This includes the Regulatory Support lead who joined CRL on 1 December and will be taking forward the enforcement review project. This will report to the Board early on 2026.

### **Recommendation**

44. The Board is asked to:

- **NOTE** the update.