

SRA BOARD**CLASSIFICATION – PUBLIC****SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
held on 1 July 2021 at 09.00 by Microsoft Teams**

Subject to final approval by the SRA Board at its meeting on 20 July 2021

Present: Anna Bradley (Chair)
Ann Harrison
Peter Higson
Dermot Nolan
Geoff Nicholas
Vikas Shah
Liz Smart
Selina Ullah
Tony Williams

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

1 WELCOME AND APOLOGIES AND DECLARATIONS OF INTEREST

1.1 The Chair welcomed Board members to the meeting. Apologies had been received from Paul Loft and Barry Matthews who had emailed the Chair in advance of the meeting to support the recommendations.

2 BUSINESS PLAN AND BUDGET FOR NOVEMBER 2021 TO OCTOBER 2022: CONSULTATION FEEDBACK AND NEXT STEPS

2.1 The Board was asked to consider responses received from stakeholders during the consultation process on our draft business plan and budget for November 2021 to October 2022 and proposed our next steps.

2.2 Eleven formal responses had been received to the consultation in addition to the programme of engagement events and online polls involving more than 8,300 individuals and around 50 organisations. We had received positive feedback about these events, including that Board members' attendance at a number of them had been appreciated.

2.3 There had been no disagreement with the substantive proposals in the Business Plan but a number of suggestions had been made as to areas in which we might go further. These were set out in paragraph 33 of the paper and included increased support for smaller firms adapting to a 'digital first' world and work on climate change and wider environmental, social and governance initiatives.

2.4 Respondents also supported a greater emphasis on work on broader collaboration in our new horizon scanning activity and on our role in signposting to helpful initiatives from other organisations.

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- 2.5 Board members noted that the number of formal responses received to the consultation at eleven was the same as for the previous year. They complimented the Executive on the various engagement events that had been held and noted that the Legal Services Board (LSB) had been supportive of our programme of engagement for the consultation. Board members asked that in future years further consideration should be given to ensuring engagement was based on segmentation and targeting of initiatives, to ensure a spread across all stakeholders and within each group of stakeholders.
- 2.6 Board members discussed the responses received to the consultation and in particular the areas where a change of emphasis or detail had been suggested. The Board advised that in some areas, such as technology and innovation and the green agenda, we needed to be clear about exactly what our role as regulator was. The Board also advised that the business plan should pick out cyber security as an area of work.
- 2.7 The Board noted that there had been very little feedback from the consultation on the budget for 2021/22. The proposed budget and net funding requirement (NFR) for the next financial year was £56.8m which was an increase of £2m from the 2020/21 budget, but broadly in line with the amount we expect to collect this year due to increased numbers of practising certificate holders. The Board noted that when last years' budget had been set, there had been speculation that the Covid-19 pandemic and/or the UK exit from the European Union might reduce the numbers of solicitors but that had not been the case.
- 2.9 The Law Society Council would be asked to approve the overall NFR for the Group, which included costs for the LSB, Legal Ombudsman, Solicitors Disciplinary Tribunal and the Office for Professional Body Anti-Money Laundering Supervision, at its meeting on 14 July 2021. The Board would then be asked to approve practising fees for 2021/22 at its meeting on 20 July 2021 and the expectation was that we would recommend a reduction in the individual practising certificate fee from £278 this year to £270 for 2021/22.
- 2.10 In response to questions from Board members it was confirmed that although we made the application to the LSB for the overall group funding requirement, we had no other responsibility for those bids made by the Law Society or the other organisations. Board members agreed that it was unfortunate that we might be seen as being responsible for increases in funding for other bodies, rather than just our own fee element. To help mitigate this, the consultation had set out what proportion of the overall requirement our funding represented.
- 2.11 The Chair reminded the Board that at its last meeting it had asked the Executive to undertake a significant piece of work to determine our long-term position regarding the role of the Solicitors Indemnity Fund and ongoing provision of post six year run off cover. This would need to be taken into account in the detailed allocation of resources for work in the next financial year. The final business plan and budget would be published in September 2021.

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2.12 The Board:

- a) noted the summary of consultation feedback and our public commitment to publish an analysis of the responses and stakeholder views shortly
- b) delegated authority to the Chair to approve the final business plan for publication with any additional details stemming from the Board meeting discussion
- c) approved the SRA budget of £56.8m to be provided by practising fee income
- d) noted the expected reduction in the practising certificate fee that the Board is likely to be asked to consider for approval at the 20 July 2021 SRA Board meeting, following the Law Society Council's meeting.

NB: annex 2 of this paper includes redactions in line with respondents' preferences.

3 REVIEW OF MEETING AND ANY OTHER BUSINESS

3.1 There was no other business. The next meeting would be held on 20 July 2021.