



Solicitors
Regulation
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SRA Governance Handbook
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1 INTRODUCTION

This Handbook is intended to support members of the board (collectively the “Board”) of the Solicitors Regulation Authority Limited (the SRA). It does not in itself establish legally binding obligations, but seeks to ensure good corporate governance by setting out expectations about the role and responsibilities of the Board, and ensuring a common understanding and consistent approach to Board business and governance matters.

The principles set out in this Handbook are underpinned by internal processes and procedures which are documented elsewhere. In particular Board members should at all times have regard to their obligations as directors of the SRA under relevant legislation, the Articles of Association and the Principles of the UK Corporate Governance Code. These are highlighted at annex 9.

The Handbook will be kept under review periodically by the Board and updated from time to time by the Board Secretary.

2 ABOUT THE SRA

The SRA is the regulator of solicitors and law firms in England and Wales, protecting consumers and supporting the rule of law and the administration of justice. The SRA does this by overseeing all education and training requirements necessary to practise as a solicitor, licensing individuals and firms to practise, setting the standards of the profession and regulating and enforcing compliance against these standards.

We protect people by:

- making sure all solicitors meet our high standards
- taking action when things go wrong with a solicitor or firm
- paying compensation to people who have lost money due to dishonest or incompetent solicitors
- making legal services more accessible and affordable.

The SRA was established by the Law Society (TLS) to exercise the regulatory powers found in legislation: including the Solicitors Act 1974, the Administration of Justice Act 1985 and the Legal Services Act 2007 (LSA), in the latter of which the TLS is named as an “approved regulator” for the purpose of authorising individuals and firms to carry out certain reserved legal activities. The SRA exercises those powers under delegated authority, governed by the [Law Society’s General Regulations](#).

In 2020 the SRA was incorporated as a Private Company Limited by Guarantee under the Companies Act 2006. The Articles of Association of the SRA regulate the internal affairs of the Company. The directors of the Board are otherwise referred to in this document as Board members.

The LSA also established the Legal Services Board (LSB) as the independent statutory body to oversee the work of the legal sector regulators in England and Wales. The SRA work with the LSB and under its rules, including the [Internal](#)

Governance Rules 2019 (IGRs) which safeguard the independent exercise by approved regulators of their regulatory functions.

3 ROLES AND RESPONSIBILITIES

3.1 THE BOARD

Role

The purpose of the Board is to provide effective leadership for the SRA, within a framework of prudent and effective controls, to ensure that it discharges its delegated regulatory functions and responsibilities in the public interest. The terms of reference, setting out the functions delegated to the SRA Board, are set out at annex 1.

The Board meets a maximum of eight times per annum, at least one meeting of which will be a confidential away day to focus on strategic issues.

Responsibilities

The responsibilities of the Board are to:

- set the SRA's overall mission and values, shaping a positive organisational culture
- provide strategic leadership for the SRA, setting the organisation's strategic objectives
- ensure an appropriate focus on fairness and equality, diversity and inclusion issues, in all the organisation's work
- approve the annual business plan and budget and ensure that the necessary resources are in place in order for the SRA to deliver agreed objectives, and that it secures value for money
- ensure that appropriate systems are in place to monitor progress against the business plan, expenditure against the budget, and the management of risk within the organisation (including setting the organisation's risk appetite)
- set and maintain a framework of delegation and internal control
- appoint the Chief Executive
- establish an effective working relationship with the Executive (the Chief Executive and Executive Directors), providing challenge and support where necessary
- ensure that appropriate audit and monitoring systems are in place, to oversee the management and performance of the organisation and hold the Executive to account
- ensure appropriate reporting to demonstrate accountability.

3.2 THE CHAIR

Role

The Board Composition and Appointments Protocol (the “Protocol”) (annex 8) sets out the process for appointing and reappointing the Chair of the Board.

The Chair of the Board is responsible for providing strong leadership for the Board, ensuring it works effectively to discharge its functions. The Chair also has an important role in acting as an ambassador for the SRA with external stakeholders, and internally within the SRA.

Responsibilities

The responsibilities of the Chair are to:

- provide strong non-executive leadership
- chair Board meetings effectively, and set an annual work programme with appropriate agendas, to ensure that required decisions are taken
- communicate effectively between meetings to ensure that business is taken forward, and effective contributions made by Board members
- provide feedback and guidance to Board members as part of the process for signing off their appraisals
- promote a culture of openness and debate, encourage effective contributions from Board members, good working relationships and appropriate levels of challenge, ensuring a focus on strategic issues rather than management.
- establish an effective working relationship with the Chief Executive, and between the Board and the Executive, providing challenge and support where necessary.
- decide on any bonus or incentive payments made to the Chief Executive, having taking soundings from the Board
- appoint chairs and members of committees, boards and working groups, following consultation with the Board
- build and maintain effective relationships with key stakeholders, representing the views and interests of the SRA externally.
- act as an internal ambassador for the Board within the SRA.

3.3 BOARD MEMBERS

Role

As with the Chair, the Protocol at annex 8 sets out the principles determining the composition of the Board and the process for appointing and reappointing the directors, or members, of the Board. The role of Board members is to work collectively to effectively discharge the Board's functions.

Responsibilities

The responsibilities of the Board members are to:

- contribute to setting the strategic direction of the SRA, bringing knowledge and expertise to Board discussions, and demonstrating an understanding of the SRA's functions and the wider regulatory and political environment
- hold the Executive to account for the management and performance of the organisation
- ensure that issues are explored from a range of viewpoints, and with appropriate focus on equality, diversity and inclusion issues
- take an active part in Board and committee meetings; and work effectively with the Executive
- participate in induction, training and appraisal processes
- act as an ambassador for the SRA, representing its views and interests externally
- uphold the principle of corporate responsibility for Board and committee decisions.

3.4 SENIOR INDEPENDENT DIRECTOR

Role

The Senior Independent Director (SID) is appointed by the Board, to work with the Chair to facilitate the effectiveness of the Board.

The SID will be appointed from amongst the members of the Board for a period of no more than 2 years, and may be reappointed for one or more further terms, up to a total of no longer than their maximum term as a Board member. The SID has specific duties, set out below, in respect of which they are accountable to the Board.

Responsibilities

The responsibilities of the SID are to:

- undertake the appraisal of the Chair

- Support the Chair and Board in relation to Board effectiveness
- Carry out ad hoc investigations as requested by the Chair to handle complaints about Board members
- as the Senior Designated Contact, investigate whistle blowing claims relating to the Chief Executive a member of the Senior Management Team or a member of the Board
- be available to Board members and the Executive if they have concerns which have not or cannot be resolved through contact with the Chair and/or the CEO, or for which such contact may not be the most appropriate route

3.5 COMMITTEES AND COMMITTEE CHAIRS

The Board has two committees to assist in carrying out its business: Audit and Risk Committee and Remuneration Committee. The purpose of these committees and their terms of reference are set out at annex 2.

Committee chairs shall be appointed by the Chair from amongst the existing members of the Board. The term of office is to be agreed between the Board Chair and (prospective) Committee Chair.

Committees may include co-opted external advisory members, who shall be appointed via a process to be agreed by the Chair in discussion with the Chair of the Committee.

Responsibilities of Committee Chairs

The responsibilities of the Committee Chairs are to:

- provide strong leadership and direction to the committee, ensuring that it fulfils its purpose effectively, in accordance with its terms reference
- agree the Committee's work programme, which is to be shared with the Board at each meeting
- agree the confidential minutes of each meeting for approval by the Committee, which are circulated to the Board
- report on committee business to the Board, and ensure that appropriate matters are referred for consideration by the Board
- promote a culture of openness and debate, encouraging effective contributions from and good relationships between members of the Committee and the Executive
- establish a good working relationship with the appropriate lead Executive Director for the committee, providing challenge and support where necessary.

4 HOW WE WORK

4.1 Our Values

Our values guide us in how to behave and the attitude in which to work. Board and Committee members, including external advisers, are expected to lead by example in upholding these values. Our five core values are:

- 1 **Independent:**
We act impartially, making objective and justifiable decisions based on evidence.
- 2 **Professional:**
We have the knowledge and skills to deliver high standards; striving for excellence.
- 3 **Fair:**
We treat people equally; without favouritism or discrimination.
- 4 **Progressive:**
We listen, respond and proactively develop and improve the way we work.
- 5 **Inclusive:**
We work together, valuing difference, to deliver common goals.

4.2 Equality, diversity and inclusion

We are an organisation where diversity is valued and we are committed to working in an inclusive way. Similarly, we aim to treat those we regulate fairly and to encourage a strong and diverse profession where all have an opportunity to succeed.

The Board always considers the EDI impact of any recommendation put before it: An analysis of any equality impacts can be found at the front of each Board paper, and the supporting information section carries details of any engagement with any individuals or groups potentially affected.

4.3 Board member conduct

Board members have a duty to subscribe to the Nolan principles of selflessness, integrity, objectivity, accountability, openness, honesty and leadership. They should lead by example in demonstrating good corporate governance - being open, transparent and accountable.

A register of interests will be held and published by the SRA. Board members have a duty to complete and maintain their entry in the register of Interests, and declare any professional, business, or personal interests which may, or might be perceived to, conflict with their responsibilities as Board members. Board members should disclose the existence and nature of any personal interest or conflict that they may have in any business being discussed at a Board or other meeting by contacting the relevant Board or Committee Secretary in advance. If the existence of such an interest becomes apparent during the course of the meeting, he or she must disclose it as soon as it does so.

Board members must abide by the policies that apply to their role (list and links at annex 3) and adhere to the Code of Conduct for SRA Board and Committee members (at annex 4). Board members must notify the Board Chair promptly if they believe that they may have been in breach of any policy of the Code of Conduct.

The protocol (at annex 5) contains provisions for handling concerns about the conduct of members of the Board and set out procedures for dealing with any complaints that cannot be dealt with informally.

Board members must comply with any request to complete forms and declarations requesting information necessary for the completion of accounts or to submit insurance renewal declarations.

Board members have a duty to distinguish clearly, when speaking or writing, between views held by themselves personally (or of any other organisation they may be affiliated with) and those of the SRA. Any communication with the media which relates to our work, including publication of views via the internet or by other means, should be discussed with the External Affairs team before publication, and the SRA's corporate views and interests represented.

Board members and external advisers to committees are expected to adhere to the following behaviours at Board and committee meetings:

- Attend and take full part in Board/committee meetings as set out in their contract.
- Prepare well for meetings.
- Give the meeting their full attention.
- Make concise and timely contributions, raising issues wherever possible before meetings with the Chair or the Executive, to aid constructive debate at meetings.
- Express a range of views but seek to build consensus wherever possible.
- Listen to and respect the contributions of others.

4.4 Decision making

The quorum of the Board shall be 5.

The Board takes decisions by simple majority, although seeks to achieve consensus wherever possible. The Chair has the casting vote where necessary.

Decisions are generally made and recorded at Board meetings which will take place face to face or virtually. On exceptional and urgent occasions when this is not possible, a decision may be taken by email.

Minutes of meetings will be "Cabinet Style" and will record the subject under discussion and decision reached by the Board or its agreed course of action. Individual comments will not usually be recorded and individual views will not generally be attributed unless members specifically request that their differing views are recorded. Notes of the discussion and contributions made by individual Board

members will in any case be kept internally where there is a range of views and/or the decision was not reached by consensus.

In accordance with paragraph 7.7 of the guidance to the IGRs, if a decision on regulatory functions is taken at a meeting where there is either not a lay majority or not a lay chair (or both), this decision must be ratified either at a meeting or by correspondence (if sooner) by a lay majority and a lay chair. In practice, this will generally be effected through formal ratification of the minutes by email circulation.

The SRA has in place a Delegation Framework (at annex 6) which sets out how the Board, committees and Executive work together to discharge the SRA's functions. Further, responsibility for specific matters or decisions may be delegated to individual Board members, committees or working groups as the Board considers fit.

5 BOARD AND MEMBER PERFORMANCE

5.1 Board Effectiveness

Board members are encouraged to recommend to the Chair improvements and changes in governance arrangements and ways of working at any time.

At least once every three years, an independent review of aspects of the Board's governance arrangements shall take place, to benchmark them against working practices of other similar organisations.

5.2 Appraisal of the Chair and Board/Committee members

The Chair has an annual appraisal that is conducted by the SID in accordance with the procedure set out in annex 7.

The appraisal will include a formal appraisal meeting, guided by feedback from Board members, the Executive and any external stakeholders as the SID considers appropriate. The SID shall decide what feedback, if any, should be reported back to the Board on the outcomes of the appraisal.

Appraisals of individual Board members will be conducted annually by the Chair in accordance with the procedure set out in annex 7.

6 BOARD MEMBER RECRUITMENT

6.1 Appointment and reappointment

Under rule 4(2)(a) of the IGRs the SRA as the regulatory body must determine its own governance, structure, priorities and strategy. Rule 8 provides that it is for the SRA as the regulatory body to independently appoint, appraise, remunerate and terminate the members of its board. These matters are governed by Article 5.2 and the protocols at annexes [5] and [8].

6.2 Induction

All Board members have an induction, which includes:

- undertaking a Director's Training Programme
- a session on equality and diversity

- meetings with members of the Executive.

6.3 Succession Planning

The Chair shall develop and maintain a succession plan that provides a framework for identifying and sourcing potential Board members to meet the future needs of the Board, and that supports the development of internal capability (for example, identifying future Committee Chairs) and the recruitment of new members to the Board.

A skills audit review will be undertaken to take into account the current and future needs of the Board. This will generally be conducted bi-annually. However, flexibility is needed so these can inform recruitment campaigns for new Board and committee members.

Annexes

Annex 1	Solicitors Regulation Authority Board terms of reference
Annex 2	Committee terms of reference
Annex 3	Policies applying to SRA Board member role
Annex 4	Code of Conduct for Board and Committee members
Annex 5	Handling complaints or concerns about members of the Board of the Solicitors Regulation Authority
Annex 6	SRA Delegation Framework
Annex 7	SRA Board member appraisal framework and behavioural competencies
Annex 8	Protocol for the appointment and reappointment and removal and suspension of Board members of the Solicitors Regulation Authority
Annex 9	Board member obligations