

**SRA BOARD**

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**SOLICITORS REGULATION AUTHORITY  
Minutes of the SRA Board meeting  
held on 7 March 2018 at 09.00  
at the St David's Bay Hotel, Havannah Street, Cardiff, CF10 5SD**

*Subject to final approval by the SRA Board at its meeting on 18 April 2018*

Present: Enid Rowlands (Chair)  
Sharon Darcy  
David Heath  
Paul Loft  
Barry Matthews  
Dame Denise Platt  
Chris Randall  
Deep Sagar  
Elaine Williams  
Tony Williams  
David Willis

In attendance: Paul Philip, Richard Collins, Robert Loughlin, Jane Malcolm, David Middleton, Juliet Oliver, Crispin Passmore, Christine Couchman and Louise Smith (for item 9), Dominic Tambling.

**1 APOLOGIES**

1.1 The Chair welcomed Board members to the meeting. Apologies had been received from Julia Black and Geoff Nicholas.

**2 MINUTES OF THE MEETING HELD ON 31 JANUARY 2018**

2.1 The minutes of the meeting held on 31 January 2018 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.

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 members for participating in the various events that had been held the previous day: a session in Cardiff for local law forums on cybersecurity, money laundering and benefits of diversity for firms; a meeting with the

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Commission on Justice in Wales; and a dinner with Members of the National Assembly for Wales and other key stakeholders.

- 4.2 Board members agreed that all of these events had been valuable and recognised the importance of the Board meeting regularly in Wales and in engaging with relevant national issues such as the development of a Welsh jurisdiction.
- 4.3 The Chair also reported on productive meetings with the Lord Chief Justice and Lady Justice Hallett, with the President of the Law Society and with the Chair of the Legal Services Board.

## 5 CHIEF EXECUTIVE'S REPORT

- 5.1 The Chief Executive Officer, introduced his report (link).
- 5.2 The CEO covered a number of issues, for decision and noting. These included the publication of gender pay gap data, progress with the Solicitors Qualifying Examination and our ranking in the Stonewall Workplace Equality Index.
- 5.3 Board members noted that they had had good feedback from firms on our recent data collection exercise, as required by the new AML regulations and our work on raising awareness of issues relating to anti-money laundering.
- 5.4 The Board agreed proposed changes to the Schedule of Delegation, subject only to confirmation that wording in one section was from the Solicitors Act 1974.

## 6 ANNUAL REPORT TO THE BUSINESS AND OVERSIGHT BOARD 2016/17

- 6.1 The Board was asked to consider the draft 2016/17 annual report to the Law Society's (TLS) Business and Oversight Board. This report replaced the previous annual report provided to TLS Council following amendments to the General Regulations made by the Council in October 2017.
- 6.2 The report was required to provide information on the governance of the SRA including how it had discharged its responsibilities both directly and through its committees, and its financial performance. It therefore focused on issues of governance and our Annual Review 2016/17, which will give, a broader view of our activity during the year would be appended to it.
- 6.3 The Board approved the report, subject to some amendments and additions suggested by Board members and final approval by the Chair.

## 7 SEXUAL HARASSMENT AND THE USE OF NON-DISCLOSURE AGREEMENTS

- 7.1 The Board was asked to consider the issues around sexual harassment in the legal sector, and more widely, and the use of non-disclosure agreements (NDAs).

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7.2 The Board noted the issues that arose in this area including the difficulty of knowing the extent of sexual harassment in the legal profession. It was confirmed that we do investigate complaints about solicitors involving conduct outside the work place and that in a number of cases reports had been made about sexual misconduct between a solicitor and a colleague at the same firm.

7.3 The Board noted the responsibility on firms to report misconduct to the SRA and the measures being implemented to remind the profession of its obligations. A warning notice and supporting material would be issued the following week once finalised by the Executive.

## **8 PROTECTING THE USERS OF LEGAL SERVICES: BALANCING COST AND ACCESS TO LEGAL SERVICES**

8.1 The Board was asked to consider an update on proposed changes to our financial protection arrangements and to agree to publish a package of documents to consult on proposed changes to these arrangements.

8.2 Board members reviewed the plans for communication and engagement and noted that a range of approaches would be employed to engage different sectors in the consultation. Consultation materials would also be clear about the potential benefits for users of legal services as a result of the proposed reforms.

8.3 The Board agreed proposed changes to our Professional Indemnity Insurance (PII) and Compensation Fund arrangements and that a consultation paper and initial impact assessment on these should be published. These would be supported by draft rules and externally commissioned reports on options for PII requirements and consumers understanding about risks

## **9 SRA INDEPENDENT REVIEWER ANNUAL REPORT: 1 NOVEMBER 2016 – 31 OCTOBER 2017**

9.1 The Board was asked to consider the Independent Reviewer's Annual Report for 2016/17. The Independent Reviewer considered complaints from complainants who remained unhappy after their concerns had been through our two stage internal complaints process.

9.2 Board members noted that the numbers of complaints that go to stage three review with the independent service were very small. Action was being taken to address some of the concerns raised by the Report such as improvements in the tracking of correspondence and continued training for staff to ensure that matters were clearly explained to complainants.

9.3 The Board noted the Independent Annual Reviewer's Annual Report for 2016/17 and the areas to be focused on in 2017/18 to improve our service. The Report will be published on the SRA website.

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#### *Items for information only*

#### **10 LOOKING TO THE FUTURE: PHASE TWO OF OUR HANDBOOK REFORMS AND BETTER INFORMATION – POST CONSULTATION UPDATE AND NEXT STEPS**

10.1 The Board noted the update on responses to the recent consultations on phase two of the Handbook reforms and on better information proposals to increase the information available to consumers to help them compare legal services providers. Proposals would be brought to the Board later in the year.

#### **11 COMPENSATION FUND RECHARGES AND GOING CONCERN STATEMENT**

11.1 The Board noted the methodology for recharging costs to the Compensation Fund and for the benefit of the external auditors that in its view the Compensation Fund has been and continues to be a going concern.

#### **12 REVIEW OF MEETING AND ANY OTHER BUSINESS**

12.1 The Board received an update from committee chairs in relation to committee meetings that had taken place since the last Board meeting.

12.2 The Board agreed the Chair of the Finance and Audit Committee's request for approval of the Committee's confirmation of the approach for recharging costs to the Compensation Fund and view that the Fund is a going concern.

12.3 The Chair thanked Board members for their contributions. The next meeting of the Board would be on Wednesday 16 April 2018 at the Grange Holborn Hotel, 50-60 Southampton Row, London WC1B 3AR at 13.00.