

SRA BOARD

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**SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
held on 5 December 2018 at 10.00
at 24 Martin Lane, London EC4R 0DR**

Subject to final approval by the SRA Board at its meeting on 23 January 2019

Present: Enid Rowlands (Chair)
Julia Black
Sharon Darcy (for items 1 to 9)
David Heath
Paul Loft
Barry Matthews
Geoff Nicholas
Dame Denise Platt
Chris Randall
Elaine Williams
Tony Williams
David Willis

In attendance: Paul Philip, Richard Collins, Mark Draisey, Robert Loughlin, Jane Malcolm, Juliet Oliver, Crispin Passmore, Julie Brannan (for item 7), Dominic Tambling

1 APOLOGIES

1.1 The Chair welcomed Board members to the meeting. Apologies had been received from David Middleton.

2 MINUTES OF THE MEETING HELD ON 24 OCTOBER 2018

2.1 The minutes of the meeting held on 24 October 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 Other 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 attending events on our behalf in recent weeks including at the 24th Annual Asian Legal Awards, the UK Diversity Legal Awards and a British Nigerian Law Forum dinner.

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4.2 The Chair thanked Julia Black, who is standing down at the end of the year, for the positive contribution she has made during her five years on the Board and in particular for her chairing of the Policy Committee. The Board supported the appointment of Chris Randall as the new Chair of Policy Committee. The Chair also thanked Crispin Passmore for all his work at the SRA.

4.3 After an open and competitive recruitment process, the appointment panel had interviewed six candidates for two lay Board member positions on 30 November 2018. The posts had been offered to two candidates who had accepted. A public announcement would be made in the near future.

5 CHIEF EXECUTIVE'S REPORT

5.1 The Chief Executive Officer introduced his report and covered a number of issues for noting. These included: an update on the successful Practising Certificate Renewal Exercise; the Modernising IT Programme and a request from the Women and Equalities Select Committee for a response to its new inquiry into the use of non-disclosure agreements in discrimination cases.

5.2 The Board also agreed to delegate to the Chair of the Board the making of amendments to the SRA Authorisation of Individuals Regulations and the SRA Glossary to reflect the change of regulator for claims management companies to the Financial Conduct Authority.

6 COMPENSATION FUND AND PROFESSIONAL INDEMNITY INSURANCE RULE CHANGES

6.1 The Board was asked to consider New SRA Compensation Fund Rules and SRA Indemnity Insurance Rules which would give effect to policy decisions about consumer protections arising from the Looking to the Future reforms.

6.2 The Board was also asked to consider amendments to rules which had already been made to clarify the indemnity insurance requirements for solicitors working in non-commercial bodies (special bodies) and those solicitors practising on their own and carrying on reserved legal activities. These would clarify that indemnity insurance must cover past as well as present practice and was consistent with the indemnity insurance requirements on SRA authorised firms.

6.3 The Board discussed the proposed rules and amendments and agreed that it would be important to explain the changes very carefully so that they were as clear as possible to the public. It also agreed that it was important to make an assessment 12 months after the changes were introduced to evaluate what effect they were having.

6.4 The Board agreed to make the SRA Compensation Fund Rules and the SRA Indemnity Insurance Rules. It also agreed we should clarify the insurance requirements that will apply to solicitors working in special bodies and solicitors

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practising on their own carrying on reserved legal activities and make the SRA Regulatory Arrangements (Indemnity Insurance) (Amendment) Rules [2018]. The Board also approved the additional terms to be included in the SRA Glossary.

7 EXEMPTIONS FROM THE QUALIFIED LAWYERS TRANSFER SCHEME (QLTS) IN THE EVENT OF A NO DEAL BREXIT

- 7.1 The Board was asked to consider proposals to consult on amending our regulations in relation to exemptions from the QLTS and recognition of part qualified EU (Morgenbesser) candidates. The changes were needed to take into account legislative changes which would flow in the event of a no-deal Brexit.
- 7.2 The Board noted that current regulations on exemptions from the QLTS were not straightforward and that the introduction of the Solicitors Qualifying Examination (SQE) would simplify matters. The position proposed in the paper was designed to preserve the status quo, as far as possible, pending the introduction of the SQE so as to avoid short-term disruption flowing from the changed legislative position.
- 7.3 The Board approved plans to consult on changing our regulations in the event of a no-deal Brexit so as to entitle all extra-UK qualified lawyers who are seeking admission as an English solicitor to exemptions from the QLTS where they can demonstrate equivalent qualifications or experience to the Day One Outcomes; provided that these exemptions may only be granted from the whole of the Multiple Choice Test or Objective Structured Clinical Examination or both. It also agreed to consult on proposals to remove the recognition of part qualified EU (Morgenbesser) candidates.

8 MAINSTREAMING EQUALITY, DIVERSITY AND INCLUSION AT THE SRA AND OUR EDI WORK 2017/18

- 8.1 The Board considered a report on work to mainstream equality, diversity and inclusion (EDI) in the organisation since the Board assumed direct governance of EDI and stood down the EDI Committee with effect from January 2018.
- 8.2 The Board welcomed the progress that had been made over the past year. It was agreed that understanding the impact of our EDI work on the profession and consumers was key. Board members also suggested that there should be a focus on measuring social mobility and how it changes in the profession.
- 8.3 The Board noted progress in mainstreaming EDI, a report on work on EDI in 2017/18 and that we had made our submission for the Legal Services Board's first formal assessment of our performance against its four diversity outcomes for legal regulators.

SRA BOARD**CLASSIFICATION – PUBLIC****9 LEGAL SERVICES BOARD CONSULTATION ON THE INTERNAL GOVERNANCE RULES**

- 9.1 The Board was asked to consider the Legal Services Board's consultation document published on 2 November 2018, which sought views on new draft Internal Governance Rules to safeguard the independent exercise by approved regulators of their regulatory functions.
- 9.2 The Board also considered the proposed approach to the response to the Law Society's report on the undertakings which it had given to the Legal Services Board following its review of TLS's oversight and monitoring arrangements of us.
- 9.3 The Board discussed the proposed approach to the issues raised in the consultation and the proposed response to the undertakings report. The responses would be revised to take into account Board members' comments and the Board agreed that final sign off of both responses should be delegated to the Board Chair.

10 REVIEW OF COMMITTEE TERMS OF REFERENCE

- 10.1 The Board was asked to consider some minor amendments to the terms of reference of its Committees. Each of the three Board committees (Finance and Audit Committee, People Strategy Committee and Policy Committee) had reviewed its terms of reference and made recommendations for amendments. These were agreed by the Board and would now be updated in the Governance Handbook which was available on the SRA website.

11 REVIEW OF MEETING AND ANY OTHER BUSINESS

- 11.1 The Board received an update from committee chairs in relation to committee meetings that had taken place since the last Board meeting.
- 11.2 The Chair thanked Board members for their contributions to what was her final meeting of the Board. There was no other business. The next meeting of the Board would be on Wednesday 23 January 2019 at The Cube, 199 Wharfside Street, Birmingham B1 1RN.