CILEX AND CILEx REGULATION APPLICATION TO THE LEGAL SERVICES BOARD UNDER S.51 LEGAL SERVICES ACT 2007 FOR APPROVAL OF THE PRACTISING CERTIFICATE FEES TO BE APPLIED IN 2027

NOVEMBER 2026

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Executive Summary

1. This application asks the Legal Services Board (LSB) to approve CILEx Regulation Ltd (CRL) and the Chartered Institute of Legal Executives (CILEX) application for practising fees for 2027.

2. CRL and CILEX have consulted on the proposed Practising Certificate Fee ("PCF") to be charged to CILEX Members and non-CILEX Members who are defined by Section 18(1) of the Legal Services Act 2007 ("LSA") as being "Authorised Persons" permitted to carry out Reserved Legal Activities as defined by Part 3 of the LSA.

3. This Application includes the results of that Consultation and details the proposals for the 2027 PCF, setting out how both CILEX and CRL will allocate PCF funds for the Permitted Purposes as defined by Section 51 of the LSA in order to perform its Regulatory Objectives as defined by Section 1 of the LSA. A joint consultation ran from 29 July to 14 September 2026.

4. Of the total amount to be collected £1.152m (32.9%) will be retained by the approved regulator and £2.059m (58.8%) will be allocated to the regulatory body, with the remaining £0.29m (8.3%) used to fund the work of the Legal Services Board ("LSB"), Office for Legal Complaints ("OLC") and the Office for the Professional Body Anti-Money Laundering Supervision ("OPBAS"). In the Legal Services Board's consultation of its business plan for 2026/27, they have increased their levy by 11% and stated that their proposed budget reflects the resources they need to meet the scale of the challenges facing the legal sector. Please refer to the following links to the websites of the OLC and OPBAS for the Business Plans and 2027 Budgets.

5. The costs of the LSB, OLC and OPBAS have increased by approximately £66k (46%) to £209k over the past five years.

6. The PCF is CRL's primary source of income and accounts for 79.6% of total income. 19.4% comes from additional Practising Fees that are charged in respect of applications to become CILEX fellows and to obtain specialist Practice Rights. A smaller amount of revenue is generated from Non-Practising Fee Income (see para 18).

7. The total of PCF Funds are distributed between CILEX and CRL based on their objective to achieve P&L targets in their delivery of Core Regulatory functions and Strategic Objectives through the Permitted Purposes.

8. PCF Funds accounts for 9.5% of CILEX's total income in 2027, with the majority of income coming from other sources such as the Law School, the sale of assessments, and publishing of materials.

9. Were the application to be rejected, CRL and CILEX would look to address any issues in the application with a view to having it approved withing the required timeline. In order to collect fees in the planned timeline (from 1 January 2027) a revised application would need to be approved by 18 December 2026. If this was not possible we would seek approval of an interim fee in line with rule 31 of the practising fee rules 2021 and CRL currently has uncommitted working capital reserves of £316k (at 30 June 2026) which would enable CRL to maintain regulatory operations.

10. Please see Annex A for further information regarding how this application addresses concerns raised by the LSB in the previous year's application, or under the regulatory performance framework (if applicable).

Section 1: Summary of PCF proposal 2027

11. CILEX and CRL make this application to the LSB to seek approval of the proposed Practising Fees for 2027.

12. The proposal for 2027 will seek an increase of £29, or 7.2%, to the Practising Certificate Fee paid by CILEX Fellows from £403 payable in 2026, to £432 payable in 2027. These monies are collected by CILEX and distributed between CILEX and CRL. (see Table 1 below).

13. The proposal for 2027 will seek an increase of £22, or 7.4%, to the Practising Certificate Fee payable by Associate Prosecutors from £298 payable in 2026, to £320 payable in 2027. These monies are collected by CILEX and distributed between CILEX and CRL. (see Table 2 below).

14. The proposal for 2027 will seek an increase of 12.5% to the Practising Certificate Fees payable by CILEX Regulated entities, which are calculated based on a firm's turnover and are also dependent on whether that firm holds client monies. These monies are collected wholly by CRL (see Table 3 below).

15. The proposal for 2027 will seek an increase of 12.5% to the Practise Rights Certificate Fee payable by CILEX Member and Non-Member Authorised Persons holding an additional Practice Right to conduct a Reserved Legal Activity. These monies are collected wholly by CRL (see Table 4 below).

16. The proposal for 2027 will seek an increase of 12.5% to all other Practising Fees and other application fees. These monies are collected wholly by CRL. See Table 5 below.

17. Over the past seven years CRL has been able to hold the PCF steady thanks to rigorous cost control. The fee charged in 2026 is 18.9% below that which could have been charged had inflation (RPI) been added each year from 2019. For individuals regulated from 2019 this represents a £76 saving. Although our operational costs have risen, we have worked to mitigate the impact to minimise the increase to the proposed 2027 PCF and associated Practicing Fees. Measures taken include ensuring we recover the costs of the services we provide; freezing Board remuneration and reducing our running costs by closing our physical offices to become a wholly virtual organisation. Ensuring cost recovery is a key driver of the 2027 fees' structure where increases in operational costs such as the holiday-pay impact due to "Workers" as defined by HMRC.

Table 1: CILEX Fellows PCF rate £432

RECIPIENT	COST OF PCF 2027 (% of PCF)	COST OF PCF 2026 (% of PCF)	MOVEMENT & % INCREASE
CILEx Regulation	£254 (58.8%)	£233 (57.8%)	+£21 (9.0%)
CILEX	£142 (32.9%)	£137 (34.0%)	+£5 (3.6%)
Regulatory Levies*:			
LSB Levy	£32 (7.4%)	£29 (7.3%)	+£3 (10.3%)
OLC Levy	£3 (0.7%)	£3 (0.7%)	£0
OPBAS	£1 (0.2%)	£1 (0.2%)	£0
Total PCF	**£432**	**£403**	**+£29 (7.2%)**
CILEX Discount		-£16	

Total PCF (minus discount)		**£387**	

***Estimate awaiting confirmation from LSB**

Table 2: CILEX Associate Prosecutors PCF rate £320

RECIPIENT	COST OF PCF 2027 (% of PCF)	COST OF PCF 2026 (% of PCF)	MOVEMENT & % INCREASE
CILEx Regulation	£188 (58.8%)	£172 (57.8%)	+£16 (9.3%)
CILEX	£105 (32.8%)	£101 (34.0%)	+£4 (4.0%)
Regulatory Levies:			
LSB Levy	£24 (7.5%)	£22 (7.3%)	+£2 (9.1%)
OLC Levy	£2 (0.7%)	£2 (0.7%)	£0
OPBAS	£1 (0.2%)	£1 (0.2%)	£0
Total PCF	**£320**	**£298**	**+£22 (7.4%)**

Table 3: CILEX Regulated Entities

CILEX Entity	**2026 Fee Charge**		**2027 Fee Charge** (increase at 12.5%)	
Turnover	**CRL (Client Money)**	**CRL (No Client Money)**	**CRL (Client Money)**	**CRL (No Client Money)**
£0 - £100,000	£1,138	£632	£1,280	£711
£100,001 - £250,000	£1,396	£947	£1,571	£1,066
£250,001 - £500,000	£1,655	£1,241	£1,862	£1,396
£500,001 - £1m	£3,310	£2,482	£3,724	£2,792
£1m - £3m	£4,964	£3,516	£5,585	£3,956
£3m +	£6,629	£4,561	£7,458	£5,131

Table 3a: CILEX-ACCA Entities and Practitioners (Probate only)

CILEX-ACCA Annual Practice Fees	**Fee Charge 2026**	**Fee Charge 2027** (increase at 12.5%)
CILEX Practitioner (ACCA-Probate)	**£103**	**£116**
CILEX-ACCA Probate firms	**£206**	**£232**

Table 4: Practice Rights Fees

Fee Type	**Member Grade/Non-Member**	**Fee Charge 2026**	**Proposed Fee Charge 2027**
Practice Rights top up	CILEX Fellow with additional practice rights (per right)	£62	£70 (increase at 12.5%)
Practice Rights top up	Other CILEX members with additional practice rights (per right)	£62	£70 (increase at 12.5%)

Practice Rights	Non-Member with Practice Rights	£453	£510 (increase at 12.5%)
ACCA-Probate Practice Rights	Non-Member with Practice Rights	£103	£116 (increase at 12.5%)

Table 5: Practising Fees and Non-PCF* Application Fees

Practising Fee Name	**Fee Charge 2026**	**Fee Charge 2027**	**Increase/Review**
Work Based Learning (Legacy Standards)	£450	£507	(increase at 12.5%)
Certificate of Eligibility	£300	£338	(increase at 12.5%)
Specialist Pathway Practice Rights	£450	£507	(increase at 12.5%)
Qualifying Experience	£92	£104	(increase at 12.5%)
Advocacy Certificate Renewal (CILEX Fellow Members only)	£155/156	£175	(increase at 12.5%)
Foreign Lawyer Application (***Non-PCF Income)**	£309	£348	(increase at 12.5%)
CILEX-ACCA Application Fee (***Non-PCF Income)**	£206	£232	(increase at 12.5%)
AML Supervision Application Fee (***Non-PCF Income)**	£155	£175	(increase at 12.5%)
AML Supervision Renewal Fee (***Non-PCF Income)**	£103	£116	(increase at 12.5%)

18. Below are summaries of CRL's (Tables 6-7) and CILEX's (Tables 8 & 8a) budget for PCF, PF and non-PCF income in 2026 and 2027 and a detailed split of the levies payable by each organisation (Table 9):

Table 6: CRL Income Summary

	2026	**2027**	**Percentage Increase**
PCF Income	£1,798,760	£2,059,081	14.5%
PF Income	£442,857	£501,132	13.2%
Other Income	£25,373	£26,254	4.5%
Totals	**£2,266,990**	**£2,586,736**	**14.1%**

Table 7a: CRL PCF Income Summary

CRL 2027 PCF Application				
	PCF income			
Permitted Purpose	**2026**	**2027**	**Increase**	**%**
Enforcement	540,488	604,369	63,881	11.82%
Authorisation	71,889	136,888	65,000	90.42%
Supervision	175,963	137,191	(38,772)	(22.03%)
Education	47,451	46,692	(759)	(1.60%)
Governance	140,990	169,867	28,877	20.48%
General management	270,650	311,887	41,238	15.24%
Strategic objectives	348,962	371,498	22,536	6.46%
Shared services	202,368	230,687	28,319	13.99%
Budgeted surplus	0	50,000	50,000	100.00%
	1,798,760	2,059,081	260,320	14.47%

Table 7b: CRL PF Income Summary

CRL 2027 PCF Application				
	Practising Fee income			
Permitted Purpose	**2026**	**2027**	**Increase**	**%**
Enforcement	0	0	0	0.00%
Authorisation	360,302	361,983	1,681	0.47%
Supervision	82,555	139,149	56,594	68.55%
Education	0	0	0	0.00%
Governance	0	0	0	0.00%
General management	0	0	0	0.00%
Strategic objectives	0	0	0	0.00%
Shared services	0	0	0	0.00%
Budgeted surplus	0	0	0	0.00%
	442,857	501,132	58,275	13.16%

Table 7c: CRL Non-PCF Income Summary

CRL 2027 PCF Application				
	Other income			
Permitted Purpose	**2026**	**2027**	**Increase**	**%**
Enforcement	14,000	14,000	0	0.00%
Authorisation	0	0	0	0.00%
Supervision	0	0	0	0.00%
Education	11,373	12,524	1,151	10.12%
Governance	0	0	0	0.00%
General management	0	0	0	0.00%
Strategic objectives	0	0	0	0.00%
Shared services	0	0	0	0.00%
Budgeted surplus	0	0	0	0.00%
	25,373	26,524	1,151	4.54%

Table 7d: CRL Permitted Purpose Income Summary

CRL 2027 PCF Application				
	Total income			
Permitted Purpose	**2026**	**2027**	**Increase**	**Increase**
Enforcement	554,488	618,369	63,881	11.52%
Authorisation	432,191	498,871	66,681	15.43%
Supervision	258,518	276,340	17,822	6.89%
Education	58,824	59,216	392	0.67%
Governance	140,990	169,867	28,877	20.48%
General management	270,650	311,887	41,238	15.24%
Strategic objectives	348,962	371,498	22,536	6.46%
Shared services	202,368	230,687	28,319	13.99%
Budgeted surplus	0	50,000	50,000	100.00%
	2,266,990	2,586,736	319,746	14.10%

Table 8: CILEX Income Summary

	2026	**2027**	**Percentage Increase/(Decrease)**
PCF Income	**£1,010,315**	**£1,092,515**	**8.1%**
CILEX Discount	**(£118,096)**	**-**	
Revised PCF Income	**£892,219**	**£1,092,515**	**22.4%**
Non-PCF Income	**£10,500,198**	**£10,329,485**	**(1.6%)**
Totals	**£11,392,417**	**£11,422,000**	**0.3%**

Table 8a: CILEX PCF Income Summary

CILEX 2027 PCF Application				
	PCF Income			
Permitted Purpose	2026	2027	Increase	Increase
Membership/Sales & Development/Operations (including Education)	633,924	711,485	77,561	12.24%
Policy and Governance	52,617	59,183	6,566	12.48%
Communications	9,120	9,120	-	0.00%
Central Resources and Admin	314,654	312,727	- 1,927	-0.61%
	1,010,315	1,092,515	82,200	8.14%

Table 9: CRL / CILEX share of PCF income across levies

CILEX Share/Levy %	**CILEx Regulation Share/Levy %**	**Levies (LSB, OLC and OPBAS)**	
35.9%	**64.1%**	**LSB**	**£209,045***
35.9%	**64.1%**	**OLC**	**£18,974***
35.9%	**64.1%**	**OPBAS**	**£5,978****

*Value of most recent invoice covering 12-month period to 31 March 2026
**Value of most recent invoice covering 12-month period to 31 March 2027

Table 10: Practising Certificate Fee income across the regulated community

	Individual Authorised Persons	Authorised Persons Within CILEx Regulated Firms
2027	£2,046,635 (99.4%)	£12,446 (0.6%)
2026	£1,783,382 (99.1%)	£15,378 (0.9%)
2025	£1,615,040 (97.7%)	£38,201 (2.3%)
2024	£1,518,163 (97.6%)	£37,360 (2.4%)
2023	£1,465,691 (96%)	£63,445 (4%)

Section 2 - Budgeting Priorities and Allocation of Practising Fee to Permitted Purposes

Regulatory Objectives

19. Both CILEX and CRL's core functions are to perform their obligations under the Regulatory Objectives of the LSA (section 1). We have summarised these below:

1.	protecting and promoting the public interest
2.	supporting the constitutional principle of the rule of law
3.	improving access to justice
4.	protecting and promoting the interests of consumers
5.	promoting competition in the provision of services within subsection (2)
6.	encouraging an independent, strong, diverse and effective legal profession
7.	increasing public understanding of the citizen's legal rights and duties
8.	promoting and maintaining adherence to the professional principles.
9.	promoting the prevention and detection of economic crime

Permitted Purposes

20. In order to carry out the regulatory Objectives, CILEX and CRL are permitted to use PCF funds to conduct the following Permitted Purposes as defined in Section 51 of the LSA:

a)	the regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons, including:
i.	the maintaining and raising of their professional standards, and
ii.	The giving of practical support, and advice about practice management, in relation to practices carried on by such persons;
b)	the payment of a levy imposed on the approved regulator under section 173;
c)	the participation by the approved regulator in law reform and the legislative process;
d)	the provision by relevant authorised persons, and those wishing to become relevant authorised persons, of reserved legal services, immigration advice or immigration services to the public free of charge;
e)	the promotion of the protection by law of human rights and fundamental freedoms;
f)	the promotion of relations between the approved regulator and relevant national or international bodies, governments or the legal professions of other jurisdictions.

CRL Budgeting Priorities for 2027

21. The Legal Services Board oversees the regulation of legal services in England and Wales. Although a separate levy is charged to fund the LSB, the LSB's priorities have a direct impact on the resources the regulatory bodies require in order to satisfy the LSB requirements and regulatory objectives.

Mazur

22. CRL published its 2025-2027 Corporate Strategy in November 2024. The Corporate Strategy has four strategic objectives:

    a. Standards and Public Trust
    b. Access to Justice and Consumer Empowerment
    c. Independence and sustainability
    d. Being an authoritative, inclusive and capable organisation

23. The judgment in the case of *Mazur v Charles Speechlys LLP [HC 2025]* required CRL to reprioritise its operational focus in 2026. Since the original Mazur judgment in September 2025, over 1,400 Chartered Legal Executives (CLEs) successfully obtained litigation practice rights, enabling them to carry out litigation without the need for supervision. The judgment required CRL to gear up at pace to a 10-fold increase in practice rights applications within three months as well as preparing guidance and FAQs to support the regulatory community. This required hiring extra staff, recruiting and training additional assessors and purchasing additional IT equipment. This had to be delivered at the same time as ensuring consumers were protected, and the rest of CRL's work programme was not negatively impacted. Whilst fees are charged for each practice rights application, the costs incurred in relation to the Mazur response exceeded the income received through additional application fees. In short, responding to Mazur contributed to CRL's financial deficit in 2025.

24. In May 2026, CRL undertook a lesson learnt exercise to identify both strengths and weaknesses in CRL's response to the Mazur judgments. The review had four areas of focus:

    a) The effectiveness of CRL's operational response
    b) How resilient CRL was under sustained pressure
    c) Communications
    d) Governance and oversight

25. The review found that CRL successfully maintained regulatory delivery during an unprecedented period of operational pressure, but the response exposed weaknesses in communications, systems, scalability and crisis preparedness. The review identified six priority areas:

    a) Operating Systems and processes
    b) Organisational resilience
    c) Communications
    d) Applicant journey and self-service
    e) Governance and preparedness
    f) Strategic positioning

26. Addressing the learning from the lessons learnt review is a focus of the proposed business plan for 2027. The review has highlighted the need for investment in some of CRL's core systems and processes.

27. Over the last 18 months CRL has considered and responded to policy statements that are intended to promote the interests of consumers such as: price and service information transparency, first-tier complaints handling, Professionalism and Ethics and EDI as well initiatives on access to justice and the impact of technology and AI in legal services.

Redelegation

28. CRL welcomed the announcements from SRA and CILEX that the plans for the redelegation of the regulation of CLEs from CRL to the SRA, first proposed in 2022, is no longer a priority. We are committed to working collaboratively with CILEX and other stakeholders to improve further the current regulatory arrangements in the public interest in a way that avoids the need for regulatory redelegation. Notwithstanding this, the uncertainty that has existed over the past four and half years has had a significant impact on CRL in terms of time and exceptional costs incurred. For example, we experienced a high turnover of staff resulting in recruitment and associated costs in excess of budget. This in turn has had an impact on CRL's reserves position. It has also impacted our ability to take longer term investment decisions.

Investment in systems and processes

29. The significant increase in practice rights applications resulting from the Mazur judgment highlighted the limitations of CRL's systems and processes. Whilst we were able to quickly adapt and streamline some of our processes to respond to the challenge at pace, our systems limited the scope for automation including the automatic acknowledgement of applications. As CRL operates a shared service agreement with CILEX for the provision of IT services, with both organisations using a common CRM platform, the uncertainty caused by the CILEX re-delegation proposals meant there has been limited appetite over the past four and half years to take forward IT and system improvement initiatives. As CRL is now able to plan and invest for the longer term, we are looking to move forward with many of the IT improvements that are long overdue.

Regulation of the non-authorised CILEX members

30. There are approximately 9,000 CILEX members who are either not yet qualified to CILEX Lawyer status or do not hold a Practice Right and cannot practise independently and/or without supervision. These grades which include Chartered Paralegal, CILEX Paralegal and CILEX Student are subject to regulation by CRL but currently do not pay a PCF as they are not permitted to carry out Reserved Legal Activities independently. Therefore, the cost of regulating the unauthorised members has to be met from CRL's existing budget as no direct additional funding is received.

31. The CRL Board considered CRL's priorities for the next three years as part of a broader reset of the organisation's relationship with Chartered Legal Executives. These were to:

    - be 'respected' by CILEX and the regulated community

- be financially sustainable
- be responsive to the regulated community while maintaining CRL's role as an independent regulator
- encourage more entities into regulation to improve access to justice and position CRL as the 'regulator of choice' for SMEs
- review CRL's education standards and Code of Conduct
- streamline practice right and authorisation processes
- update enforcement processes and ensure related KPIs are met

32. The detailed activities relating to these priorities and the delivery of the regulatory objectives are outlined in the tables at para 18.

33. Over many years CRL has been able to hold the Practising Certificate Fee steady thanks to rigorous cost control representing a real term saving to those we regulate since 2019. For example, the fee charged in 2026 is 18.9% below that which could have been charged had inflation (RPI) been added each year from 2019. This represents a saving of £76 per regulated individual.

34. It is not feasible for CRL to continue to set a PCF which does not fully reflect inflation and increases to our other operating costs. To support the priorities outlined and ensure we achieve our mission to be a high performing and responsive regulator that protects and promotes consumers' interests through strong evidence-based regulation, we are seeking to increase CRL's share of the PCF to £254 (up 9%) from £233 in 2026.

CILEX Budgeting Priorities for 2027

35. The key factors informing CILEX's 2027 budget are the need to maintain effective delivery of its approved regulator responsibilities, support the regulated community and those progressing towards authorisation, and ensure that expenditure funded through the PCF is confined to the permitted purposes. The budget has also been developed in the context of continuing cost pressures, including pay and supplier inflation, the increased cost of shared technology and operational infrastructure, and the need to maintain resilient systems and services capable of responding to changes in demand.

36. CILEX has sought to balance these requirements with affordability for our members and students. The 2027 budget therefore reflects continued cost control, the use of wider CILEX income to support the organisation's broader activities, and a proportionate allocation of relevant staff, systems and overhead costs to PCF-funded work. It also recognises the need for closer operational planning with CRL, particularly where CILEX provides shared services or administrative support, while maintaining clear accountability for CRL's independent regulatory decisions.

37. Towards the end of 2025, following the decision not to pursue de-delegation and re-delegation, the LSB requested that CILEX work constructively with CRL on improving regulation within legal services, as part of written communication between CILEX, CRL and the LSB. CILEX continues to believe that the underlying case for change in regulation remains valid and has been working closely with CRL to realise improvements through the existing framework. This work began in 2026 and will continue across 2027 and beyond.

38. Central to this is the work being undertaken by the CRL/CILEX joint project steering group, which is focused on the foundational changes required to improve the public's experience of legal services. One example is Project ClearPath, which is intended to make it easier for the public to understand the different levels of qualification and authorisation held by CILEX members.

39. The aftermath of Mazur has also highlighted further inconsistencies in the wider system, including the treatment of CILEX professionals when accessing the courts and inconsistent terminology in the Civil Procedure Rules. Work to identify and correct these issues forms part of CILEX's permitted purpose activity, including participation in law reform and the legislative process.

40. In addition, the steering group is focused on improving the efficiency and effectiveness of the regulator, supporting CRL to meet its objectives around responsiveness and helping to ensure that regulatory arrangements remain sustainable, proportionate and aligned with the public interest.

CILEX Priorities for 2027

41. CILEX's priorities for 2027 are to support an independent, strong, diverse and effective legal profession and to improve access to justice by maintaining accessible routes into qualification and authorisation. This includes assuring the quality and continuing relevance of education, training and assessment; supporting Chartered Legal Executives, Associate Prosecutors and applicants to understand and meet the

requirements applying to them; and maintaining accurate, efficient processes for practising certificate administration, member records and continuing professional development.

42. CILEX will also continue to represent the contribution of authorised persons through policy, law reform and stakeholder engagement, and to provide relevant professional information, guidance and communications. In parallel, CILEX will work collaboratively with CRL to improve shared systems, data flows and the applicant and practitioner experience, while preserving the distinction between CILEX's approved regulator and administrative responsibilities and CRL's independent regulatory functions.

CILEX Allocation to Permitted Purposes for 2027

43. CILEX's 2027 PCF income of £1,092,515 will be applied only to activities falling within the permitted purposes. The principal directly identified allocation is £711,485 (65.12% of PCF income) for membership, operational and education-related activity supporting authorised persons and those seeking authorisation. A further £59,183 (5.42%) is allocated to policy and governance activity, including representation, law reform and engagement with relevant bodies, and £9,120 (0.83%) to communications that provide professional information, guidance and regulatory content to the regulated community.

44. The detailed activities supported by these allocations are set out in the table below. Relevant shared infrastructure and overhead costs are apportioned to PCF-funded activity on a consistent and reasonable basis, with the remainder of CILEX's activities funded from non-PCF income. This approach ensures that practising fee income is used proportionately, transparently and solely in support of the statutory permitted purposes.

45. Overall, CILEX is proposing a modest reduction (-1.1%) in its share of the total PCF allocation for 2027, while continuing to fund the permitted purpose activities required to support authorised persons, those seeking authorisation, and the wider regulatory framework.

CILEX Proposed Activity for 2027

Membership/Sales & Development/Operations (including Education)	**Policy and Governance**	**Communications**
£633,924	**£52,617**	**£9,120**
62.75% of PCF Income	**5.21% of PCF Income**	**0.90% of PCF Income**
6.04% of Non-PCF Income	**0.50% of Non-PCF Income**	**0.09% of Non-PCF Income**

Supporting Chartered Legal Executives and Associate Prosecutors by: • Provision of customer service function: Liaising with regulated members to provide advice and guidance on application and renewal, and requirements and obligations relating to regulatory requirements and practising certificate • Support Fellows to understand and apply for regulatory authorisation • Practice advice and support for Fellows • Supporting those seeking to become Chartered Legal Executives by: • Providing support to assure the quality of the academic qualifications; • Ensuring training and assessment leading to authorisation is fit-for-purpose; • Providing assessment results for candidates by centre and learner; • Providing relevant committee meeting minutes for quality assurance; • Liaison with Ofqual (including, providing details of alleged misconduct, attending stakeholder meetings, and attending professional institute forums) • Qualification: regulation, compliance, development activities; • Accreditation of training providers and courses provision Regulatory work	Supporting Chartered Legal Executives and Associate Prosecutors by: • Providing representation for authorised persons amongst key stakeholders and forums; • Liaison and support in the areas of law reform, policy, lobbying, equality and diversity, pro bono and judicial appointments; Regulatory work • Managing the relationship with the LSB, OPBAS, other Approved Regulators and government.	Supporting Chartered Legal Executives and Associate Prosecutors by: • Providing the Journal online • Editorial support • Publication of educational articles, case studies and guidance documents • Direct mailings to Authorised Persons • Press releases • Publication of the newsletter Regulatory work • CILEx Regulation publications • Journal publication of disciplinary decisions

• Maintaining the Fellow, Associate Prosecutor, and member database, • Issuing the PCF invoices and reminder notices, • Issuing practising certificates, • Maintaining CPD records, • Providing information to CILEx Regulation about Authorised Persons and members.		

CRL Planned programme of activity for 2027

35. 79.5% of the PCF income is spent on our day-to-day regulatory activities (education, authorisation, supervision, enforcement, governance, services we share with CILEX (e.g. IT support)), and general management activities.

36. 18.0% of the PCF income is spent on activities which flow from our strategic objectives and there is a 2.5% surplus.

37. Our budget for 2027 is partly funded by the PCF paid by Chartered Legal Executives and Associate Prosecutors ("PCF Income") and partly funded by the fees paid by others we regulate (including CILEX Practitioners, CILEX firms and ACCA individuals and firms, as well as from application fees we receive) ("PF Income" and "Other Income"). See Tables 6-7 above.

38. CRL's total revenue budget for 2027 is £2,586,736, up £319,746 (14.1%) on 2026. The total practising certificate fee budget for 2027 is £2,059,081, being an increase of £260,320 (14.5%). The factors influencing the increases and CRL's approach for 2027 are summarised as follows:

- **Headcount and Additional Posts**
  - Continue into 2027 with the current 2026 headcount plus additional posts outlined in the 2026/2027 resourcing plan.
  - RPI increase to salaries from 1 April 2027.
  - CRLs total headcount will be 31 staff plus 5 Board members.

- **2027 paying membership of 7,483 Authorised Persons (pre-Mazur).**
  - An increase in fee paying membership of 372 Fellows (4.9%) and a reduction of Associate Prosecutors of 24 (17.8%), accounting for £20,868 (1.01%) of the practising certificate fee;
  - The Mazur ruling resulted in a significant influx of Practice Right applications. CRL have reflected this activity in 2027 in its Practising Fee through Practise Rights renewal fees.
  - The financial impact of Mazur in 2026 is discussed in paragraph 58

- **Reflect the post-Mazur membership increase in CRL's recurring fees and costs.**
  - Direct costs rate increases for assessors and panel members to include an RPI increase, as well as including holiday pay rates for external assessors and panel members recruited solely to deal with Mazur demand;
  - Mazur will see an uplift in Practice rights annual renewal fees income disproportionately greater than has been experienced in prior years
  - Consider that the post-Mazur applications for Practice Rights was a one-off and that activity levels in applications will return to close to pre-Mazur levels.

- **Increased Shared Services costs from CILEX.**
  - Increase of 9.8% in Shared Services costs to £230,687.

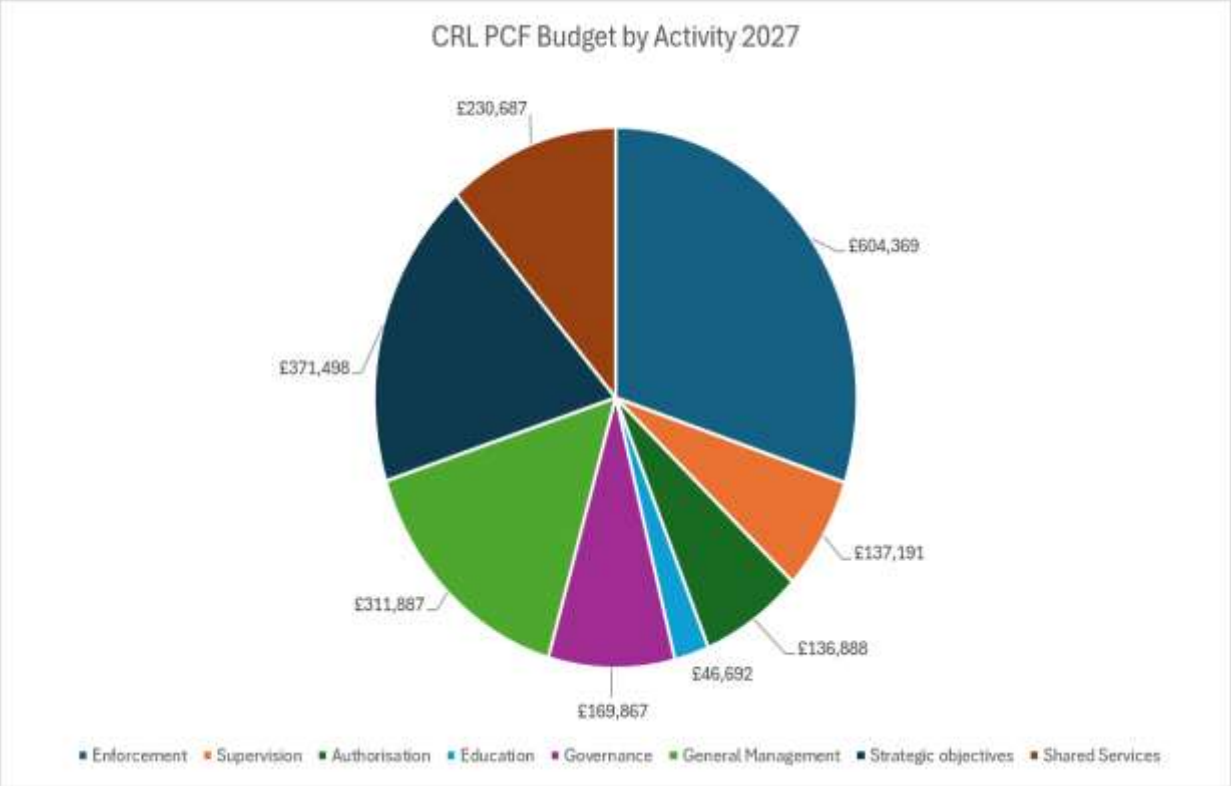
- **Cost recovery for the additional fees and services we charge**
  - See paragraph 89 for detail on costs of regulating unauthorised individuals.

- Ensure consistent recovery of any fines as a result of CRL Enforcement Panel proceedings.

- **Maintain vigorous cost control**
  - Freeze on Board salaries;
  - Reduction in office costs by closing Wrest Park to become a wholly virtual organisation.
  - Training budget revised to have targeted budget as opposed to a general training budget
  - Rigorous PO system in approving all expenditure

39. For 2027, our budget by activity breaks down as follows:

Table 11: CRL PCF Budget by Activity 2027



CRL Core Regulatory Activities – Allocation of Practising Fee to Permitted Purposes and Regulatory Objectives

40. Protecting consumers from harm and acting in the public interest is CRL's primary objective. The LSB has asked regulators, when preparing their PCF application, to provide a clear narrative explanation of how the intended benefits from the proposed activity funded by the PCF will promote the interests of consumers and the public, in line with the regulatory objectives.

41. The consumer benefits of regulation can take many forms and may not be directly attributable to one specific regulatory activity. CRL's regulatory approach is not simply focused on evaluating compliance by regulated individuals or entities, but it also seeks to evaluate whether the regulatory activity has a positive impact on

outcomes for consumers. Insight from this evaluation will inform future regulatory actions to ensure they are fair, targeted and proportionate, as part of a continuous improvement cycle.

42. Drawing on the approach of other regulators, we have identified seven consumer outcomes which are outlined in the table below.

Outcome	Consumers
Price	• Pay a competitive price • Receive services that represent value for money • Understand the cost before they buy • Have a meaningful choice of the price they wish to pay
Quality	• Receive good quality services • Be able to make meaningful choices based on quality
Access	• Can easily access the services they need and have information to make informed choices • Have a meaningful choice of provider suited to their need
Innovation	• Benefit from innovative ways to supply services, and innovation reduces prices and drives up quality and accessibility
Privacy	• Have their data and information handled in a way they expect, to protect their privacy
Fairness	• Are treated fairly, including in particular: o Where they are vulnerable o In terms and conditions o During disputes and complaints o In being protected against any conflict of interest
Diversity	• Have their needs met by a diverse profession • Accessing services do not experience a worse outcome depending in their characteristics

43. In setting out our planned programme of activity for 2027, we have identified the permitted purposes, regulatory objectives and consumer outcomes each activity relates to.

44. To assess the impact of our work on consumer outcomes we will consider our own evidence from our own regulatory and engagement activities as well as external sources. This includes and is not limited to:

a) The output of our monitoring of CRL regulated firms including transparency and First Tier Complaints Handling
b) Our research into the unregulated legal services market and digital exclusion
c) Legal Ombudsman complaints data and learning
d) Legal Services Consumer Panel tracker survey and LSB Legal Needs Survey

e) Use our annual data collection to understand the characteristics of consumers using CRL regulated lawyers and firms.
f) Building on our existing Board paper templates which include an assessment of the impact that the matter being consider has on the regulatory objectives and consumer empowerment.
g) Developing and evaluation dashboard to be incorporated in our regular corporate reporting, Corporate Plan and Annual reports.

45. In summary, CRL's planned activity for 2027 is intended to improve outcomes for consumers by:

a) Ensuring the timely but rigorous assessment of authorisation applications, including any prior conduct matters which may impact an applicant's suitability to practice, against CRL's standards so that consumers can have confidence in the knowledge, competence and ethical behaviour of Chartered Legal Executives. As a result of Mazur there has been a significant increase in the number of CILEX professionals who are authorised with standalone practice rights. This benefits consumers as it provides them with greater choice as to who they may engage with to offer specific legal services.

b) Reviewing our education standards and authorisation pathways in collaboration with CILEX to ensure they appropriately reflect modern legal practice, professional and ethical expectations as well as technological developments such as Artificial Intelligence.

c) Reviewing our enforcement rules and processes to ensure misconduct complaints are risk assessed and progressed in a timely manner so that consumers are protected against CILEX professionals who fall below the standards expected. In common with many other regulators, we are experiencing an increase in the number and complexity of conduct complaints that are handled by our Enforcement team. The impact has been that we have had to increase our headcount to provide sufficient policy, enforcement and AML supervision resource in order to meet these demands.

d) Effectively supervising regulated individuals and entities using a risk-based approach so consumers can be reassured that CILEX professionals continue to be competent and regulated entities provide the necessary price transparency and service information to enable consumers to make informed choices and have clear complaints handling processes for those instances where consumers make seek redress. This includes discharging CRL's AML supervisory responsibilities and preparing for the orderly transfer of supervision to the Financial Conduct Authority.

e) Improving access to justice by seeking to increase the number of CRL regulated entities. CRL authorised entities support the regulatory objective of improving access to justice by increasing the availability of affordable, accessible and specialist legal services. All authorised entities are small firms or sole practitioner practices serving local communities and providing services in areas such as wills, probate, estate administration, civil litigation, family litigation and immigration. These are areas of law where consumers may otherwise struggle to

access legal advice, either due to geography, availability of providers or cost. The CRL entity framework enables authorised persons to establish and operate their own practices, increasing consumer choice and supporting innovation within the legal services market. Many firms offer a more flexible and personalised service, particularly for individuals (natural person), families, vulnerable clients and those who may be underserved by larger providers. The regulatory model also provides flexibility in how legal services can be delivered and creates opportunities for legal professionals to establish specialist practices in areas where there may otherwise be gaps in provision. As a result, CRL authorised entities play an important role in widening access to legal services and ensuring consumers have access to appropriately qualified and regulated legal professionals.

46. CRL conducted a stakeholder perception survey at the beginning of 2026. A 'lessons learnt' review of our response to Mazur has also been recently published. These activities have highlighted the areas of improvement the regulated community and other stakeholders want CRL to focus on. They include:
    ii. building trust and confidence through enhanced communication and meaningful engagement
    iii. improving process transparency and operational responsiveness
    iv. building on existing collaboration with CILEX and education/training providers to further simplify and clarify the system
    v. position CRL as a regulator combining robust standards with accessibility, diversity and professional mobility.

47. Similarly, for Anti Money Laundering (AML), the expectations and demands placed on supervisory bodies have increased. This includes preparing for the transfer of AML supervision to the Financial Conduct Authority.

48. CRL will also continue to work and fund with other regulators the development of the Legal Choices website and Regulatory Information Service. This provides a 'one stop shop' for consumers to help with what their legal issue is and who can help.

49. CRL's budget for 2027 includes provision to recruit a new post which will be focussed on improving CRL's responsiveness and user experience.

Authorisation 6.6% of PCF Allocation	Annual Cost	PCF Income	PF Income	Non PCF Income	Permitted Purpose &Regulatory Objective	Consumer Outcomes
Authorisation Function & Costs:	**£498,871**	**£136,888**	**£361,983**	**£0**	a RO1,2,3,4,8,9	Quality Access Fairness Diversity
Staff Costs	**£244,893**					
Board Costs	**£0**					
Direct Costs	**£166,772**					
Overhead Costs	**£87,206**					
Percentage of Shared Services % cost	**17.8%**					
Qualifying Experience			**£55,536**			
Work Based Learning	**£94,052**		**£224,094**			
Practice Rights Applications	**£31,827**		**£55,801**			
Authorisation Projects with Strategic Objective crossover						
Implement Mazur lessons learnt actions to improve overall user experience					RO1,2,3,4,8,9	Quality Access Fairness Diversity
Process the Qualifying Experience, Work Based Learning and Practice Rights applications authorisation in line with agreed KPIs					RO1,2,3,4,8,9	Quality Access Fairness Diversity
Further automate and integrate application systems					RO1,2,3,4,8,9	Quality Access Fairness Diversity
Supervision 6.7% of PCF Allocation	**Annual Cost**	**PCF Income**	**PF Income**	**Non-PCF Income**	**Permitted Purpose**	**Consumer Outcomes**
Supervision Function & Costs:	**£276,340**	**£137,191**	**£139,149**		a, ai, aii & d	Price Quality Access
Staff Costs	**£243,761**					
Board Costs	**£956**					

Direct Costs	**£20,765**				RO1,2,4,8,9	Innovation Privacy Fairness Diversity
Overhead Costs	**£10,858**					
Percentage of Shared Services % cost	**13.7%**					
Practice Rights Renewal Fees			**£86,168**			
Entity Renewal Fees			**£46,631**			
AML compliance: • AML sectoral risk assessment • AML supervision reports					a, ai, aii & d RO1,2,4,8,9	Price Quality Access Innovation Privacy Fairness Diversity
Review risk assessment of CRL firms bases on annual returns submitted by CRL entities in 2026.					a, ai, aii & d RO1,2,4,8,9	Price Quality Access Innovation Privacy Fairness Diversity
Supervision Projects with Strategic Objective crossover						
Design and implementation of 2026/2027 CPD sampling strategy.					a, ai, aii & d RO1,2,4,8,9	Price Quality Access Innovation Privacy Fairness Diversity
Engagement with FCA on the transition of professional body supervision arrangements					a, ai, aii, d & f RO1,2,4,8,9	Price Quality Access Innovation Privacy Fairness Diversity

Enforcement 29.4% of PCF Allocation	Annual Cost	PCF Income	PF Income	Non PCF Income	Permitted Purpose and Regulatory Objectives	Consumer Outcomes
Enforcement Function & Costs:	**£618,369**	**£604,369**	**£0**	**£14,000**	a, ai, aii & f RO1,2,4,8,9	Quality Access, Privacy, fairness, diversity
Staff Costs	**£466,401**					
Board Costs	**£0**					
Direct Costs	**£99,788**					
Overhead Costs	**£52,180**					
Percentage of Shared Services % cost	**27.8%**					
Professional Conduct Panel	**£17,455**					
Appeals Panel	**£10,453**					
Disciplinary Tribunal	**£10,453**					
Clerk Fees	**£15,928**					
Enforcement Projects with Strategic Objective crossover						
Implementation of changes to the CRL Enforcement rules including regulatory rule change application to the LSB					a, ai, aii RO1,2,4,8,9	Quality Access, Privacy, fairness, diversity
Implement revised KPIs and develop a performance monitoring dashboard for misconduct cases					a, ai, aii RO1,2,4,8,9	Quality Access, Privacy, fairness, diversity
Continue process improvements to reduce the overall case load and length of time to conclude cases					a, ai, aii RO1,2,4,8,9	Quality Access, Privacy, fairness, diversity

Governance 8.2% of PCF Allocation (Business Planning, Risk Management & Compliance)	Annual Cost	PCF Income	PF income	Non PCF Income	Permitted Purpose	Consumer Outcomes
Governance Function & Costs:	**£169,867**	**£169,867**	**£0**	**£0**	c e,f All ROs	Price Quality Access Innovation Privacy Fairness Diversity
Staff Costs	**£70,752**					
Board Costs	**£66,890**					
Direct Costs	**£21,160**					
Overhead Costs	**£11,065**					
Percentage of Shared Services % cost	**8.0%**					
Governance Projects with Strategic Objective crossover						
Implement strategic communications plan					aii, c e,f All ROs	Price Quality Access Innovation Privacy Fairness Diversity
Board Recruitment, including associate member					c e,f All ROs	Price Quality Access Innovation Privacy Fairness Diversity
Respond to consultations including LSB and LeO annual business plans					c e,f All ROs	Price Quality Access Innovation Privacy Fairness Diversity

Corporate complaints reporting and analysis to identify learning to inform future guidance, training and process improvements					c e,f RO1,4,8	Price Quality Access Innovation Privacy Fairness Diversity
LSB Regulatory performance assessment					c e,f All ROs	Price Quality Access Innovation Privacy Fairness Diversity
General Management 15.1% of PCF Allocation	**Annual Cost**	**PCF Income**	**PF Income**	**Non-PCF Income**	**Permitted Purpose**	**Consumer Outcomes**
General Management Function & Costs:	**£311,887**	**£311,887**	**£0**	**£0**	d,e & f All ROs	Price Quality Access Innovation Privacy Fairness Diversity
Staff Costs	£272,007					
Board Costs	£8,600					
Direct Costs	£20,540					
Overhead Costs	£10,740					
Percentage of Shared Services % cost	15.6%					
General Management Projects with Strategic Objective crossover						
Implementation of Strategic Risk Committee's recommendations on the CRL Compensation arrangements					d,e & f RO1,4,7	Price Quality Access Innovation Privacy Fairness Diversity
Develop with CILEX the existing CRM to improve business processes and user experience					d,e & f	Price Quality

					All ROs	Access Innovation Privacy Fairness Diversity
Develop new Service Level Agreements with CILEX					d,e & f All ROs	Price Quality Access Innovation Privacy Fairness Diversity
Preparation for 2028 budget, PCF and compensation applications					d,e & f All ROs	Price Quality Access Innovation PRivacy Fairness Diversity
Education 2.3% of PCF Allocation	**Annual Cost**	**PCF Income**	**PF Income**	**Non-PCF Income**	**Permitted Purpose**	**Consumer Outcomes**
Education Function & Costs:	**£59,216**	**£46,692**	**£0**	**£12,524**	a, ai,aii &f RO1,2,3,4,6,8,9	Quality Access Innovation Fairness Diversity
Staff Costs	£38,333					
Board Costs	£4,778					
Direct Costs	£10,575					
Overhead Costs	£5,530					
Percentage of Shared Services % cost	2.6%					
Education & Standards	£10,175					
Education Projects with Strategic Objective crossover						

Review of authorisation pathways as part of joint regulatory reform project with CILEX					a, ai,aii &f RO1,2,3,4,6,8,9	Quality Access Innovation Fairness Diversity
Review of new education standards to ensure they are accessible and remain rigorous					a, ai,aii &f RO1,2,3,4,6,8,9	Quality Access Innovation Fairness Diversity
Implementation of internal and external Quality Assurance strategy.					a, ai,aii & RO1,2,3,4,6,8,9 f	Quality Access Innovation Fairness Diversity

CRL Strategic Objectives (18.2% of PCF income) £371,498 - Allocation of Practising Fee to Permitted Purposes

Standards and Public Trust (15% of PCF income)		**Annual Cost / Time Estimated**
		£55,725
Standards and Public Trust (15% of PCF income)	**Permitted Purpose / Regulatory Objective**	**Consumer Outcomes**
➢ Develop guidance and resources for the regulatory community to support them in meeting their professional and ethical obligations, including the prevention of economic crime.	a & aii RO1, 2, 3,8 &9	Quality Access Innovation Privacy Fairness Diversity
➢ Publish guidance on the safe, ethical and effective use of AI and engage with the profession to better understand both the opportunities and risks of AI	a & aii RO 1,2,3,4,5,6,8	Quality Access Innovation Privacy Fairness Diversity
➢ Implement actions from Mazur lessons learnt review	a, ai,aii, c, e,f RO – supports all	Price Quality Access Innovation Privacy Fairness Diversity
Access to Justice and Consumer empowerment (35% of PCF income)		**Annual Cost / Time estimated**
		£130,024
	Permitted Purpose / Regulatory Objective	**Consumer Outcomes**
➢ Evaluation of Transparency Rules changes to ensure consumers have the price and service information they require	a, c,e,d RO1,3,4,5,6,7,	Price Quality Access Innovation Fairness
➢ Monitoring of firm compliance with first tier complaints handling rules and updating guidance where required.	a,ai,aii,c,e,d RO1,3,4,5,6,7	Price Quality Access Innovation Fairness
➢ Implement actions from Board consumer focussed regulation self-assessment including: 'Mystery	a,ai,aii, d &f RO1,3,4,5,6,7	Price Quality Access

Shopper' research and data gap analysis and use of LSCP tracker data		Innovation Fairness
➢ Continue to support the development of Legal Choices and the Regulatory Information Service	aii RO1,3, 4,5,7	Price Quality Access Innovation Fairness
➢ Increase number of CRL regulated entities through development of 'Law Firm in a Box' concept	d RO1,3,4,5	Price Quality Access Innovation Fairness
Independence and Sustainability (35% of PCF income)		**Annual Cost / Time Estimated**
		£130,024
Independence and Sustainability (35% of PCF income)	**Permitted Purpose / Regulatory Objective**	**Consumer Outcomes**
➢ Resource planning to ensure CRL continues to invest in those areas of operation which are most important to consumers, the regulated community and regulated entities.	a,aii,d,f Ros – supports all	Price Quality Access Innovation Privacy Fairness Diversity
➢ Collaborate with CILEX to progress a joint work programme focussing on: • Improving regulation • Finance • Service delivery	a,ai, d,f RO1,2,3,4,5,6	Price Quality Access Innovation Fairness Diversity
➢ Digital transformation plan – develop case management/application management systems and utilisation of existing AI capabilities	a,ai, d,f Ros – supports all	Price Quality Access Privacy Innovation Fairness Diversity
Be an authoritative, inclusive and capable organisation **(15% of PCF income)**		**Annual Cost / Time Estimated**
		£55,725
Be an authoritative, inclusive and capable organisation **(15% of PCF income)**	**Permitted Purposes / Regulatory Objective**	**Consumer Outcomes**

➢ Stakeholder Perception Survey Action Plan including: ➢ In-person engagement events ➢ Development of communication materials to support to go alongside practising certificates.	a, aii,d,e,f RO – supports all	Price Quality Access Innovation Fairness Diversity
➢ Implementation of 2026-2028 EDI Strategy and CRL research plan	a, ai, aii, c,d,e,f ROs1-8	Price Quality Access Innovation Fairness Diversity
➢ Collaborate with other regulators on joint horizon scanning and risk identification	a,ai,aii,c,d,e,f RO – supports all	Price Quality Access Innovation Fairness Diversity
Engagement on the reform of the Legal Services Act 2007 and actions arising from the 2026 Public Bodies Review	a,ai,aii,c,d,e,f RO – supports all	Price Quality Access Innovation Fairness Diversity

CILEX's budget for 2027

50. CILEX's total budget for 2027 is projected to be £11.422m; In addition to the PCF, CILEX receives income from other sources (e.g., the Law School, sale of assessments etc.).

51. CILEX's total practising certificate fee budget for 2027 is £1,093k, an increase of £82k (8.1%). The increase reflects the following key factors:

- costs of running CPQ and legacy qualifications concurrently
- roll-out and delivery of Chartered Lawyer Apprenticeships and work required to change delivery of apprenticeships to meet new funding rules
- Inflationary pressures are significantly impacting the cost base

52. CILEX's share of the 2026 practising fee was £137. In light of the increases explained above, CILEX's proposal for 2027 is to increase its share of the fee to £142.

53. CILEX's share of the PCF as a percentage of its total income is as follows:

2026 CILEX Income Projection	£k
Income to be generated excluding PCF	10,330
PCF (10% of total income)	**1,093**
Total income	11,422

SECTION 3 FINANCIAL INFORMATION - CILEX REGULATION LIMITED ("CRL")

- 2025 Link to audited financial statements
- 2026 Forecast Outturn basis and review
- Budget 2027 v Budget 2026
- Authorised Persons
- CRL Regulation of Unauthorised Persons
- CRL Compensation Fund

CRL's 2025 Audited Financial Statements

54. As shown in its Annual Accounts, CRL reported a deficit that was driven by a change in headcount structure, partly in response to the Mazur judgment, that differed to that which was presented for the 2025 PCF application, greater than budgeted recruitment costs as a result, and further costs in relation to the redelegation dispute. Overall CRL's portion of the PCF has fallen by over 16% in real terms over the last 4 years.

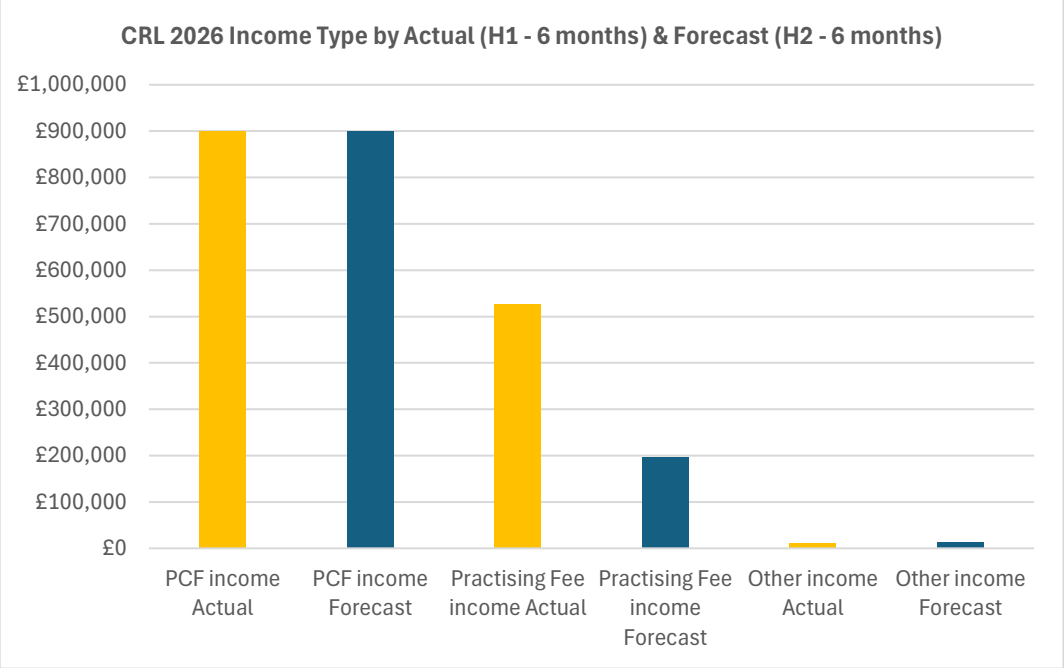
55. CRL's 2025 financial statements were audited during February 2026 with no changes and accepted by the CRL Board in May 2026 and signed in July 2026.

CRL Summary of 2026 to date and Forecast Outturn

Forecast 2026 Outturn (Per Appendix 7)

56. The financial information presented below includes the comparison of 2026's budget and forecast outturn.

57. Graphic to show PCF Income / PF Income / Non-PCF Income



58. PCF Income is a fixed income in the year that is recognised, effectively, in equal twelfths, hence the graph above shows H1 equal to H2.

59. Practising income in H1 is significantly higher (268%) at £527,190 than the forecast for H2 since H1 was impacted by the Mazur effect. A significant majority of the influx of the Practice Rights applications in the wake of Mazur have been processed, and it is expected that this activity will return to a more normal trading pattern in H2, per the table below.

60. Other income, making up c1.0% of total CRL income, is forecast to be some £6,873 (98.2%) above H2 budget. This is due to timing of invoicing as H1 is under budget by £6,600 (35.6%), with the full year outcome forecast to be £273 (1.1%) ahead of budget of £25,373.

Table 12a: CRL 2026 Budget Income by Type

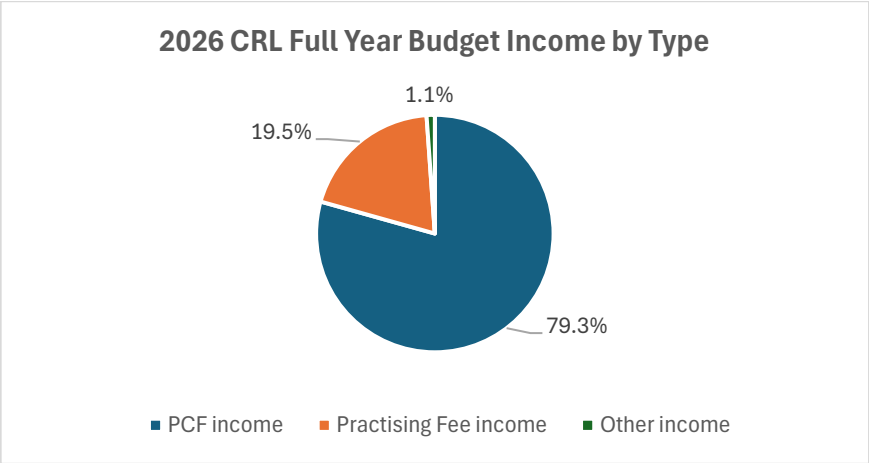
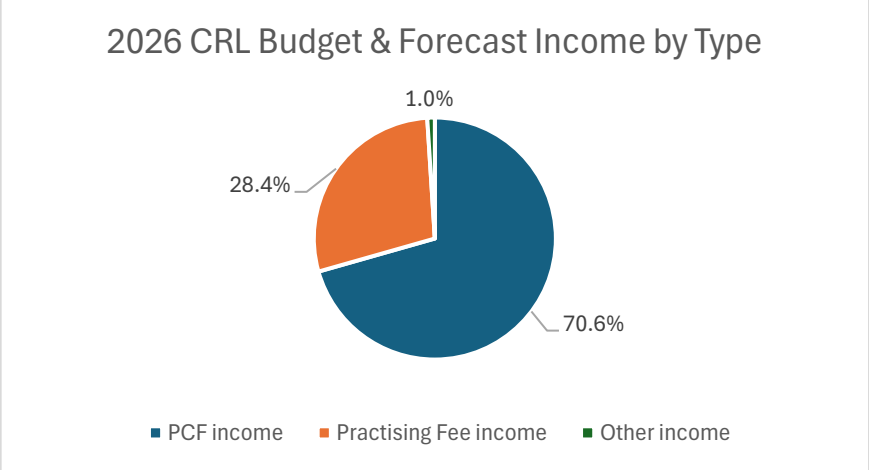


Table 12b: CRL Budget & Forecast Income by Type



61. The two graphs above show the impact the income recorded for Practising Fees increased that percentage of CRL's total income. The Mazur activity did not impact the amount of PCF income recorded or due, but it changed the share of CRL's total income.

62. It should be noted that, whilst CRL received additional income for the Mazur activity, the cost of processing the Practice Right and Standalone Litigation applications incurred such additional costs, the whole Mazur process has been a net cost to CRL.

Direct Costs

63. Direct costs are forecast to reduce significantly in H2 from the costs incurred in H1. H1 was impacted by the Mazur effect resulting in the recruitment and marking costs of several additional assessors, while existing assessors took on a greatly increased workload. Direct costs in H1 exceeded budget of £195,420 by £214,814 (110%). It is forecast that costs will fall back in line with H2 budget at £1,713 (0.9%) below budget of £185,263.

64. **Enforcement** activity levels in terms of panels conducted in H1 have been lower than budgeted with activity forecast to increase in H2 with forecast expenditure of £26,565, up (57.8%) on H1.

65. **Supervision** directs costs are minimal (full year forecast £9,265) in comparison to Income since renewal fees income requires very little direct cost. Direct costs forecast in H2 of £4,400 are 90.4% below H1 spend.

66. **Authorisation** direct costs in H2, having been the key driver for the increase in direct costs for H1, are forecast to reduce by 68.1% as activity returns to expected levels.

67. **Education** direct costs are forecast to be some (58.1%) lower than H1. This is due to review costs incurred in H1 that will not be repeated in H2.

68. **Governance** direct costs relate to Board activity, and costs have been significantly lower in H1 than had been budgeted. Costs are forecast to be in line with budget for H2 up 49.2% on H1.

69. **General management** direct costs are forecast to fall by (20.1%) .

70. **Strategic Objectives** has seen a reduced spend on Research due to the focus on Mazur and it is forecast that spend on Research in H2 will return to budgeted levels. H2 is forecast to increase by (37.6%).

Staff and Board costs

71. Staff and Board costs are forecast to outturn at £1,480,427, some £152,534 (9.3%) over original budget. This reflects the restructure in headcount that occurred in late 2025 when the budget had been set some 8 months earlier. H2 is forecast to be £34,495 (4.4%) lower than H1 costs of £799,233 due to fixed term headcount having been added in H1 to deal with the Mazur impact.

Administration costs

72. Administration costs are forecast to be £18,814 (9.2%) below original budget of £203,514, and H2 is forecast to be £24,575 (23.5%) below H1 Actual expenditure where a reduction in Recruitment costs and the Partial Exempt VAT costs incurred in H2 are not forecast to be repeated in H2.

73. **Shared Services costs** are fixed and agreed with CILEX ahead of the PCF being agreed, and the forecast outcome is equal to original budget of £202,368.

74. **Exceptional costs** in H1 of £10,051 related to further legal advice on deregulation. These costs were not in original budget and are listed as exceptional since they do not relate to normal trading costs. A provision of £3,000 has been included in H2 as a provision.

Underlying 2026 P&L Performance (Appendix 8)

75. H1 income and costs were affected by Mazur. The table above shows the underlying P&L when adjusted for the Mazur effect:

- PF income in H1 has been adjusted by a net £250,684 for PR application income and WBL Fee income to reflect that which would have been expected in a normal trading year;
- Direct costs have been similarly adjusted for PR and WBL Assessor costs by £266,119;
- Exceptional costs (£10,051) have been removed as these do not represent normal underlying costs.

76. Underlying trading for 2026 is:

- £14,371 surplus for H1;
- £43,932 deficit for H2;
- £29,591 deficit forecast for 2026;
- The key reason for the forecast deficit is the additional headcount over-and-above the 2026 budgeted headcount with a forecast adverse variance of £150,385.
- Increases in PF income (£37,066) and reduction in Direct costs (£53,018) and Administration costs (£18,814) help to offset the deficit caused by the additional headcount.

2026 BUDGET v OUTTURN/REFORECAST BY PERMITTTED PURPOSE ACTIVITY

Table 13a: Reforecast Income 2026 for Permitted Purposes

Education standards: keeping the standards for authorisation under review, accrediting training providers, acting as External Quality Assurer for the Chartered Legal Executive apprenticeship, annual review of accredited providers and exemptions				
Income type	**Budget**	**Actual (per reforecast)**	**Variance (£)**	**Variance (%) & commentary**
PCF income:	£47,451	£68,151	£20,699	40.2%. Overspend in Education of 142% due to spend on additional Assessors. This additional spend and the subsequent greater allocation of overheads necessitates an increase of PCF income allocation.
PF Income	£0	£0	£0	
Non-PCF Income – other sources:	£11,373	£14,310	£2,963	
Totals	**£82,461**	***£58,824***	**£23,637**	
Authorisation: authorising individuals and firms as authorised persons (includes assessment of qualifying employment, competence for admission and oversight by committees).				
Income type	**Budget**	**Actual (per reforecast)**	**Variance (£)**	**Variance (%) & commentary**
PCF income	£71,889	£90,438	£18,549	64.2% Income is significantly over budget due to the Mazur related activity in respect of Practice Rights applications. The drop-off in Mazur related activity forecast for H2 is replaced with H1 activities that were delayed due to Mazur.
PF Income	£360,302	£619,337	£259,035	
Non-PCF Income - other sources	*£0*	£0	£0	
Totals	**£432,191**	**£709,775**	**£277,584**	
Supervision: ensuring competence of individuals through CPD activity monitoring and firm supervision via annual returns and visits.				
Income type	**Budget**	**Actual (per reforecast)**	**Variance (£)**	**Variance (%) & commentary**
PCF income	£175,963	£82,548	(£93,415)	(27.7%) Direct costs are forecast to be less than budget and, hence, attract a lower share of overheads costs. In addition to the increase in PR Renewals income as a result of Mazur, the allocation of PCF income is significantly below budget.
PF Income	£82,555	£104,270	£21,865	
Non-PCF Income – Other Sources	£0	*£0*	£0	
Totals	£258,518	£186,818	(£71,550)	
Enforcement: includes review of the annual prior conduct declarations and investigations of misconduct together with oversight from enforcement panels.				
Income Type	**Budget**	**Actual (per reforecast)**	**Variance**	**Variance (%) & Commentary**

PCF income:	£540,448	£434,028	(£106,460)	(19.7%) H1 has not seen the number of panels that were budgeted leading to an underspend in direct costs in H1 and a reduced requirement for PCF allocation to achieve a £nil surplus/deficit. Activity in H2 is forecast to increase but not fully recover the missed panels in H1.
PF Income	£0	£0	£0	
Non-PCF Income – Other Sources	£14,000	£11,336	(£2,664)	
Totals	£554,488	£445,364	(£109,124)	
Business planning, risk management and compliance: includes engagement and communications, Board meetings and preparation, risk and performance management, strategy and business planning, stakeholder engagement and compliance activities				
Income Type	**Budget**	**Actual (per reforecast)**	**Variance**	**Variance (%) & Commentary**
PCF income:	£140,990	£180,205	£39,214	27.8%. The increase in headcount over budget has seen salary costs higher than budget in H1 and forecast to continue to be higher than budget in H2. There is therefore a greater than budget allocation of PCF to achieve a net £nil surplus/deficit.
PF Income	£0	£0	£0	
Non-PCF Income – Other Sources	n/a	n/a	n/a	
Totals	£140,990	£180,205	£39,214	
General management: Calculation of the practising certificate fee, finance activities, professional fees not covered in other activities, expenses, marketing, networking, CRM development and business support and wellbeing				
Income Type	**Budget**	**Actual (per reforecast)**	**Variance**	**Variance (%) & Commentary**
PCF income:	£270,650	£322,959	£52,309	19.3%. As above, the increase in headcount over budget has seen salary costs higher than budget in H1 and forecast to continue to be higher than budget in H2. There is therefore a greater than budget allocation of PCF to achieve a net £nil surplus/deficit.
PF Income	£0	£0	£0	
Non-PCF Income – Other Sources	n/a	n/a	n/a	
Totals	£270,650	£322,959	£52,309	

Table 13b: Strategic Objectives 2026 Budget v Forecast Outturn 2026

Strategic objectives	**Budget**	**Forecast Actual**	**Variance (£)**	**Variance (%)**
	£348,962	£418,064	£69,102	19.8%
Legal Choices Contribution	£27,014	£26,449	£564	2.1%
Commentary on variance	Again, and as above, the increase in headcount over budget has seen salary costs higher than budget in H1 and forecast to continue to be higher than budget in H2. There is therefore			

	a greater than budget allocation of PCF to achieve a net £nil surplus/deficit.
Details of activity against Strategic Objectives	
Standards and public trust: Upholding standards whilst pursuing innovative models to improve access and minimise the regulatory burden	• Thematic review of enforcement practice underway and rule change consultation present to Board. • Action plan in response to LSB's statement of policy on Professionalism and ethics and CRL Statement published on 26 March 2026 • Continue to enable the development of innovative approaches to service in legal regulation through the adoption of AI and new technology. Engagement through the LSB Innovation and Technology Forum and engagement with the regulated community • Implement actions from lessons learnt review of LSB's report into the SRA's handling of Axiom Ince.
Access to justice and Consumer empowerment: Championing fair access for all in the legal services market and enhancing the information available to consumers to improve accessibility to legal services	• Implementation of First tier complaints handling rule changes and common First tier complaints resolution procedure in collaboration with LeO and FTCF rule change approved December 2025 • Implement actions from Board consumer focussed regulation self-assessment including: research and data gap analysis and use of LSCP tracker data • Continue to contribute to the development of Legal Choices and evaluation outcomes considered by LCGB • Support the delivery of the Regulatory Information Service(RIS) and Beta phase complete • Continued monitoring of compliance with CRL's revised transparency rules • Respond to the outcomes of the joint research with BSB, CLC and ICAEW into digitally excluded consumers. Findings published in December 2025.
Independence and Sustainability: Promote the value and importance of independent, specialist regulation, ensuring CRL is able to work without fear or favour and its independence is protected.	• 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. • Work with CILEX to develop alternative proposals to the CILEX Case for Change and develop a sustainable compensation fund. Joint Working Group established and ToR. • Be prepared to seek clarification of the lawfulness of CILEX's proposals to redelegate regulation to the SRA in the public interest if required. • Review CRL's funding model, with particular focus on the regulation of unauthorised CILEX members.

	• Partial transfer of CRL contingent reserves from CILEX and 2025 reconciliation completed
Authoritative, inclusive and capable organisation: The organisation is resilient and has the capacity and capability quickly to adapt to changes in the external environment. Continue to champion fair access for all in the legal services market.	• Implementation of 2025-2028 EDI strategy, biennial diversity data report published. • Develop a CRL research plan. • Implement the recommendations from our Board Effectiveness Review. • Develop an action plan in response to the outcomes of the CRL stakeholder engagement and perception survey conducted in 2025/26

Table 13c: Shared Services budget v actuals 2026

Description of activity	Budget	Actual	Variance (£)	Variance (%)
Shared services: this includes HR, Finance, IT, insurance, Facilities, issuing of the practising certificate and regulated member support.	£202,368	£202,368	£0	0%

77. The shared services charges for 2026 are fixed. This budget covers the costs of staff time applicable to new change requests via the CILEX Business Transformation Team.

Budget 2026 v Budget 2027

CRL 2027 Budget and PCF rate influences

Description of activity	% total PCF allocated to activity	PCF actual £	Permitted purpose	Strategic objective or business as usual activity	Regulatory or representative activity
Shared services: this includes residual HR functions, Finance, IT, insurance,	11.2%	£230,687	Regulation, accreditation, education and training of relevant authorised persons and those wishing to become such persons	Business as usual activity	• protecting and promoting the public interest • encouraging an independent, strong, diverse and effective legal profession
Total					

Shared services explained

78. The shared services are based on headcount and are apportioned as follows:

a. **Facilities:** share of Group insurance costs only for 2027.
b. **IT equipment and training:** CILEX/CRL shared services costs relate only to licensing and salary costs for IT team.
c. **HR:** this covers learning and development, recruitment, and staff benefits. CRL no longer utilises the CILEX HR Administration Shared Service and has engaged a third-party HR provider. HR costs are recognised under the General Management activity strand.
d. **Finance:** this covers staff payroll administration, completion of Group VAT returns, sales ledger reconciliation as is applicable to Fellows/PCF, cash management routines, management of Group insurances, preparation of the Group Annual Report, liaison/co-ordination of auditors and corporation tax computation review. These costs are in addition to the in-house Finance costs CRL incurs.
e. **Capital expenditure**: not part of the shared services calculation.

The shared services budget was reviewed/updated by the CILEX CFO and agreed by CRL on 7 July 2026.

2027 Authorised Persons Data Splits

79. The table below represents the 2027 PCF income application by type.

Table 14: 2027 PCF Income Application by Type

Fellows	£1,972,144	£1,719,773	£252,371	14.7%
Associate Prosecutors	£17,484	£20,296	-£2,812	-13.9%
Entities	£69,453	£58,691	£10,762	18.3%
	£2,059,081	£1,798,760	£260,321	14.5%

80. The following table shows the areas in which each Authorised Persons are employed. The vast majority work in private law firms, while public sector bodies make up some 13% of members. It should be noted that 811 (10.8%) members have not provided employment type in the information they have provided to CILEX.

Table 15: Industry Types by Members

Member Industry Types	CILEX Associate Prosecutor	CILEX Fellow	Total %
Law Firm		5,516	74.64%
Other	1	723	9.78%
Council		680	9.20%
Government		123	1.66%
Property		107	1.45%
Insurance		49	0.66%
NHS		40	0.54%
Police		33	0.45%
Bank		25	0.34%
University		23	0.31%
Utilities		18	0.24%
No info provided		17	0.23%
CPS	92	13	0.18%
SRA		6	0.08%
Airline		4	0.05%
Debt Recovery		4	0.05%
Rspca		4	0.05%
ICO		3	0.04%
Fire Service		1	0.01%
Self Employed		1	0.01%
	93	**7,390**	**100.00%**

Practice Rights and Advocacy

81. Of the total Authorised Persons, only 1.1% have Advocacy Practice rights with the greatest number of these (64, or 78% of total Authorised Persons with Advocacy Rights) in private law firms. However, in terms of employment areas, the NHS and Police have the highest representation of Advocacy Practice Rights at 2.5% and 3.0% respectively,

albeit on significantly fewer numbers of Authorised Persons in each area. See table below.

Table 16: Authorised Persons With Advocacy Renewal

	Total Members	Advocacy Renewal	%
Law Firm	5,516	64	1.2%
Other	724	2	0.3%
Council	680	13	1.9%
Property	107	0	0.0%
CPS	105	0	0.0%
Government	123	1	0.8%
Insurance	49	0	0.0%
NHS	40	1	2.5%
Police	33	1	3.0%
Bank	25	0	0.0%
University	23	0	0.0%
Utilities	18	0	0.0%
No info provided by member	17	0	0.0%
SRA	6	0	0.0%
Airline	4	0	0.0%
Debt Recovery	4	0	0.0%
RSPCA	4	0	0.0%
ICO	3	0	0.0%
Fire Service	1	0	0.0%
Self employed	1	0	0.0%
	7,483	82	1.1%

82. Mazur certainly had an impact on Authorised Persons with Practice Rights. Of the total Authorised Persons, 20% have Practice Rights per the table below, while 2025 had 5.6%. The greatest number of Authorised Persons with Practice Rights are within private law firms at 1,267 (85% of the total).

Table 17: Authorised Persons With Practice Rights

	Total Members	Practice Rights Renewal	%
Law Firm	5,516	1,267	23%
Other	724	72	10%
Council	680	92	14%
Property	107	5	5%
CPS	105	0	0%
Government	123	6	5%
Insurance	49	7	14%
NHS	40	15	38%
Police	33	6	18%
Bank	25	3	12%
University	23	2	9%
Utilities	18	3	17%
No info provided by member	17	1	6%
SRA	6	0	0%
Airline	4	1	25%
Debt Recovery	4	2	50%
RSPCA	4	0	0%
ICO	3	2	67%
Fire Service	1	0	0%

Self employed	1	1	100%
	7,483	1,485	20%

83. Advocacy Rights make up 5.2% of total practice rights, per the table below. Authorised Persons with Civil Litigation Practice Rights at 572 (36.5%) are by far the largest section of the Authorised Persons with practice rights.

Table 18: Sub-categories of Advocates and Practice Rights Holders

Sub-categories of Advocates & Practice Rights Holders	Total	%
Advocacy – Civil Procedure	6	0.4%
Advocacy – Criminal Procedure	35	2.2%
Advocacy – Family Procedure	41	2.6%
Practice Rights – Chartered Legal Executive (Conveyancing)	17	1.1%
Practice Rights – Chartered Legal Executive (Employment)	1	0.0%
Practice Rights – Chartered Legal Executive (Probate)	20	1.3%
Practice Rights – Chartered Legal Executive Litigator (Civil)	572	36.5%
Practice Rights – Chartered Legal Executive Litigator (Criminal)	11	0.7%
Practice Rights – Chartered Legal Executive Litigator (Family)	257	16.4%
Practice Rights – Chartered Legal Executive Litigator & Advocate (Civil)	6	0.4%
Practice Rights – Chartered Legal Executive Litigator & Advocate (Criminal)	2	0.1%
Practice Rights – Chartered Legal Executive Litigator & Advocate (Family)	5	0.3%
Practice Rights – Chartered Legal Executive Litigator & Higher Rights Advocate (Civil)	1	0.0%
Practice Rights – CILEX Higher Rights Advocate (Civil Proceedings)	2	0.1%
Practice Rights – Civil Litigation	118	1.5%
Practice Rights – Conveyancing (Non Member)	1	0.0%
Practice Rights - CILEX Litigator and Higher Rights Advocate (Civil)	1	0.0%
Practice Rights – Conveyancing (Member)	272	17.3%
Practice Rights – Criminal Litigation	22	1.4%
Practice Rights – Family Litigation	47	3.0%
Practice Rights – immigration	15	0.9%
Practice Rights – Probate (Member)	115	7.3%
	1,567	

CRL Regulated Entities

84. CRL currently regulates a total of 22 entities and these contain a total of 16 authorised persons. Of these firms, only 1 (one) has a Paralegal as an Authorised Person. Within the remaining 21 firms, there is a total of 15 Fellows.

Table 19: Authorised Persons Within Regulated Firms

2026	Firms	Authorised Persons
CRL Regualted Entitites	22	16
Fellows	21	15
Paralegal	1	1

85. CRL ensures that its regulated entities are compliant with CRL's policies through appropriate structure of each firm by having appropriately qualified approved managers. The number of approved managers by reserved legal activity are shown below.

ACCA-Entities

86. CRL regulates 25 ACCA entities in which there are currently 33 authorised persons. ACCA entities are subject to CRL Regulation for the purposes of the Grant of Probate function only and they regulated by their own Regulatory Body (ACCA), for all other financial and accountancy work.

Table 20: Authorised Persons in Regulated ACCA Entities

ACCA Entities	25
Authorised Persons in ACCA-Entites (Grant of probabte only)	33

Compensation Fund

87. The aim of the CILEx Regulation (CRL) Compensation Arrangements provide a fund of last resort, intended to relieve hardship where losses cannot be recovered through other means. Funding is provided through annual contributions from CRL authorized entities, with fees varying according to turnover, service type and whether client money is held. Further information on compensation fund contributions can be found on our website.

88. Grants under the scheme will be paid from a cash fund (CILEX Compensation Fund) provided by Chartered Institute of Legal Executives (CILEX) and CRL. All grants under the CRL Compensation Arrangements are discretionary and can only be made within the limits of the scheme.

89. The fund currently has a maximum value of £500,000, with a maximum grant of £500,000 for any one claim or firm. The accumulated total received in contributions over the current and previous financial years is £102,151.88. Based on contributions received to date in 2026, contributions for 2027 are projected to be in the region of £20,000 to £21,000.

90. No compensation claims have been received to date. Since insurer-backed arrangements ceased in 2021, CILEX and CILEx Regulation have each allocated £250,000 from reserves as an interim measure to support the fund.

.Entity Compensation Fund Contributions

91. A review of the CRL Compensation Fund arrangements is currently in progress. The review is being overseen by CRL's Strategic Risk Committee and will report back to the CRL Board in the Autumn 2026 with a consultation on future compensation arrangements being held in Q1 2027. In view of this ongoing review the compensation fund levies will remain unchanged for 2027.

Table 21: Compensation Fund Levies

Turnover	**Client Money**	**No Client Money**
Litigation and Immigration		
Up to £250,000	£700	£500

£250,001 - £500,000	£1,400	£1,000
£500,001 to £1M	£2,100	£1,500
£1M + - £3M	£3,500	£2,500
£3M +	£5,075	£2,538
Probate and Conveyancing		
Up to £250,000	£750	£500
£250,001 - £500,000	£1,500	£1,000
£500,001 to £1M	£2,500	£1,500
£1M + - £3M	£4,000	£2,500
£3M +	£6,090	£2,538

Unauthorised Persons subject to CRL Regulation

92. Only a proportion of the total CILEX membership are authorised persons and require a practising certificate and therefore the funding is calculated on the basis of direct cost recovery with all Fellows paying an equal share. However, all CILEX members are regulated by CRL, and funds raised through the PCF to be allocated to CRL as the regulatory body, are also used to regulate these members for enforcement activity (all members) and CPD compliance (where applicable). This is allowable as a permitted purpose under section 51 of the Act.

93. CRL has calculated the proportion of PCF income which is used for the regulation of unauthorised persons and is outlined in the tables below. This is in relation to CPD compliance and enforcement (primarily prior conduct matters) activity.

Table 22a: Prior Conduct Costs for non-Fee Payers

Calculation of non-fee payers costs for Prior Conduct as % of total costs		
Cost type	**PC element**	**Total Budget**
Staff costs	98,891	1,537,026
Direct costs	12,095	442,225
Administration costs		231,241
Shared services		230,687
	110,986	2,441,179
PC element as % of costs	**4.5%**	
PC relating to Fee-payers	**65.5%**	
PC relating to non Fee-payers	**34.5%**	
PC costs for non Fee-payers	**38,271**	
As % of total costs	**1.6%**	

Table 22b: CPD Costs for non-Fee Payers

Cost type	**CPD element**	**Total Budget**
Staff costs 2026	89,213	1,537,026
Direct costs	2,573	442,225
Administration costs		231,241
Shared services		230,687
	91,786	2,441,179
CPD element as % of costs	**3.8%**	
CPD relating to Fee-payers	**64.4%**	
CPD relating to non Fee-payers	**35.6%**	
CPD costs for non Fee-payers	**32,695**	
As % of total costs	**1.3%**	

94. CRL has calculated the proportion of non-PCF income which is used for the regulation of unauthorised persons and is outlined in the table below. This is in relation to CPD

compliance, enforcement (primarily prior conduct matters) activity, qualifying experience application fees and work based learning application fees. We estimate that circa 90% of all QE and WBL applications are made by unauthorised persons working towards becoming an authorised persons (see next page):

Table 23: Determination of Unauthorised Element in 2027 PCF

Determination of Unauthorised element in the PCF	**2027 Budget**
QE Income for Unauthorised Persons	£55,536
WBL Income fr Unauthorised Persons	£224,094
Combined income for Unauthorised Persons	**£279,630**
QE Salary costs	£58,111
WBL Salary Costs	£34,601
Assessor Costs	£75,345
	£168,058
Margin for QE & WBL	**£111,572**
CPD costs	£59,864
Prior Conduct costs	£57,951
Total CPD & Prior Conduct costs	£117,815
Net Contribution/Cost)	**(£6,242)**
Fellows	7,390
Associate Prosecutors	93
Authorised Persons	**7,483**
Contribution/(Coste) per Authorised Person in the PCF	(£0.83)
CRL element of PCF	£254
% in the PCF (CRL element) to cover Unauthorised Persons	**0.33%**
Total PCF per Authorised Person	£432
% in the PCF to cover Unauthorised Persons	**0.19%**

SECTION 4 THE CHARTERED INSTITUTE OF LEGAL EXECUTIVES LIMITED ("CILEX")

1. CILEX Summary of 2026 to date

2026 was a transition year for CILEX, moving away from the previous strategic plan made up of four strategic pillars:

- Make justice better
- Make ourselves better
- Make work better
- Proud of CILEX

Continuing the transitioning under a new CEO, and the start of a new strategy cycle to implement a new strategic plan for 2027.

CILEX's strategic goals for 2027-2031 are:

- Create a Proud Professional Community
- Drive Change and Elevate our Profile
- Provide Excellent Education for a Growing Profession
- Build Firm Foundations for a Sustainable Future

CILEX's contribution to the public and consumer interest

CILEX operates in the public and consumer interest by providing a distinct, accessible and practice-based route into the legal profession, widening participation and enabling talented people from a broader range of backgrounds to qualify and progress as legal professionals. This contributes to a stronger and more diverse legal workforce, increasing the pool of appropriately qualified and regulated professionals available to meet the public's legal needs. By supporting a distinct professional route alongside other branches of the legal profession, CILEX also promotes competition and choice in the provision of legal services, helping to create a more diverse and responsive market for consumers. Our focus on professional standards, clear pathways to authorisation and recognition of different forms of legal expertise supports public confidence while reducing unnecessary barriers to entry and progression. Taken together, this supports access to justice and advances the regulatory objectives of protecting and promoting the public and consumer interest, promoting competition, and encouraging an independent, strong, diverse and effective legal profession.

1.1 Permitted purpose a: The regulation, accreditation, education and training of applicable persons and those wishing to become such persons:

During 2026, further progress was made in delivering our Level 3 Paralegal and Level 6 and 7 CILEX Lawyer apprenticeship routes, alongside the blended learning and graduate pathways leading to CILEX Professional Qualification (CPQ). All those graduating at CPQ

Professional Stage can attain fully authorised CILEX Lawyer status with practice rights assigned at point of qualification with added skills in digital, ethics, effective communication and client care, business acumen and project management.

In 2026, our Awarding Body played a critical role in supporting learners on their journey to legal qualification, delivering a total of 6,508 exams across the Level 6 qualification and all stages of CPQ. An additional September exam session was providing for the CPQ Foundation stage and two additional submission windows were introduced for the Professional stage Professional Skills assessment to support learner progression. Additionally, we successfully delivered over 221 End Point Assessments (EPAs) for apprentices completing the Level 3 Paralegal, Level 6 Chartered Legal Executive and Level 7 Chartered Legal Executive Litigator and Advocate apprenticeships.

In line with our long-term strategy, 2024 marked the closure of the Level 6 qualifications to new learners. In 2026, we remain committed to supporting those currently studying as we approach the full withdrawal of the Level 6 qualification from the market a the end of the year. An additional and final Level 6 exam sessions takes place in November 2026.

In 2026, over 365 members upgraded from Advanced Paralegal to achieve CILEX Fellowship (Chartered Legal Executive), while over 265 students progressed to CILEX Paralegal status, and more than 440 members progressed from CILEX Paralegal to CILEX Advanced Paralegal status.

In 2026 so far, our Customer Service Team have handled over 11,021 calls and responded to more than 21,458 digital/online enquiries. Meanwhile, our Marketing team engaged with audiences across multiple channels, gaining over 7.5 million impressions, managing over 65,100 social media followers, and achieving 640 national, legal and trade press articles.

1.2 Permitted purpose c: the participation by the approved regulator in law reform and the legislative process:

Throughout 2026, CILEX continued to champion the interests of its members and the public, engaging with policymakers, regulators and the wider legal community to drive meaningful change.

CILEX played an active role in shaping legal and regulatory developments, reviewing and assessing 61 consultations throughout the year. We engaged 11.2% of our membership through our Specialist Reference Groups (SRGs), and responding formally to 17 consultations – ensuring our members' expertise and perspectives were represented at the highest level.

During 2026, engagement with policy updates remained strong with 50 members engaging per email campaign on average. This reflects the increasing relevance of CILEX's policy work within our community.

During 2026 we achieved several major policy successes:

- The Victims Courts Act 2026 received Royal Assent, clearing the way for CILEX members to become Crown Prosecutors;
- We have drafted, consulted on, and launched a 5-year strategy, to deliver more for the profession and for the public/consumers;

- We have been successful in overturning the Mazur judgment, providing regulatory clarity to the sector

Judicial Academy continues to grow, welcoming CILEX Lawyers within the judicial family and encouraging all young legal professionals to consider a future judicial career. The Academy provides a comprehensive, structured approach to gaining the experience and skills needed to prepare for judicial appointments including confidence building, leadership development, career coaching, mentoring by a judge and access to significant and impactful networking opportunities.

The CILEX Foundation continued to make a positive impact in 2026. In response to the evolving challenges faced by the CILEX community, the Foundation remained committed to supporting aspiring and practising legal professionals by continuing to offer Practice Rights Grants and Bursary Awards throughout the year.

Access to opportunity remained at the heart of the Foundation's charitable activity. Through targeted financial support, the Foundation helped individuals overcome barriers to qualification, career progression, and professional development. As a result of its continued grant-making programme, over £20,000 in grants was approved for individuals whose studies, professional qualifications or career aspirations would otherwise have been impacted by financial constraints.

Despite operating within a more challenging funding environment, the Foundation remained responsive to need and focused its resources where they could have the greatest impact, ensuring that members and students continued to receive meaningful support during a period of financial pressure for many across the profession.

Alongside financial assistance, the Foundation continued to champion social mobility, wellbeing, and inclusion across the legal profession. Through partnerships with organisations providing money and debt advice, cost-of-living support, and social capital development initiatives, CILEX members were able to access practical, tailored assistance to help them navigate financial challenges and build long-term resilience. These services empowered individuals to take greater control of their financial wellbeing, enhance their professional networks, and sustain a positive work-life balance, all of which are critical to improving social mobility, widening participation, and supporting diversity within the legal sector.

1.3 CILEX Core Activity to date

Permitted purpose a: The regulation, accreditation, education and training of applicable persons and those wishing to become such persons:

Continuing to deliver L3, L6, L7 apprenticeships. Legacy Level 6 qualification and CPQ.

Having approved planned changes to our Charter and Byelaws at our Special General Meeting in 2024, in May 2025 we received Privy Council approval for the necessary Charter Amendment Order meaning that we can award the status of Chartered Paralegal and allow all members to vote at our AGM and to apply for roles on our Professional board and committees. Recruitment of new professional board members has taken place, representing a wider range of membership. We continue to look at more ways to engage with and integrate all categories of membership into our work.

Alongside this, we continued work on a revised CILEX Professional Paralegal Register, which launched in January 2025. This is an important register fulfilling the public interest duty upon which our charter is granted. The register will provide for the public (and employers) to quickly and easily identify regulated CILEX Paralegals who have met our rigorous standards of competence and conduct.

Permitted purpose c: the participation by the approved regulator in law reform and the legislative process:

Membership/Sales & Development/Operations (including Education)	**Policy and Governance**	**Communications**
£585,790	**£51,403**	**£10,179**
63.07% of PCF Income	**5.53% of PCF Income**	**1.10% of PCF Income**
5.94% of Non-PCF Income	**0.52% of Non-PCF Income**	**0.10% of Non-PCF Income**
Supporting Chartered Legal Executives and Associate Prosecutors by: • Provision of customer service function: Liaising with regulated members to provide advice and guidance on application and renewal, and requirements and obligations relating to regulatory requirements and practising certificate • Support Fellows to understand and apply for regulatory authorisation • Practice advice and support for Fellows Supporting those seeking to become Chartered Legal Executives by: • Providing support to assure the quality of the academic qualifications; • Ensuring training and assessment leading to authorisation is fit-for-purpose; • Providing assessment results for candidates by centre and learner;	Supporting Chartered Legal Executives and Associate Prosecutors by: • Providing representation for authorised persons amongst key stakeholders and forums; • Liaison and support in the areas of law reform, policy, lobbying, equality and diversity, pro bono and judicial appointments;	Supporting Chartered Legal Executives and Associate Prosecutors by: • Providing the Journal online • Editorial support • Publication of educational articles, case studies and guidance documents • Direct mailings to Authorised Persons • Press releases • Publication of the newsletter

• Providing relevant committee meeting minutes for quality assurance; • Liaison with Ofqual (including, providing details of alleged misconduct, attending stakeholder meetings, and attending professional institute forums) • Qualification: regulation, compliance, development activities; • Accreditation of training providers and courses provision		

1.4 CILEX Regulatory Activity to date

Regulatory activity is included within the overall costs of each area included within core activities table above. Regulatory activities are listed separately for reference.

Area of activity	Actions
Membership/Sales & Development/Operations (including Education)	Regulatory work • Maintaining the Fellow, Associate Prosecutor, and member database, • Issuing the PCF invoices and reminder notices, • Issuing practising certificates, • Maintaining CPD records, • Providing information to CILEx Regulation about Authorised Persons and members.
Policy and Governance	Regulatory work

	• Managing the relationship with the LSB, OPBAS, other Approved Regulators and government.
Communications	Regulatory work • CILEx Regulation publications • Journal publication of disciplinary decisions
Central Resources and Admin	Regulatory work • Proportion of contribution of overhead costs including Board and Senior Leadership resource spent on activities as Approved Regulator

3.1 Budget 2027 v Budget 2026

CILEX Permitted Purposes: Fellows Apportionment	2026 Budget	2026 Actuals (Reforecast)	2027 Budget	2026 – 2027 Movement (%)	Commentary >5% movement
Operations	633,924	667,205	711,485	6.6	Increased assessment costs as qualifications grow
Policy & Governance	52,617	56,751	59,183	4.3	Policy activity starting to get back to expected levels
Communications	9,120	11,560	9,120	-21.1	Increased actual costs in 2026 sought to be mitigated in 2027
Approved Regulator Activities	314,654	313,017	312,727	-0.1	More stable staffing in 2026 & 2027
Total PCF Income	**1,010,315**	**1,048,532**	**1,092,515**	**4.2**	

3.2 Sources of Other Income (Non-PCF Income)

PCF income is not a primary source of revenue for CILEX. The majority of CILEX business activities and therefore overhead costs are funded through alternative income streams. CILEX achieves this income as; the professional membership association of other grades, not just authorised persons; through CILEX awarding body; and through CILEX Law School. This gives greater financial resilience than would otherwise be the case if CILEX was solely dependent on PCF income. The healthy reserves, which are funded through non-regulatory income, also supports CILEX's ability to be resilient in a changing economic climate, such as that created by COVID or a recession. The pandemic has created risks across all market sectors and CILEX continues to manage these risks by exploring opportunities for additional revenues streams alongside robust cost management and control.

Risk to the alternative sources of income at CILEX: The PCF is not CILEX's primary source of revenue and therefore it is most unlikely that all CILEX sources of income would disappear simultaneously. However, should this unlikely event happen, it would present a risk to achieving CILEX objectives and would require a revised CILEX business plan, which would

most likely include a cost reduction exercise, including staffing levels. The assessment of risk at this time remains low.

3.3 CILEX Financial Summary

The Profit and Loss schedules showing the CILEX 2026 Budget, 2026 Forecast and 2027 Budget are provided below:

CILEX P&L (excl. CRL)	2026 Budget	2026 Forecast	2027 Budget
TOTAL REVENUE	**11,223**	**11,431**	**11,422**
Third Party Costs	**-5,560**	**-5,427**	**-5,630**
Staff Costs	**-5,481**	**-5,511**	**-5,646**
TOTAL COSTS	**-11,041**	**-10,938**	**-11,276**
OPERATING SURPLUS/(DEFICIT)	**182**	**493**	**146**
Projects	**-515**	**-431**	**0**
SURPLUS/(DEFICIT) BEFORE INVESTMENTS	**-333**	**62**	**146**

Revenue has been higher than expected in 2026 as a result of improved progression between CPQ stages and a higher intake of apprentices during the year. Other income relating to the Level 7 CILEX Lawyer Litigator and Advocate Apprenticeship has been reforecast into 2026 due to a requirement to apply to CRL for accreditation of the advocacy element. Publication revenue has also fallen behind expectations.

A portion of the Income shortfall has been mitigated by savings in Direct Costs and Overheads – where delivery costs have been managed in accordance with lower volumes.

The CILEX Group budget for 2027 is currently in draft form and will be reviewed by the CILEX Board on 4th December. Strong revenue growth is expected in 2027 from across our product portfolio, with anticipated growth in Membership, Qualifications income, Apprenticeships and Chartered Paralegal as above. Revenue reduction is recognized for the end of the Legacy qualification in 2027. Cost increases relate to activities directly linked to this revenue growth, and to general inflation.

CILEX Group costs by department as set out in Appendix 3 are split between Permitted Purposes and Other Activities as follows:

CILEX Department	All permitted purposes activities		Other activities		Total
Operations (including Membership, Sales and Development, Awards, and Education)	711,485	32%	1,490,967	68%	2,202,452
Policy and Governance (formerly Regulatory Affsirs)	59,183	29%	145,468	71%	204,651
Communications (including business development, marketing and the Journal)	9,120	1%	1,344,873	99%	1,353,993
Central Resources and Administration	312,727	30%	741,919	70%	1,054,646

These percentage splits are based on the assessment of the CILEX Executive Team of the amount of departmental time spent on permitted purposes activities or in providing services to CILEx Regulation under a service level agreement. The Other Activities column relates to activities which do not relate to regulatory activities or permitted purposes activities for example training provision through CILEX Law School.

Activities which CILEX has identified within permitted purposes under Section 51 of the Act include:

- Operations: maintaining the Fellow, Associate Prosecutor and member database, issuing the PCF invoices, liaising with Authorised Persons, maintaining CPD records, providing information to CILEx Regulation about Authorised Persons and members, providing support to assure the quality of the academic qualifications, ensuring training and assessment is fit for purpose, providing assessment results for candidates by centre and learner, providing relevant committee meeting minutes, liaison with Ofqual, providing details of alleged misconduct, attending stakeholder meetings and attending professional institute forums
- Communications: providing the Journal online, editorial support, educational articles, direct mailings to Authorised Persons, CILEx Regulation publications, press releases.
- Policy and Governance: providing representation, liaison and support in the areas of law reform, policy, lobbying, equality and diversity, pro bono and judicial appointments, managing the relationship with the LSB, other Approved Regulators and government
- Central Resources and Administration: CILEX central shared services used to act as the Approved Regulator which is made up of a proportion of overhead costs including Board and Senior Leadership resource spent on activities as Approved Regulator.

Some costs incurred can be directly attributed to authorised persons, such as issuing practicing certificates. These costs are designated as permitted purposes.
Where the provision of activities supports both authorised persons and non-authorised persons, e.g. Customer Services, CILEX apportions such costs to the PCF on the basis of the proportion of authorised person members.
The Operations activity includes costs associated with the accreditation, education and training of relevant authorised persons and those wishing to become such persons (s51(2)a). This includes the assessment of qualifications, including Legacy Level 6 and the three stages of the CPQ qualification. In the case of CPQ, those studying the qualification may not yet be at the Professional Stage, the attainment needed to become an authorised person. However, as CPQ is a progressive qualification, we understand that a significant majority of non-authorised persons taking these exams are working towards becoming an authorised person.

3.3.1 CILEX Group Financial Summary - 2026 & 2027 P&L

Appendix 3 shows the draft CILEX Group budget submissions for 2026 and 2027. This analysis, by year, income and expenditure by regulatory-related activity, other permitted

purposes activity (with a sub-total for total permitted purposes activity), other activities that are not regulatory or other permitted purposes activities, and for the CILEX Group.

3.4 Reforecast Income and Expenditure for Permitted Purposes

The projected figures (to the year-end 2026) below are based on the most recent reforecasts carried out by CILEX:

CILEX	Budget	Actuals (Reforecast)	Variance (actual)	Variance (%)
Income to be generated excluding PCF 2026	**10,330,472**	**10,491,606**	**161,134**	**1.6%**
PCF retained by CILEX	**892,219**	**930,436**	**38,217**	**4.3%**
Total Income	**11,222,691**	**11,422,042**	**199,351**	**1.8%**

The table above shows a small increase in forecast PCF income to be retained by CILEX. This forecast figure retains an element of credit risk.

The table below shows comparison of the forecast expenditure for each activity with the original PCF budget for 2026.

Membership/Sales & Development/Operations (including Education):

Permitted purpose

8a): the regulation, accreditation, education and training of applicable persons and those wishing to become such persons, including

i. the maintaining and raising of their professional standards; and

ii. the giving of practical support, and advice about practice management, in relation to practices carried on by such persons

Provision of customer service function, practice advice and support to authorised persons.

Assuring quality of qualifications, provision of training and assessment, liaison with OFQUAL, accreditation of training providers to support those seeking to become authorised persons.

Regulatory work including maintaining member database; issuing invoices and reminders, maintaining CPD records

Expenditure	Budget	Actual (per reforecast)	Variance (£)	Variance (%) & commentary
Totals	**633,924**	*667,205*	*33,281*	5% higher than expected. Awarding Body: higher than expected cost of delivery and assessment due to introducing an additional exam sitting. Staff related costs including Customer service costs were less than budget expectations.

Policy and Governance:

Permitted purposes

8c): the participation by the approved regulator in law reform and the legislative process;

8f): the promotion of relations between the approved regulator and relevant national or international bodies, governments or the legal professions of other jurisdictions; and

8g): increasing public understanding of the citizen's legal rights and duties

Providing representation for authorised persons amongst key stakeholders and forums.

Developing policy positions via Specialist Reference Groups.

Liaison and support in the areas of law reform, policy, lobbying, equity and diversity, pro bono and judicial appointments.

Managing the relationship with the LSB, OPBAS, other Approved Regulators and government.

Expenditure	Budget	Actual (per reforecast)	Variance (£)	Variance (%) & commentary
Totals	**52,617**	*56,751*	*4,134*	*7.8% higher than expected.* Small increase in costs of policy activity vs budget expectations relating to an increase of hours across the staff.

Communications:

Permitted purpose 8a) as above

Production, publication and distribution of communications to authorised persons, including journal , educational articles, case studies and guidance documents, direct mailings.

Expenditure	Budget	Actual (per reforecast)	Variance (£)	Variance (%) & commentary
Totals	**9,120**	*11,560*	*2,440*	*+26%* Very small increase in overall cost of publication and production of newsletter

Central Resources and Admin:

Proportion of overhead costs of CILEX as Approved Regulator, including Senior Leadership resource and Board costs.

Expenditure	Budget	Actual (per reforecast)	Variance	Variance (%) & Commentary
Totals	**314,654**	*313,017*	*-1,637*	*-1%* Small cost savings achieved in Board costs.
Total Expenditure	**Budget**	**Actual (per reforecast)**	**Variance**	**Variance (%)**
Permitted Purposes Expenditure	**1,010,315**	***1,048,532***	***38,217***	***3.7%***

Section 5 – RESERVES

CRL

Introduction

CILEx Regulation Reserves

The CRL Reserves Policy:

95. The Reserves Policy sets out the following:

- Types of reserve held by CILEx Regulation;
- General principles which govern how the CILEx Regulation reserves are held and managed;
- How we set out target reserves and how this is reviewed and managed;
- How we identify committed reserves;
- Our target for uncommitted reserves;
- Actions we will take should our reserves be below or above our target;
- What events might trigger access to our reserves; and
- How we decide whether reserves should be utilised.

Setting and managing the target reserve:

96. When setting the target reserves, CRL considers known risks to the organisation, assessed through analysis of its risk register and identifies major strategic risks to the organisation, which the reserves aim to mitigate. In setting the target, CRL ensures that there is a balance between ensuring risks can be insured against and not increasing costs to the regulated community unnecessarily. Having undertaken this analysis, CRL identified committed reserves for the next 12-month period by considering the following factors:

- Specific projects for which financing from reserves is required
- Funds required for regulatory or disciplinary action
- To cover identified risks and calculate the funds which will form the uncommitted reserves.

97. Where the uncommitted reserves held are higher than the target, CILEx Regulation will consider actions to bring the reserves back within the target range, for example:

- to further our strategic objectives,
- to provide additional regulatory activities in accordance with the regulatory objectives,
- to enable future investment in innovation, which is considered essential in the current legal services market, or
- reducing the practising fee to bring reserves back into alignment with 6 months operating costs

CRL also reserves the right to increase the reserve beyond 6 months of operating costs (with a rationale).

Different types of reserve held:

98. CRL controls 2 types of reserve:

- Contingency reserves, and
- Working Capital reserves.

Uncommitted reserves targets:

	Target
Uncommitted Contingency Reserve and Working Capital Reserves	3 months to 6 months of operating costs
Uncommitted Working Capital Reserves	Up to 2 months of operating costs

	Cumulative Reserves	**Committed**	**Uncommitted**
Contingent Reserves as at 31 December 2026	700,000	320,000	380,000
Held by CRL at 31 December 2026	300,000		300,000
Held by CILEX at 31 December 2026	400,000	320,000	80,000

- The Committed Contingent Reserves are made up of:
  - £250,000 for the CRL Compensation Fund
  - £70,000 for interventions

99. The 2025 audited financial statements confirm CRL working capital reserves of £427,264 (including the exceptional spend from reserves) carried forward to 2026. The table below shows the performance of reserves against the LSB and CRL Reserves Policies at

85.1 31 December 2025
85.2 30 June 2026 per completed management accounts at half-year
85.3 31 December 2026 based on Reforecast to 31 December 2026 (Appendix 9)
85.4 31 December 2027 based on 85.3 plus the 2027 Budget outturn (Appendix 9)
85.5 Monthly operating costs in determining the number of months' cover of Reserves held is based on a business-as-usual monthly operating costs as outlined below.

Table 24: CRL Monthly Operating Costs (Business-as-Usual)

CRL Monthly Operating Costs (Business-as-Usual)

Item	Full year costs	Avg monthly costs
Direct costs budget	380,683	31,724
Overheads per budget	203,514	16,959
Staff salaries budget	1,518,029	126,502
Board salaries	90,888	7,574
Shared services	212,486	17,707
Total 2026 budget costs	**2,405,600**	**200,467**
Non-cash items		
Depreciation charges	(2,094)	
Bad Debt provision	(10,000)	
	(12,094)	
Outcome net of adjustments	**2,393,506**	**199,459**
Direct Costs immediately stopped		
Retainers		
Supervision DPB costs	(9,375)	
Authorisation DPB costs	(5,775)	
Board & management training	(2,500)	
Management professional fees	(20,800)	
Management Networking	(5,000)	
	(43,450)	
Total Operatong Costs	**2,350,056**	**195,838**

100. The current CRL working capital reserve (both committed and uncommitted) to June 2026 is £416,148. This includes a deficit of £11,115 for the 6 months period. CRL remains compliant with the LSB and CRL Reserves Policies at 30 June 2026.

101. The reforecast for 2026 sees a further deficit in the 6 months to 31 December 2026 of £26,191 due to an increase in staff costs per the restructure of headcount and posts. CRL remains compliant with the LSB and CRL Reserves Policies at 31 December 2026.

102. Exceptional costs in the 6 months to 31 December 2026 relate to
    a. Continuation of the unanticipated work connected with CILEX' announcement (legal work)

103. The breakdown of the contingent reserve into committed and uncommitted reserves at 31 December 2026 is as follows:

Table 25: Contingency Reserve Components

Committed for compensation fund	£250,000
Committed for interventions	£70,000
Total committed contingency reserve	**£320,000**
Total uncommitted contingency reserve	**£380,000**

104. Therefore, the total uncommitted reserves in CRL's control is £696,148 (30 June 2026), at 3.6 times monthly operating expenses falls within both the CRL target and the target range set within the PCF rules and guidance (i.e. 3-6 months of operating

costs). In addition, the forecast total uncommitted reserves in CRL's control at 31 December 2026 is £669,957 at 3.4 times monthly operating expenses and falls within both the CRL target and the target range set within the PCF rules and guidance (i.e. 3-6 months of operating costs).

105. The table below shows that the forecast Working Capital Reserves at 31 December 2026 have risen by £77,856 since 31 December 2022, being an average surplus over the 4 years of £19,464. The significant surplus in 2023 of £166,282 and the continuation of a surplus into 2024 of £81,948 reflect the reduction in activity experienced when CILEX embarked upon its proposal to redelegate regulation to the SRA. As a result, CRL experienced staff churn and lower direct costs. However, as a consequence of CRL's challenge to the deregulation proposal CRL has incurred significant costs that have resulted in a 2025 deficit of £133,067. The forecast deficit in 2026 is due to a change in headcount structure and a loss in working through the activity caused by the Mazur ruling.

Table 26: Forecast Working Capital Reserves at 31 December 2026

	Forecast	Actual			
	2026	2025	2024	2023	2022
Working Capital Reserves	389,957	427,264	560,331	478,383	312,101
Surplus/(Deficit)	(37,307)	(133,067)	81,948	166,282	(147,341)

CILEX Reserves Information

The CILEX Group Reserves Policy is attached at Appendix 4. It requires all entities within the Group to maintain reserves equivalent to three to six months' operating costs. As the parent company, CILEX ordinarily holds reserves on behalf of the Group.

CRL is an exception in that its regulatory and contingency reserves are recognised in full on CRL's balance sheet. These reserves comprise cash already transferred to and held by CRL, together with amounts due from CILEX that have been recognised as a receivable by CRL pending transfer. Accordingly, references to CRL holding its reserves should not be taken to mean that the full amount is currently held by CRL in cash.

As a wholly owned subsidiary of CILEX, CRL is required to comply with the CILEX Group Reserves Policy alongside its own Reserves Policy. This includes maintaining available reserves equivalent to three to six months' operating costs to support the continuation of regulatory activities in the event of a delay or reduction in PCF income.

As part of its central Reserves CILEX holds a strategic reserve for investment in exceptional items supported by business cases (such as the new professional qualification development and replacement CRM system). CRL has access to the CILEX Strategic Reserve if it makes a 'reasonable resources' request under section 30 of the Act.

PCF income is not the primary source of revenue for CILEX. The institute's income is also generated in its role as the professional membership association of other grades, not just authorised persons, through the CILEX awarding organisation and through CILEX's commercial law school. This gives CILEX greater financial resilience than it would otherwise have if it were solely dependent on PCF income. CILEX's reserves, which are funded through non-regulatory income, also support CILEX's ability to be resilient in a changing economic climate, such as that created by COVID or a recession.

CILEX's reserves have been funded through and are associated with non-regulatory income streams, in particular education activities. The attached CILEX Reserves Policy (Appendix 4) indicates CILEX uncommitted reserve aspirations.

The CILEX Reserves position is summarised below:

CILEX Reserves	**2027 Budget**	**2026 Forecast**	**2026 Budget**
Direct/Indirect Costs	-7.9	-7.6	-7.6
Overheads	-3.4	-3.4	-3.4
	-11.3	**-10.9**	**-11.0**
add back:			
PCF payable to CRL	1.8	1.8	1.8
Non-Cash Items	0.4	0.4	0.4
"Operating Costs"	**-9.1**	**-8.7**	**-8.8**
Contingency Reserve @ 6 months	-4.5	-4.4	-4.4
Contingency Reserve @ 3 months	-2.3	-2.2	-2.2
YE Group Equity Reserves	**5.3**	**5.3**	**5.1**
CRL Equity Reserves	-1.3	-0.8	-0.5
Total CILEX Reserves	**4.0**	**4.4**	**4.6**
CRL Contingency Reserve (£700k)	0	-0.4	-0.7
CILEX Compensation Fund (£250k)	-0.25	-0.25	-0.25
CILEX Contingency Reserve	-3.8	-3.8	-3.6
	0.0	0.0	0.0

CILEX have just over 5 months of contingency reserve held which is in line with the reserves policy of holding between 3 – 6 months of operating costs.

The CILEX Contingency Reserve is a balancing figure maintained within the agreed range of three to six months' operating costs. It increases slightly from £3.7695m in the 2026 forecast to £3.8380m in the 2027 budget, although both round to £3.8m.

The £0.4m transfer to CRL is reflected separately through the CRL Equity Reserve and CRL Contingency Reserve lines and therefore does not directly reduce the CILEX Contingency Reserve.

Section 6 – Consultation & Engagement

***Length of time consultation was open*:**

1. The PCF consultation opened on 29 July 2026 and closed on 14 September 2026. It can be found here. In addition to being published on the CRL website, it was emailed to Chartered Legal Executives, CILEX Practitioners and Advocates (including the ACCA-Probate practitioners), and CILEX Firms (including CILEX-ACCA Probate firms). CRL sent the PCF proposal for Associate Prosecutors to the Crown Prosecution Service for their view.

Level of engagement:

2. CRL received the following responses:

Regulated person type	**Number of responses**	**% regulated community**	**In favour**	**Against**
Chartered Legal Executives and Associate Prosecutors	47 of 5,916	0.79%	23.40%	76.60%
CILEX Practitioner and/or Advocate	27 of 1,567	1.7%	18.52%	81.48%
CILEX Firm	3 of 22	13.6%	66.67%	33.33%
ACCA regulated community	0 of 25	0%	0%	0%

3. CRL has monitored the engagement with the consultation from the regulated community. Our communications about the consultation and the level of engagement with our communications are set out below:

Statistics from the CRL website:

- The PCF consultation was live on the CRL website between 29 July 2026 and 14 September 2026. The 'open consultations' webpage received 295 visits during this time.

Statistics from CRL's July/August Newsletters

Newsletters emailed to the regulated community (All Active Members plus CRL Entities and ACCA Probate group):

- July 6,468 opens (41% open rate), 527 (8%) clicked on the PCF consultation page link.
- August 6,645 opens (41% open rate), 52 (0.8%) clicked on the PCF consultation page.

Statistics from PCF consultation direct email campaigns between 29 July 2026 and 14 September2026

CRL emailed all its authorised regulated community to notify them of the PCF consultation. The engagement with this process was as follows:

- PCF consultation launched in the July 2026 CRL newsletter (see open rates above).
- Reminder direct email sent 7 September 2026 – 8,850 opens (55%) open rate.
    - 599 (6.7%) of openers clicked through to the open consultations page.
    - 977 (11%) clicked the PCF consultation link.
    - 1,576 combined figure = **18% clicked the consultation links.**

Survey responses attributed to direct communications:

Wb 29 July (Launch date)	6
Wb 9 August (Newsletter)	10
Wb 31August (Newsletter)	3

Social Media

The consultation was also actively promoted on CRL's social media channels, Linked In and 'X' (formerly Twitter) throughout the consultation period. The consultation posts had a higher-than-average engagement rate at 4% (against 3% industry average).

Summary of consultation responses (chartered legal executives and associate prosecutors):

CRL's Consultation

- This year the very small number of chartered legal executives (CLE) and Associate Prosecutors (AP) who engaged with the consultation do not support the proposal to increase the fee (23.40% are in favour).
- Of the 47 respondents, 36 (76.60%) provided commentary in relation to the fee proposal for 2026. The most common topic of response to the proposed increase was that the increase is not justified, and comparison was drawn to the cost of living crisis and how the Mazur ruling had negatively impacted them.

CILEX's consultation

- Response was very similar to the above, with 40.63% who engaged with the consultation in favour of the increase.
- Comments received refenced cost of living and inflation, and comparison with fees charged for other regulated individuals. Some expressed a lack of clarity in benefits/what funds are used for.

Summary of consultation responses (CILEX Practitioners and Advocates):

- The impact on individuals post-Mazur ruling was the key response received from CILEX Practitioners and Advocates. Only 18.52% of the 27 respondents were in support of the increase..

Summary of consultation responses (Firms)

- The proposed increase to the fee received a majority (67%) of support from those entities that responded to the consultation.

Summary of consultation responses (ACCA)

- There was much negativity in the responses, but much of this was directed at CILEX/CRL actions in relation to Mazur. Many responses focused on how Mazur had impacted them negatively and would appe have used the Consultation process to air theie views on Mazur rather than increases in PCF fees.

IMPACT ASSESSMENTS

Actions taken as a result of the consultation responses:

How we assessed the potential for harm:

4. In addition to the collection of EDI data relating to responses received from the regulated community, CRL also requested data from respondents in relation to their employment and income. The data collected has enabled CRL to analyse more completely the responses received to the proposals for the 2027 PCF. This was a commitment made by CRL following previous years' consultations.

5. CRL reviewed the analysed data and considered whether the proposal to increase the practising fee for the 2027 PCF had the potential to impact on any group. This information is set out below.

ANALYSIS OF EDI DATA

Potential for harm to protected groups:

a. EDI data from those CLEs and Associate Prosecutors that did NOT support increasing the PCF from its current levels for 2027

Note: there were 47 respondents from the grades of chartered legal executives and associate prosecutors, 36 of whom said they did not support the proposal for the 2027 PCF. Therefore, these percentages are based on very small numbers and the analysis should be treated with caution

- 25.00% are self-funding the certificate (-v- 21.28% overall)
- 61.11% are employer funded for the certificate (-v- 65.96% overall)
- 13.89% are not sure or prefer not to say (-v- 12.76% overall)

- 5.55% earn less than £20k (-v- 4.25% overall)
- 5.55% earn 20-25k (-v- 4.25% overall)
- 5.55% earn 25-30k (-v- 6.38% overall)
- 2.78% earn 30-35k (-v- 2.13% overall)
- 11.11% earn 35-40k (-v- 10.64% overall)
- 2.78% earn 40-45k (-v- 2.13% overall)

- 11.11% earn 45-50k (-v- 8.51% overall)
- 11.11% earn 50-60k (-v- 12.76% overall)
- 2.78% earn over 60k (-v- 10.64% overall)
- 36.11% prefer not to say (-v- 31.91% overall)
- 5.57% did not respond (-v- 6.40% overall)

- 55.55% (-v- 59.57% overall) Female;
- 19.44% (-v- 17.02% overall) Male;
- 22.22% (-v- 17.02% overall) Prefer not to say;
- 2.79% (-v- 6.39% overall) Did not respond

- 5.55% (-v- 4.25% overall) Black, Asian and minority ethnic;
- 33.33% (-v 25.53% overall) Preferred not to say;
- 52.78% (-v- 63.83% overall) White background;
- 8.34% (-v- 6.39% overall) Did not respond

- 11.11% (-v- 8.51% overall) declared a disability
- and 11.11% (-v- 8.51% overall) declared that day to day activities were limited by a health problem and/or disability

6. Respondents who said they did not agree with the proposal to increase the PCF for 2027 were more likely than respondents overall (and the CLE population overall) to be female. They were more likely to have a disability than all respondents and CLE overall. They were also less likely to come from a Black and minority ethnic background than respondents overall.

7. The post-Mazur activity resulted in a large number of invoices for Practice Rights applications being issued. It became clear that, by member responses requesting invoices to be re-addressed to their employers that the majority had their fees paid by their employer. It could be argued that those paying their own fees may be disproportionately affected and result in a negative impact on consumer access by these groups withdrawing form particular areas of law or see them increase their prices. However, it should be noted that circa 80% of firms are SRA regulated and therefore the impact, if any, would be negligible. In addition, two-thirds of CRL regulated entities that responded to the 2027 Consultation accepted price increases. Within these firms there are some members looking to set up their own firms thus increasing access to justice for consumers.

8. Of respondents with a disability who said no to the fee increasing (4 in total), 25% self-funded while employers financed the fee for 75% of the others. 25% earning bands £25,001 – £30,000, £40,001 - £45,000, 50% earned £45,001 - £50,000.

9. Of the respondents who were from a Black, Asian and minority ethnic background and who did not support the proposal of increasing the fee over the 2026 rate (2 in total), 50% preferred not to say, and 50% did not respond. 0% that provided salary information.

b. Local Authority CLEs

Analysis of information provided by respondents to the 2027 PCF consultation who work in Local Authorities

- 14.89% (7) respondents work in local authorities

- 71.43% (5) of these respondents were White compared with 59.57% (28) of total respondents (47), 14.28% (1) preferred not to say compared with 26.80% of respondents (12), and 14.28% (1) did not respond compared to 6.38% (3) of respondents.
- 57.14% of these respondents were female (4) compared with 59.57% of respondents (28)
- 14.28% (1) earned less than £35,000 compared with 17.02% (8) of respondents overall. 42.86% (3) earn more than £40,000, compared with 34.04% (16) of all respondents. 14.28% (1) preferred not to say while 31.91% (15) of all respondents preferred not to say.
- 28.57% (2) pay for their own practising certificate, compared with 21.27% (10) for all respondents overall
- 57.14% (4) had had at least one inflationary pay rise in the last 4 years compared with 80.85% (38) overall

10. Reviewing the information relating to PCF respondents who work within local authorities, a very high percentage were White (71.43%) and very likely to be female (57.14%). Local Authority respondents are more likely to have to fund their own practising certificates as the other respondents. However, local authority respondents are more likely to earn more than those respondents who work in private practice.

11. As a result of this detailed analysis, CRL has concluded that the impact of an increase to the PCF would not disproportionately impact chartered legal executives who work in local authorities.

Possible actions:

12. CRL recognises that the proposed increase will have an impact on the regulated community and the analysis suggests some groups feel they may be impacted more than others. For the reasons outlined in this application CRL has decided to proceed with the decision to increase the practising fee for 2027 as it is necessary to ensure maintenance of the regulatory scheme and is in the interests of consumers, the public interest and the regulated community. CRL's decision to proceed with the proposal to increase the practising fee for 2027 has taken into account the analysis provided above.

13. CRL will continue to monitor responses in future years to determine whether any trends can be identified from the data collected.

14. CILEX recognises that the impact is likely to be felt more greatly by those with low income and by consequence female (due to working part-time). It intends to include direct reference to Direct Debit payment options with the PCF notice. Prior to removal for non-payment, Fellows will be sign-posted to additional support services including debt advice and Law Care.

15. Improvements will be made to the PCF notice communication to support Fellows in understanding how their fees are allocated both between CILEX, CRL and levies, and across different activities and groups of regulated persons.

Regulatory impact

16. There were some general areas of concern raised through the 2027 PCF application. Respondents were generally unsupportive of the proposal to increase the PCF from its 2026 rate. Overall, 76.59% of respondents did not support the fee being increased over the 2026 rate. Reasons for lack of support included:

- comparison with the SRA fee charged
- issues and uncertainties caused by response to the Mazur ruling
- service received does not warrant an increase
- current fee does not reflect value for money
- impact to members of the costs of living in the current economic climate
- the amount of the increase in both monetary and percentage terms
- The increase does not reflect any increase in member benefits.

17. CRL will monitor responses in future years to determine whether trends can be identified from the responses provided.

18. CRL and CILEX have reviewed all the evidence from the consultation responses received. In proceeding with the proposed increase, we are ensuring both full cost recovery and sufficient resources to continue to deliver the regulatory objectives.

19. We are satisfied the impact assessments do not demonstrate adverse outcomes that are not mitigated by the support available to help fellows pay their fees. The support includes payment by direct debit and therefore can spread the cost across the year, recovery of tax payable on professional fees and support available through the CILEX Foundation.

EDI DATA FOR CHARTERED LEGAL EXECUTIVE AND ASSOCIATE PROSECUTOR RESPONSES

Where respondents work – 45 responses

- 64.44% Private legal practice
- 15.56% Local Authority
- 4.44% In-house: Private sector
- 2.22% In-house: Charity
- 2.22% Crown Prosecution service
- 0.00% Non-legal sector
- 8.89% Other - please provide details below
- 2.22% Prefer not to say

Who paid for the respondents practising certificate in 2026? – 45 responses

- 22.22% I paid for it
- 68.89% My employer paid for it
- 0.00% I received a CILEX grant
- 0.00% Other - please provide details below
- 8.89% Prefer not to say

The intention to renew by respondents – 45 responses

- 66.67% Yes
- 0.00% No
- 33.33% Prefer not to say

Who will pay for the practising certificate in 2027? – 30 responses

- 20.00% I will pay for it
- 63.33% My employer will pay for it
- 13.33% I am not sure
- 0.00% other - please provide details below
- 3.33% Prefer not to say

What other things which are necessary for your employment (if any) does your employer pay for (including benefits)? – 44 responses

- 47.73% training for professional development
- 20.45% health insurance
- 15.91% car parking
- 0.00% childcare
- 4.55% other - please provide details below
- 13.64% none
- 27.27% Prefer not to say

For those who received 'other' benefits, no further information was provided.

What is your income bracket? – 44 responses

- 4.55% Below £20,000
- 4.55% £20,001 - £25,000
- 6.82% £25,001 – £30,000
- 2.27% £30,001 - £35,000
- 11.36% £35,001 - £40,000

- 2.27% £40,001 - £45,000
- 9.09% £45,001 - £50,000
- 13.64% £50,001 - £60,000
- 11.36% Above £60,000
- 34.09% Prefer not to say

Did you receive an inflationary wage increase in the following years? – 44 responses

Year	*Yes*	*No*	*Prefer not to say*
2024	*25.00%*	*36.36%*	*38.64%*
2025	*29.55%*	*31.82%*	*38.64%*
2026	*25.00%*	*31.82%*	*43.18%*

Have you taken a new job, or has your job changed, since the start of 2024? – 44 responses

- 39.09% Yes
- 47.73% No – my job is the same
- 18.18% Prefer not to say

Please select the closest option below that explains why you have taken a new job, or your job has changed, since the start of 2024 – 15 responses

- 66.67% I chose to move jobs
- 6.67% Prefer not to say
- 26.67% Other

How are you now working – 44 responses

- 20.45% From Home full time
- 15.91% Full-time in the office
- 43.18% Hybrid working
- 11.36% Prefer not to say
- 9.09% Other - please provide details

Hybrid working, how often do you work in the office in a typical week? – 19 responses

- 31.58% 1 day
- 36.84% 2 days
- 15.79% 3 days
- 5.26% 4 days
- 10.53% Prefer not to say

<u>Age – 44 responses</u>

- 9.09% 25-34
- 20.45% 35-44
- 22.73% 45-54
- 13.64% 55-64
- 9.09% 65+

- 25.00% Prefer not to say

Gender – 44 responses

- 63.64% Female
- 18.18% Male
- 0.00% Other
- 18.18% Prefer not to say

Same gender as at birth? – 44 responses

- 79.55% Yes
- 2.27% No
- 18.18% Prefer not to say

Ethnicity – 44 responses

- 0.00% Asian or Asian British – Bangladeshi
- 0.00% Asian or Asian British – Chinese
- 0.00% Asian or Asian British – Indian
- 0.00% Asian or Asian British – Pakistani
- 0.00% Any other Asian background
- 2.27% Black or Black British – African
- 2.27% Black or Black British – Caribbean
- 0.00% Any other Black background
- 0.00% Mixed – White and Asian
- 0.00% Mixed – White and Black African
- 0.00% Mixed – White and Black Caribbean
- 0.00% Mixed – White and Chinese
- 0.00% Any other mixed/multiple ethnic background
- 52.27% White – British
- 0.00% White – Irish
- 11.36% White – English
- 0.00% White – Welsh
- 0.00% White – Scottish
- 0.00% White – Northern Irish
- 0.00% White – Roma/Gypsy
- 0.00% White – Irish Traveller
- 4.55% Any other White background
- 0.00% Other – Arab
- 0.00% Any other ethnic background
- 27.27% Prefer not to say

What is your religion or belief? – 44 responses

- 31.82% No religion or belief
- 0.00% Buddhist
- 34.09% Christian (all denominations)
- 0.00% Hindu
- 0.00% Jewish
- 0.00% Muslim
- 0.00% Sikh
- 0.00% Other

- 34.09% Prefer not to say

Which of the following best described your sexual orientation? – 44 responses

- 0.00% Bisexual
- 2.27% Gay/Lesbian
- 63.64% Heterosexual/Straight
- 0.00% I don't know
- 2.27% Other
- 31.82% Prefer not to say

What is your marital or civil partnership status?

There were 44 responses to this part of the consultation

- 11.36% Single
- 34.09% Married
- 0.00% Civil Partnership (CP)
- 0.00% Separated
- 0.00% Divorced / CP legally ended
- 0.00% Widowed or surviving partner
- 27.27% Cohabiting / in a relationship
- 2.27% Other
- 25.00% Prefer not to say

Do you consider yourself to have a disability according to the definition in the Equality Act 2010?

There were 43 responses to this part of the consultation

- 9.30% Yes
- 67.44% No
- 23.26% Prefer not to say

Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

There were 43 responses to this part of the consultation

- 2.33% Yes, limited a lot
- 6.98% Yes, limited a little
- 62.79% No
- 27.91% Prefer not to say

What was the occupation of your main household earner when you were about aged 14?

There were 42 responses to this part of the consultation

- 11.90% Modern professional and traditional professional occupations
- 9.52% Senior, middle or junior managers or administrators
- 7.14% Clerical and intermediate occupations
- 16.67% Technical and craft occupations
- 7.14% Routine, semi-routine manual and service occupations

- 0.00% Long-term unemployed
- 7.14% Small business owners
- 0.00% Other
- 40.48% Prefer not to say

Which type of school did you attend for the most time between the ages of 11 and 16?

There were 42 responses to this part of the consultation

- 50.00% state-run or state-funded school - non-selective
- 9.52% state-run or state-funded school – selective
- 0.00% independent or fee-paying school
- 0.00% independent or fee-paying school, with means tested bursary of 90% or more of total cost
- 2.38% Attended school outside the UK
- 0.00% I don't know
- 38.10% Prefer not to say

Did either of your parents attend university and gain a degree (e.g.BA/BSc or equivalent) by the time you were 18?

There were 42 responses to this part of the consultation

- 4.76% Yes, one or both of my parents attended university
- 59.52% No, neither of my parents attended university
- 0.00% I don't know
- 35.71% Prefer not to say

Did you gain an undergraduate university degree?

There were 42 responses to this part of the consultation

- 35.71% Yes
- 35.71% No
- 28.57% Prefer not to say

At any point during your school years did your household receive Income Support?

There were 42 responses to this part of the consultation

- 4.76% Yes
- 50.00% No
- 14.29% I don't know
- 30.95% Prefer not to say

If you finished school after 1980, were you eligible for free school meals at any point during your school years?

There were 42 responses to this part of the consultation

- 7.14% Yes
- 45.24% No

- 11.90% Not applicable (finished school before 1980 or went to school oversees)
- 4.76% I don't know
- 30.95% Prefer not to say

Are you a primary carer for a child or children under 18?

There were 42 responses to this part of the consultation

- 23.81% Yes
- 45.24% No
- 30.95% Prefer not to say

Do you look after, or give any help or support to family members, friends, neighbours or others?

There were 42 responses to this part of the consultation

- 50.00% No
- 19.05% Yes, 1 – 19 hours a week
- 0.00% Yes, 20 – 49 hours a week
- 0.00% Yes, 1 – 50 or more hours a week
- 30.95% Prefer not to say

EDI DATA FOR CILEX PRACTITIONERS AND ADVOCATES

Summary of information

Do you agree that CRL should increase the Practice Rights fee for 2027 at 12.5%?

There were 27 responses to this part of the consultation

- 18.52% Yes
- 81.48% No

Where respondents work

There were 27 responses to this part of the consultation

- 85.19% Private legal practice
- 7.41% Local Authority
- 3.70% In-house: Private sector
- 3.70% In-house: Charity
- 0.00% Crown Prosecution service
- 0.00% Non-legal sector
- 0.00% Other - please provide details below
- 0.00% I prefer not to say

Who paid for the respondents practising certificate in 2026?

There were 27 responses to this part of the consultation

- 22.22% I paid for it
- 66.67% My employer paid for it
- 0.00% I received a CILEX grant

- 0.00% Other - please provide details below
- 11.11% I prefer not to say

The intention to renew by respondents

There were 27 responses to this part of the consultation

- 85.19% Yes
- 3.70% No (I will be regulated by another regulator)
- 11.11% I prefer not to say

Who will pay for the practising certificate in 2027?

There were 23 responses to this part of the consultation

- 21.74% I will pay for it
- 65.22% My employer will pay for it
- 0.00% I am not sure
- 0.00% other - please provide details below
- 13.04% I prefer not to say

What other things which are necessary for your employment (if any) does your employer pay for (including benefits)?

There were 27 responses to this part of the consultation

- 51.85% training for professional development
- 18.52% health insurance
- 7.41% car parking
- 0.00% childcare
- 3.70% other - please provide details below
- 18.52% none
- 25.93% I prefer not to say

What is your income bracket?

There were 27 responses to this part of the consultation

- 3.70% Below £20,000
- 0.00% £20,001 - £25,000
- 3.70% £25,001 – £30,000
- 0.00% £30,001 - £35,000
- 7.41% £35,001 - £40,000
- 3.70% £40,001 - £45,000
- 0.00% £45,001 - £50,000
- 18.52% £50,001 - £60,000
- 14.81% Above £60,000
- 48.15% I prefer not to say

Did you receive an inflationary wage increase in the following years?

There were 27 responses to this part of the consultation

Year	Yes	No	Prefer not to say
2024	29.63%	40.74%	29.63%
2025	29.63%	40.74%	29.63%
2026	18.52%	48.15%	33.33%

Have you taken a new job, or has your job changed, since the start of 2024?

There were 27 responses to this part of the consultation

- 40.74% Yes
- 51.85% No - my job is the same
- 7.41% I prefer not to say

Please select the closest option below that explains why you have taken a new job, or your job has changed, since the start of 2024

There were 11 responses to this part of the consultation.

- 45.45% I chose to move jobs
- 0.00% I moved jobs due to a reduction in wage
- 0.00% I moved jobs due to increased hours / responsibility while my wage remained the same
- 9.09% I remain working for the same employer, but I have increased responsibility while my wage remains the same (save for an inflationary increase)
- 9.09% I prefer not to say
- 36.36% other - please provide details

How are you now working

There were 27 responses to this part of the consultation.

- 11.11% From Home full time
- 25.93% Full-time in the office
- 37.04% Hybrid working
- 11.11% I prefer not to say
- 14.81% Other - please provide details

Hybrid working, how often do you work in the office in a typical week?

There were 10 responses to this part of the consultation.

- 20.00% 1 day
- 40.00% 2 days
- 40.00% 3 days
- 0.00% 4 days
- 0.00% I prefer not to say

Age

There were 27 responses to this part of the consultation

- 0.00% 16-24
- 3.70% 25-34
- 11.11% 35-44
- 33.33% 45-54
- 18.52% 55-64
- 7.41% 65+
- 25.93% Prefer not to say

Gender

There were 27 responses to this part of the consultation

- 70.37% Female
- 7.41% Male
- 0.00% Other
- 22.22% Prefer not to say

Same gender as at birth?

There were 27 responses to this part of the consultation

- 81.48% Yes
- 0.00% No
- 18.52% Prefer not to say

Ethnicity

There were 27 responses to this part of the consultation

- 0.00% Asian or Asian British – Bangladeshi
- 0.00% Asian or Asian British – Chinese
- 0.00% Asian or Asian British – Indian
- 0.00% Asian or Asian British – Pakistani
- 0.00% Any other Asian background
- 3.70% Black or Black British – African
- 0.00% Black or Black British – Caribbean
- 0.00% Any other Black background
- 0.00% Mixed – White and Asian
- 0.00% Mixed – White and Black African
- 0.00% Mixed – White and Black Caribbean
- 0.00% Mixed – White and Chinese
- 3.70% Any other mixed/multiple ethnic background
- 51.85% White – British
- 0.00% White – Irish
- 3.70% White – English
- 0.00% White – Welsh
- 0.00% White – Scottish
- 3.70% White – Northern Irish
- 0.00% White – Roma/Gypsy

- 0.00% White – Irish Traveller
- 7.41% Any other White background
- 3.70% Other – Arab
- 0.00% Any other ethnic background
- 22.22% Prefer not to say

What is your religion or belief?

There were 27 responses to this part of the consultation

- 29.63% No religion or belief
- 0.00% Buddhist
- 29.63% Christian (all denominations)
- 0.00% Hindu
- 3.70% Jewish
- 3.70% Muslim
- 0.00% Sikh
- 0.00% Other
- 33.33% Prefer not to say

Which of the following best described your sexual orientation?

There were 44 responses to this part of the consultation

- 0.00% Bisexual
- 2.27% Gay/Lesbian
- 63.63% Heterosexual/Straight
- 0.00% Don't know
- 2.27% Other
- 31.83% Prefer not to say

What is your marital or civil partnership status?

There were 44 responses to this part of the consultation

- 11.36% Single
- 34.09% Married
- 0.00% Separated
- 0.00% Divorced/civil partnership legally ended
- 0.00% Widowed or surviving partner
- 27.27% Co-habiting/in a relationship
- 2.27% Other
- 25.01% Prefer not to say

Do you consider yourself to have a disability according to the definition in the Equality Act 2010?

There were 39 responses to this part of the consultation

- 0.00% Yes
- 74.36% No
- 25.64% Prefer not to say

Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

There were 43 responses to this part of the consultation

- 2.32% Yes, limited a lot
- 6.68% Yes, limited a little
- 62.79% No
- 28.21% Prefer not to say

What was the occupation of your main household earner when you were about aged 14?

There were 42 responses to this part of the consultation

- 11.90% Modern, professional and traditional professional occupations
- 9.52% Senior, middle or junior managers or administrators
- 7.14% Clerical and intermediate occupations
- 16.67% Technical and craft occupations
- 7.14% Routine, semi-routine, manual and service occupations
- 0.00% Long term unemployed
- 7.14% Small business owners
- 0.00% Other
- 40.49% Prefer not to say

Which type of school did you attend for the most time between the ages of 11 and 16?

There were 42 responses to this part of the consultation

- 50.00% State-run or state-funded school – non-selective
- 9.52% State-run or state-funded school – selective
- 0.00% Independent or fee-paying school
- 0.00% Independent or fee-paying school, with means tested bursary of 90% or more of total cost
- 2.38% Attended school outside of the UK
- 0.00% Don't know
- 38.10% Prefer not to say

Did either of your parents attend university and gain a degree (e.g.BA/BSc or equivalent) by the time you were 18?

There were 42 responses to this part of the consultation

- 4.76% Yes, one or both of my parents attended university
- 59.52% No, neither or my parents attended university
- 0.00% Don't know
- 35.72% Prefer not to say

Did you gain an undergraduate university degree?

There were 42 responses to this part of the consultation

- 35.71% Yes
- 35.71% No
- 28.58% Prefer not to say

At any point during your school years did your household receive Income Support?

There were 42 responses to this part of the consultation

- 4.76% Yes
- 50.00% No
- 14.28% Don't know
- 30.96% Prefer not to say

If you finished school after 1980, were you eligible for free school meals at any point during your school years?

There were 42 responses to this part of the consultation

- 7.14% Yes
- 45.24% No
- 11.90% Not applicable – finished school before 1980 or went to school overseas
- 4.76% Don't know
- 30.96% Prefer not to say

Are you a primary carer for a child or children under 18?

There were 42 responses to this part of the consultation

- 23.81% Yes
- 45.24% No
- 30.95% Prefer not to say

Do you look after, or give any help or support to family members, friends, neighbours or others?

There were 42 responses to this part of the consultation

- 50.00% No
- 19.05% Yes, 1-19 hours per week
- 0.00% Yes, 20 – 49 hours per week
- 0.00% Yes, 1 – 50 or more hours per week
- 30.95% Prefer not to say

Section 7 Transparency of PCF Information to Relevant Authorised Persons

A copy of the communications to be issued to PCF payers as part of the renewals process for 2027 is in the process of being finalised.

These communications will include:

- The level of the PCF and how the PCF has been set (see table below).
- A breakdown of how the PCF income will be allocated to non-regulatory/regulatory and shared services.
- An explanation of why commercial income arising from PCF funded permitted purposes is to be used for non-permitted purposes.
- An accurate presentation and representation of the LSB, Office for Legal Complaints (OLC), and OPBAS levies so the regulated community is clear about the proportion of PCF attributable to the levies.
- An explanation of the separation and distinction of operating and decision making between CILEX and CRL.
- The format will include the use of infographics to help explain the breakdown of the fee income into the different components.

RECIPIENT	COST OF PCF 2027 (% of PCF)	COST OF PCF 2026 (% of PCF)	MOVEMENT & % INCREASE
CILEx Regulation	£254 (58.8%)	£233 (57.8%)	+£21 (9.0%)
CILEX	£142 (32.9%)	£137 (34.0%)	+£5 (3.6%)
Regulatory Levies*:			
LSB Levy	£32 (7.4%)	£29 (7.3%)	+£3 (10.3%)
OLC Levy	£3 (0.7%)	£3 (0.7%)	£0
OPBAS	£1 (0.2%)	£1 (0.2%)	£0
Total PCF	**£432**	**£403**	**+£29 (7.2%)**
CILEX Discount		-£16	
Total PCF (minus discount)		**£387**	

Section 8 Compliance Statement

We certify that the information provided in this application is accurate and complete to the best of our knowledge and we have taken reasonable steps to ensure that the application complies with the Rules.



John Barwick

CEO, CILEx Regulation Limited



Jennifer Coupland

CEO, CILEX

Contact name(s) for the application: CILEx Regulation	**Contact name(s) for the application: CILEX**
Gerard McCarthy	Sara Middleton
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Section 9 Checklist of enclosures

- Annex A LSB Requirements from 2026 PCF Application Process

- Appendix 1 CRL Entity Fees for 2027
- Appendix 2 CILEX & CRL 2027 Budget & PCF Calculations
- Appendix 3 CILEX & CRL Allocation of PCF to Permitted Purposes
- Appendix 4 CILEX Reserves Policy
- Appendix 5 CRL Reserves Policy
- Appendix 6 CILEX and CRL Three Year Forecasts

Annex A

LSB Requirements of CILEX and CRL from 2026 PCF Application process

The LSB highlighted a number of expectations for the 2027 PCF application when it approved the 2026 application. The table below summarises the points addressed and shows where these have been addressed in this application.

Requirement for 2026-2027 PCF Application	CRL Response	CILEX Response
R. CRL to set out the precise numbers and categories of authorised persons it expects will pay each type of practising fee, and to use the most up-to-date information for the purposes of its forecast practising fee income each year.	Please refer to Section 3, paragraphs 75 – 82 inclusive	
R. CILEX and CRL to keep the LSB up to date, on a quarterly basis in writing, regarding efforts to ensure that CRL's own financial viability is not impacted detrimentally.	CRL has complied with this requirement	CILEX has complied with this requirement
R. CRL to reconsider the types of costs it classifies as exceptional to ensure a more accurate representation of the total costs likely to be incurred in a given year.	Exceptional costs in prior years have related mainly to legal costs in respect of the re-delegation of regulatory activities which are no longer likely to be incurred. A budgetary value for legal costs is now within the 2027 Administration budget and all costs likely to be incurred will not be exceptional in nature.	
R. CILEX to have assured itself that any consequential impact on its financial position will not affect the ability of CRL to continue to function as a regulatory body. CILEX to provide written assurance to LSB on a quarterly basis.		CILEX has complied with this requirement
R. CILEX to promptly provide clarity to the LSB over the availability of money held in its investment fund.		CILEX has complied with this requirement
R. CILEX to promptly transfer the sum of £700,000 owed to CRL, either upon completion of the sale of the property in mid-2026, or in the event the sale does not complete or there are insufficient funds from		CILEX set out in it's letter to the LSB in March 2026, the plan to make the payment of reserves. The first instalment of

its proceeds to make the transfer in full by any other means necessary.		£100,000 was paid in July 2026, with the balance to be paid on completion of sale. If the property sale does not complete during 2026, a further £200,000 will be transferred in December 2026. The remaining balance will be transferred during 2027.
R. The LSB expects to receive quarterly written updates on the financial health of both organisations, with the first update being provided by the end of March 2026	CRL have complied with this requirement.	CILEX has complied with this requirement
R. CRL and CILEX to carefully consider which fees require approval by the LSB under section 51 of the Act and associated Practising Fee rules, by having regard to the definition of practising fees in section 51(1) of the Act and provide an explanation of their conclusions in their application for 2027.	CRL believes we have requested the correct approval of fees to be charged in Section 1.	CILEX believes that only fees requiring approval by the LSB are included in this application.
R. CILEX and CRL to provide full transparency as required under LSB rules	CRL have complied with this requirement.	CILEX have complied with this requirement.
CRL and CILEX to include 3 year forecasts in 2027 application	CRL have complied with this requirement – see (Annex 3)	
CILEX and CRL to highlight and explain all significant variances to actual or budgeted spend of practising fees.	Paras 51 - 72	Sections 3.1 and 3.4
Next year's application to contain separate itemised costs allocated to the levies for the LSB and the OLC.	See Tables 1 & 2 on page 5/6	CILEX to complete
CILEX and CRL to ensure that all practising fees, including entity fees, are correct.	CRL have complied with this requirement.	CILEX have complied with this requirement.
CILEX and CRL to give due consideration to the impact of any differential levels and bandings within the regulated community.	Insofar as has been possible from the number of responses to the Consultation, CRL has	CILEX has considered the impact of the proposed fee

	considered the responses and reviewed the analysis. Having done so, CRL does not consider that any group has been adversely impacted by the proposed Fee increase.CRL will continue to monitor the impact of fee increases and encourage feedback from members during the coming year.	increase on the authorised persons who contribute to the CILEX element of the practising fee, namely Fellows and Associate Prosecutors. The increase is applied consistently across these groups and is considered fair, proportionate and justified. Any differential fee levels or bandings relating to other authorised persons or entities are addressed separately by CRL.
LSB expects CILEX and CRL to fully address the expectations set out in the Decision notice	CRL have complied with this requirement.	CILEX have complied with this requirement.
CILEX and CRL to submit their final application at least one month earlier than in previous years (i.e. by mid-October 2026) so that there will be sufficient time and opportunity to discuss the proposals it contains, before the intended collection time for practising fees in late December 2026.	CRL have complied with this requirement.	CILEX have complied with this requirement.