

SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
held on 25 April 2023 at 11.45 at the Radisson Blu Hotel, Leeds City Centre, No. 1,
The Light, The Headrow, Leeds LS1 8TL

Subject to final approval by the SRA Board at its meeting on 6 June 2023

Present: Anna Bradley (Chair)
Claire Bassett
Ann Harrison
Paul Loft
Rob McWilliam
Lisa Mayhew
Vikas Shah
Liz Smart
Selina Ullah
Nicola Williams

In attendance: Paul Philip, Chris Handford, Robert Loughlin, Jane Malcolm, Juliet Oliver, Liz Rosser, David Nix, Julie Swan, Simon Wall, Dominic Tambling

1 WELCOME AND APOLOGIES

1.1 The Chair welcomed Board members to the meeting. There were no apologies.

2 MINUTES OF THE PREVIOUS MEETING ON 14 MARCH 2023

2.1 The minutes of the meeting held on 14 March 2023 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 or were in hand.

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 members for their contributions to the workshop discussions over the previous two days. These had included consideration of an annual update on HR activity during the year 2022/23 and planning for the future. The Board had also discussed succession planning, organisational development, our equality, diversity and inclusion workforce report along with gender and ethnicity pay gap reports.

4.2 The Board had also received an update on our work on continuing competence including: how our on-going programme of thematic reviews informed our

understanding of how solicitors secure their on-going competence; our analysis of a range of data on competence-related reports and decisions; a review of samples of training records; and our on-going programme of work to provide assurance about the continuing competence of those we regulate.

- 4.3 The Board discussed emerging risks arising from the development of the new Corporate Strategy 2023-26 (at item 5 on the agenda). The output of this discussion would be taken forward by the Executive and to the Audit and Risk Committee for further consideration and then reported back to the Board.
- 4.4 The final workshop discussion had been on an update on progress on implementation of suggestions from the Effectiveness Review report which the Board had received in December 2022. Final recommendations would be brought to the Board meeting on 6 June 2023.
- 4.5 The Board hosted a dinner for stakeholders from within Leeds and the surrounding area including local law societies, universities and consumer organisations. Board members had enjoyed positive and interesting discussions with guests and some of the key messages that they took into their meeting the following day were the difficulties for vulnerable people accessing legal help, with some useful thinking about larger firms funding smaller firms to provide pro-bono advice.
- 4.6 There was also lots of support for our approach to Qualifying Work Experience and solicitor apprenticeships, while some universities were still cautious about the Solicitors Qualifying Examination. Finally, for law firms, workplace culture, ethics, recruitment and retention and the impact of AI were all priorities.
- 4.7 Finally, the Board Chair reported that she had met Alan Kershaw who had taken on the Chair of the Legal Services Board (LSB) from Helen Phillip and asked the Board to note that the LSB had now published the report of its investigation into disputes and disagreements between the Chartered Institute of Legal Executives (CILEX) and CILEx Regulation Limited.

5 OUR NEW THREE YEAR CORPORATE STRATEGY 2023-26

- 5.1 The Board was asked to consider a draft of the next three-year Corporate Strategy and to sign it off for public consultation.
- 5.2 The Board had discussed the new Strategy on a number of occasions and at its last meeting on 3 April 2023 had considered a near final draft Strategy, which was the culmination of the previous discussions and resulting direction. A small number of changes had now been made to the draft Strategy to reflect the discussion earlier in the month including on how success would be measured and to stress our continuing focus on efficiencies and cost savings.
- 5.3 Board members noted that, as well as responses we expected to receive through the formal consultation, we would also be holding a number of consultation events. Efforts to reach consumers would include the use of social media polling and production of an easy read version of the draft Strategy.

5.4 The Board agreed the draft Corporate Strategy 2023–26 for public consultation.

6 SRA BUSINESS PLAN AND BUDGET 2023-24

6.1 The Board was asked to consider the draft Business Plan and Budget for 2023/24 in preparation for consultation and publication of final plans by 31 October 2023. This followed discussion on potential work priorities and funding considerations for 2023/24, alongside related discussion on the Corporate Strategy for 2023/26, on 3 April 2023.

6.2 The Business Plan had been amended to reflect comments made at that meeting, including ensuring that there was a clear connection between the Business Plan and Strategy and to ensure a focus on a smaller number of key deliverables. In discussion Board members asked the Executive to review the wording referring to our proposed work on innovation and technology to ensure that they properly reflected the exploratory nature of the proposed work. It was agreed that options on what research might be undertaken in future would be brought to the Board for consideration.

6.3 Turning to the budget, Board members noted that for 2023/24 we were proposing an 11.7% increase in practising fees and a 7.3% increase in our proportion of the individual practising certificate fee. This was in line with our expectation that the proportion of our budget funded through practising fees to increase by no more than inflation plus 2% each year of the new Corporate Strategy, with an aim of limiting any increases beyond the first year to inflation.

6.4 Considerations that had led to our proposed increase in practising fees include inflationary pressures on our costs, staff expenditure inflation, and increased pressure on salaries as competition in the employment market continues to grow. Our funding will allow us also to increase our investment in new and important areas of activity. This includes:

- increased resources required within our investigation and enforcement teams
- improvements to our response to AML and financial crime
- a data driven approach to proactive regulatory activities.

6.5 Board members were reminded that we were only discussing the SRA proportion of the practising certificate fee. The overall fee also includes funding for elements of the work of the Law Society as well as statutory levies to fund the work of the Legal Services Board, Legal Ombudsman, Solicitors Disciplinary Tribunal and the Office for Professional Body Anti-Money Laundering Supervision.

6.6 The Board also noted that we were currently around £1m below the minimum level we had set for reserves and that we had committed to moving to within the range over the course of the next Corporate Strategy. Increasing reserves would be one of our considerations when looking at how we utilised any underspends or efficiency savings we realised through our programme of continuous improvement.

- 6.7 The Board had also noted that under the new methodology for overhead apportionment, cost payments from the Compensation Fund to the SRA would increase by £1.75m pa.
- 6.8 Subject to the points made in discussion, the Board approved the draft Business Plan and Budget for 2023-24 and the proposed consultation activity. It also delegated approval of the final Business Plan and Budget 2023/24, and related consultation documents, to the Chair and agreed that the Board Chair should agree the forewords for both the draft Strategy and the Business Plan.
- 6.9 The Board also considered the contributions to the Compensation Fund, which had been set in accordance with the agreed principles. It approved the proposals for 2023/24 at £30 for individuals, the same as 2022/23 and £660 for SRA-regulated law firms, a reduction from £690 in 2022/23.
- 6.10 The Board noted that for 2023/24 the proposal was that the fee payable by individuals in respect of the work of the SRA, when the practising certificate fee (£162) and Compensation Fund contribution (£30) were combined together, would increase from £181 in 2022/23 to £192 in 2023/24, an increase of 6%.
- 6.11 The Board would consider feedback from the consultations on the Business Plan and Budget at Corporate Strategy 2023-36 in the autumn and this would include further consideration of how progress against both would be measured and monitored. This would include ensuring that targets for delivery were suitably ambitious.

7 SRA CORPORATE COMPLAINTS NOVEMBER 2021 - OCTOBER 2022

- 7.1 The Board was asked to consider an update on our corporate complaints for the year 2021/22, including the Independent Reviewer's annual report.
- 7.2 The Board was reminded that we used a three tier procedure for handling complaints with Stage 1 complaints dealt with by staff in the operational area in which the complaint arose. If the complainant remained dissatisfied, the concerns were escalated to Stage 2 and dealt with by our central Corporate Complaints Team. If a complainant remained unhappy, they could ask for an independent review at Stage 3. The Centre for Effective Dispute Resolution (CEDR) was appointed as our Independent Reviewer (IR) in 2018 and also undertakes an annual audit of our complaints handling function.
- 7.3 It was noted that the main reasons for complaints were dissatisfaction with the outcome of a complaint about a solicitor, delay and our communication. There had been a reduction in complaints over the previous year which was a result both of work that had been done internally and also because a large number of complaints had arisen in the previous year as a result of a single intervention.
- 7.4 The Board also noted that although we had received a number of complaints that we were biased in our assessment of matters or had acted in a discriminatory way, neither we nor the IR, through the complaints it considered and its audit of our work, had found evidence of any actual bias or discrimination. We had, however, found aspects of poor handling, which included failing to note that we had agreed

reasonable adjustments with individual complainants when a case was passed on from one member of staff to another.

- 7.5 In response to questions from Board members it was confirmed that we did not analyse the complaints which the IR looked at on a regional basis, primarily because the sample size was too small to draw any meaningful conclusions.
- 7.6 Following discussion, the Board asked the Executive to look at benchmarking of our corporate complaints against other organisations and also to review our approach to sharing solicitor's responses with complainants to ensure that it was appropriate and reflected good practice.
- 7.7 The Board noted the Independent Reviewer's annual report 2021/22 and the key areas of focus to improve our service.
- 7.8 It was also noted that the Director of Corporate Complaints, Rachel Pillinger, was leaving the organisation and the Board thanked her for her the excellent work she had done in this area over a number of years.

8 REVIEW OF MEETING AND ANY OTHER BUSINESS

- 8.1 The Chair thanked the Board and Executive for their contributions. There was no other business. The Board's next meeting would be held on 6 June 2023 via Teams.