

Costs statement

May 2022

This statement details our costs for the financial year from 1 November 2020 to 31 October 2021 in line with the Legal Services Boards (LSB) principles of cost transparency¹ [#n1] .

Regulated community

At 31 October 2021 we regulated 164,119 individuals including 156,122 practising solicitors, 5,834 Registered foreign lawyers, 1,992 Exempt European lawyers and 171 Registered European lawyers² [#n2] .

This was an increase of 2.3% on the previous year.

We also regulate solicitors' firms. At 31 October 2021 there were 9,860 regulated firms, a reduction from 10,107 at 31 October 2019.

Income and expenditure

We are funded primarily from practising fee income collected from solicitors and law firms, with additional income from regulatory activities such as authorising firms to offer legal services. We also work to recover costs spent on intervening into law firms, taking disciplinary action and administering a Compensation Fund.

SRA Funding	2019/20 (£m)	2020/21 (£m)
Practising fee income	54.4	57.3
Other income	2.8	3.5
Recoveries	11.7	9.0
Total Income	68.9	69.8
Expenditure	72.6	64.3
Surplus / (Deficit)	(3.7)	5.5

The deficit in 2019/20 was a result of investment in modernising our IT as part of a significant programme of work. This came to an end in 2020. The surplus in 2020/21 was driven by higher than anticipated numbers of practising certificate holders and lower costs due to the impact of the Covid-19 pandemic.

Practising Certificate fees 2020/21

55% of the practising certificate fees are retained by the SRA, 28% of fees fund the activities of the Law Society and 17% is collected on behalf of the LSB, LeO, FCA and SDT.

Reserves

As at 31 October 2021 the SRA had reserves of £15.4m . From June 1 2021 the activities of the SRA transferred to the Solicitors Regulation Authority Limited and reserves are now held by SRA rather than as part of the Law Society Group.

Staff costs

- Our average number of full time equivalent staff was 653 during 2020/21 (2019/20: 641). This increase resulted from a change in the group structure with further shared functions absorbed into the SRA.
- Overall staff costs⁴ were £34.8m in 2020/21 (2019/20: £33.6m)
- As at 31 October 2021 our Chief Executive's salary was £257,732k (2019/20: £255k)

Salary band	October 2021
£150k - £155k	1
£155k - £160k	0
£160k - £165k	0
£165k - £170k	0
£170k - £175k	1
£175k - £180k	2
£180k - £185k	1

Board costs

- The chair of our Board received emoluments of £90k over the financial year ending 31 October 2021 (2019/20: £90k)
- The total cost of Board member salary costs and expenses in 2020/21 was £276k (2019/20: £284k). The costs are lower than in previous years due to the impact of the Covid-19 pandemic which reduced travel and meeting costs.

Notes

1. Annex 1: LSB Cost of Regulation (PDF 15 pages, 442KB)
[[http://www.legalservicesboard.org.uk/about_us/board_meetings/2017/PDF/23March/\(17\)%2017%20Cost%20of%20Regulation.pdf](http://www.legalservicesboard.org.uk/about_us/board_meetings/2017/PDF/23March/(17)%2017%20Cost%20of%20Regulation.pdf)]
2. Regulated community statistics [sra/how-we-work/archive/reports/statistics/regulated-community-statistics/]
3. These figures are prior to the completion of the annual audit and are therefore draft subject to final approval.
4. This includes salary, pension contributions, NI contributions, other benefits, temporary staff, recruitment and learning and development.