Date	**17 September 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 July 2026 meeting.
Recommendation	To **NOTE** the report and **APPROVE** Christmas arrangements.
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 Q2

Section 1

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

    - Moving the operational focus of the Practitioner Authorisation and Supervision (PAS) team to a more 'business as usual' footing through enhanced data reporting
    - Operational performance across CRL's core regulatory functions through enhanced reporting and scrutiny by the Operational Management Group (OMG)
    - Publication of the Mazur lessons learnt review
    - Member webinar on progress, priorities and the road ahead which had 70 attendees
    - Publication of CRL's annual reports and financial statements
    - Launch of the 2027 Practising Certificate Fee consultation
    - Responding to the LSB's report on litigation guidance
    - Implementation of the governance changes agreed following the Board effectiveness review
    - Working closely with CILEX to develop a joint work programme to improve the current regulatory arrangements
    - 2026 CPD requirements
    - Entity oversight and compliance
    - Data transformation project

2. At the time of writing 1300 litigation practice rights authorisations have been completed. This comprises 709 through the portfolio route and 501 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.

3. The average end to end processing time for those portfolio applications that pass pre-screening and external assessment first time is 10 weeks. The processing time for all applications has slightly increased to 12 weeks. This reflects the increased proportion of older applications that have required additional information and/or multiple assessments. 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 has increased slightly to 83%. The PAS team has faced some challenges due to carrying vacancies for longer than anticipated.

4. 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. We do not intend to further extend the adjustments as they are no longer necessary. This is based on various factors including application volume and the length of time these adjustments have now been in place.

5. 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 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.

6. We have now received a response from the Court of Protection and updated our guidance. This has been shared with CILEX prior to publication. We are seeking further clarification from the Court of Protection as to whether Higher Rights of Audience are required for certain CoP hearings. A meeting has also been arranged with a group of CILEX Members who undertake CoP work and have raised queries with CRL. This will include discussion as to whether a specialist authorisation pathway for Court of Protection work should be developed.

7. We continue to work 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 are awaiting a response from CILEX following a meeting held in July.

<u>Communications</u>

8. The main communications activity has been the CRL Member webinar *Progress, priorities and the road ahead* which was held on 21 July. The session reviewed:

   - The Mazur judgment and how this is shaping CRL's future direction
   - Progress against CRL's strategic priorities
   - Findings from the Mazur lessons learnt exercise and next steps
   - Our priorities for 2027 including the proposed PCF.

9. The CRL CEO wrote a reflective piece for the New Law Journal on the impact and opportunities arising from the Mazur case.

10. Other communications activity included:

    - Publication of CRL's annual reports and financial statements, including the 2025 Costs transparency statement.
    - CRL's response to the LSB's report on regulatory litigation guidance
    - PCF consultation launch
    - Reminding CILEX members of their 2026 CPD compliance obligations.

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<u>Legal Services Board</u>

11. The CRL CEO, Director of Regulation and Director of Policy and Governance met with the LSB Relationship Manager on 15 July 2026. The following updates were provided:

    - The development of the LSB's new three-year strategy. The new three-year strategy is being developed to replace the 10-year strategy and will include a focus on strengthening oversight and consumer protection. A consultation draft is expected to be published in the Autumn.
    - The LSB Chair has published a blog on sector-wide collaboration on EDI and has been invited to serve on the new Judicial and Legal Diversity Board.
    - Following publication of the research into consumer expectations of accessing legal services via AI and the landscape review of the standards, regulations and guidance currently relevant to AI tools, policy development from these findings is currently underway.

- The LSB is currently analysing the findings from the recent Small Business Legal Needs survey.
- The LSB is planning to conduct a Tech and Innovation Survey, with work to take place in the autumn and planned publication in the new year

12. The CRL CEO is due to meet with the LSB CEO on 14 September 2026.

Regulatory Oversight

13. On 30 July 2026, the CRL CEO and Director of Regulation attended a briefing session on the LSB's new approach to regulatory oversight. This follows the recent independent review of the LSB conducted by Richard Lloyd. The new approach is intended to be more forward looking, intelligence led and risk based. This should result in a shift away from the 'one size fits all' approach of previous Regulatory Performance Assessments (RPA). All regulators have been asked to complete an Annual Regulatory Return by 9 October. This focuses on what has changed since the last RPA, specific plans for the next 12 months and the risks and challenges we foresee to legal services users and how we intend to mitigate these risks.

14. The ARR will form the basis of the LSB's risk assessment of each regulator. The risk assessment will inform what further scrutiny, if any, is required. The possible outcomes are:
    - No additional scrutiny. Routine monitoring through the establish relationship management meetings.
    - Partial or full Regulatory Performance Assessment
    - Targeted review on a specific aspect of the LSB's standards
    - Thematic review
    - Investigation.

15. Regulators will be notified of the outcome of the risk assessment by December 2026. This may require the submission of further information and evidence. Final reports are expected to be published by Spring 2027.

16. As part of the new approach, the LSB has asked for information on the time and resources spent by regulators on responding to the ARR.

Review of conduct of litigation guidance

17. The LSB published the findings of its review guidance provided to the legal profession on the conduct of litigation on 27 July. This follows the publication of interim findings in January 2026. The review was prompted by the High Court judgment in *Mazur* (September 2025) and the Court of Appeal's clarification (March 2026) that unauthorised individuals may conduct litigation under the supervision of an authorised person.

18. The review found that while regulators responded constructively and updated guidance following the judgments, previous advice to the profession had varied in clarity and consistency. With specific reference to CRL, the review also identified that in 2022, when regulators developed differing interpretations of the Act, there was insufficient cross-regulator engagement to resolve that inconsistency. The key findings of the review were:

    - Information provided by approved regulators and regulatory bodies varied in consistency, clarity and detail
    - Assessment of the scale of impact was undermined by gaps in regulatory knowledge about the level of supervision
    - Different interpretations of the statutory framework risked inconsistent outcomes

- Opportunities to clarify and address some of the issues were missed or not pursued
- Good collaboration between regulators following Mazur on the production of updated guidance.

19. The LSB review made the following recommendations:

- Ensure guidance clearly explains what constitutes adequate supervision
- Implement processes for sharing draft guidance
- Gather further information on the frequency and volume of reserved legal activities undertaken
- Review and strengthen assurance processes to ensure effectiveness in identifying, assessing and addressing regulatory risks.

19. CRL has already acted in response to the LSB findings. The actions include:

   a. Publishing updated guidance in May 2026 on the conduct of litigation and supervision. The guidance was developed in consultation with the SRA and LSB. A further update was published in July 2026 to address the specific points raised by the LSB concerning consistency between the SRA and CRL guidance.

   b. Development of a communications MoU with CILEX to govern the sharing of regulatory guidance prior to publication

   c. Surveying the CRL regulated entities to obtain a more complete picture of their current supervision arrangements.

<u>CILEX</u>

20. The CRL and CILEX CEOs continue to meet on a fortnightly basis. In addition the Joint CILEX/CRL Project Group is now in a regular cycle of quarterly meetings, with the last meeting taking place in July.

21. 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.

22. A Communications MoU has also been agreed.

<u>Staffing and Operations</u>

23. Appointments have been made to the following roles:

- Enforcement Administrator – start date 6 August 2026
- Investigations & Enforcement Officer – start date 24 August
- PAS Administrator (FTC) – 2 September.

24. Recruitment is ongoing for a permanent PAS Administrator as the preferred candidate declined the offer made after interview.

25. The following arrangements for the 2026 Christmas period are proposed:

- CRL operations close at 12pm on Thursday 24 December 2026
- CRL operations shutdown between Christmas and New Year, resuming Monday 4 January 2027. Discretionary additional leave days for eligible staff on 29-31 December.
- £600 bonus for CRL contracted staff who are in post on or before 30 September 2026. This is reflected in the approved budget for 2026.

<u>External meetings</u>

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

    - Jay Parmar – Intellectual Property Regulation Board (IPREG) – 26 August 2026
    - Institute of Regulation webinar – *Lessons from Regulators on Securing and Delivering Technology Investment – 16 July*
    - FCA – update on FCA's AML Supervisory Reform Implementation project
    - LSB briefing session on new approach to regulatory oversight – 29 July 2026
    - Association of Regulatory and Disciplinary Lawyers (ARDL) Annual dinner – 8 May 2026.
    - Bell Yard Kysen – 18 August 2026
    - Tom Hayhoe – Legal Services Consumer Panel (LSCP) – 14 September 2026.

Section 2

Corporate Plan, Risk and Performance

<u>Balanced Scorecard</u>

20. 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 has been 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, although CRL maintains a healthy financial position.

21. 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 findings from the the stakeholder perception survey. Shared services remain 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			

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

23. Areas of note since the July Board meeting are highlighted below:

- Mazur
  i. Authorisation of litigation practice rights applications
  ii. Publication of guidance on effective supervision
  iii. Resolution of Practice Rights queries relating to Probate and Court of Protection work
- Mazur lessons learnt review publication
- 2027 budget and PCF preparation
- Development of a Quality Assurance Strategy
- Drafting AI guidance
- Stakeholder perception research
- Compensation Fund review
- CILEX/CRL joint work programme
- Data transformation programme
- Enforcement rules review.

<u>Risk</u>

Strategic Risk Register

24. This can be found at **Appendix 05.03** The risks have been reviewed. No changes are proposed.

<u>Performance</u>

25. CRL's financial performance for the year up to the end of 31 July 2026 showed an operational surplus of £6,171 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 the additional assessor and staff costs associated with the higher than forecast number of practice rights applications resulting from Mazur.

26. CRL’s reserves position up to 31 July 2026 was as follows:

Description	Total £	Committed £	Uncommitted £
Total Reserves Working & Contingency	£1,145,502	£420,000	£725,502

27. The Practitioner team performance has improved the average decision time for QE applications. The number of open applications across all application types (QE,WBL & PR) continue to reduce. 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, with a significant drop off in new applications against the historic highs received at the start of the year. The PAS team have faced resource pressures due to a short notice resignation and difficulty filling vacancies. Progress has been made in filling one these vacancies, the focus of which will be responding to Practice Rights queries.

28. Regulated firms have stabilised, with 21 CRL firms and 36 ACCA firms regulated at the end of August 2026. There has been an uptick in authorisation applications with 11 applications currently in progress. A dedicated webinar for CRL regulated entities is scheduled for 10 September. This will predominately focus on the current review of compensation arrangements.

29. There continues to be an increase in the number of new prior conduct declarations. There has been an improvement in the number of cases meeting the delegated decision time KPI as well as the average end to end decision time.

30. For misconduct cases, caseloads remain at similar levels with a small increase 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 the longstanding Lingajothy case. A costs order was made in favour of CRL.

Recommendation

The Board is asked to:

- **NOTE** the update and **APPROVE** the 2026 Christmas arrangements.