



SRA BOARD

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SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
held on 25 April 2022 at 16.00 at St David's Hotel, Havannah Street, Cardiff, CF10
5SD

Subject to final approval by the SRA Board at its meeting on 7 June 2022

Present: Anna Bradley (Chair)
Paul Loft
Lisa Mayhew
Dermot Nolan
Vikas Shah
Liz Smart
Selina Ullah
Tony Williams

In attendance: Nicola Williams (Board observer), Paul Philip, Robert Loughlin,
Benedict Fisher, Juliet Oliver, Liz Rosser, Tracy Vegro, Julie,
Brannan, Chris Handford, Rachel Pillinger (for item 7), Dominic
Tambling

1 WELCOME AND APOLOGIES

1.1 The Chair welcomed Board members to the meeting. Apologies had been received from Ann Harrison.

2 MINUTES OF THE PREVIOUS MEETING ON 5 APRIL 2022

2.1 The minutes of the meeting held on 5 April 2022 were approved as a true and accurate record. [REDACTED]

3 MATTERS ARISING AND DECLARATIONS OF INTEREST

3.1 There were no other matters arising that would not be covered elsewhere on the agenda. All actions due had been completed.

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 had nothing specific to report since the 5 April 2022 meeting.

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5 SRA BUSINESS PLAN AND BUDGET 2022-23

- 5.1 The Board was asked to consider the draft Business Plan and Budget for 2022-23, and the steps required to proceed to public consultation, ahead of finalisation of the Business Plan and Budget to take effect on 1 November 2022.
- 5.2 The draft Business plan and Budget had been further developed following workshop discussions earlier in the month. They covered the final year of our current Corporate Strategy which would conclude at the end of October 2023.
- 5.3 Although this was the Business Plan for the coming financial year and there would be separate discussions about the next Corporate Strategy to run from October 2023, the Board suggested that it would be helpful to include something on what we were considering for the new Corporate Strategy in the plan, for instance in relation to work on technology and innovation, or areas where there would be continuity as projects moved into new phases of delivery, such as the Solicitors Qualifying Examination.
- 5.4 Furthermore, it was noted that we would be consulting on the Corporate Strategy for 2023-26 later in the year and that there needed to be a link made between that and this business plan with a clear direction of travel from one to the other. Board members noted that only 8% of our resources went towards Objectives 2 and 3 and questioned whether this was split was correct. We had already said that this might change for the next Corporate Strategy period, but additionally it was suggested that we could acknowledge that some of the Objective 1 work contributes to the achievement of the other objectives, and vice versa.
- 5.5 Board members also asked for some of the points raised in the budget paper to be explained further in the business plan and consultation document, for instance an explanation of the proposed rise in staff costs and increased revenue. It was also suggested that some of the more positive points to report on costs such as on savings on office costs should be highlighted.
- 5.6 Board members also asked about how stakeholders might be engaged in the consultation and it was confirmed that we would use bespoke events and approaches to seek feedback from different groups and communities. Board members asked the Executive to give further consideration to ensuring that consultation materials were accessible to all, for instance through easy read versions of the documents.
- 5.7 The Board noted the further steps for developing, finalising and publishing the Business Plan and budget and subject to the points above agreed the draft Business Plan and Budget for 2022-23, and the public consultation process and delegated final approval of the consultation documents to the Chair.
- 5.8 The Board noted and agreed the proposal for a reduction in the contribution level for the Compensation Fund in 2022/23 from £40 per individual and £760 per firm to £30 per individual and £690 per firm. Combined with the proposed increase of £6

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for the individual Practising Certificate fee this would give an overall effect of a £4 reduction.

6 FINANCIAL PENALTIES – POST-CONSULTATION POSITION

- 6.1 The Board was asked to consider our position and recommendations following the recent consultation on Financial Penalties and a workshop discussion on 5 April 2022.
- 6.2 The consultation had proposed several principles that should govern our approach to the issues covered in the consultation and these were listed in paragraph 7 of the paper. A majority of respondents had supported these principles and the Board agreed to adopt these principles to our approach to fining. The Board noted that it would be important to continue discussions with the Solicitors Disciplinary Tribunal (SDT) about how we applied our fining powers: We had a shared agenda with the SDT to enhance consistency and to reduce the time taken to bring cases to a conclusion.
- 6.3 The Board also considered consultation responses to our proposals to seek an increase to our internal fining powers for traditional law firms and solicitors from £2,000 to £25,000.
- 6.4 Board members noted the concerns around lack of transparency if more cases were dealt with internally rather than through the SDT, but that we had well-established internal processes for dealing with cases, that we published our processes and regulatory outcomes, and that ultimately any respondent could appeal to the SDT for a hearing. The Board asked that information explaining how we dealt with cases be made available in the consultation response, perhaps including process maps.
- 6.5 The Board agreed that we should proceed with discussions with the Ministry of Justice about a potential increase to our internal fining powers to £25,000 for both individual solicitors and traditional firms.
- 6.6 The Board next considered responses to our proposals that certain behaviours such as sexual misconduct, discrimination and non-sexual harassment are unlikely to be suitable for a financial penalty.
- 6.7 There had been a mixed response, with some strongly in support and others stating that these cases cover a spectrum of seriousness. The Board agreed that we update our guidance to set out a clear position on these kinds of cases, and the types of attitudes and behaviours that required a restriction on practice in order to protect the public interest – without fettering our or the SDT’s discretion to respond to fact specific scenarios. The Board agreed that this should state that an outcome other than a restriction on practice would be exceptional.
- 6.8 In relation to responses to our proposals to introduce fixed penalties for lower-level breaches of our rules, the Board noted that the majority of responses had been supportive, though a number of respondents had been interested in the precise

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procedures that we would adopt, the kinds of cases that would be appropriate for a fixed penalty regime and levels of fines to be imposed. The Board agreed that we proceed to develop a fixed penalty regime and produce detailed rules and criteria for further consultation.

- 6.9 The final proposal related to developing a new framework for setting levels of fine that takes into account the financial position of both firms and individuals. The Board noted that there had been a great deal of support for this proposal and our proposed approach had also been supported by advice from an economic consultancy, a summary of which was annexed to the paper.
- 6.10 The Board agreed that we proceed with the proposal to introduce means related fines for all individuals and firms (based on income related to the relevant employment, and annual domestic turnover respectively) and to raise the maximum percentage of the annual domestic turnover of firms that we may fine up to 5%.
- 6.11 The Board also noted the post-consultation analysis and the draft Equality Impact Assessment, which would now be finalised for publication, and agreed the next steps, including that the Chief Executive should sign off the further short consultation in the summer on the rules and guidance that govern our approach.

7 SRA CORPORATE COMPLAINTS NOVEMBER 2020 – OCTOBER 2021

- 7.1 The Board was asked to consider an update on our corporate complaints for the year 2020/21, including the Independent Reviewer's annual report.
- 7.2 The Board noted the comprehensive three stage procedure for handling complaints made about our service set out in paragraphs 4 and 5 of the paper. The third stage was handled by an independent reviewer (IR) which was currently the Centre for Effective Dispute Resolution. The IR also audited our internal complaints handling and produced the annual report attached to the paper. The Board noted that the number of complaints response to in 2021-22 had risen slightly, in line with increases in operational work.
- 7.3 The Board considered the most common causes of corporate complaints. One of the most common causes for complaints received by the IR was delays in our regulatory investigations. The Board was reminded that the previous month we had published specific details about what we were doing to improve the timeliness of our enforcement work.
- 7.4 Dissatisfaction with the outcome of a complaint made to us about a solicitor, and in particular where we decided not to investigate, continues to be the most common reason for complaint. We had improved information on our website over recent years, but we had now also started further work to improve the range and quality of information on our website, including exploring interactive tools, to help people better understand our interest in receiving regulatory information, how we deal with complaints about solicitors, and whether we are the right place to raise concerns.

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We were also providing training to staff on how to present decisions not to investigate complaints more positively.

- 7.5 The third main reason for complaints was poor communication which included not returning calls or replying to emails or failing to keep complainants updated. To help to address this we had developed new customer service e-learning for our staff, which we would launch shortly, looking at the practical things to practise daily to provide excellent customer service. We would also be providing further training to staff in key areas of the organisation on being as clear as we can be in our writing and ensuring that our tone is correct.
- 7.6 The Board noted that we did not collect data on the demographics of those making complaints to us and that although this would be helpful information to have there were concerns that it might discourage some complainants.
- 7.7 It was confirmed that even where a complaint was not investigated, it was recorded and that a pattern of complaints against the same solicitor or firm which did not individually pass the threshold for investigation but that in combination might, could therefore be identified.
- 7.8 In conclusion, the Board noted that the primary reasons for corporate complaints remained the same from year to year. The Board invited the Executive to provide an assessment along with the next IR report of the extent to which work undertaken had made an impact on these three areas of concern.
- 7.9 The Board noted the Independent Reviewer's annual report 2020/21 and the key areas we continued to focus on to improve our service.

8 REVIEW OF MEETING AND ANY OTHER BUSINESS

- 8.1 The next meeting would be held on 7 June 2022.