

SRA BOARD

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**SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
held on 12 July 2017 at 10.00
at The Cube, Birmingham, B1 1RN**

Subject to final approval by the SRA Board at its meeting on 13 September 2017

Present: Enid Rowlands (Chair)
Sharon Darcy
Jane Furniss
David Heath
Geoff Nicholas
Paul Marsh
Barry Matthews
Dame Denise Platt
Chris Randall
Deep Sagar
Shamit Saggar
Elaine Williams
Tony Williams
David Willis

In attendance: Paul Philip, Richard Collins, Robert Loughlin, Jane Malcolm, David Middleton, Juliet Oliver, Crispin Passmore, Dominic Tambling.

1 APOLOGIES

1.1 The Chair welcomed Board members to the meeting. Apologies had been received from Julia Black.

2 MINUTES OF THE MEETING HELD ON 31 MAY 2017

2.1 The minutes of the meeting held on 31 May 2017 were approved as a true and accurate record subject to some adjustments to paragraphs 6.2, 6.3 (on Looking to the Future, Principles and Codes of Conduct) and 7.2.(on Looking to the Future, Accounts Rules) which, following discussion, would now read as follows:

6.2 There was a detailed discussion as to whether solicitors should be able to deliver services to the public from outside SRA-regulated firms and the extent to which the proposed reforms would deliver a wider choice of services to consumers, with a range of views being expressed. The Board concluded that the proposals should be supported, given the developments in the profession and the range of career choices being made by solicitors today. However, it was agreed that it would also be important to keep a close eye on levels of public confidence in solicitors.

6.3 Board members supported the recommendations in the paper and recognised the thorough work which had been done by staff and the Policy

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Committee in reaching this position. They suggested that it was important to be clear in the response document that the position on what information solicitors would need to provide about their status and what protections existed for their clients had not yet been finalised.

7.2 Board members questioned whether the proposed changes, including on third party-managed accounts, would bring about any significant reduction in costs and noted that payments were very rarely made by cheque any more. They recognised, however, that these were potentially positive changes for those in a position to make best use of them, and supported the recommendations.

- 2.2 The Board agreed that the minutes should be “Cabinet Style”. They would record the purpose of the discussion or decision to be made, whether or not there were a range of views, and the Board’s agreed course of action or consensus. Individual comments would not be recorded and individual views would not be attributed.

3 MATTERS ARISING AND DECLARATIONS OF INTEREST

- 3.1 The Board reviewed the action log and noted that all actions 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 noted the SRA's successful attendance at the Pride Parade in London on 8 July 2017. She thanked those who had attended. She also thanked Board members for attending the Parliamentary reception on 28 June 2017.
- 4.2 The Chair had recently met the Chair of the Council of Licensed Conveyancers and the new interim Chair of the Legal Services Board. She had written both to the outgoing President of the Law Society, Robert Bourns, to thank him for his work, and to the incoming President, Joe Egan, to welcome him to his post as President and request an early meeting.
- 4.3 The Board discussed the possibility of reducing its numbers from 15 to 13 given that a number of members were due to demit office at the end of the year. It agreed that in the longer term a reduction might be desirable but this was not the right time to do so.

5 CHIEF EXECUTIVE'S REPORT

- 5.1 The Chief Executive Officer, introduced his report (link).
- 5.2 The Board endorsed the recommendation to appoint John Young as a Director and as a Member of the Solicitors Indemnity Fund (SIFL) Board from 1 September 2017 with the intention that he become Chair of SIFL from 1 March 2018. The

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details of the appointment process followed had been previously circulated to the Board.

- 5.3 The CEO highlighted the introduction of new anti-money-laundering regulations on 26 June 2017 and gave an update on our disciplinary and litigation work.
- 5.4 The CEO went on to highlight that we had published another warning notice on solicitor involvement in questionable investment schemes on 23 June 2017. The SRA was also developing a campaign, and working with others, to raise awareness among the profession and public regarding questionable schemes.
- 5.5 The CEO also noted that the Modernising IT Programme was progressing well with a statement of work for Wave 2 having been signed. Detailed preparation and planning for Wave 3, which would focus on the SRA's digital offering to the public and the profession, was under way.
- 5.6 The Board also had a brief discussion of disciplinary and litigation issues. This touched on questionable investment schemes and the recent Leigh Day case.

6 2017/18 PRACTISING FEES AND COMPENSATION FUND CONTRIBUTIONS FINAL DECISIONS

- 6.1 The Law Society Council had approved the net funding requirement for 2017/18 at its July meeting. The Board made the following determinations, which would now be subject to the approval of the Legal Services Board:
 - (a) the Practising Certificate Fee Determination [2017]
 - (b) the Recognised Body and Recognised Sole Practice Fee Determination [2017]
 - (c) the Licensed Body Fee Determination [2017]
 - (d) the Determination of Compensation Fund Contributions [2017]
 - (e) the Determination of Compensation Fund Contributions for Licensed Bodies [2017]

7/8 THE REGULATORY ENVIRONMENT DASHBOARD AND HORIZON SCANNING/UPDATE ON THE 2016/17 RESEARCH PROGRAMME

- 7.1 The Board agreed to take these items by circulation and to notify any comments by Wednesday 19 July 2017.

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9 UPDATE ON OPERATIONAL PERFORMANCE

- 9.1 The Board had requested an update on operational performance at its last meeting to augment the performance information which it saw on a regular basis. This item (link) was introduced by the Executive Director of Operations.
- 9.2 Following a number of reviews over the preceding three years, improvements had been recorded in all operational areas. The use of Lean improvement techniques had enabled the identification of more efficient and effective ways of working. This in turn meant that improvements had been delivered alongside a reduction in actual expenditure and in headcount.
- 9.3 Ongoing challenges included an increase in volumes in the disciplinary areas of work, which had been reflected in a higher number of cases taken to the Solicitors Disciplinary Tribunal and more interventions in relation to solicitors firms. Figures were provided in accompanying papers. Work on the Modernising IT Programme was also taking up significant staff time, though in the longer term should lead to further efficiencies. There was also a continued commitment to on-going staff training and development.
- 9.4 Board members congratulated the Executive on the very significant progress that had been made and noted the challenges that were being tackled. It was particularly noted that the Modernising IT programme would improve our datasets and recording, providing a robust understanding of the profile of law firms and individuals engaging with our operational processes. However, given the amount of change in the coming year, including that resulting from IT improvements, it was flagged that timeliness performance might drop over the next year. The Board agreed that future reports would look in even more detail at equality, diversity and inclusion factors associated with our work.

10 DRAFT SRA CORPORATE STRATEGY 2017-20

- 10.1 The Board was asked to consider the draft Corporate Strategy 2017-20 which would take effect from November 2017. The draft had been developed through a short-life working group which included four Board members together with contributions from all members present at the Board strategy days in April 2017. Contributions had also been taken from the short-life working group on public engagement.
- 10.2 It was agreed that the Strategy was a high-level document and that detail would more appropriately be left to the supporting annual business plans which would be published in due course.
- 10.3 The Board was supportive of the draft Strategy, and suggested a number of amendments and areas that should be given more coverage in relation to the organisation's obligations and priorities over the next three years. These included additional information on supporting access to legal services, and our commitment to promoting equality, diversity and inclusion in the sector and in the SRA's own

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workplace. It was agreed that the draft would be amended in the light of comments and signed off by the Chair and Chief Executive.

- 10.4 Board members noted that the SRA planned to consult on its Corporate Strategy, for the first time, between July and September 2017. The Board considered the questions which should be asked in the accompanying consultation document and agreed that it was important to contact a wide and varied constituency to encourage responses, including local law societies. The outcomes of the consultation and a draft for final publication would be brought back to the Board for review and approval in October 2017.

11 MAINSTREAMING EQUALITY, DIVERSITY AND INCLUSION

- 11.1 The Board was asked to consider progress and next steps on mainstreaming equality, diversity and inclusion (EDI) in the SRA.
- 11.2 The Board noted proposals to further embed EDI throughout our work, including the creation of an EDI Programme Board to oversee and support EDI work across the organisation. In addition, an action plan was being developed to meet our objectives and the outcomes set by the LSB in its new statutory guidance for regulators on encouraging a diverse workforce.
- 11.3 Board members agreed that they had a role both collectively and as individual members to scrutinise EDI issues and ensure the organisation fulfilled its obligations under the Public Sector Equality Duty.
- 11.4 The Board approved the Roadmap for mainstreaming EDI and for reporting progress to the Board.

12 REVIEW OF MEETING AND ANY OTHER BUSINESS

- 12.1 The Board received an update from committee chairs in relation to committee meetings that had taken place since the last Board meeting.
- 12.2 It was agreed that the Chair of the People Strategy Committee would provide an update at the next meeting on progress on Board reappointments and appointments.
- 12.3 The Chair thanked Board members for their contributions. The next meeting of the Board would be on Wednesday 13 September 2017 at the Radisson Edwardian hotel, Manchester, M2 5GP at 09.30. As part of the programme of Board engagement a number of focus groups with the public and a dinner for Board members and local stakeholders would be held in Manchester the previous evening.