

# CRL BOARD EFFECTIVENESS REVIEW



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# 1. Executive Summary

We found that the CRL Board demonstrates a high level of Board Effectiveness in their governance, structures, process and Board meeting behaviours.

The Board members were competent with appropriate skills and experience. The Board meeting was disciplined, participative and had highly skilled chairing. Board members were appropriately challenging and questions showed a sound level of knowledge.

The CRL Board has shown innovation and transparency as well as a strong commitment to Equality Diversity and Inclusion. Stakeholder feedback generally recognised this. Stakeholders also acknowledged the difficulties of longer term strategic thinking during a period of uncertainty for CRL.

We have made recommendations for improvements where necessary and hope that these are implemented.

## 2. Background to this Board Effectiveness Review

The Board of CILEx Regulation Limited (CRL) decided that a Board Effectiveness Review (BER) should be undertaken and Martin Kirke Consulting and Coaching were selected to undertake the review.

The Terms of Reference, Methodology and Timescales were agreed and the BER was carried out during June, July and August 2025. The report will be reviewed at the CRL Board meeting in September.

# 3. About CRL

Cilex Regulation (CRL) is the independent regulator of the Chartered Institute of Legal Executives – the professional association that represents chartered legal executives, paralegals, and other legal practitioners. CRL offers a forward-thinking, constructive approach to regulation. It regulates members of CILEx, law firms, including probate firms run by ACCA members, and the legal professionals it has authorised with practice rights in specialist areas of law.

CRL are responsible for regulatory matters affecting all those in their regulated community. In addition, CRL oversees the education, qualification, and practice standards of CILEx members. It is the External Quality Assurer (EQA) for the Chartered Legal Executive Apprenticeship scheme authorised by the Institute for Apprenticeships and Technical Education to provide external quality assurance for the Chartered Legal Executive Apprenticeship. CILEX also delegates the regulatory aspects of its role as a Money Laundering Supervisory Authority to CRL subject to the oversight of the Office for Professional Body Anti-Money Laundering Supervision (OPBAS). This includes CRL carrying out the AML supervisory activities and functions, including risk assessment, monitoring and enforcement, for CILEX's firms and members.



# 4. CRL's Mission and Purpose

CRL's mission is to be a high performing and responsive regulator that protects and promotes consumers' interests through strong evidence-based regulation.

CRL's purpose is to ensure high standards of professional conduct and competence, protecting and promoting the public and consumer interests, enhancing respect and understanding for CRL qualifications and maintaining the integrity and trust of the legal profession. This is achieved by

- **Regulating CILEx Members (including non-  
authorised members e.g. paralegals) and Firms**
- **Protecting the Public**
- **Promoting High Standards**
- **Enhancing Accessibility to Legal Services**
- **Supporting Regulatory Objectives**





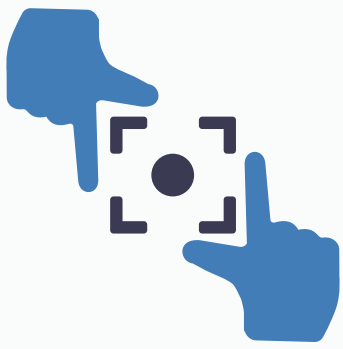
# 5. Purpose of the Review

The BER is being conducted to:

- **Evaluate how effectively the board is fulfilling its core responsibilities**, including setting strategic direction, overseeing management, risk management, assurance and upholding fiduciary duties.
- **Identify both strengths and areas for development** in board composition, operations, and individual contributions.
- **Support a culture of ongoing learning and improvement** at board level.
- **Confirm that board activities and decisions are aligned** with the organisation's current strategic goals.
- **Strengthen stakeholder confidence** by demonstrating the board's commitment to good governance, monitoring its own effectiveness, and effective transparency.



# 6. Scope of the BER



The review considers:

- **Board composition and skills:** Analysis of the range and relevance of skills, experience, and diversity on the board.
- **Board processes and structure:** Review of meeting effectiveness, committee structures, decision-making processes, and governance documentation.
- **The evaluation and the governance of risks,** risk appetite, controls and assurance. The review also examines the Board's annual horizon-scanning exercise.
- **Board transparency and the evaluation of the impact of regulatory activities** including the use of evidence.
- **The degree of innovation** and supporting evidence of innovation.
- **Board assurance for overseeing statutory decision applications.**
- **The Board's commitment and effectiveness on Equality, Diversity and Inclusion**
- **Succession planning** for the Board.
- **Board culture, values and dynamics:** Assessment of how the board works together, including communication, levels of challenge and support, and decision-making behaviours.
- **Individual director effectiveness:** Consideration of the contributions of individual board members, including preparedness, engagement, and accountability.
- **Relationship with management:** Evaluation of the interaction between the board and the executive team, particularly the Chair-CEO relationship and clarity of respective roles.
- **Stakeholder feedback:** Input was gathered from key stakeholders including senior management, the Legal Services Board and other agreed stakeholders.



# 7. Methodology

The review used the following methods to gather evidence:

- **Structured interviews**
- **A confidential board self-assessment survey**
- **Observation of the July Board meeting**
- **Review of key governance documents** including board papers, risk register, terms of reference, role descriptions and minutes
- **Comparative insights** drawn from best practice standards.

# 8. Outputs

It was agreed that the review would result in a written report including:

- **An overall assessment** of board effectiveness
- **Key findings** against each area of the scope
- **Practical recommendations** for improvement
- **Suggested next steps** and, where appropriate, areas for **ongoing monitoring or development**



## 9. Board composition and skills: Analysis of the range and relevance of skills and experience

CRL has a small Board with 5 members consisting of two professional members from the regulated population and three lay members including the Chair. All of these are non-executives.

The CEO attends as an observer. Given the small size of the organisation and the benefits of a small Board we do not propose an increase in size, but we do recommend that the CEO is appointed as a member of the Board. This enhances collective accountability and the importance of the CEO role. It also helps the CEO's work in influencing stakeholders and makes the position more attractive should recruitment become necessary.

NEDs cover a range of skills and professional backgrounds but no recent skills and experience matrix or inventory was available. It is recommended that this be completed and mapped against a forward-looking analysis of the skills and experience the Board needs in the coming years.

In the structured interviews external stakeholders' input on the skills and experience of Board members was limited, as they only knew the Chair and CEO. There was feedback from the Senior Executive Team members that Education experience in NEDs could be stronger and was currently mostly on the Quality Assurance aspects of Education. However, this will be addressed by the recent appointment of a new NED, Aaron Porter who was previously National Union of Students President. He is the Associate Director (Governance) for AdvanceHE, a development agency for higher education, Chair of BPP University and Goldsmiths College. This is an excellent appointment in terms of skills, experience and diversity of the CRL Board.

## 9. Continued – Board composition and skills: Analysis of the range and relevance of skills and experience

There was also a view that CRL would benefit from having a NED with a substantial background in consumer representation. However, the Chair does have experience in this area as the former lead director for policy and consumer advocacy, UK Government. He is also a NED at The Office for the Independent Adjudicator for Higher Education which is the Ombuds service for students (created when students started paying fees and became consumers of education services). He was previously a Board Member for the Energy Ombudsman and a Board Member for Citizens Advice.

A review of skills and experience as above would help increase awareness of what colleagues can contribute.



Technology and digital was also mentioned as a missing area of expertise on the Board particularly given the growing importance of this in legal services and the fast-changing AI landscape.

An alternative approach to further NED recruitment would be to create a Strategic Advisory Board whose members could include a wider range of skills and experience. These typically meet 2–3 times a year which means that costs should not be onerous. This could be a mix of independent experts, on areas such as technology, and members recruited from the regulated population. There are benefits of synergy and fresh perspectives particularly if Senior Executives and NEDs attend part of the meetings.

## 10. Diversity of the board.

Inevitably the diversity of the Board is limited by the small size. Stakeholder feedback was that the Board was not ethnically diverse. Meetings are held with the “Top 40” made up of the Board, Senior Executive Team, staff and the external members of the various CRL committees . This is a more diverse group than the Board.

The impact of a lack of diversity on the Board could be lessened by setting up a Strategic Advisory Board, as above, which could include, for example, leaders of ethnic minority community groups. It should be possible to have a diverse Board with different protected characteristics and there are specialist recruiters with a good record of achieving this.

We understand that CRL are proposing to create an apprentice NED role which we welcome. Some organisations have created the role of Apprentice NED, or in the case of NHS Trusts Associate NEDs, to attract more diverse candidates. This includes those without previous NED experience, which tends to improve age diversity. These roles are usually additional roles to the existing NED roles and provide potential succession to NED roles.

For Professional Members, a similar scheme could be created. This would enable a smoother transition to a full NED role, given that professional members often have a steep learning curve due to a lack of NED experience.

Some organisations have also created “Young NED” roles to give more insight into early career issues and experiences. This also has potential to increase diversity across different characteristics as well as age diversity. However, care needs to be taken with this approach and we do not support the arbitrary maximum age adopted by some organisations such as “ candidates must under 30.”

Surveys have been completed to show the comparison of the diversity in the regulated population with the leadership in CRL. Due to the small size of the Board the comparison has been with the “Top 40”





# 11. Board processes and structure :Structure of committees and their connectivity with the board

Much of the decision making in CRL is done within committees. These are mostly resourced by independent members rather than Board members.

CRL has the following committees

**Strategic Risk Committee (SRC)** which a NED attends as an observer. The SRC provides an oversight function for the review and application of CRL's risk framework and how this should be applied to the entity authorisation processes. In addition, it may determine whether to endorse decisions made by officers to reject or revoke authorisation for CRL's firms. It also oversees supervision of both regulated individuals and practitioners. The SRC is made up of four members comprising Lay and Professional members.



Last year it was agreed there should be a closer relationship between the Board and the SRC. Whilst the Board continues to retain overall responsibility for the oversight of CRL's risk management framework, it was agreed that the remit of the SRC should be extended to further improve the scrutiny and management of CRL's risk management framework by drawing on the expertise of the SRC membership which includes an independent dimension.

The Strategic Risk Committee's Terms of Reference now include:

Review and provide advice on changes to CRL's risk appetite statement

Review any changes to CRL's Strategic Risk Register and advise on the adequacy of mitigation measures.

Provide 'horizon scanning' advice to the CRL Board on potential sectoral risks to inform CRL's annual business planning cycle.

# 11. Continued. Admissions and Licensing Committee (ALC)

**The Admissions and Licensing Committee** has oversight responsibility for a range of individual authorisation functions including:

- Authorisation as a Chartered Legal Executive
- Authorisation to practise reserved activity in one or more areas of specialism.
- Authorisation to practise advocacy in one or more areas of specialism

The ALC also determines applications to become authorised as a Chartered Legal Executive or a CILEX Practitioner from individuals who qualified in any jurisdiction outside of the UK, in compliance with the Professional Qualifications Act 2022 and as authorised by the Legal Services Board. ALC also approves the accreditation of Training Providers.

A detailed annual report on the work of the ALC is reviewed by the Board each year and reported in the Annual Report in a section written by the ALC Chair. This was high quality and comprehensive. It is recommended that this includes information on the members of the ALC in addition to the ALC Chair.

A Remuneration Committee has been established recently and is made up of the Board and two external independent advisers as members. It is Chaired by the CRL Chair and is primarily responsible for reviewing and approving remuneration for the Board and CEO.





# 11. Continued- Disciplinary panels

CRL has three independent disciplinary panels that consider the conduct of those it regulates:

- Professional Conduct Panel (PCP)
- Disciplinary Tribunal (DT)
- Appeals Panel (AP)

The PCP considers prior conduct matters, that is conduct that has been self-declared by both regulated persons and applicants for CILEX membership or authorisation, where that conduct has the potential to impact on their suitability for CILEX membership or authorisation. The PCP also considers allegations of professional misconduct against regulated persons to determine whether there is a case of professional misconduct for them to answer, or to approve a sanction agreed under a Determination by Consent (DBC) where misconduct is admitted. PCP meetings are held in private and, in contrast with the DT and AP, there is no automatic right of public attendance.

The DT hears charges of professional misconduct against regulated persons in both contested and uncontested cases. It also reviews disqualification decisions made against licensed bodies and their staff and tends to deal with the most serious and complex cases overall.

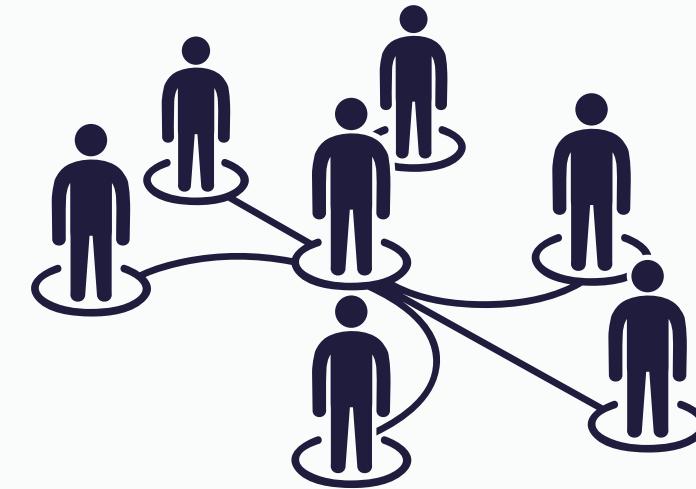
The AP hears appeals from CRL, applicants and regulated persons against decisions made by the PCP and DT. It also hears appeals against decisions relating to admissions, authorisation, licensing and supervision matters.

A detailed annual report on Disciplinary Panels is reviewed by the Board each year and reported in the Annual Report. This was high quality and comprehensive particularly on the data presented.

# 11. Continued – Review of the committee's connectivity with the Board

Some internal stakeholders commented that there had been at times a lack of connection between the Board and Committees. The Chair explained that about a year ago he decided that the Board needed to know more about the work in the Committees and instituted a system of the Committee Chairs coming to some Board meetings each year and Board members are now attending some committees as observers. More recently it has been decided that the Board will receive the Minutes of Committee meetings.

In many organisations the Committees would be Chaired by one of the NEDs using their specialist professional expertise or subject matter knowledge. Rather than this approach CRL prefers to appoint Committee Chairs with skills and knowledge additional to the NEDs. This is also to help address any gaps in skills and experience on the Board.



We considered whether or not one of the NEDs should Chair the SRC. While this has benefits in larger organisations, on balance we believe the current arrangement of an Independent Chair is preferable for CRL. This brings more independence and diversity of thought.

On the disciplinary, admissions and licensing it is not necessary, and at times would be inappropriate, to have NEDs involved.

## 12. Review of Board meeting effectiveness, decision-making processes, and governance documentation. Board culture, values and dynamics: Assessment of how the board works together, including communication, levels of challenge and support, and decision-making behaviours.

The Board's Self Evaluation (Appendix 1) was reviewed and it can be seen that there was a largely positive view by members. Improvements proposed by Board Members are covered elsewhere in this report.

The Board papers, agendas and minutes were reviewed for 2024 and 2025. These were of a high quality with effective and consistent structures. Some internal stakeholders noted the improvements in the quality of papers in recent months and this was evident in the review. Some stakeholders commented that the Board packs were still too long. A highly effective template structure for papers is used and an example is included as Appendix 2

There is an effective balance of operational data and reporting with strategic issues.

Accountabilities were clear and understood with appropriate separation between the Chair and CEO, and between NEDs and the Senior Executive Team with a mature relationship between their respective roles. One stakeholder asked to be made aware of challenges and questions coming up in Board meetings to better prepare and respond more effectively.

There is a comprehensive calendar called the Annual Cycle of Board Business which covered all the areas expected in a well governed organisation. There was evidence of systematic reviews of governance policies such as:

- Board member Code of Conduct
- Schedule of matters reserved to the Board
- Standing Orders
- Governance Transparency Policy
- Board, committee and panel periods of appointment
- Expenses Policy (all non-executive roles)
- Board member Appraisal Arrangements

The minutes were concise and showed a disciplined approach, as did the recording of actions and follow up. The agenda, papers and minutes for the 2024 and 2025 away days were reviewed and a clear strategic focus was evident. Time was taken to do a horizon scanning exercise this year which stakeholders welcomed, although some questioned how much follow up or actions and issues had happened since. The Chair accepted that some output, such as the growing vulnerability of legal consumers, hadn't yet been followed up but would be.

## 12. Continued – Review of Board meeting effectiveness, decision-making processes, and governance documentation. Board culture, values and dynamics: Assessment of how the board works together, including communication, levels of challenge and support, and decision-making behaviours.

The performance data reviewed was highly detailed but clearly presented. The Comms and Engagement performance data was largely about volume of activity and would benefit from more data on the effectiveness and results of the activities.

In the meeting observed the Chairing was skilled and of a high standard particularly, in summarising issues and clarifying exactly what was decided. Efforts were made by the Chair to encourage more participation from quieter members of the Board. The overall effectiveness of meetings would be improved with more self-awareness from some those who naturally dominate discussions. At times, some Board members contributions became long and would benefit from being more concise.

Board members were respectful of each other and showed a shared purpose. The meeting showed an honest and open awareness of the issues facing CRL.

The Board members were collaborative with appropriate levels and style of challenge. The meeting was well disciplined and there was clear listening. There did not appear to be a hierarchy and members seemed to value each others' contributions. Praise and recognition of good work by the Exec was given by the Chair and supported by NEDs.

An appropriate pace was maintained and timekeeping was effective. The Chair and CEO were open to ideas from NEDs and specifically encouraged these.

At the Board meeting attended we did not hear reference to the CRL values. This could have been atypical. We recommend that at the end of meetings the Board members reflect on how far the values were demonstrated in that meeting and how this might be improved. This would be part of the brief discussion on reflections from the meeting.



### 13. Board assurance for overseeing Statutory Decision Applications.

One external stakeholder wanted to see improvements in the quality of applications to alter CRLs' regulatory arrangements, particularly the need for these to be underpinned by more evidence. These should follow effective consultation and have analysis of impact of changes.



### 14. The evaluation and the governance of risks, risk appetite, controls and assurance.

The governance of risks, controls and assurance were reviewed and found to be comprehensive and used effectively in the Board meetings. A recent improvement was the development of CRL's risk appetite. There was a thorough review and assessment of CRL regulation of CRL firms against the findings of the Axiom Ince Report and Action Plan following the LSB report.

Some stakeholders felt there would be benefit in deep dives into particular risks at future Board meetings. They also highlighted that there had been "a really good job in improving the risk register and developing the risk appetite but we are not spending enough time at board meetings looking at the risks".

One external stakeholder commented on risks that "uncertainty of future for CRL in recent years as made it hard for CRL to horizon scan or think long term and it has therefore taken incremental approach to regulation and risks, but this improved since the new CEO was appointed".

## 15. Innovation

Stakeholder feedback recognised that CRL was innovative despite the threats to its future which might have influenced against this. Examples mentioned by stakeholders were the Roundtable on the Unregulated Sector and the work on AI and Lawtech.

This review saw another example on Continuous Professional Development where CRL sample a portion of the regulated community each year to provide assurance for consumers that the necessary CPD is being undertaken. This is reviewed at the Board and publicly reported showing high rates of compliance with just under 6% being non-compliant. We commend this approach which we have not found in other regulators of professions.



## 16. Transparency

This review found a high degree of openness and transparency. For example, Board meetings are held in public with papers published a week in advance and questions encouraged. As well as formal papers being published an easy to read summary is published on the website and a Chair's blog on the outcome of Board meetings.

The Board had consulted on amendments to CRLs' transparency rules and regulations for firms in line with the LSB's statement of policy on consumer empowerment. More consumer facing web content has been introduced including 'I am a member of the public' section.

Matters considered in private are well defined and the criteria are published. At the Board meeting observed the private session covered only appropriate items before the public session.



## 17. Succession Planning

There is no succession plan but we understand that a proposal is going to the September Board.

## 18. Equality, Diversity and Inclusion (EDI)

There was a strong commitment to EDI demonstrated in the papers reviewed and stakeholder input recognized this. CRL works jointly with CILEX on a membership survey showing the diversity in the regulated population and this is published. A well founded and comprehensive EDI Strategy was agreed at the Board and published. There is a published plan to improve EDI and actions were being followed through.

The Chair has substantial relevant experience in this having previously been Director General of the Government's Equality Office. Other examples of EDI work supported by the CRL Board are:

Published Beyond Buzzwords research in collaboration with 11 other professional membership and regulatory chartered bodies. Conducted by the Young Foundation, the research looked at how recent efforts to promote EDI have been experienced across and between a range of professions. 631 CILEX members contributed to the research, which found that while improvements had been made in diversity, the legal profession continues to be dominated by males of white ethnicity from middle or upper class backgrounds.

Commissioned digital exclusion research. Following the Competition and Markets Authority's market study in 2016, CRL have been working to make legal market more transparent and accessible for consumers. This included the joint regulator pilot in 2021 to encourage greater use of online information within the legal sector including digital comparison tools.

One recommendation from the evaluation report is a commitment to carry out further work on Digital Exclusion. In collaboration with the Bar Standards Board and Council for Licensed Conveyancers, they commissioned MEL research to understand the experiences of digitally excluded consumers using, or looking to use, legal and probate accountancy services. This included the challenges they face, limitations in service delivery they receive, and what actions legal service providers and/or legal regulators can take to address these challenges. The research aims to shed light on people who experience digital exclusion and types of digital exclusion experienced.

