

Meeting: Legal Services Board

Date: 22 September 2026¹

Item: Paper (26) 18

Title: CEO's Progress Report

Author: Richard Orpin – CEO

Status: Official

Introduction: Purpose of the paper/ Issue

1. This paper updates Board Members on key developments across the organisation since the Board's last meeting on 21 July 2026.

Recommendation

2. The Board is invited to **note** this report.

Public Bodies Review

3. Responding to, and acting on, the recommendations from the Public Bodies Review is our top priority and we are already progressing a number of the recommendations. We have assigned a Project Manager to coordinate and report on progress, with either Directors or the CEO identified as the Senior Responsible Owner for each recommendation. Some recommendations will be taken forward by the Director, Regulatory Oversight, once they are in post. At present, we are focused on a) establishing effective internal governance to monitor and track progress for delivery, b) preparing our public response to the review's recommendations, c) analysing the potential resource impact of delivery as we consider our medium-term financial plan and 2027/28 budget and d) understanding more about MoJ's position in relation to recommendations we share or they lead on to ensure a joined up approach.
4. In addition, we are refreshing our approach to internal communications to ensure colleagues are well informed and aware of relevant activity, as well as updating our People Plan where relevant. The new regulatory reviews and oversight team has been established, within the new Regulatory Oversight Directorate which also includes the Statutory Decision team, with recruitment to key posts ongoing (see update below). We will report to the Board on progress against the report's recommendations from October 2026 onwards.

¹ Content correct as of 15 September 2026, date of circulation to the Board.

Appointment matters

LSB Board

5. The Ministry of Justice has opened the appointment campaigns for three non-lay board members and one lay board member. Interviews are planned for all roles in November 2026. The interview panel for all roles will comprise of Abigail Plenty (Ministry of Justice), The Hon. Mr Justice Eyre, Monisha Shah (LSB Chair) and Graeme Spencer (Independent Panel Member). The campaign has been advertised through LinkedIn and Dynamic Boards to support a broad and diverse field of candidates.

Office for Legal Complaints (OLC) and Legal Services Consumer Panel (LSCP)

6. Work with GatenbySanderson on the recruitment campaign for a non-lay OLC Board member is progressing. Shortlisting took place in August 2026, and interviews are scheduled for 18 September. The interview panel will be led by Christine Nwakolo (LSB Board member), Richard Blakeway (OLC Chair) and Dame Glenys Stacey (Independent Panel Member).

Colleague and organisational matters

7. Interviews for the Director of Regulatory Oversight are scheduled to take place during week commencing 21 September. LSB Board member Catherine Brown will join the CEO on the panel, along with the Director, Professional Bodies Supervision at FRC.
8. We held interviews for Head of Policy & Delivery and Head of Performance & Oversight earlier this month. The Head of Performance & Oversight recruitment process will now progress to a final stage with shortlisted candidates, which provides for the incoming Director to meet the shortlisted candidates before appointment.
9. We will send out the biannual Diversity Survey in October 2026 for colleagues and Board members to complete.
10. The next Pulse Survey will be sent out on 21 September 2026.

Governance

Office for Legal Complaints (OLC)

11. At its November meeting the Board will review a range of materials from the OLC. The Board will be asked to provide initial views on OLC's 2027/28 budget proposal and will be asked to make a decision on whether to consent to changes to LeO's scheme rules, which relate to case fee arrangements. We are preparing material to support the Board's decision.
12. The Board will also need to consider the outputs of LeO's scoping work for scheme transformation and make a decision about whether to authorise the remaining funds that were identified for the second phase of work. A challenge panel will be convened for that purpose and clear decision making criteria will be

in place to aid discussions and decisions. We will confirm membership in coming weeks, and share and seek board views on the decision criteria in advance.

Solicitors Disciplinary Tribunal

13. We are shortly expecting the SDT's 2027 budget application for October Board consideration and decision. We expect that it should align with the LSB's October 2026 decision letter on the 2026 budget. Pre-Board scrutiny by the Executive will include consultation with the Law Society (TLS), under the Memorandum of Understanding between the LSB, TLS and SDT, and a Challenge Panel with LSB Board leads and the SDT.

Legal

Post Office

14. Since the last Board meeting, we have liaised with both the SRA and BSB on the status and progress of their investigations. The next meetings with the SRA and BSB are expected to take place in the autumn. We met the Horizon Compensation Advisory Board on 23 July and our exchange of letters highlight the lack of equivalence to the SRA of the BSB's information gathering powers. We intend to explore this within the context of wider legal regulator enforcement powers, as part of our three-year strategy

Freedom of Information

15. The Information Commissioner has upheld the LSB's decision to refuse a request for information under the Freedom of Information Act, on the basis that the requested information was not held. The ICO decision follows a complaint made by the requester to the ICO.

Regulatory Developments

Research

16. We have commissioned a research agency to deliver our Use of Technology and Innovation survey of legal services providers. The questionnaire has been revised (in consultation with stakeholders) to place a greater focus on the use of artificial intelligence, reflecting the significant developments in this area since the previous survey was conducted in 2022. The main fieldwork will begin following the piloting of the revised questionnaire during the week commencing 14 September.
17. We are in the final stages of producing the Small Business Legal Needs Survey Report which is scheduled to be published before the end of the year. The report will provide new evidence on the legal needs, experiences and barriers faced by small businesses when accessing legal services.

Regulatory Oversight Update

Review of Oversight

18. Regulatory bodies received a further briefing on our new approach to oversight on 29 July. The first cycle of regulatory assessments under the new approach commenced in August, with a request to regulatory bodies to complete an annual regulatory return. The returns will inform the risk assessment which will take place in the autumn, ahead of Board consideration of the recommended review activity for this cycle in November.

Regulatory Performance Update

19. At its extraordinary meeting in August, the Board decided to initiate further enforcement action to secure urgent improvements in the SRA's performance. A statement was published on 3 September and discussions with the SRA have begun to develop performance targets.
20. A twelve-month review of the BSB's progress against the Voluntary Undertakings was considered by Board at the last meeting, and it was agreed that we should continue our existing close monitoring of the Voluntary Undertakings for the next 12 months.
21. The fourth meeting to monitor the BSB's performance against the Voluntary Undertakings will take place on 12 October 2026 and an update on progress will be provided to Board subsequently.

Statutory Decisions

22. Since the last update, we have approved the SRA's application to amend its rules to strengthen consumer protection. The amendments contain measures the SRA considers form part of its response to the section 32 Directions. The changes require all non-exempt firms holding client money to submit annual accountants' reports and declarations, with fixed penalties for non-compliance. The changes also restrict the concentration of key compliance roles – COLP and COFA - being held unilaterally by individuals exercising control or significant influence in higher-risk firms, subject to limited exemptions. The COLP/ COFA changes have since attracted legal media coverage and attention, particularly from some small and medium sized law firms, over concerns that the changes may have a disproportionately adverse impact on them. We are in close contact with the SRA on this matter. We will also meet with the SME & Boutique Law Firm Alliance on this matter to hear their views.
23. The Board is also aware that we have approved the first practising fee application of the year - a joint TLS/SRA application seeking an increase of £56 on the individual practising fee that was charged for 2025/26 and an increase in the firm turnover based practising fees to be charged for 2026/27.
24. We have issued an exemption direction to ICAEW to significantly reduce its compensation fund contributions as the fund is reaching its target level of £2.5m.
25. We are considering an application from the SRA in relation to contributions to its compensation fund proposing to change the apportionment of contributions between individuals and solicitors, moving from the current 50/50 split between individuals and firms to a 70/30 contribution rate. The SRA also proposes that contributions will increase for both individuals and firms.

26. We are considering three practising fee applications. The first from ICAEW is for a proposed 1% increase to practising fees. The second from the Master of the Faculties proposes no change to fees relative to 2025/26. The third from the CLSB is for a proposed increase of 4%.
27. We are also considering a request for an exemption direction from ICAEW relating to ICAEW's new organisational structure.

Mazur judgment

28. On 27 July 2026, we published the [final report](#) from our regulatory review of advice and guidance provided to the profession on the conduct of litigation by approved regulators and regulatory bodies.
29. The report sets out actions for the regulators, as well as the actions that we will take, to improve the clarity and consistency of guidance following the Court of Appeal judgment in Mazur.

Legal Professional Privilege

30. Carter Ruck Solicitors/Amersi vs SRA was heard in the High Court in July and judgment is awaited. The claim concerns the SRA's powers to access legally privileged material. An agreed case summary can be found [here](#). We are in dialogue with the SRA about this matter and will update the Board once the judgment is handed down, including on any implications and regulatory steps that may need to be considered.

Strategy & Policy Updates

Consumer Protection

31. We continue to develop our policy response following the publication of our consumers and AI research. We will work with relevant partners to develop the evidence of consumer use of AI lawtech in legal services and any harms arising to inform sector-wide thinking. The aim of the policy work is to increase consumer awareness and make sure that consumers can make informed decision when using AI and online tools for legal advice.
32. We will be engaging with the SRA as their consultation on third party litigation funding for consumer claims comes to an end. We will be considering next steps including the requirements for the SRA if they are seeking to apply for any rule change in relation to the consultation proposals. We are engaging with FCA and SRA colleagues about the [FCA's Market Study](#) into Claims Management Companies.

Technology and Innovation

33. The AI Growth Lab launched on 3 August and the application portal is open until the 27 September and has already received a high number of applications. Following the application deadline, submissions will be reviewed and successful participants will be selected and notified of next steps.

34. The [UK Jurisdiction Taskforce's July 2026 Legal Statement](#) concludes that existing English private law is generally capable of addressing AI-related harms, with liability typically falling on those who develop, deploy or oversee AI systems rather than the technology itself. While non-binding, the Statement highlights the importance of professional standards, competence frameworks and regulatory guidance in shaping AI accountability. Our assessment, informed by our engagement with the MoJ on the report, is that our current guidance and approach is sufficient in light of this development.
35. The next session of the LSB's Innovation and Technology Forum will be on Thursday 24 September, and will include presentations from: the Consultative Committee of Accountancy Bodies' (CCAB) AI Hub on the importance of ethics in AI oversight; the CLC on their Regulators' Pioneer Fund project; and a joint presentation from the LSB and SRA on their respective AI consumer research reports. The Ministry of Justice will also attend to discuss potential AI training for regulators.

Professional Ethics and Rule of Law

36. Regulators are now developing their implementation plans which will be shared with us in October. We are conducting ad hoc engagement via RM's to support regulators where needed.

Access to Justice

37. The government's response to their consultation on introducing an Interest on Lawyers Client Accounts scheme in England and Wales is awaited. We continue to engage with MoJ and relevant sector stakeholders to ensure any developments are compatible with England and Wales' legal regulatory framework and promote the interests of consumers.
38. We are attending the Access to Justice Foundation's Additional Funding Models Stakeholder Group in October, as we have done before, to maintain awareness of relevant developments in the sector.

Economic Crime/AML

39. We continue to monitor developments and await any further updates from the FCA on the transition to the new anti-money laundering supervisory system. We maintain an ongoing relationship with OPBAS and remain available to provide the FCA with legal sector expertise as they work through implementation.

Strategy, Business Plan & Budget

40. There is a substantive item tabled at the Board to discuss the 3-year strategy and the proposed business plan and budget options for 2027-28.

Communications and Engagement

Annual Conference

41. The decision has been taken to postpone the conference to 2027. We are reprioritising our work as we develop our three-year-strategy which is focused on

regulatory oversight and policy projects which benefit consumers most. As part of developing our strategy we are considering how best to engage and collaborate with a wide range of stakeholders and our convening role more widely.

Meeting Schedule

42. The following senior-level meetings took place between 4 July and 4 September 2026

Date	Meeting	LSB
6 July	Chair, SRA	Chair
6 July	Master of the Rolls	Chair
6 July	Permanent secretary, MoJ	Chair, CEO
7 July	MoJ Policy Team quarterly meeting	CEO
7 July	CEO: CIPA	CEO
7 July	Commissioner for Conduct, Bar Council	CEO
8 July	PBR Board update/Lead reviewer	Chair, CEO
8 July	Minister for Courts and Legal Services	Chair
9 July	Chair intro: IPReg	Chair
9 July	CLSB Board	Chair, CEO
9 July	Director, Access Group	Chair
9 July	BSB Director General	CEO
9 July	CEO: Welsh Ombudsman	CEO
9 July	Chair intro: PSA	Chair
14 July	CILEX strategy launch event	CEO
17 July	Jenner & Block LLP	Chair, CEO and Board
20 July	5Way: LSB & TLS	Chair, CEO
20 July	4Way: LSB/Bar Council	Chair, CEO
20 July	Berkerley	Chair, CEO and Board
23 July	CEO: SRA	CEO
23 July	HCAB	Chair, CEO
23 July	Chair intro: CITMA	Chair
23 July	CEO: CLC	CEO
28 July	CEO: LeO	CEO
28 July	CEO intro: Insolvency Agency	CEO
17 August	MoJ Public Bodies Centre of Excellence Lead	Chair
26 August	The Law Society	Chair, CEO
3 Sept	Chair intro: Faculty Office	Chair
3 Sept	Chair intro: ACL	Chair

Annexes:

Annex A: OLC Voluntary Assurance Letter

Annex B: Dashboard on regulatory oversight

Freedom of Information Act 2000 (Fol)		
Para ref	Fol exemption and summary	Expires
N/A		N/A