

CLASSIFICATION – PUBLIC

**SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
held on 9 March 2016 at 1:45pm
at The Grange Holborn Hotel, 50-60 Southampton Row, London WC1B 4AR
PUBLIC**

Present: Enid Rowlands (Chair)
Julia Black
Sharon Darcy
Jane Furniss
David Heath
Moni Mannings
Dame Denise Platt
Chris Randall
Deep Sagar
Shamit Saggar
Elaine Williams
David Willis

In attendance: Paul Philip, Richard Collins, Robert Loughlin, Jane Malcolm, David Middleton, Juliet Oliver, Crispin Passmore and Dominic Tambling

1 APOLOGIES

- 1.1 The Chair welcomed everyone to the meeting including the journalists in attendance and the Law Society observers. Apologies had been received from Paul Marsh, Barry Matthews and Geoff Nicholas.
- 1.2 The Chair informed the Board that a change of career meant that Moni Mannings had decided to step down from the Board in May 2016.

2 MINUTES OF THE MEETING HELD ON 20 JANUARY 2016

- 2.1 The minutes of the meeting held on 20 January 2016 agreed.

3 MATTERS ARISING AND DECLARATIONS OF INTEREST

- 3.1 There were no matters arising that were not covered on the agenda. The Board reviewed the action log and noted that:
 - i a recommendation on the possible extension of post six year run off was item 6 on the agenda; and
 - ii an Update on the Research Programme would come to the Board's meeting on 1 June 2016.
- 3.2 The Chair noted that Interests were as previously declared and available to view on the SRA website. Members would declare any particular interest in an individual item if necessary.

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4 CHAIR'S UPDATE

- 4.1 The Chair thanked the Board members who had attended a dinner for members of the House of Lords with a background and interest in legal matters from all parties across the House. Fifteen members had attended including the host, Baroness Hayter of Kentish Town, and a wide range of topical issues was covered, including professional standards, education and training and the Solicitors Qualifying Exam.
- 4.2 The Chair also reported on an event held at the Welsh Assembly on 26 January 2016, for Assembly Members, senior civil servants and other officials. Former solicitor, Assembly Member Aled Roberts (LibDem), hosted the event and speaking for the Welsh Government was Mrs Edwina Hart, Minister for Economy, Science and Transport.

5 CHIEF EXECUTIVE'S REPORT

- 5.1 Paul Philip introduced his report and asked the Board to note that a consumer credit toolkit had now been published on the SRA website to help firms comply with the new regulatory regime which would come into force on 1 April 2016.
- 5.2 Paul Philip updated the Board on responses to the *A Question of Trust* consultation which would be used in developing a reference framework to support decision making. Board members noted how useful the events held around the country as a part of the consultation had been for engaging with the profession.
- 5.3 The September 2015 Professional Indemnity Renewal data collection exercise had been successfully completed in January.
- 5.4 A report on our examination of compliance practices relating to anti money laundering would be published in March. This followed engagement with over 250 firms and would identify examples of good and bad practice.

6 PROFESSIONAL INDEMNITY INSURANCE - POST SIX YEAR RUN OFF

- 6.1 Crispin Passmore briefly explained the history of post six year run off cover which was currently provided through the Solicitors Indemnity Fund to firms that ceased without a successor on or after 1 September 2000. The current end date of this cover was 30 September 2020, but in 2014 the Law Society had asked us to extend the end date by three years. However, in December 2014 the Board had decided not to extend the cover for three years but to reserve judgment on whether to extend it by one or two years.
- 6.2 The main reasons for not agreeing to any extension were that there was uncertainty about whether there was enough surplus in SIF to finance it and that it did not align with our overall position on run off cover required under mandatory PII policies procured on the open market. We are currently reviewing whether mandating six year run-off cover remains appropriate.
- 6.3 The Board was conscious that any limit on the terms or breadth of post six year run off cover (or indeed on the scope or length of the compulsory period) would mean that some claims were not covered. In response to questions from Board members, Crispin Passmore said that if no change was agreed it was likely that some firms would be able to attain replacement post six year run off cover and some would not, but that it was a matter for the market. The Policy Committee had

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discussed this issue at its most recent meeting and new members of the Committee had agreed that no change was the right decision.

- 6.4 The Board agreed that there should be no change to the final end date of the post six year run-off cover provided by the Solicitors Indemnity Fund (SIF) under the SRA Indemnity Rules 2012, of 30 September 2020.
- 6.5 It should be noted that the link provided in the Board paper providing a summary of Limitation Act 1980 was background information not formal legal advice.

7 RULE CHANGE ON RESERVED ACTIVITIES

- 7.1 Crispin Passmore explained that as the Legal Services Board had decided it needed more time than had been envisaged to consider amendments to the SRA Authorisation Rules, the original commencement date for the change of November 2015 had passed. The Board was therefore asked to agree rules providing for a new commencement date of 1 April 2016.
- 7.2 The Board agreed to make the SRA Commencement Rules [2016] to implement changes to the SRA Authorisation Rules 2011 relating to the regulation of firms' intention to carry out reserved legal activities from 1 April 2016.

8 QUALITY ASSURANCE SCHEME FOR ADVOCATES (QASA): APPEAL RULE CHANGE

- 8.1 Crispin Passmore reminded Board members that they had approved the response to a consultation on changes to QASA at its meeting on 20 January 2016. They had also been informed at that time that a further recommendation would be made relating to the alignment of the appeals rules of the SRA and Bar Standards Board (BSB). It was therefore recommended that an additional ground be added to the SRA appeals rules permitting an appeal where "a decision reached was unreasonable".
- 8.2 The Board agreed to make the SRA Quality Assurance Scheme for Advocates (Crime) (Appeals Amendment) Rules [2016].
- 8.3 An application would be submitted to the Legal Services Board seeking approval for changes to QASA as well as this rule change providing that the Boards of BSB and CILEx also approved the change.

9 ANY OTHER BUSINESS

- 9.1 There was no other business. The Chair thanked members for their contributions to the meeting.

NEXT PUBLIC MEETING: WEDNESDAY 1 JUNE 2016 AT THE GRANGE HOLBORN HOTEL, LONDON WC1B 4AR COMMENCING AT 1:30PM

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Solicitors Regulation Authority Action Log: Public - 1 June 2016

Meeting date	Paragraph	Action	Owner	Date for action
2 Dec 2015	7.4	Update the Board on SRA Research Programme	Crispin Passmore	1 June 2016

Solicitors Regulation Authority Board Record of Actions Completed: Public

Meeting date	Paragraph	Action	Owner	Date completed
3 Dec 2014	6.4	Bring further recommendations to Board on possible extension of post six year run off cover for one or two years	Crispin Passmore	9 March 2016