

SRA BOARD**CLASSIFICATION – PUBLIC****SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
held on 19 July 2022 at 11.30 by Zoom**

Subject to final approval by the SRA Board at its meeting on 13 September 2022

Present: Anna Bradley (Chair)
Ann Harrison
Lisa Mayhew
Dermot Nolan
Vikas Shah
Liz Smart
Selina Ullah
Tony Williams

In attendance: Nicola Williams (Board observer), Paul Philip, Robert Loughlin,
Jane Malcolm, Juliet Oliver, Liz Rosser, Tracy Vegro, Chris
Handford, Dominic Tambling

1 WELCOME AND APOLOGIES

1.1 The Chair welcomed Board members to the meeting. Apologies had been received from Paul Loft.

2 MINUTES OF THE PREVIOUS MEETINGS ON 7 AND 28 JUNE 2022

2.1 The minutes of the meetings held on 7 and 28 June were approved as a true and accurate record.

3 MATTERS ARISING AND DECLARATIONS OF INTEREST

3.1 There were no matters arising that would not be covered elsewhere on the agenda. All actions due had been completed.

3.2 Interests were as previously declared and available to view on the SRA website. Members would declare any additional particular interest in an individual item if necessary.

4 CHAIR'S UPDATE

4.1 The Chair thanked Board member for their participation in the earlier workshop session. The Board had further discussed post six-year cover and the Solicitors Indemnity Fund (SIF) and options for future consumer protection. A discussion paper would be launched to seek further views on themes and issues and the Board would be revisiting the issues and any consultation on future arrangements at its meeting on 13 September 2022.

4.2 The Board had also considered how we operate our fining regime to ensure that we make fair and robust decisions. This included details of extra steps that we

SRA BOARD

CLASSIFICATION – PUBLIC

intended to take in light of being given increased internal fining powers of up to £25,000 for traditional law firms, recognising that higher powers bring with them a need for greater accountability.

- 4.3 The Chair informed the Board that two members had expressed an interest in becoming the Senior Independent Director to replace Tony Williams who was leaving the Board at the end of August 2022. The Chair would speak to each of the candidates and then report back to the Board whose appointment this was.
- 4.4 The Chair also informed the Board that she had agreed with Selina Ullah, the Chair of the Remuneration Committee, that Nicola Williams would join the Committee when she became a member of the Board on 1 September 2022.
- 4.5 The Chair reported that she had received a letter from the Chair of the Chartered Institute of Legal Executives (CILEX) inviting us to engage in discussions on the potential for the delegation of the regulation of CILEX members to the SRA. It was confirmed that we would agree to take these discussions forward.
- 4.6 The Chair also updated the Board on her recent meetings, including with the Chairs and CEOs of other legal regulators on 29 June 2022. She and the CEO had also attended a Law Society Council meeting on 5 July 2022 at which they had talked about our future priorities.

5 2022/23 PRACTISING FEES AND COMPENSATION FUND CONTRIBUTIONS

- 5.1 The Board was asked to make its final decision on Practising Fees and Compensation Fund contributions apportionment for 2022/23, following the decision of the Law Society Council on the total funding requirement on 5 July 2022.
- 5.2 The Board was asked to note an update to the original paper which had been circulated the previous day. This set out that, following its receipt of new information regarding the Legal Services Board (LSB) and Legal Ombudsman (LeO) levies, the Law Society had notified us of the requirement to increase the funding requirement for 2022/23.
- 5.3 The additional amounts required by LEO and the LSB resulted in an increase to the overall funding requirement to £114.7m (£1.2m more than the figure previously provided to the Board) and the Law Society Council had been notified of the change. The revised overall funding requirement represented an increase of £10.4m (10.0%) on the funding requirement for 2021/22 and meant that the individual practising certificate fee will increase from £266 to £286 rather than £284 as previously indicated.
- 5.4 Updated fee determinations including the revised figures had been provided and were otherwise unchanged from the determinations previously provided. There was no change to the Compensation Fund contributions already notified to the Board which remained at £30 for individuals and £690 and firms holding client money.

SRA BOARD

CLASSIFICATION – PUBLIC

5.5 The Board made:

- a) the Practising Certificate Fee Determination [2022]
- b) the Recognised Body and Recognised Sole Practice Fee Determination [2022]
- c) the Licensed Body Fee Determination [2022]
- d) the Determination of Compensation Fund contributions for individuals and firms [2022]
- e) the Determination of Compensation Fund contributions for Licensed Bodies [2022].

5.6 The Board noted that the Practising Fees and Compensation Fund contributions were subject to final approval by the LSB and the appropriate application would now be made.

6 THE KEEPING OF THE ROLL CONSULTATION AND NEXT STEPS

6.1 The Board was asked to consider the results of the Restoring the annual keeping of the roll consultation which had run from March until May 2022.

6.2 We had received just over 500 responses to the consultation, nearly all from individuals. Most respondents accepted the need to reintroduce an annual keeping of the roll exercise, but were opposed to the reintroduction of an administration charge to cover the cost of the work and further argued that the amount proposed of £30-40 was too high.

6.3 The recommendation was that we should proceed with announcing the restoration of the keeping of the roll exercise, and would confirm the administration charge once further modelling work had been done on operating costs. It was not yet clear how much work would be needed to contact all of the non-practising solicitors currently on the roll or how many would wish to pay to remain on the roll. IT development costs were also still being assessed.

6.4 In discussion Board members supported the proposal, because it was important to keep information we held up to date, not least because of requirements under the General Data Protection Regulation (GDPR) 2016 which we must follow. The Board also agreed it was appropriate to charge for the administration of something that clearly had a value to those who wished to remain on the roll. There was also a residual obligation to comply with standards and those retaining non-practising status could be subject to disciplinary procedures.

6.5 Board members acknowledged the point made by some respondents to the consultation that with the proposed cost of £30-40 exceeded the 2015 cost, which was when the exercise was last carried out. Board members asked the Executive

SRA BOARD

CLASSIFICATION – PUBLIC

to look further at operational costs, including whether initial costs could be spread over a longer period. We should also be explicit in our intention to keep costs under review and that they might reduce once these initial development and operating costs had been recovered.

6.6 The Board agreed that:

- (a) we should announce that the keeping of the roll exercise would be restored on an annual basis to begin in April 2023.
- (b) the initial administration charge should be confirmed later in the year when the IT development and other costs were known. The Executive should review the costs, including the time taken to recover upfront costs, with a view to, if possible, reducing the £30-40 charge proposed in the consultation to £20-£30. We would also commit to keeping the costs under review as the project moves forward.

7 REVIEW OF MEETING AND ANY OTHER BUSINESS

7.1 The Chair thanked Tony Williams, whose last meeting this was, for his great contribution to the work of the organisation over the previous six years and in particular the deep knowledge of the legal sector at all levels that he had brought to discussions. The Board wished Tony the best of luck for the future.

7.2 The next meeting would be held on 13 September 2022.