## **SRA BOARD**



**CLASSIFICATION – PUBLIC** 

#### SOLICITORS REGULATION AUTHORITY Minutes of the SRA Board meeting held on 19 January 2022 at 10.00 by Zoom

Subject to final approval by the SRA Board at its meeting on 1 February 2022

- Present: Anna Bradley (Chair) Ann Harrison Paul Loft Lisa Mayhew Dermot Nolan Vikas Shah Liz Smart Tony Williams
- In attendance: Nicola Williams (Board observer), Paul Philip, Robert Loughlin, Jane Malcolm, Juliet Oliver, Liz Rosser, Tracy Vegro, Julie, Brannan, Chris Handford, Dominic Tambling

### 1 WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST

- 1.1 The Chair welcomed Board members to the meeting, in particular Lisa Mayhew, a new Board member, and Nicola Williams, Board observer ahead of joining the Board in September, whose first meeting this was. Apologies had been received from Selina Ullah.
- 1.2 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.

#### 2 REVIEW OF APPLICATION TO REGISTER SOLICITORS REGULATION AUTHORITY LTD (SRA) AS A CHARITY

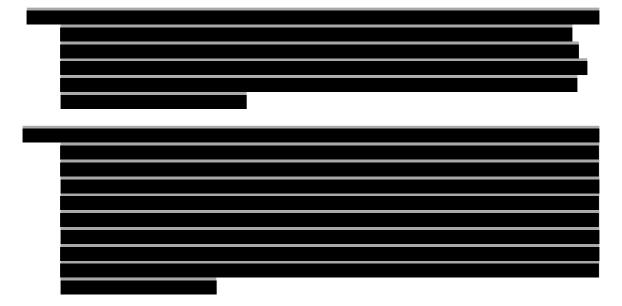
- 2.1 The Board was asked to decide whether or not to pursue our application for charitable status, as the next step in agreeing the form of SRA Ltd. This followed an update on our application for registration with the Charity Commission in a confidential workshop session on 7 December 2021.
- 2.2 The Board was reminded that in September 2020, it had agreed that we should seek to establish SRA Ltd as a charity because this would: strengthen our accountability for the public interest nature of our role, through additional oversight by the Charity Commission (the Commission) and compliance with its accounting and publication requirements; and allow us to take the benefit of tax reliefs available to charities, maximising the use we can make of the funds available to us for our public interest work and providing clarity and certainty regarding the management of our tax position.

## SRA BOARD



## CLASSIFICATION – PUBLIC

- 2.3 We had amended our Articles of Association to a charitable form in November 2020 and submitted our application for registration as a charity, which was ongoing, with the Commission.
- 2.4 At the December discussion, the Executive had highlighted the queries and issues raised during the application to date and the approach taken by the Commission to its assessment of our functions and objectives against our charitable purposes which had led us to review whether or not to continue with the application.
- 2.5 The Board had requested further analysis on the potential impact of registration as a charity on our future work as well as further information on our tax position.
- 2.6 The Board was reminded of the challenges that had become apparent as our application to register as a charity had progressed including that there was potential for tension between our interpretation and the Commission's regarding the proper scope of our role as a charity. Charitable status would also place limitations on our ability to pursue other (non-charitable) goals that may be proper and desirable for us to pursue as a regulator, acting in the public interest and furthering the regulatory objectives.



- 2.9 The options now before the Board were therefore to: continue with the charitable application which implied being prepared to make any necessary changes to our arrangements and continue to expend the high levels of resource required to pursue the application; continue with the charitable application without making any of the changes that appear necessary, in the knowledge that this reduced the probability of a positive outcome; or withdraw the application for charitable registration and revert to non-charitable status, relying upon non-trading status by way of tax mitigation.
- 2.10 The Board discussed the process which had led to the application to register for charitable status and the recommendation that the application be withdrawn. The

# SRA BOARD



## **CLASSIFICATION – PUBLIC**

Executive agreed that it would consider carefully any lessons learned from the process.

- 2.11 On the basis that pursuing the application to register as a charity might require us to compromise on the work which we wished to do in the future and given the new information on the likelihood of establishing non trading status the Board agreed to withdraw the application for charitable registration and revert to non-charitable status.
- 2.12 It was agreed that the Audit and Risk Committee would consider our tax position in its work on the Strategic Risk Register and Accounts.

NB: the paper relating to this item will not be published because it includes discussion of risk that might be exacerbated by publication/includes legal or other professional advice on sensitive or confidential matters.

### 3 REVIEW OF MEETING AND ANY OTHER BUSINESS

3.1 The Chair noted that it seemed likely that the Government would be lifting many of the Covid-19 restrictions the following week, including the requirement to work from home if possible. This meant that it would be possible to hold the Board meeting at the end of the month face to face if the Board was comfortable with doing so. Following discussion it was agreed that the Board's next meeting on 31 January/1 February 2022 would take place in London.