

SRA BOARD**CLASSIFICATION – PUBLIC****SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
held on 3 December 2019 at 13.00
at 24 Martin Lane, London EC4R 0DR.**

Subject to final approval by the SRA Board at its meeting on 21 January 2020

Present: Anna Bradley (Chair)
Sharon Darcy (from item 6)
David Heath
Peter Higson
Paul Loft
Barry Matthews
Geoff Nicholas
Dame Denise Platt
Chris Randall
Selina Ullah
Tony Williams
David Willis

In attendance: Paul Philip, Mark Draisey, Robert Loughlin, Jane Malcolm, Juliet Oliver, Liz Rosser, Julie Brannan, Chris Handford, Dominic Tambling

1 APOLOGIES

1. The Chair welcomed Board members to the meeting. Apologies had been received from Elaine Williams.

2 MINUTES OF THE MEETING HELD ON 22 OCTOBER 2019

- 2.1 The minutes of the meeting held on 22 October 2019 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 and all actions due had been completed or were in hand. A report on data retention would come to the January 2020 Board meeting.
- 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 participation in the previous evening's seminar and the morning workshop. It had been very helpful to engage with Professor Stephen Mayson on his interim report on the Independent Review of

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Legal Services at the seminar and we would be submitting a high-level formal response to the report in the next couple of weeks. The Board asked to see a draft.

- 4.2 At the workshop the Board had considered our approach to risk governance and risk management. It identified areas to develop to continue to mature our approach to risk management and agreed to revisit this at a future meeting, especially in the context of the new Corporate Strategy.
- 4.3 The Board had also reviewed the policy work programme for 2020 and agreed that, given that the major policy reform programme had now been implemented following the launch of the new Standards and Regulations in November, the Policy Committee should be stood down. Detailed consideration of development of policy would in future be undertaken by the Board through an appropriate mix of seminar, workshop and formal Board discussions. The Board agreed that in making policy decisions it would want to have a good view of what external expertise had been sought and what different stakeholder views were. The Executive was asked to revert to the Board with proposals about how they could develop the appropriate details for future discussions.
- 4.4 There was also a detailed discussion on improving the way our performance is reported both to the Board and to the public. This would be picked up under item nine on the agenda.
- 4.5 The Chair thanked Board members who had attended, or were planning to attend, our consultation events on the new Corporate Strategy. Board presence at these events was appreciated by others attending and it was also helpful for members to hear responses to the draft consultation firsthand. The Chair also thanked Chris Randall for attending the British Nigeria Law Forum Awards on 22 November 2019.
- 4.6 The Chair summarised her meetings since the last Board meeting on 22 October 2019 which included speaking at a meeting of the Industry and Parliament Trust on 5 November 2019 on the role of legal technology in increasing access to justice. She had also attended the Black Solicitors Network UK Diversity League Awards on 28 November 2019 and had had meetings with the Law Society and the Legal Services Board.

5 COMMITTEE CHAIR REPORTS

- 5.1 The Board considered written updates from the Chair of the People Strategy Committee, that met on 5 November 2019, and from the Chair of the Finance and Audit Committee, that met on 26 November 2019.
- 5.2 The Board discussed the reports and agreed an amendment to the People Strategy Committee's terms of reference to reflect that the Committee's role should not be to look at individual HR policies but rather to ensure that appropriate policies were in place along with mechanisms for ensuring that they were regularly reviewed. The changes would be reflected in an update to the Governance Handbook.

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- 5.3 The Chair of the Finance and Audit Committee reported that good progress continued to be made on the Modernising IT Programme and that the Solicitors Register had been successfully launched in November along with the new Standards and Regulations. The Practising Certificate Renewal Exercise had been completed and the Board recorded its thanks to all those who had worked to achieve this.
- 5.4 The Committee had also received an update on Business Continuity work and noted that the damage caused by the flood in our Birmingham office had now been repaired and that the Business Continuity programme had worked well.

NB: the papers relating to this item will not be published as it relates to issues that are commercially sensitive.

6 CHIEF EXECUTIVE'S REPORT

- 6.1 The Chief Executive presented his report. The Board noted that the launch of the new Standards and Regulations and Solicitors Register on 25 November 2019 had gone well and that they had been well received. The Board noted its thanks to the many staff who had been involved over a long period of time in making this happen.
- 6.2 The Board also noted that progress on arrangements for introducing the Solicitors Qualifying Examination were progressing well and that the pilot for SQE 2 would run later in the month. The annual SQE conference would take place on 17 December 2019 and work with a wide range of stakeholders, including key agencies in Wales, was continuing.
- 6.3 The Chief Executive reported that a concerns had been raised by a solicitor in relation to a potential breach of the General Data Protection Regulations (GDPR) arising from the use of Google Analytics by the development partner for our clickable logo, it had been decided to turn this off prior to use of the logo becoming mandatory on 25 November 2019. We were confident that we had taken the appropriate steps to mitigate any risk in relation to GDPR and were engaging with the Information Commissioner's Office on the issue but had come to this decision in order to reduce the risk that individual firms would be deterred from complying with the requirement to display the logo.
- 6.4 The Board noted that the Compliance Officers Conference on 30 October 2019 had gone well with around 1,400 people attending. The agenda had covered all aspects of our work and discussions had been positive and constructive.

NB: the annexes to this paper will not be published because they contain information which is commercially sensitive or include discussion of risk that might be exacerbated by publication.

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7 REVIEW OF THE SRA'S COMPENSATION FUND

- 7.1 The Board was asked to consider and approve a further consultation on the reforms to the rules and principles governing the operation of the Compensation Fund.
- 7.2 An initial consultation on these proposed reforms had been held in June 2018 and the Board had discussed the response to that earlier in the year and had a further discussion in a workshop session at its meeting on 22 October 2019. The reforms in the proposed second consultation reflected the views expressed in those discussions and included a Statement of Purpose and Operating Principles which set out the primary aim of the Fund.
- 7.3 The proposed consultation would also include revised eligibility criteria which aimed to ensure that payments from the Fund were prioritised fairly and transparently. Board members discussed these criteria and agreed that we needed to be clear about when and how any discretion as to payment should be exercised.
- 7.4 Board members also agreed that, whereas the initial consultation had asked for views on a wide range of proposals, this follow up would ask for views on a specific set of more limited measures which we intended to take forward, subject to responses to the consultation.
- 7.5 The Board agreed that the consultation on the proposed reforms to the Compensation Fund should be published in January 2020.

NB: the paper for this item will not be published because it relates to emerging policy. The consultation paper will be published in January 2020.

8 PROFESSIONAL INDEMNITY INSURANCE (PII): OUR POST CONSULTATION POSITION AND NEXT STEPS

- 8.1 The Board was asked to consider and agree a final position on our proposed reforms to professional indemnity insurance (PII) arrangements on which we consulted in March 2018. The proposal sought to introduce more PII flexibility, reflecting the way different firms practise.
- 8.2 We had received responses to our 2018 consultation from a wide range of organisations and the feedback had provided good information on how firms and others viewed indemnity insurance and the protections it offered. Respondents were cautious about making changes to current insurance arrangements, for example saying that firms would purchase 'top up' cover which would negate potential cost savings for firms and their clients. The Board had discussed this matter in March 2019 and asked for further work to be done including on the risks and benefits of harmonising the minimum levels of compulsory single indemnity claims for all SRA authorised firms. The Board discussed further advice on this and agreed that we should not proceed with the proposal.

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- 8.3 The Board also agreed that, in light of the above, we should not proceed with changes to the Minimum Terms and Conditions for SRA authorised firms 'PII and that we should publish a summary and quantitative breakdown of responses to the consultation.

NB: the paper for this item will not be published because it relates to emerging policy. A response to the consultation will be published later in December 2019.

9 INCREASING THE OPENNESS OF BOARD DECISION MAKING

- 9.1 The Board was asked to note progress in, and consider proposals for, enhancing the transparency of Board decision making.
- 9.2 The Board had made some decisions in relation to this matter at its July 2019 Board meeting and good progress had been made since then including production of fuller Board minutes, publication of more Board papers and enhancement of Board communications.
- 9.3 Board members discussed the proposed actions and documents and agreed to publish the suite of documents designed to help people understand how the Board works and makes its decisions. They also agreed that a plain English version of the accountability statement should be published, alongside the more detailed document, so that it would be fully accessible to the public. The Board noted that the documents would be kept under review and amended in the light of any changes in arrangements or working practise.
- 9.4 The Board agreed that, in addition to the proposed improvements to the website pages about the Board and its work, it was important to ensure that those pages were easily accessible to anyone who was looking for this information. The Board also suggested some amendments to be made to the draft balanced scorecard before its publication.
- 9.5 The Board noted progress made to date in increasing the openness of Board decision making and agreed the draft accountability and transparency statements, draft decision-making framework and first iteration of the balanced scorecard for publication, subject to the additions and amendments agreed in discussion which would be approved by the Chair.

10 ANY OTHER BUSINESS

- 10.1 The Chair thanked Board members for their contributions. There was no other business other than for the Board and the organisation to thank Chris Randall, whose last meeting this was, for the very significant contribution he had made to the SRA during his six years as a Board member.
- 10.2 The Board would next meet on Tuesday 21 January 2020 at 24 Martin Lane, London EC4R 0DR.