

Costs statement

March 2020

This statement details our costs for the financial year from 1 November 2018 to 31 October 2019 in line with the Legal Services Boards (LSB) principles of cost transparency¹ [#n1] .

Regulated community

At 31 October 2019 we regulated 157,359 individuals including 150,349 practising solicitors, 2,685 Registered foreign lawyers, 3,564 Exempt European lawyers and 761 Registered European lawyers² [#n2] .

This was an increase of 2.8% on the previous year.

We also regulate solicitors' firms. At 31 October 2019 there were 10,341 regulated firms, in line with 10,407 at 31 October 2018.

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	2017/18 (£m)	2018/19 (£m)
Practising fee income	52.8	53.4
Other income	3.4	3.3
Recoveries	12.3	11.1
Total Income	68.5	67.8
Expenditure	76.2	77.0
(Deficit)	(7.7)	(9.2)

The increased deficit in 2018/19 is as a result of continuing investment in modernising our IT as part of a significant ongoing programme of work.

Practising Certificate fees 2018/19

53% of the practising certificate fees are retained by the SRA, 31% of fees fund the activities of the Law Society and 16% is collected on behalf of the LSB, LeO, FCA and SDT.

Reserves

As at 31 October 2019 the Law Society Group had reserves of £85.4m³ [#n3] . Reserves are held on behalf of the group and are not identified as belonging to the SRA specifically.

Staff costs

- Our average number of full time equivalent staff was 620 during 2018/19 (2017/18: 597). This increase resulted from a change in the group structure with further shared functions absorbed

into the SRA.

- Overall staff costs⁴ were £30.7m in 2018/19 (2017/18: £30.4m)
- As at 31 October 2019 our Chief Executive's salary was £249k
- The Chief Executive's salary was 7.33 times the full time equivalent median salary of the workforce which was £34,000
- Salary bands of senior employees (excluding the Chief Executive)

Salary band	October 2018
£140k - £145k	0
£145k - £150k	2
£150k - £155k	0
£155k - £160k	0
£160k - £165k	1
£165k - £170k	1
£170k - £175k	0
£175k - £180k	1

Board costs

- The chair of our Board received emoluments of £90k over the financial year ending 31 October 2019 (2017/18: £90k)
- The total cost of Board member salary costs and expenses in 2018/19 was £380k (2017/18: £447k). The year on year cost increased due to one off costs associated with the recruitment of new board members.

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/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.