

**SRA BOARD****CLASSIFICATION – PUBLIC**

**SOLICITORS REGULATION AUTHORITY**  
**Minutes of the SRA Board meeting**  
**held on 15 September 2020 at 10.45 by Microsoft Teams**

*Subject to final approval by the SRA Board at its meeting on 20 October 2020*

Present: Anna Bradley (Chair)  
David Heath  
Peter Higson  
Paul Loft  
Barry Matthews  
Geoff Nicholas (for items 1 to 9)  
Dame Denise Platt  
Selina Ullah  
Elaine Williams  
Tony Williams  
David Willis

In attendance: Paul Philip, Robert Loughlin, Jane Malcolm, Juliet Oliver, Liz Rosser, Tracy Vegro, Julie Brannan, Dominic Tambling

**1 WELCOME AND APOLOGIES**

1.1 The Chair welcomed Board members to the meeting. Apologies had been received from Chris Handford.

**2 MINUTES OF PREVIOUS MEETING ON 14 JULY 2020**

2.1 The minutes of the meeting held on 14 July 2020 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.

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 contributions to the morning workshop session. This had included a helpful discussion on our approach to anti-money laundering and how this may need to evolve in response to a changing legal and political environment. The Board had also considered the government's consultation on a proposed financial crime levy to which we would be responding in October.

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- 4.2 In addition, the Board had also discussed emerging policy issues following consultation on our Corporate Strategy and some significant developments relating to the impact of Covid-19 and the economic recession. The Board had considered what we might do in response to these and whether any additional areas or specific questions needed to be addressed. Key issues would be discussed in more detail at future meetings.
- 4.3 The Chair reported that the process of recruiting four new Board members was progressing well ahead of the closing date for applications on 22 September 2020. The recruitment agency assisting with the process was being pro-active in ensuring that we had a suitable field of candidates with the skills and experience we were seeking and that the field was as diverse as possible.
- 4.4 The Chair noted that plans were being developed to suitably mark, in December, the departure of four Board members and to recognise the important contributions they had made to the organisation. The Chair also noted that the intention, subject to circumstances, was to hold the Board meeting planned for January 2021 as a face to face meeting for as many of those who were able to attend as possible. This would help to build working relationships with the four new members who would join the Board in January. We would also be looking at other ways of inducting the new members to the Board given that Covid-19 constraints were likely to continue to a greater or lesser degree.

## 5 CEO REPORT

- 5.1 The Chief Executive presented his report. The Board noted that homeworking arrangements introduced as a result of Covid-19 were continuing and were generally working well. There had been impacts on our operational work which are reported under item 6. Plans for limited opening of our offices in Birmingham and London were underway but were dependent in part on local conditions and constraints.
- 5.2 Board members noted the latest position on transitional arrangements for the Solicitors Qualifying Examination including two further changes to our processes which would add capacity to the system (detailed in paragraph 14 of the paper).
- 5.3 The Board noted that the working group comprising the SRA, Law Society and Solicitors Indemnity Fund Limited, put in place to prepare for the wind up of the Solicitors Indemnity Fund (SIF) would begin meeting again. The work of the group had been put on hold following the Board's decision in June to extend SIF's role in relation to post-six year run off cover claims
- 5.4 The Chief Executive reminded the Board that in June 2020 it had made amendments to our Authorisation of Individuals Rules to allow solicitors to deliver immigration services to the public from Office of the Immigration Services Commissioner (OISC) regulated firms, provided they are individually regulated by the OISC. Some minor amendments were needed to these rules following

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discussions we had had with the LSB during the rule approval process and the Board agreed to delegate to the Chair the making of these minor amendments.

- 5.5 The Board also agreed to delegate to the Chair the making of the necessary revocation and commencement rules for the SRA Compensation Fund Rules 2020 to become effective. This followed the Board's agreement of the final set of changes to how we operate the Compensation Fund and making of the SRA Compensation Fund Rules 2020 in July 2020. We were now proceeding with our application to the LSB for approval of the changes.
- 5.6 The Board noted that the first meeting of our Expert Panel, which had been established to feed into our policy development, had been held on 7 September 2020. It was agreed that a suitable mechanism should be identified for keeping the Board kept informed of key elements of discussions with the Panel.
- 5.7 The Chief Executive updated the Board on our intervention on 11 August 2020 into Kingly Solicitors Limited. This was one of our largest interventions and we were taking all appropriate steps to try and recover the misappropriated funds, including the appointment of a liquidator.
- 5.9 The Chief Executive reminded Board members that they had received an email the previous week about the Competition and Markets Authority launching a call for inputs for its further work to assess whether the legal services sector in England and Wales has improved since its original 2016 review. The deadline for inputs was 30 September 2020 and we would therefore be circulating a summary of our proposed response to the Board.

## 6 SRA THIRD QUARTER PERFORMANCE REPORT

- 6.1 The Board was asked to consider an overview of the performance reports for the third quarter of 2019/20. Some amendments had been made to the format of the reports following discussion at the previous meeting.
- 6.2 The Board noted that the covering paper set out that the main impacts on our work in the previous quarter had been from the ongoing effects of Covid-19 and the introduction of new IT systems. The financial update reported that there had been additional costs arising from new working arrangements, such as the purchase of IT equipment for home working, but that these had been balanced by savings in other areas such as staff travel. The Board also noted that work was ongoing on recovery of costs from intervention and tribunal cases and that there would be further discussion of our overall financial position as part of work on financial projections at the October 2020 workshop discussion.
- 6.3 In relation the work programme update at annex 2 of the paper, the Board noted that an additional annex had now been added providing further information on the activities under each objective. There had been some small changes to the progress status of objectives but there were still four activities rated as amber based on progress to date.

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- 6.4 The Board also discussed the scorecard at annex 3 of the paper and noted that Covid-19 had had a particularly significant impact on the performance of the Contact Centre. This had been partly addressed by the introduction of a new telephony system but the contact centre industry more widely had been particularly badly affected by the move to home working. Plans were in place to support the Contact Centre through the Practising Certificate Renewal Exercise which would take place in October.
- 6.5 Board members agreed that it would be helpful if information on the various impacts of Covid-19 and how they were being addressed were drawn together to provide a narrative. This should include what additional work was being done to meet challenges and information on any additional resources being reallocated.
- 6.6 The Board also considered the annual SRA 2019 Workforce EDI report which covered the diversity profile of the SRA workforce according to protected characteristics.
- 6.7 Board members congratulated the Executive on the report, which demonstrated a good deal of progress. They commended the continuation of work, including the operation of the staff diversity networks, since the introduction of home working for most staff. In response to Board members' questions it was confirmed that future reports would contain more information on social mobility.
- 6.8 The Board noted the content of the quarterly performance reports and the commentary provided and the SRA 2019 Workforce EDI Report which would now be desktop published on our website.

*NB: annex 1 of this paper will not be published because it contains information which is commercially sensitive. Annex 4 will not be published because it relates to emerging policy or strategy.*

## 7 SRA STRATEGIC RISK UPDATE

- 7.1 The Board was asked to consider the Strategic Risk Register (SRR) for the third quarter ended 31 July 2020. The covering paper also provided information on the Mid-tier Risk Register, which was the responsibility of the Executive, and noted that a robust monitoring process was in place to ensure that the Board was fully sighted on progress of those risks, where appropriate, including escalation to the SRR.
- 7.2 A workshop discussion on strategic risk in the light of the new Corporate Strategy for 2020-23 had taken place on 14 July 2020. A new draft SRR would be considered at the Audit and Risk Committee on 29 September 2020 and would then be presented to the Board on 8 December 2020.
- 7.3 The Board noted the progress taking place on the further developments of risk governance and risk management.

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*NB: the Strategic Risk Register annex will not be published as it includes discussion of risk that might be exacerbated by publication.*

#### **8 CONSULTATION FEEDBACK AND NEXT STEPS: BUSINESS PLAN AND BUDGET, NOVEMBER 2020 TO OCTOBER 2021**

- 8.1 The Board was asked to consider responses and other stakeholder feedback received in relation to the consultation on our draft business plan and budget for November 2020 to October 2021 and the principles for setting the levels of contributions to our Compensation Fund.
- 8.2 The Board noted that there had been a comprehensive programme of engagement beyond the formal consultation, including through the holding of virtual events and through social media polling which asked about which current issues we should be focusing on and the priorities for our own work. This engagement had been particularly useful in identifying the local impacts of our work.
- 8.3 There had been a good deal of feedback on the effects of Covid-19 and its impacts on the legal profession and the consumers that rely on its services, including that the negative impacts might increase further still over the coming year.
- 8.4 There had also been strong support for the proposed work under objective one of our Corporate Strategy, including in relation to: the Solicitors Qualifying Examination; our anti-money laundering work; the evaluation of our regulatory changes; and our work on equality and diversity.
- 8.5 Proposed changes to the business plan in the light of feedback were set out in paragraph 33 of the paper and Board members supported these, including a review of the timing of recruitment of staff in Wales and a delay to the opening of a physical office in Wales in the light of uncertainty about Covid-19 constraints. The Board also agreed that the final plan should make it clear that access to justice is threaded throughout our work.
- 8.6 The Board:
- (a) noted the summary of feedback received, and our intention to publish an analysis of consultation responses and stakeholder views
  - (b) approved the publication of our business plan and budget for November 2020 to October 2021
  - (c) formally adopted the principles for setting the levels of contributions to our Compensation Fund.

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#### **9 SOLICITORS REGULATION AUTHORITY LIMITED (SRA CO) AND SOLICITORS REGULATION AUTHORITY ASSESSMENT LIMITED (SRAAL) – PROGRESS AND ISSUES**

- 9.1 The Board was asked to consider an update on progress in the transfer of the SRA's regulatory functions to a distinct legal entity, SRA Ltd, and the work to establish SRA Assessment Ltd (SRAAL) as a subsidiary of SRA Ltd to deliver the Solicitors Qualifying Examination (SQE).
- 9.2 Board members noted that discussions with the Law Society were ongoing and it was agreed that a further, additional, Board meeting should be held ahead of the next scheduled meeting on 20 October 2020 to address a number of questions raised by Board members in discussion.

*NB: this paper will not be published because it relates to emerging strategy or policy.*

#### **10 UPDATE OF SRA GOVERNANCE HANDBOOK AND SUPPORTING ANNEXES**

- 10.1 The Board was asked to consider changes made to the SRA Governance Handbook and supporting annexes to update the content. This was in large part to reflect the establishment of the SRA as a separate legal entity.
- 10.2 The Board noted that some of the changes, such as those to committee structures had been agreed at previous meetings. Some small further amendments to the delegation framework (annex 7 of the Handbook) had been suggested by Board members and these would be picked up in the preparation of the final version for publication.
- 10.3 The Board agreed the new Handbook including the revised annexes.

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

- 11.1 There was no other business. The Board agreed that based on the experience of this meeting we should move back to holding fewer, longer meetings as opposed to the model of more frequent, shorter, meetings which we had primarily used since the Covid-19 pandemic had begun. The next meeting would be held on 28 September 2020.