

**SRA BOARD**  
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**SOLICITORS REGULATION AUTHORITY**  
**Minutes of the SRA Board meeting**  
**held on 8 October 2024 via Teams**

*Subject to final approval by the SRA Board at its meeting on 14 January 2025*

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

In attendance: Paul Philip, Aileen Armstrong, Liz Rosser, Juliet Oliver, Alex Magloire, Ben Fisher (for items 1 to 5), Andrew Turton (for item 6), Patrick Bolster (for item 11), David Adams (for item 11), Dominic Tambling

Alex Bolland and Ahmet Feridun of Cazenove for item 11

**1 WELCOME AND APOLOGIES**

1.1 The Chair welcomed everyone to the meeting. Apologies had been received from Paul Loft and Selina Ullah. The Board noted that it did not therefore have a lay majority for this meeting and any decisions taken would need to be ratified.

**2 MINUTES OF THE PREVIOUS MEETING ON 17 SEPTEMBER 2024**

2.1 The minutes of the meeting on 17 September 2024 were approved as a true and accurate record.

**3 MATTERS ARISING AND DECLARATIONS OF INTEREST**

3.1 There were no matters arising that would not be covered elsewhere on the agenda. All actions due were completed or in hand. The Board Chair confirmed that no decisions had been taken by the Board since the last meeting.

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 Board Chair reported on her recent meetings including regular keeping in touch meetings with the Legal Services Board (LSB) and Law Society and a meeting with the chairs and CEOs of all of the legal regulators and LSB.



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using industry average figures on Scope 3 emissions but had already begun to work with our larger suppliers to obtain actual figures.

- 6.4 In discussion, Board members recognised that we had to balance the need to be moving towards net zero with the costs of products and services. Board members asked that we should be careful to ensure that this work did not lead to us cutting out small and medium suppliers who might not be so far advanced in this regard as larger suppliers.
- 6.5 Board members also underlined the importance of establishing the right culture within the organisation in terms of, for instance, evaluating the need to travel or not and ensuring that devices were switched off when not in use. It was reported that we had a well established Green Living Community which provided advice and encouragement around issues such as these.
- 6.6 The Executive also acknowledged the need to balance keeping travel at a reasonable level against the importance of staff coming onto the office for collaborative work. We had reduced our office space when we had moved to hybrid working but staff were still required to come into the office each week.
- 6.7 In response to questions from Board members the Executive confirmed that we had been discussing domestic energy use for hybrid workers and also gathered some information in relation to this in an annual survey. We would continue to support staff to make choices which would support the environment.
- 6.8 Board members also suggested that setting these ambitious targets would show some leadership for the sector and reinforce the work being done by many firms, in particular some larger ones that had already set their own targets or were working on them.
- 6.9 The Board welcomed the paper and the setting of targets and noted that progress against these would be reported annually to the Board and covered in the annual report and accounts. The Board agreed that this was a positive step which should be appropriately publicised.

## **7 CHIEF EXECUTIVE'S REPORT**

- 7.1 The Board was asked to consider an update on our priorities and on 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.
- 7.2 The CEO informed the Board that this year's Practising Certificate Renewal Exercise (PCRE) had opened on 1 October and would run until 31 October 2024. Some small IT glitches had arisen but had been dealt with and all was now running smoothly.
- 7.3 The Board received an update on current high profile investigations, including on our ongoing liaison with bodies involved in the SSB Group case in relation to former clients unexpectedly being pursued to pay adverse legal costs in relation to discontinued cavity wall insulation litigation claims. This included meeting the SSB

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Victims Support Group and ongoing efforts to explain the available options to those affected so that they were able to make the best choice about how to proceed.

[REDACTED]

[REDACTED]

7.6 The Board Chair reminded the Board that she had written to the Lord Chancellor shortly after her appointment to raise a number of issues which we thought merited further consideration, including bulk litigation. A meeting had now been arranged with the Minister of State, Heidi Alexander.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

7.12 The CEO drew the Board's attention to paragraphs 18 to 20 of his report which set out that we were reviewing our current approach to continuing competence and to securing understanding of, and adherence to, professional obligations more generally. This was in part in response to recent thematic reviews highlighting that some solicitors failed to understand the obligations on them to maintain their competence and showed a lack of awareness of the wider professional obligations to which they were subject.

7.13 Paragraphs 21 to 25 of the report said that we anticipated Parliament passing the necessary legislation to implement a new trade agreement between the UK and Switzerland in UK law this autumn, ahead of implementation on 1 January 2025. This included new provisions on the qualification and continuation of practise of Swiss lawyers which required us to amend our regulations. Given the time pressures involved, the Board was asked to delegate authority to the Board Chair to make the amendments to the SRA Standards and Regulations at the point at which the legislation was passed.

7.14 The Board noted the Chief Executive's report and agreed to delegate to the Chair the decision to make amendments to the SRA Standards and Regulations at the point at which the legislation was passed to implement the new trade agreement between the UK and Switzerland governments.

7.15 The Board also requested further information on planned next steps in using the findings from the research report by the University of Exeter on the potential causes of differential outcomes by ethnicity in legal professional assessments to co-create an action plan with key stakeholders to improve the issue.

## **8 SRA NOVEMBER 2023 TO JULY 2024 PERFORMANCE REPORT**

8.1 The Board was asked to consider an overview of the performance report for the nine-month November 2023 to July 2024 reporting period.

8.2 The Board noted that, following its previous decision to defer three of the business plan activities, the report on progress against the plan in annex 3 of the paper covered 22 activities. Of these, 20 were on track and two were 'red' where activity would no longer be completed this year. The Executive confirmed that plans were in hand to complete these activities and in future more information on timescales to complete 'red' activities would be included.

8.3 The Board also noted that the revised full year forecast was for a surplus of £2.7m which was £1.5m higher than budgeted. The positive variance was primarily made up of project underspend and return on investments. It was likely that this level of

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surplus would grow by the end of the year due to higher than projected investment income and some costs, such as research, falling into the next financial year.

- 8.4 The level of claims from the Solicitors Indemnity Fund was as expected and the KPIs for dealing with these had been met. The Fund had a good level of cash and reserves and there was therefore currently no prospect of a levy being required to raise additional funds. The Board also noted the balanced scorecard at annex 2 of the paper.
- 8.5 Annex 4 of the paper provided an overview of our progress against each of the three LSB standards in its sourcebook standard, taking into account the period since the last update to the Board in May 2024 and also reflecting on the period covered by the latest LSB performance assessment, the request for which we would need to respond to by 15 November 2024.
- 8.6 The Board was reminded that in 2023 it had agreed to consider our assurance mapping work against the LSB's regulatory performance assessment framework sourcebook of standards and characteristics and had received updates as part of the performance pack. Over the course of the last year, the Board had also discussed in turn each of the three LSB standards in its sourcebook and the organisation's progress against them.
- 8.7 As this was the last update the Board would receive before our submission for this year's LSB performance assessment in November, the Board was asked to delegate to the Chair approval of our final submission to the LSB.
- 8.8 In discussion the Board agreed that it would be helpful to include information on areas we had identified for development in the coming financial year in our response to the LSB, perhaps in a covering letter.
- 8.9 The Board:
- a) noted the content of the performance reports and the overall assessment of performance
  - b) noted the update on the LSB performance assessment
  - c) delegated approval of the final submission for the 2024 LSB performance assessment submission to the Chair.

*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 was asked to consider a progress report on the management of risk for Period 3 of 2023/24. The Board noted that there were no risks that had been escalated or downgraded between the Strategic and Mid-Tier registers since the last report to the Board.

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- 9.2 The Board asked how the new processes for identifying and acting on risk discussed in workshop session at the September Board meeting, including the establishment of a Risk and Intelligence Framework, fitted in with the existing risk policy and framework. The Executive confirmed that these new arrangements were part of the set of controls in place but agreed that it would be helpful to set out how the risk management policy and framework look following the introduction of new systems including reporting lines.
- 9.3 The Board:
- a) noted the feedback from the Audit and Risk Committee meeting in September 2024
  - b) agreed the Strategic Risk and Residual Risk Level Report
  - c) agree 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 REVIEWING OUR KEY PERFORMANCE INDICATORS**

- 10.1 The Board was asked to consider a high level summary of the results of an ongoing review of key performance indicators and its preferences for future reporting.
- 10.2 The Board was reminded that it had agreed in 2021 that it would review the content of the balanced scorecard, which was one element of the regular performance reporting to the Board to help it hold the Executive to account for operational performance, each year to ensure it met its needs.
- 10.3 The Executive had undertaken a thorough review of all of the KPIs that the organisation used to monitor performance from those reported to the Board to those used within individual directorates for ongoing management of the organisation.
- 10.4 The review had resulted in a small number of proposed improvements to the Balanced Scorecard which would be reflected in the next scorecard presented to the Board in January 2025 including increasing coverage across the organisation, additional measures on quality and customer service and some improved presentation.
- 10.5 In discussion Board members suggested that it would be helpful if a way of measuring how successful we were at identifying risk could be established. The Executive suggested that this could be looked at when further work on the data strategy had been completed. At the Board's request the Executive also agreed to consider how progress against the pathway to net zero, as well as how other figures produced only once a year, such as in relation to pay gaps, might best be reported to the Board.

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10.6 The Board noted the direction of travel of the KPI review.

**11 INVESTMENT UPDATE**

11.1 The Board considered a paper which provided an update on the investment of funds with Cazenove, our appointed investment manager, together with draft investment and reserves policies for the Solicitors Indemnity Fund (SIF).

11.2 The Board received a presentation from Cazenove on our investment performance including the composition of funds. The Board explored a number of points with Cazenove including the likely impact on investments of interest rate changes and geo-political events.

11.3 The Board was reminded that at its May 2024 meeting it had received draft SIF investment and reserves policies as annexes to the Performance paper. The Board chose to review these again when it had advice on the impacts of an ethical investment approach. Cazenove had indicated to us that in the long term there was not expected to be a difference between the returns achievable from ethical versus unconstrained investment portfolios.

11.4 The Board noted that the SIF investment policy had therefore been redrafted to commit to invest in an ethical and sustainable portfolio. The policy had also been amended to move from SIF having a short term and a long-term investment portfolio to a working capital (cash and cash equivalents) fund with a long-term investment portfolio.

11.5 The draft reserves policy had also been amended since the version reviewed by the Board at its May meeting to:

- i) note more explicitly that the reserves were to mitigate the risk of an unexpected material increase in indemnity provisions, together with other risks
- ii) target a level of reserves of between 50% and 400% of the last audited claims provision value provided by independent actuaries.

11.6 The Board

- a) noted the content of Cazenove's investment manager report
- b) agreed that the draft SIF investment policy should commit to seek to invest in an ethical and sustainable portfolio.
- c) approved the draft SIF investment policy and draft SIF reserves policy
- d) agreed to appoint Cazenove as our investment managers for a further period of two years (subject to a review after the first year) and that this would be an opportunity for them and us to reflect on the nature and form of the service they provide for us.

*NB: the paper for this item will not be published because it relates to emerging strategy or policy.*



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**12 REVIEW OF MEETING AND ANY OTHER BUSINESS**

12.1 The Board reviewed the meeting and agreed that in future years a separate opportunity might be identified to allow a smaller group of Board members to explore the detail of Cazenove's investment performance, though it was important to ensure that Cazenove continued to be questioned by the Board each year.

12.2 The next meeting would be held on 14 January 2025.