

SRA BOARD
CLASSIFICATION – PUBLIC

SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
21 April 2026 at Leonardo Royal Hotel London St Pauls 10 Godliman Street
London EC4V 5AJ

Present: Anna Bradley (Chair)
Ann Harrison
Claire Bassett
Rob McWilliam
Simon Millhouse
Claudio Pollack
Lisa Mayhew
Vikas Shah
Liz Smart
Nicola Williams

In attendance: Sarah Rapson, Aileen Armstrong, Deborah Jones, Jonathan Peddie, Liz Rosser, Dominic Tambling, Chris Handford (item 7), Antony Timlin (item 7), Harriet Gamper (item 12)

1 WELCOME AND APOLOGIES

- 2.1 The Chair welcomed everyone to the meeting, including Jonathan Peddie who had now been appointed to the permanent role of Executive Director Investigations, Enforcement and Litigation. There were no apologies.

2 MINUTES OF THE PREVIOUS MEETING 16 MARCH 2026

- 2.1 The minutes of the meeting on 16 March 2026 were agreed.

3 MATTERS ARISING AND DECLARATIONS OF INTEREST

- 3.1 There were no matters arising that would not be covered on the agenda. All actions due were completed or in hand.
- 3.2 In response to a recommendation in the Board Effectiveness Review Simon Millhouse had agreed to be the lead Board member for staff engagement and would work closely with the Executive on this.
- 3.3 The Board received a report on progress with the review of the Assessment Threshold Test. Further detail would be reported at the Board's June meeting but a key change would be for a decision to focus on whether we should investigate a report instead of whether we could. It was not yet clear whether consultation would be needed on proposed changes though it was likely.
- 3.4 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

SRA BOARD

CLASSIFICATION – PUBLIC

- 4.1 The Board noted that at a meeting on 15 April 2026 the Board agreed to propose to the Legal Services Board (LSB) that the Directions arising from the Axiom Ince case be extended, given questions raised in light of the PM Law case and to allow time to evaluate changes recently introduced, together with proposing changes to the evaluation arrangements to include the serious event review into PM Law. The Board had also agreed by circulation to reappoint BDO as external auditors for a further year (see item 11).

5 COMMITTEE CHAIR REPORTS

- 5.1 The Board was asked to consider reports on discussions at meetings of Board committees.
- 5.2 The Chair of the Nomination Committee reported that the Committee had been focused on matters relating to the recruitment of a new Board Chair and two new Board members. It was proposed that Lea Paterson be appointed as independent Chair of the panel to appoint the new Board Chair. Candidates to be the independent member of the panel to appoint the new Board members were being considered.
- 5.3 The Chair of the Remuneration Committee said that at its meeting on 23 March 2026 the Committee had received a report on the current ethnicity action plan which was now largely complete. A new EDI plan was being developed which would cover all aspects of diversity and this would be considered by the Committee later in the year. The Committee had also approved by circulation arrangements for a green car scheme for staff which had now been launched.
- 5.4 The Chair of the Audit and Risk Committee (ARC) said that the Committees meetings in February and March had focused on the annual reports and accounts which the Board would be asked to approve under item 11 on this agenda. In March the Committee members had had a session with the external auditors without the Executive and nothing of concern had been reported.
- 5.5 ARC had also discussed the Strategic Risk Register and endorsed a reworking of the Register which would make it more accessible but also provide more in depth consideration of the controls, lines of defence etc. The Committee had received a map of the third lines of defence and had asked for a similar exercise to be undertaken for the second lines of defence.
- 5.6 ARC has also looked at the operation of the Risk Intelligence Network and Risk Intelligence Group and noted that the time was right for the Committee's balance to move from making sure the right processes were in place to reporting on the risks that they were identifying.

6 CHIEF EXECUTIVE'S REPORT

- 6.1 The Board was asked to consider an update on our priorities and any key developments that it needed to be aware of. The report also provided information on important external developments and our engagement activity with key stakeholders.

SRA BOARD

CLASSIFICATION – PUBLIC

- 6.2 The Board discussed the four priorities which the CEO had identified for the organisation after her first few months in post as we built towards a new Corporate Strategy. A timetable for comprehensive Board engagement in the development of that Strategy had been developed leading up to consultation being launched in November 2026.
- 6.3 The CEO updated the Board on the PM Law case. This intervention was one of the largest we had undertaken to date and was being very well handled by our agent, Gordons. The Board was updated on progress of the preliminary review being undertaken by Jenner & Block.
- 6.4 [REDACTED]
- 6.5 The CEO said that we had updated our public statement about our Post Office investigations in March 2026. Board members stressed the need for us to continue to keep an eye on developments and to take forward cases at the first practicable opportunity. The Board also noted that investigations were under way into the firms and individuals named in a BBC expose of alleged malpractice in immigration the previous week.
- 6.6 The Board also received an update on the Supervision Pilot. Board members welcomed the pilot but also sought assurances that investigations were considered in the light of the PM Law case to see if there was anything that we might have missed.
- 6.7 It was agreed that at some point in 2027 we would need to have a list of the powers that we wanted in order to be able to regulate in the way that we needed to perhaps including a requirement for those we regulate to proactively provide us with relevant information.
- 6.8 The Board noted the report.

7 CLIENT MONEY IN LEGAL SERVICES CONSULTATION

- 7.1 The Board was asked to consider an overview paper, highlighting the wider context of the Consumer Protection Review (CPR) programme and introducing three accompanying policy papers:
- Strengthening the accountants' reports regime (post-consultation).
 - Strengthening compliance checks and balances within firms (post-consultation).
 - Improving our oversight of firms significantly changing their profile (pre-consultation).
- 7.2 In summary, the Board was being asked to agree post-consultation policy positions on accountants reports and strengthening compliance checks and balances. And, in relation to firms significantly changing their profile, the Board was being asked for its views on proposals which we plan to consult on in June 2026.

SRA BOARD**CLASSIFICATION – PUBLIC**

- 7.3 The Board noted the wider context and the further work that we were undertaking to explore the additional steps to address risks associated with firms holding client money, stressing the need to progress this work as well as that set out in the paper.

Accountants' reports

- 7.4 In relation to accountants' reports, the Board discussed the pros and cons of receiving all accountants' reports. The Executive said that if reports were not qualified the report would be a declaration to that effect, and it was only qualified reports which would include information on the risks that had been identified. Further consideration was also being given to requiring reports to be submitted directly to us (rather than via the firms being reported on) which would provide another level of protection. It was confirmed that new arrangements would be put in place for April 2027 although IT systems would not be fully in place until 2028.

7.5 The Board

- a) agreed that we amend our rules to require all accountants' reports, whether qualified or unqualified, to be submitted to us
- b) agreed that we amend our rules to introduce an annual declaration requirement for all client money-holding firms confirming their status and key information
- c) agreed to delegate authority to the CEO to approve our final position on the proposal to require reporting accountants to submit their reports and accompanying declarations directly to us, following further consideration
- d) agreed that we amend our rules to enable the use of fixed financial penalties for procedural breaches of the accountants' reports regime
- e) noted that we will look to strengthen guidance around appropriate reliability checks.

Strengthening compliance checks and balances within law firms

7.6 The Board agreed:

- a) to amend our rules to separate the compliance roles from those individuals who can determine or direct significant management decisions within a firm that meets our risk thresholds, with a tailored arrangement for sole owner-manager firms in scope solely because of their client money holdings
- b) to introduce a turnover threshold of £600,000 to determine which firms should be required to put in place new arrangements to strengthen checks and balances
- c) to introduce a client money threshold of £2 million to help determine where firms should be required to put in place new arrangements to strengthen checks and balances

SRA BOARD

CLASSIFICATION – PUBLIC

- d) that our amended rules should require sole owner-manager firms that are in scope solely because of their client money balance to separate the COFA role from the sole owner-manager.

Improving our Oversight of Firms

- 7.7 The Board reviewed pre-consultation policy proposals around improving our oversight of firms significantly changing their profile; and contains supporting analysis and recommendations.
- 7.8 It was confirmed that the intention was that if a firm notified us of, for example the acquisition of another firm, we would then take a view on ongoing monitoring and what further information we might require. This would not, though, be an approval process so a firm would not have to wait for our agreement to proceed with eg an acquisition. Board members cautioned against appearing to put in barriers to growth or to mirror Competition and Markets Authority initiatives.
- 7.9 The Board discussed whether to set conditions (such as a threshold relating to client money) to pre-notification of acquisition or whether a blanket requirement would be not only more comprehensive for us but also more straightforward for firms. The Executive was asked to consider this point further prior to consultation.
- 7.10 Board members also discussed how we would use the information that we would receive if these changes were implemented and what other steps we could take to try and get ahead of those who might seek to steal client money and make it harder for them to do so.
- 7.11 The Board agreed to consult on:
- a) Specifically requiring firms to notify the SRA when they:
 - i. start holding client money when they didn't previously.
 - ii. start conducting regulated claims management work.
 - b) Requiring firms to pre-notify the SRA of acquisitions if:
 - i. a client money threshold has been met
 - ii. either party has acquired a number of other authorised bodies in a short period of time and/or if this is the acquiring firm's first acquisition.
 - c) Requiring firms to pre-notify the SRA within a set period of time before an acquisition.
 - d) Making fixed financial penalties available for failures:
 - i. to pre-notify the SRA of acquisitions which meet any elements of the above threshold within a set time period prior to the completion date.
 - ii. to notify the SRA promptly when firms start to hold client money that didn't previously and when starting to conduct regulated claims management work.

NB: The paper for this item will not be published in full as it relates to emerging policy

SRA BOARD

CLASSIFICATION – PUBLIC

8 SRA NOVEMBER 2025 TO FEBRUARY 2026 PERFORMANCE REPORT

- 8.1 The Board considered an overview of the performance report for the four month period ended 28 February 2026 and a report covering the management of the SRA's key risks set out in the Strategic Risk Register (SRR).
- 8.2 The Executive highlighted the process improvements and redeployments which had been made to address the continued increase in reports received and had resulted in a significant increase in the number of cases resolved within two months of receipt.
- 8.3 The Board was asked to note that we had completed a forecast for the 2025/26 year, which indicated that we would have a full year deficit of around £11m, much larger than the budgeted £5.5m, primarily as a result of legal fees, costs orders and property and some other new costs.
- 8.4 Measures were being taken to try to pull back this deficit including challenges to Executive Directors and Directors on recruitment. Board members asked the Executive to consider what else might be deprioritised, including perhaps new work which had been identified as desirable. It was agreed that the Executive should continue to review the work programme to reduce costs including the phasing of recruitment, recognising that this needed to be balanced with priorities for delivery.
- 8.5 The Board also reviewed the balanced scorecard and suggested that something additional was needed on the quality of data we had to help determine if we had the right data and, if we did, what it might tell us.
- 8.6 The Board also reviewed the LSB performance assessment update and agreed that given that the LSB was proposing to change its approach to assessing our performance, this should be reviewed as part of the wider review of performance reporting which was being undertaken.
- 8.7 The Board:
- a) noted the content of the performance report and the overall assessment of performance and the establishment of a Board Working Group on performance reporting
 - b) noted the update on the LSB performance assessment.

NB: Annex 1 of this paper will not be published because it contains information which is commercially sensitive

9 SRA STRATEGIC RISK UPDATE

- 9.1 The Board considered a progress report on the SRA Strategic Register (SRR) and our approach to risk management development.

SRA BOARD

CLASSIFICATION – PUBLIC

- 9.2 The Board's attention was drawn to the work that was being done following the blank-sheet review of risk at the March Board workshop, in the light of emerging strategic priorities, with a view to informing a fresh iteration of the SRA Strategic Risk Register. ExCo was also undertaking deep dives into the existing SRR and MRR risks.
- 9.3 The Board also reviewed the Mid-Tier Risk Register risks and agreed that in future risks which had been orally reported as being outside the agreed risk appetite should be identified in the papers.
- 9.4 The Board:
- a) agreed the Strategic Risk and Residual Risk Level Report
 - b) agreed the revised Strategic Risk Register.

NB: the annexes to this paper will not be published as they include discussion of risk that might be exacerbated by publication.

10 BUSINESS PLAN AND BUDGET FOR 1 NOVEMBER 2026 TO 31 OCTOBER 2027: AGREE FOR CONSULTATION

- 10.1 The Board considered a paper summarising our draft Business Plan and funding requirement for 2026-27, alongside next steps that are required for:
- consultation and engagement activity
 - finalising the Business Plan and funding requirement 2026-27
 - finalising the Compensation Fund contribution
 - finalising the practising certificate fee for 2026-27
 - publication of the final plan by 31 October 2026.
- 10.2 The Board noted the overall reduction in funding proposal following its challenge at the March meeting. The Board recognised that some provision was made for dual running costs as we moved from the existing system of regulation to a new one and asked for further consideration of the risks and advantages of redeploying resources within the organisation rather than dual running.
- 10.3 The Board also asked the Executive to review the link between the Business Plan and the required funding to ensure that it was clear and to consider whether the Business Plan was too detailed for consultation. In so far as was possible it would also be helpful to indicate whether we expected our required funding to continue to increase at this rate, or at a lower rate. The right balance also needed to be struck between the work that was being done to fix the problems we faced now and building for the future.
- 10.4 The Board discussed the proposed Compensation Fund contributions for 2026/27 and agreed that a further review of the methodology for calculating contributions should be considered. The consultation should make clear that we had to act now on the level of the Compensation Fund but that we would be undertaking work in 2027 on whether the funding arrangements should change.

SRA BOARD

CLASSIFICATION – PUBLIC

10.5 Subject to the points above the Board:

- (a) reviewed and commented on the draft Business Plan, including deliverables and proposed narrative and consultation approach
- (b) reviewed and commented on the draft funding requirement for 2026-27 and our portion of the practising certificate fee, noting the reduction in the ask since the March Board
- (c) noted that this proposal would likely need to a requirement to call on reserves during 2026/27 and that the Executive would come back to the Board in September with a more detailed budget and a proposal for an approach on how to seek approval to draw down reserves.
- (d) approved the total practising fee for the SRA to be consulted on at £111.5m resulting in an SRA share of the individual practising certificate fee of £240
- (c) supported the proposal for total contributions to be consulted on at £46.3m for 2026/27 (up from £26m in 2025/26). This would result in individual contributions of £120 (2025/26: £70) and firm contributions of £3,600 (2025/26: £1,950)
- (d) reviewed and commented on the draft Equality Impact Assessment (EIA) documents on the Practising Certificate fee and Compensation Fund contribution and Business Plan workstreams
- (e) confirmed that the Chief Executive could approve final changes to the draft business plan and funding requirement documentation for consultation. The Chief Executive would also approve a short consultation document reflecting the Board's steers.

NB: annex 1 would be published as an annex to the consultation paper. Annexes 2 and 3 will not be published as they relate to emerging strategy or policy. Annex 4 will be published alongside the draft Business Plan and Funding Requirement.

11 2024-25 SRA CONSOLIDATED AND COMPENSATION FUND ANNUAL REPORTS AND ACCOUNTS

11.1 The Board was asked to consider the financial statements and letters of representation for the year ended 31 October 2025 of Solicitors Regulation Authority Limited, Solicitors Indemnity Fund and the Compensation Fund. The Audit and Risk Committee had reviewed these at meetings in February and March and the auditors has issued an unmodified opinion on the financial statements.

11.2 The Board:

- a) approved the Solicitors Regulation Authority Limited consolidated financial statements for 2024/25 prepared on a going concern basis
- b) approved the Solicitors Indemnity Fund (SIF) financial statements for 2024/25 prepared on a going concern basis

SRA BOARD**CLASSIFICATION – PUBLIC**

- c) approved the Compensation Fund financial statements for 2024/25 prepared on a going concern basis
- d) agreed the Letters of Representation could be signed on behalf of the Board
- e) delegated the approval of any final changes to the annual report and accounts to the Board Chair (if necessary).

11.3 The Board also noted the reappointment of BDO as external auditors for an additional year which had been agreed by email.

NB: annexes 4 to 9 to this paper will not be published because they are commercially sensitive and/or include legal or other professional advice on sensitive or confidential matters.

12 HIGH-VOLUME CONSUMER CLAIMS (HVCC): INITIAL POLICY PROPOSALS

- 12.1 The Board considered an update on policy proposals for the high-volume consumer claims sector. The plans build on recent engagement activity with firms, stakeholders and consumers and formed an initial change package aimed at tackling harms arising for consumers.
- 12.2 In response to questions from Board members it was confirmed that we would initially work with a small number of firms on providing information that enabled clients to make informed decisions before deciding whether or not to make this mandatory.
- 12.3 Board members also discussed the decision not to ban the use of 'No Win. No Fee' which despite being misleading in many cases was generally understood by consumers. Banning it might lead to negative impacts on access to justice and we would therefore continue to keep the option to ban the phrase under review, but our focus in this initial package of proposals was on tackling the harms associated with it without losing the benefits. In addition, the Financial Conduct Authority and Advertising Authority did not support banning the phrase and even if we banned its use by firms we regulated, others would continue to use it.
- 12.4 Board members suggested that we might provide guidance which was easy for consumers to understand, so that they could ask the right questions and be clear what they were signing up to when they engaged with an HVCC firm. We might also require firms using the phrase 'No Win. No Fee' to follow it with a statement explaining exactly what it meant.
- 12.5 The Executive also confirmed that the further identification of firms undertaking HVCC work was being considered as part of the supervision pilot and that this would enable proactive engagement and supervision of firms delivering high-volume consumer claims
- 12.6 The Board welcomed the package and the plans to consult on proposals to develop new rules around use of third-party litigation funding in consumer claims from summer 2026.

SRA BOARD

CLASSIFICATION – PUBLIC

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

13 REVIEW OF MEETING AND ANY OTHER BUSINESS

13.1 Board members discussed recent criticism of the Solicitors Qualifying Examination and the need to address the concerns being expressed. A new Director of Education and Training had been appointed and meetings with her would be arranged for Board members with a particular interest in this area.

13.2 The next meeting would be held on 30 June 2026.