

SRA BOARD
22 October 2019

CLASSIFICATION – PUBLIC



This paper will be published

Revised Schedule of Delegation

Purpose

- 1 To update the current Schedule of Delegation to reflect the new Standards and Regulations from 25 November 2019 and review the approach to making future changes to the schedule.

Recommendation

- 2 The Board is asked to:
 - a) make the revised Schedule of Delegation at annex 1 (paragraphs 7 and 8)
 - b) agree that future changes to the Schedule of Delegation are made by the Chief Executive (paragraphs 9 and 10).

If you have any questions about this paper please contact: Juliet Oliver, General Counsel

Equality, Diversity and Inclusion considerations

Consideration	Paragraph no
The schedule of delegation provides for clear and transparent delegations, which help us make consistent, fair and non-discriminatory regulatory decisions	15

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Revised Schedule of Delegation

Background

- 3 Under the Law Society's General Regulations, the SRA Board is entitled to carry out its delegated regulatory functions through sub-committees and individuals, including SRA staff.
- 4 The SRA's Governance Handbook includes a delegation framework which sets out how the Board's powers to delegate functions under those regulations are exercised. Specifically, this framework provides that executive functions (including exercise of regulatory powers and operational performance) are delegated by the Board to the Executive.
- 5 Under this delegation framework sits a Schedule of Delegation which sets out how the delegated executive functions are in practice exercised. It sets out the levels or categories of staff who can make certain regulatory decisions on the Executive's behalf, subject to management controls to make sure that staff are sufficiently trained, experienced and competent to do so. Delegation includes to our adjudicators, who provide a decision making function at various stages in our processes, for example issuing a fine or rebuke in disciplinary proceedings, or deciding authorisation appeals. The Schedule seeks to ensure that delegations are:
 - robust and transparent, with clear lines of accountability and effective oversight
 - consistent and proportionate – with decisions being made at the most effective operational level.
- 6 To assist in transparent and accountable decision making, we publish the Schedule of Delegation on our website. The current version of the Schedule, dated 7 March 2018 can be found at <https://www.sra.org.uk/sra/decision-making/schedule-delegation/>.

Revised schedule of delegation

- 7 We have updated the Schedule of Delegation to reflect the new language and categories of regulatory decisions within the new Standards and Regulations, and that we will need to make when they are introduced on 25 November 2019, as well as recent changes to job titles and grades.
- 8 Although these are largely comparable to the equivalent delegations in the current schedule, we have proposed a few further minor changes to our approach, as follows:

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- The removal of some existing low-level delegations that are, in reality, administrative operational matters.
- The amalgamation of some overlapping delegations and removal of some now obsolete ones.
- The transfer of certain decisions (relating to interventions into already closed firms, and the payment of monies held on statutory trust following an intervention) normally made by a panel of adjudicators to a sole adjudicator. These are decisions which carry limited risk, and we believe that the familiarity that single adjudicators have with the issues mean that they will be handled more efficiently and robustly in this way (delegations 12, 13 and 40).
- To increase the financial thresholds whereby staff within Client Protection can make decisions on compensation fund applications and payment of monies held on statutory trust. The current value thresholds do not necessarily reflect greater complexity. Whilst complex claims will continue to be referred to adjudicators to decide, the proposed increases will allow more of the straightforward claims and payments to be made more quickly and efficiently (delegations 7, 8 and 13).

Recommendation: the Board is asked to make the revised Schedule of Delegation at annex 1.

Future changes to the Schedule of Delegation

- 9 Prior to the introduction of the new Delegation Framework, the Board has previously approved all amendments made to the Schedule of Delegation.
- 10 The delegation framework makes clear that these are Executive functions and we consider that it would be more efficient and proportionate to allow the Chief Executive the flexibility to oversee the way in which these are delivered, and to make changes to the Schedule in the future. This will avoid the Board needing to be involved in technical changes, freeing up Board time and allowing for a faster turnaround of necessary changes.

Recommendation: the Board is asked to agree that future changes to the Schedule of Delegation are made by the Chief Executive.

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Supporting Information

Links to the Strategic Plan and / or Business Plan

- 11 The issues covered relate to the effective operation of the organisation and its ability effectively to regulate, and as such principally relate to strategic objective 1 (We will set and apply consistently high professional standards for the individuals and firms we regulate and make sure they are appropriate to meet the challenges of today and the future) and 5 (We will work better together and with others to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions).

How the issues support the regulatory objectives and best regulatory practice

- 12 The publishing of a clear Schedule of Delegation supports the Better Regulation Principles: making sure that decisions are taken consistently and at a proportionate level and ensuring clear accountability for decision-making. Publishing the schedule also promotes transparency.

Public/Consumer impact

- 13 The proposals impact broadly on effective and transparent regulatory decision making, thereby enabling us better to protect consumers and the wider public/public interest, and by helping consumers understand more clearly who can make key regulatory decisions on behalf of the Executive and at what level.

Equality and diversity considerations

- 14 The proposed changes to the current Schedule of Delegation will ensure clear and transparent delegations, which help us make consistent, fair and non-discriminatory regulatory decisions.

How the work will be evaluated

- 15 The operation of the Schedule of Delegation will be reviewed periodically by the Executive.

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Annexes

Annex 1 **Revised Schedule of Delegation**