Date	**14 July 2026**
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 April 2026 meeting.
Recommendation	To **NOTE** the report.
Timing	N/A
Impact assessment	None
Impact on Regulatory Objectives	• 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	• This report covers staffing, operations and resource implications affecting CRL since the last Board meeting.
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** 2026 Corporate Plan Deliverables Report **05.02** Strategic Risk Register **05.03** Balance Scorecard

Section 1

1. CRL's primary focus since the last Board meeting in May has been:

   - Reviewing the outcome of the Court of Appeal decision in the case of Mazur v Charles Russell Speechlys LLP 2025, including preparing guidance on the conduct of litigation and supervision
   - Moving the operational focus of the Practitioner Authorisation and Supervision (PAS) team to a more 'business as usual' footing
   - Conducting the Mazur lessons learnt review in line with the Terms of Reference agreed at the May Board meeting
   - Analysis of the findings of the Stakeholder Perception Research and development of an action plan
   - Working closely with CILEX to develop a joint work programme to improve the current regulatory arrangements
   - 2027 budget and business planning
   - Enforcement rules review
   - Data transformation project
   - All staff in person meeting.

2. A significant development since the last Board meeting has been the confirmation by both the SRA and CILEX that pursuing the redelegation of the regulation of Chartered Legal Executives from CRL to the SRA is no longer a strategic priority. These announcements are welcome as they enable CRL to plan for the future with greater certainty than has been the case over the past four and half years.

3. At the time of writing 1165 litigation practice rights authorisations have been completed. This comprises 637 through the portfolio route and 528 via the ULaw assessment route. There has been a significant drop off in new applications being received, with authorisations exceeding new applications. This means the number of open applications continues to reduce to less than 200.

4. The average end to end processing time for those portfolio applications that pass pre-screening and external assessment first time is 10.5 weeks. This is within the 11 weeks processing time which CRL committed to maintain at the start of the Mazur response. The number of Portfolio applications successfully completing the external assessment first time has held steady at 81%.

5. On 31 March 2026 the Court of Appeal upheld the appeal brought by CILEX against the judgment in the case of *Mazur vs Charles Speechlys LLP 2025*. Paragraph 187 of the ruling confirmed *'An unauthorised person may lawfully perform any tasks, which are within the scope of the conduct of litigation, for and on behalf of an authorised individual such as a solicitor or appropriately authorised CILEX member, provided the authorised individual retains responsibility for the tasks delegated to the unauthorised person (both formal responsibility and the responsibilities identified at section 1(3) of the 2007 Act) In that situation, the authorised individual is the person carrying out the conduct of litigation'.*

6. The Court of Appeal judgment places an expectation on regulators that it is for them to provide guidance on the management supervision and control arrangements that the authorised individual should have in place for the delegation of tasks to unauthorised individuals. CRL published updated litigation and supervision guidance on 29 May 2026. The guidance was developed with input from CILEX and SRA, in line with the expectations set out by the LSB's CEO in his letter to regulators of 1 April 2026.

7. Following discussions between CRL and representatives of the CILEX Support Group, CRL agreed to extend the temporary adjustments to the litigation practice

rights portfolio evidence requirements from 30 June to 30 September 2026.

8. As previously reported, CRL responded to queries seeking clarification of the status of those Chartered Legal Executives (CLEs) undertaking various roles within the Court of Protection (CoP) by publishing guidance on the most suitable litigation pathways available and the approach CRL would take when assessing particular learning outcomes that might be difficult to evidence due to the nature of CoP work. We have sought to engage with the Court of Protection to:

   - Clarify that CRL has the power to grant rights of audience to appropriately qualified CLEs
   - Seek clarification of the most appropriate type of Advocacy Practice Rights for CoP hearings
   - Further our understanding of the work undertaken in the CoP in order to determine whether it falls within the definition of the conduct of litigation and therefore requires litigation practice rights
   - Clarify the type of litigation practice rights that are most suitable for CoP work.

9. We have struggled to achieve meaningful engagement with the CoP. I have written to the President of the CoP and also escalated to the Ministry of Justice. We have recently received a response from the President's private office confirming a response to our queries is forthcoming.

10. We have been working with CILEX to understand queries in relation to the scope of probate practice rights and private client work which straddles both probate and estate planning (including trusts). We have sort legal advice, and a follow up meeting is scheduled with CILEX in early July .

11. We have seen increased interest from Chartered Legal Executives wishing to gain Advocacy Practice Rights. Accompanying guidance to support applicants in preparing their submission has been published.

Communications

12. A communications package was published on 20 May to coincide with the 1000th CLE successfully obtaining litigation practice rights. The communications included testimony from two CLEs who had gained practice rights through the ULAW assessment route and the Portfolio route.

13. CRL's updated guidance on the conduct of supervision and litigation as well as confirmation of the extension to the temporary Litigation Practice Rights Portfolio evidence adjustments was published on 29 May 2026.

14. CRL's Chief Executive and Director of Policy and Governance attended a webinar hosted by CILEX on the 7 May which considered the outcome of the Court of Appeal decision. This provided an opportunity to respond to questions from CILEX members. A set of updated FAQs have been published in response to the most commonly asked questions.

15. A response was provided to the legal press in reaction to the publication of the SRA's strategic priorities which confirmed that regulatory redelegation was no longer a priority for them.

16. The CRL CEO has written a reflective piece for the New Law Journal on the impact and opportunities arising from the Mazur case. This is due for publication in July.

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Legal Services Board

17. The CRL CEO, Director of Regulation and Director of Policy and Governance met with the LSB Relationship Manager on 23 April 2026. The LSB confirmed its plans to convene an initial Professional Ethics Network meeting in early July to sharing thinking on the implementation of the PERL policy statement. The LSB indicated that they are developing a new three-year plan which is intended to bridge the gap between the annual Business Plan and the 10 year sector wide Reshaping Legal Services strategy. Consultation on the draft three-year plan is expected at the end of the year. The LSB had received CRL's first quarter response to the financial information requested as part of the 2026 PCF Decision Notice and confirmed no further information was required.

18. Following the Mazur Court of Appeal judgment on 31 March 2026 the LSB CEO wrote to all the Approved Regulators and the regulatory bodies setting out the LSB's expectations. CRL responded on 28 April setting out the immediate actions undertaken. The draft report of the LSB's Regulatory review of advice and guidance provided to the profession on the conduct of litigation was received on 25 June and is currently being considered for factual accuracy. The final report is expected to be published in July.

19. The CRL CEO attended a meeting of the Approved Regulators and regulatory bodies on 20 May 2026 to discuss their response to the Mazur Court of Appeal judgment. The LSB confirmed their expectations that regulators should collaborate when developing guidance on supervision.

20. The CRL CEO attended a meeting of the Legal Services Regulators' CEO Forum convened by the LSB on 25 June 2026. The LSB CEO set out his aspirations for the group which would focus on intelligence sharing, key sector trends, risks and opportunities. The LSB CEO also used the opportunity to outline a fresh approach to regulatory oversight which includes changes to the LSB's organisational structure.

21. There is no update regarding the Public Bodies Review of the LSB which is being chaired by Richard Lloyd. The report is still expected to be published in the summer.

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Regulatory Performance Assessment

22. The LSB is currently reviewing its approach to the annual RPA, with the expectation that they will move to a more proportionate and risk-based approach. We anticipate further details, including a request for information, by the end of July.

CILEX

23. The CRL and CILEX CEOs continue to meet on a fortnightly basis. The focus of these discussions have been agreeing a common agenda for progressing longstanding issues. It was agreed a joint project steering group of the CILEX and CRL Executive teams should be established.

24. The Joint Steering Group has met in person in April and May. The initial meeting:

- Established a shared understanding and shared objectives between the two organisations, whilst respecting the IGRs
- Scoped areas of mutual interest.
- Considered suitable success indicators.to progress the issues.

25. The outcome of these joint meetings has been an agreed Terms of Reference which identifies three workstreams as the core initial focus. They are:

- Improving regulation
- Finance
- Service delivery, including putting in place a new shared services SLA.

26. A Communications MoU has also been agreed. The Steering Group will continue to meet on a quarterly basis, with next meeting scheduled for July 2026.

Staffing and Operations

27. On 9 June, a group of CRL staff, including the Chair and CEO, joined thousands of others who work in the legal services sector to complete the London Legal Walk in aid of the London Legal Support Trust (LLST). The annual event ensures the LLST can continue helping over 100 free legal advice charities provide their vital, life changing services.

28. On 10 June the whole organisation came together for its summer in-person staff meeting in Bedford. The agenda included: the view from the Board and exploring the strategic themes from the May Board strategy meeting, input into the Mazur lessons learnt review and stakeholder perception research and a staff led session on AI.

29. The following roles are currently being recruited due to resignations:

- Enforcement Administrator – role is being remarketed with a potential apprenticeship option following successful completion of probation with the aim of improving retention and supporting career progression
- Investigations & Enforcement Officer
- PAS Administrator.

30. Informed by the approach to managing operations when responding to the Mazur impact, an Operational Management Group (OMG) has been established to provide effective oversight and coordination of CRL's day-to-day operational performance. The Group ensures that operational activities are aligned with strategic objectives, risks are actively managed, resources are used efficiently and agreed performance standards are met. The OMG membership includes: the Executive team, Head of Education, Disciplinary and Standards Manager, PAS Manager, Finance Manager, Information Analyst, Regulator Support Lead, Entity Authorisation & Supervision Officer and Business Support. The OMG meets monthly.

External meetings

31. The CRL CEO attended the following meetings in addition to meetings already referenced with the LSB and CILEX:

- Financial Conduct Authority (FCA) AML Supervisory Reform CEO Group – 17 April 2026.

- Home Office Roundtable – 7 May 2026.

- Association of Regulatory and Disciplinary Lawyers (ARDL) Annual dinner – 8 May 2026.

- Bell Yard Kysen – 21 May 2026

- Independent Review of Legal Services Regulation Roundtable meeting hosted by Prof Stephen Mayson UCL – 16 June 2026.

- Institute of Regulation EDI Special Interest Group – 18 June 2026.

- Interest on Lawyers Client Accounts policy discussion with the Ministry of Justice – 23 June 2026

- CRL regulated entity owner – 27 April and 23 June 2026.

Section 2

Corporate Plan, Risk and Performance

<u>Balanced Scorecard</u>

32. The CRL balanced 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. The variance to budget remains at amber due to the concerns raised by the LSB in the 2026 PCF decision notice.

33. With regards CRL's authorisation activities, we are still operating within our KPIs and the mitigation measures put in place in response to Mazur have ensured performance is maintained. However, stakeholder relations with the regulated community has moved to amber to reflect complaints and the emerging findings from the findings of the stakeholder perception survey. Shared services remains amber whilst discussions with CILEX on establishing a new SLA are ongoing.

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 (Infomation from regulatory objectivfes update)		**Staffing**	
Practitioner		Vacancies	
Entity		Sickness	
Enforcement		Learning and Development	
Governance			
General Management			

34. An updated Deliverables Progress Report (DPR) for 2026 is provided at **Appendix 0.5.01.**.

35. Areas of note since the April Board meeting are highlighted below:

- Mazur
    i. Authorisation of litigation practice rights applications
    ii. drafting of guidance on effective supervision
    iii. Resolution of Practice Rights queries relating to Probate and Court of Protection work
- Lay and Professional Panel member recruitment and onboarding
- Mazur lessons learnt review
- Stakeholder perception research
- Compensation Fund review
- CILEX/CRL joint work programme
- Data transformation programme
- Enforcement rules review.

Risk

Strategic Risk Register

36. This can be found at **Appendix 05.03** Each of the strategic risks have been updated to reflect the Mazur Court of Appeal judgment, the recent announcements by the SRA and CILEX concerning no longer prioritising regulatory redelegation and the financial position and the LSB's 2026 PCF Decision notice. However, on balance, the Executive's assessment is that the overall risk scores remain unchanged.

Performance

37. CRL's financial performance for the year up to the end of 31 May 2026 showed an operational surplus of £7,818 after exceptional costs. Non-PCF income is significantly ahead of budget due to the effect of Mazur however direct costs are more than budgeted due to thee additional assessor and staff costs associated with the Mazur response.

38. CRL's reserves position up to 31 May 2026 was as follows:

Description	Total £	Committed £	Uncommitted £
Total Reserves Working & Contingency	£1,143,719	£420,000	£723,719

39. The Board has been provided with regular performance data for the litigation practice rights applications.

40. The Practitioner team performance has maintained its average decision time for QE and WBL applications. This is against a backdrop of a significant increase in both application types at the beginning of the year. Practice rights authorisations continue to outpace applications however it is anticipated that the end to end processing time will increase slightly as the older applications reach the end of the process, as well as due to resource pressures within the PAS team resulting from a recent resignation and sickness. Activities have been redistributed across the team and a new PAS Administrator is currently being recruited.

41. Regulated firms have stabilised, with 21 CRL firms and 35 ACCA firms regulated at the end of Q1 2026. One firm is expected to seek authorisation.

42. There has been a steady increase in the number of new prior conduct declarations. The case age profile has improved and the length of time to disposal has reduced.

43. For misconduct cases, caseloads remain at similar levels with a small reduction in live and on-hold cases. Performance at both the initial review and officer decision stages is improving. A recent Disciplinary Tribunal has successfully concluded two longstanding cases. .

Recommendation

The Board is asked to:

- **NOTE** the update.