	CILEx Regulation Limited
Date	**17 September 2026**
Item	**06.00**
Title	**Business Plan and Strategic Objectives Review**
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Purpose	This paper: • updates the Board on key activities and achievements so far in 2026 in relation to the 2026 Corporate Plan, and • sets out the proposed activity for the 2027 Corporate Plan.
Recommendation	The Board is invited to: • **NOTE** the progress in 2026 • **DISCUSS** proposed key activities for the 2027 Corporate Plan.
Timing	This paper informs the development of the 2027 Corporate Plan which will be published in January 2027.
Impact assessment	
Impact on Regulatory Objectives	The Corporate Plan sets out publicly CRL's business priorities for 2026, delivering the first year of CRL's new three-year Corporate Strategy. The Corporate Plan sets out the planned activities which impact on all the Regulatory Objectives as they are embedded in within the Corporate Strategy.
Implications for resources	The delivery of CRL's strategic objectives have been costed as part of the 2027 PCF application.
Impact on consumer empowerment	The Corporate Plan for 2025 includes activities to further progress CRL's consumer focused initiatives and ensure compliance with the LSB's Statement of Policy.
Impact on ongoing competence	Activities intended to ensure continued compliance with the LSB's ongoing competence Statement of Policy are included in the Corporate Plan.
Publication status	For publication
Appendices	N/A

Introduction

1. CRL published its 2025-2027 Corporate Strategy in November 2024. CRL's plan for the delivering the second year of the strategy was set out in the 2026 Corporate Plan, published in January 2026. This paper provides an update of the progress made so far in delivering CRL's strategic objectives and outlines proposed priorities for CRL in 2027. This has been informed by the discussion at the May 2026 Board Strategy meeting.

2. The paper is divided into two parts:

   - Part 1 reviews progress so far against the Corporate Plan deliverables in 2026
   - Part 2 sets out the proposed activity for 2027.

Recommendation

3. The Board is asked:
   - to **NOTE** progress in 2026, and
   - to **DISCUSS** proposed activity for 2027.

<u>Part One: Review of progress against CRL's Strategic objectives</u>

4. This section of the paper provides a high-level summary of the progress in 2026 to date against each element of the 2026 Corporate Plan.

5. Our 2026 Corporate Plan has six priorities:

   - Response to Mazur
   - Improving CRL's enforcement function
   - Improving user experience
   - Equality, Diversity and Inclusion
   - Future regulatory landscape
   - Stakeholder engagement

6. We have made solid progress during the first half of the year but there is still a lot more for us to do during the remainder of the year.

Mazur response

7. Operationally CRL's focus in the first half of the year has been the response to the Mazur judgments. Things we have done in response to Mazur are:

   a. Published updated guidance on the conduct of litigation and supervision following the Court of Appeal judgment. This guidance was developed in consultation with the SRA and CILEX to ensure consistency whilst reflecting the different audiences CRL and SRA speak to.

   b. Following discussions with representatives of the CILEX Support Group we agreed to extend the temporary adjustments to the litigation practice rights portfolio evidence requirements until the end of September 2026. These adjustments include extending the age of acceptable evidence from two to five years and permitting Work Based Learning Assessments and relevant professional accreditations obtained within the preceding ten years to be relied on.

   c. We've engaged with the LSB's review of supervision guidance, which included reviewing information and guidance provided over the past ten years, and put in place actions to address the report's recommendations.

   d. Completed a lessons learnt review, recognising the Mazur judgment created an exceptional set of circumstances which tested CRL and exposed areas which required attention.

8. An update of progress against the other strategic priorities can be found at paragraph X.

<u>Core Regulatory Activities</u>

Education standards

- Implementation of standalone litigation practice rights including the recruitment and standardisation of external assessors.
- Working with ULaw to increase capacity and reduce length of time of the assessment route.

- Development and publication of specific guidance relating to probate and advocacy practice rights

Authorisation

- 1300 litigation practice rights authorised.
- Approval length of time maintained at 10.5 weeks despite increase in volume.
- Implementation of process improvements including use of Egress and internal case tracker system for QE and WBL applications
- Qualifying Employment and Work Based Learning portfolios continue to be assessed and proceeded in line with KPIs.

Supervision

- Monitoring of new Transparency requirements for regulated firms
- Implementation of revised rules for First Tier Complaint handling.
- Design and implementation of annual CPD sampling strategy
- Commenced onsite Entity inspections
- AML Compliance
- OPBAS Action Plan
    - Sectoral risk assessments
    - Supervision reports
- Development of Risk Assessment and AML Supervision provisions.

Enforcement

- Recruitment of Regulatory Support Lead and additional Investigation officer.
- Enforcement rules review project commenced and due to go out for consultation in Autumn 2026.
- Lay and Professional Panel member recruitment and induction completed.
- Development of KPI tracker.
- Panel member training held in July
- Conclusion of a number of the oldest and complex misconduct cases.

Business planning, risk management and compliance

- Responded to the following consultations:
    - LSB and LEO Business Plan consultations
    - MoJ Interest on Lawyers' Client Account
    - LSB EDI Policy Statement
    - House of Lords inquiry
- Stakeholder engagement with the LSB Business Plan, PERL and First Tier Complaints Handling2025 Regulatory Performance Action Plan approved
- Response to LSB Business Plan and Professionalism, Ethics and the Rule of Law (PERL) consultations
- Implementation of the Board Effectiveness Review actions
- Risk Appetite statement updated
- EDI data collection and publication of the biennial diversity data report

General Management

- 2025 statutory audit complete
- Improved cash collection through CRM notification
- Suppliers paid on time
- 2027 budget and PCF consultation

<u>Strategic Objectives</u>

Improving CRL's enforcement function

9. We have commenced a review of our enforcement processes and rules. This is intended to ensure CRL's processes remain fit for purpose and reflect current regulatory practice, ensuring consumer protection through speedier decision making. Further work is being undertaken to finalise the consultation document following the Board's consideration of the proposals in July. We anticipate launching the consultation later in the Autumn.

10. A new Misconduct case tracker has been implemented and is providing richer management information. The reporting functionality provides insight into case progression, workload allocation and team performance which did not previously exist.

Improving user experience

11. We have completed the stakeholder perceptions research and the Mazur Lessons Learnt review. These activities have identified actions which are reflected in the priorities for 2027. They include establishing new service standards and enhanced performance monitoring as well as recruiting to a new role which will have a frontline focus.

Equality, Diversity and Inclusion

12. On EDI, we published our new Equality, Diversity and Inclusion strategy. This sets out four objectives:
    a. Improving access to the legal profession
    b. Help the regulated community to realise their potential
    c. Serve all consumers fairly and
    d. Be a more inclusive CRL

Future regulatory landscape

13. .We responded to the LSB's PERL (professionalism, ethics and the rule of law) policy statement, with CRL's proposed actions approved by the Board in July.

14. Guidance on the effective use of AI has been drafted and is due to be published shortly.

15. We secured LSB approval for new First Tier Complaints handling rules which have come into force for CRL regulated entities. These have been introduced to ensure consumers have clear information about how their complaints should be handled by firms. This is against a sector wide increase in complaints at both the first and second tiers(Ombudsman).

16. We continue to work with the other regulators to develop the Regulatory Information Service (RIS). This is designed to be a 'one stop shop' for legal services consumers. The project is now in public beta testing phase.

17. We have been monitoring compliance with the transparency rules introduced last year, which require CRL firms to provide clear information about pricing and service to consumers.

18. Thought leadership through press articles on the future of regulation and learning from Mazur.

Stakeholder engagement

19. We have established collaborative working relationships with CILEX which has, in part, been facilitated by a renewed and forwarding looking leadership at CILEX. We are committed to working together to improve things for consumers and the profession. We have already established a joint executive team working group which is focused on:

    - Simplifying member grades, titles and qualifications and access to practice rights whilst maintaining standards

- Enhancing the existing regulatory arrangements, some work which has already been implemented as a result of Mazur
- Normalising the financial arrangements between CILEX and CRL, including concluding the transfer of CRLs reserves. A partial transfer of reserves has been received.

Part Two: Proposed priorities for 2027

20. The CRL Board has considered CRL's priorities for the next three years as part of a broader shift to reset how the organisation operates and its relationship with the regulated community. The threat of regulatory redelegation, which was proposed by CILEX in 2022, has hung over CRL for far too long and has had a significant impact on CRL's ability to take longer term decisions to improve how we regulate in the interests of consumers. The seven priority areas and outcomes are:

    a) To be respected by CILEX and the regulated community
    b) To be financially sustainable
    c) To be responsive to the regulated community while maintaining CRL's role as an independent regulator
    d) To support more entities into CRL regulation, with a focus on SMEs
    e) To review CRL's education standards and Code of Conduct
    f) To streamline our authorisation processes and improve the user experience
    g) To modernise our enforcement rules and processes and put in place suitable KPIs

21. Of these, three have been identified as a higher priority in the short term. They are:

    a) Rebuilding relationships with CILEX and the regulated community
    b) To be more responsive and improve user experience
    c) To engage with entities with a view to increasing entity numbers

Proposed priorities for 2027 are set out in the table below:

Core Regulatory activities

Enforcement 29.4% of PCF Allocation	**Business Planning, Risk Management & Compliance 8.2% of PCF Allocation**	**General Management 15.1% of PCF Allocation**
Continue process improvements to reduce the overall case load and length of time to conclude cases Implementation of changes to the CRL Enforcement rules including regulatory rule change application to the LSB	Respond to consultations including LSB and LeO annual business plans LSB Regulatory performance assessment Develop new Service Legel Agreements with CILEX as part of joint project	Preparation for 2028 budget, PCF and compensation applications Implementation of Strategic Risk Committee's recommendations on the CRL Compensation arrangement
Implement revised KPIs and develop a performance monitoring dashboard for misconduct cases	Implement strategic communications plan Corporate complaints reporting	
	Chair and Board Recruitment, including associate member	Develop with CILEX the existing CRM to improve business processes and user experience

Authorisation 6.6% of PCF Allocation	Supervision 6.7% of PCF Allocation	Education 2.3% of PCF Allocation
Process the Qualifying Experience Work Based Learning and Practice Rights applications authorisation in line with agreed KPIs	Design and implementation of 2026/2027 CPD sampling strategy	Review of authorisation pathways as part of joint regulatory reform project with CILEX
Further automate and integrate application systems. Implement Mazur lessons learnt actions to improve overall user experience	Review risk assessment of CRL firms bases on annual returns submitted by CRL entities in 2026	Review of new education standards to ensure they are accessible and remain rigorous
	AML compliance • AML sectoral risk assessment • AML supervision reports • Engagement with FCA on the transition of professional body supervision arrangements	Implementation of internal and external Quality Assurance strategy.

Strategic Objectives (18.2% of PCF income)

Standards and Public Trust	Access to Justice and Consumer empowerment	Independence and Sustainability	Be an authoritative, inclusive and capable organisation
➢ Implementation of review of enforcement rules ➢ Action plan in response to LSB's statement of policy on Professionalism and ethics ➢ Publish guidance on the safe and effective use of AI ➢ Implement actions from Mazur lessons learnt review.	➢ Monitoring of firm compliance with first tier complaints handling rules ➢ Implement actions from Board consumer focussed regulation self-assessment including: research and data gap analysis and use of LSCP tracker data ➢ Continue to support the development of Legal Choices ➢ Delivery of the Regulatory Information Service(RIS) ➢ Continued monitoring of compliance with CRL's revised transparency rules. ➢ Evaluation of Transparency Rules changes	➢ Update resources plan to ensure CRL continues to invest in those areas of operation which are most important to consumers, the regulated community and regulated entities. ➢ Collaborate with CILEX to progress a joint work programme focussing on: • Improving regulation • Finance • Service delivery ➢ ➢ Digital transformation plan – develop SharePoint case management/application management systems and utilisation of existing AI capabilities	➢ Stakeholder Perception Survey Action Plan including: • In-person engagement events • Development of communication materials to support to go alongside practising certificates. ➢ Implement of 2026-2028 EDI Strategy CRL research plan ➢ Collaborate with other regulators on joint horizon scanning and risk identification

	➢ Increase number of CRL regulated entities		

22. The priorities for 2027 have been set out in the PCF consultation document and were shared as part of the member webinar held in July 2026.

RECOMMENDATIONS

23. The Board is invited to:
    - **NOTE** the progress in 2026
    - **DISCUSS** the proposed priorities for 2027