

Costs statement

May 2023

This statement details our costs for the financial year from 1 November 2021 to 31 October 2022 in line with the Legal Services Boards (LSB) principles of cost transparency¹ ^[#n1].

Regulated community

At 31 October 2022 we regulated 166,850 individuals including 160,676 practising solicitors, 6,000 Registered foreign lawyers, 166 Exempt European lawyers and 8 Registered European lawyer² ^[#n2].

This was an increase of 2.3% on the previous year.

We also regulate solicitors' firms. At 31 October 2022 there were 9,636 regulated firms, a reduction from 9,860 at 31 October 2021.

Income and expenditure

We are funded primarily from practising fee income collected from solicitors and law firms, with additional income from regulatory activities such as authorising firms to offer legal services. We also work to recover costs spent on intervening into law firms, taking disciplinary action and administering a Compensation Fund.

SRA Funding	2020/21 (£m)	2021/22 (£m)
Practising fee income	57.3	58.1
Other income	3.5	11.2
Recoveries	9.0	9.1
Total Income	69.8	78.4
Expenditure	64.3	76.7
Surplus / (Deficit)	5.5	1.7

Other income and expenditure increased significantly from 2021/21 to 2021/22 as this was the first year of the Solicitors Qualifying Examination. The income from the exam offsets the costs.

Practising Certificate fees 2021/22

53% of the practising certificate fees are retained by the SRA, 28% of fees fund the activities of the Law Society and 19% is collected on behalf of the LSB, LeO, FCA and SDT.

Reserves

As at 31 October 2022 the SRA had reserves of £16.6m³ ^[#n3]. From June 1 2021 the activities of the SRA transferred to the Solicitors Regulation Authority Limited and reserves are now held by SRA rather than as part of the Law Society Group.

Staff costs

- Our average number of full time equivalent staff was 646 during 2021/22 (2020/21: 653).
- Overall staff costs were £34.8m in 2021/22 (2020/21: £34.8m)⁴ ^[#n4]
- As at 31 October 2022 our Chief Executive's salary was £264k (2020/21: £257k)
- The Chief Executive's salary was 6.6 times the full time equivalent median salary of the workforce which was £40,005
- Salary bands of senior employees (excluding the Chief Executive)

Salary band	October 2022
£165k - £170k	1
£170k - £175k	1
£175k - £180k	1
£180k - £185k	1
£185k - £190k	1

Board costs

- The chair of our Board received emoluments of £90k over the financial year ending 31 October 2022 (2020/21: £90k)
- The total cost of Board member salary costs and expenses in 2021/22 was £300k (2020/21: £276k). The costs are higher than in the previous year as we returned to more face to face meetings following the impact of the Covid-19 pandemic which reduced travel and meeting costs.

Notes

1. Annex 1: LSB Cost of Regulation (PDF 15 pages, 442KB)
[\[http://www.legalservicesboard.org.uk/about_us/board_meetings/2017/PDF/23March/\(17\)%2017%20Cost%20of%20Regulation.pdf\]](http://www.legalservicesboard.org.uk/about_us/board_meetings/2017/PDF/23March/(17)%2017%20Cost%20of%20Regulation.pdf)
2. Regulated community statistics [\[https://www.sra.org.uk/sra/how-we-work/archive/reports/statistics/regulated-community-statistics/\]](https://www.sra.org.uk/sra/how-we-work/archive/reports/statistics/regulated-community-statistics/)
3. These figures are prior to the completion of the annual audit and are therefore draft subject to final approval.

4. This includes salary, pension contributions, NI contributions, other benefits, temporary staff, recruitment and learning and development.