

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

**SOLICITORS REGULATION AUTHORITY**  
**Minutes of the SRA Board meeting**  
**held on 20 October 2021 at 15.00 at the Malmaison 1-3 Piccadilly, Manchester M1**  
**3AQ**

*Subject to final approval by the SRA Board at its meeting on 7 December 2021*

Present: Anna Bradley (Chair)  
Ann Harrison  
Paul Loft  
Barry Matthews  
Dermot Nolan  
Geoff Nicholas  
Vikas Shah  
Liz Smart  
Selina Ullah  
Tony Williams

In attendance: Paul Philip, Robert Loughlin, Jane Malcolm, Juliet Oliver, Tracy Vegro, Chris Handford, Benedict Fisher, Dominic Tambling

**1 WELCOME AND APOLOGIES**

1.1 The Chair welcomed Board members to the meeting. Apologies had been received from Peter Higson.

**2 MINUTES OF THE PREVIOUS MEETING ON 14 SEPTEMBER 2021**

2.1 The minutes of the meeting held on 14 September 2021 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. 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 engagement in a series of stakeholder events the preceding day, including a meeting with members of Manchester Law Society and dinner with key consumer groups and representatives of the profession. Both sessions had provided helpful input into our wider thinking.

4.2 The Chair thanked Board members for their contributions to the morning's strategy discussions on a review of the first year of implementation of our Corporate

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Strategy for 2020-2023 and a look ahead to how we would approach the activities in our 2021/22 business plan for year two of the strategy. The Board had also discussed our corporate communications objectives, our corporate positioning, approach to stakeholder engagement and evaluation of our communications performance. The Executive would report back on plans to consider and implement the issues raised and actions identified in discussion.

- 4.3 The Chair updated the Board on the process for new Board members. The deadline for applications had been 17 October 2021, and the longlisting meeting would take place on 26 October 2021.

### **5 SOLICITORS INDEMNITY FUND – PROVISION OF POST SIX YEAR RUN OFF COVER**

- 5.1 The Board was asked to consider a proposal to consult on options for the future of post six year run off cover (PSYROC) and the Solicitors Indemnity Fund (SIF).
- 5.2 Tony Williams declared that he had been a partner in a firm which had dissolved in 2002 without a successor practice. As far as he was aware no claim in relation to the firm had ever been made to SIF and he was not aware of any facts or circumstances that could give rise to such a claim. It was agreed that Tony was not required to recuse himself from the discussion.
- 5.3 The Board noted that following earlier workshop discussions further work had been done on developing an analysis of the options for consultation against the criteria on which the Board would make its decisions on the future of PSYROC and SIF following the consultation, including careful consideration of our regulatory objectives. The table at annex 3 of the paper set out an analysis of the key considerations and evidence in relation to the future of PSYROC against these criteria.
- 5.4 The paper also included details about the Solicitors Indemnity Fund Limited's (SIFL's) accounts, including its operating costs, and draft Equality Impact and Regulatory Impact Assessments, which would be developed following this discussion and published with the consultation paper. The assessment against the regulatory objectives would also be published.
- 5.5 The paper also included extracts from an independent report, produced in October 2021, by Willis Towers Watson (WTW), actuaries and insurance experts familiar with SIF, who we had appointed to analyse claims patterns and assess impacts on consumers and on solicitors/firms of terminating PSYROC provision through SIF. The report informed the analysis in the paper and a final version of the report would be published with the consultation.
- 5.6 The Executive also confirmed that we had been consulting regularly with counsel on all of the elements of the proposals including our evidence gathering and the principles and criteria being considered.

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- 5.7 The Board noted that the proposed approach was that the consultation paper would set out all of the options which had been put to us by a number of stakeholders but would be clear which, based on the evidence available to us, we thought were or were not viable and which we preferred. The consultation would of course provide an opportunity for respondents to put forward arguments and evidence that they might consider we had missed.
- 5.8 Board members noted that the paper indicated that the continuation of SIF would not be efficient or proportionate for what it would deliver in terms of consumer benefit.
- 5.9 The Board discussed the options for provision of ongoing PSYROC through another mechanism and the analysis set out in the paper and agreed that the consultation should highlight that this was not the preferred way forward. It noted that the costs of any levy on the profession to enable PSYROC to continue would almost certainly be passed on to consumers and that this appeared hard to justify given the small number of claims likely to be met.
- 5.10 The Board noted that we were legally constrained from acting for the purpose of providing a 'sleep easy' provision for those solicitors who might benefit from the continuation of PSYROC.
- 5.11 In discussion it was also agreed that funding any further arrangement would likely require asking large parts of the profession which would not benefit from the cover it would provide to contribute to the costs, cross-subsidising protection for the very small number who could potentially benefit.
- 5.12 The expectation would be that if SIF was closed then any residual funds would be passed to the Law Society (TLS), which could use those funds for a wider range of purposes than were open to us. TLS should be encouraged to progress its consideration of what it might do with the funds if that was the final outcome and we would be happy to discuss this with them.
- 5.13 The Board agreed that although the consultation paper should cover all of the options that had been proposed to us, it should be clear about our position in relation to these. We should therefore consult on the preferred options set out in the paper:
- i. not providing for on-going PSYROC through SIF
  - ii. not providing for on-going PSYROC through another mechanism, while acknowledging the positions of others and providing clear information on the difficulties we have identified.
- 5.14 The Board also agreed the approach to consultation, with approval of the consultation document delegated to the Board Chair. The Board noted that the consultation was likely to be published in November and would run for 12 weeks.

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The matter would return to the Board in February 2022 for agreement of the post-consultation period and actions.

*NB: the annexes to this paper will not be published because they relate to emerging strategy or policy.*

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

- 6.1 There was no other business. The next meeting would be held on 7 December 2021.