

**SRA BOARD**  
**CLASSIFICATION – PUBLIC**

**SOLICITORS REGULATION AUTHORITY**  
**Minutes of the SRA Board meeting**  
**held on 9 July 2024 at**  
**St David’s Cardiff Hotel, Havannah St, Cardiff CF10 5SD**

*Subject to final approval by the SRA Board at its meeting on 17 September 2024*

Present: Anna Bradley (Chair)  
Claire Bassett  
Ann Harrison  
Paul Loft  
Rob McWilliam  
Lisa Mayhew  
Vikas Shah  
Liz Smart (items 1 to 6)  
Selina Ullah  
Nicola Williams

In attendance: Paul Philip, Liz Rosser, Aileen Armstrong, Jennifer Ackers, Alex Magloire, Ben Fisher, Sara Gwilliam (for item 5), Helen Hickling (for item 6) Dominic Tambling

**1 WELCOME AND APOLOGIES**

1.1 The Chair welcomed everyone to the meeting. There were no apologies.

**2 MINUTES OF THE PREVIOUS MEETING ON 25 JUNE 2024**

2.1 The minutes of the meeting on 25 June 2024 were approved as a true and accurate record.

2.2 The Board Chair reminded the Board that, partly in response to a request from the Legal Services Board in relation to transparency, more detailed notes on what had been discussed in workshop sessions would now be included in formal meeting minutes. This would be helpful in publicly recording the sort of in-depth discussions the Board had on some matters ahead of their discussion in formal meetings.

**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 other than that it was noted that an action relating to assurances around delivery of the Solicitors Qualifying Examination was yet to be 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.

## **SRA BOARD**

### **CLASSIFICATION – PUBLIC**

- 3.3 The Chair summarised the workshop discussions that had taken place over the previous two days:
- 3.4 The CEO told the Board of a major intervention into a Liverpool based firm, McDermott Smith, the previous week. Information was still being gathered and a Serious Event Review had been commissioned. We would need to consider whether there were wider issues at play when further information could be provided.

### **Consumer Protection Review – direction of travel**

- 3.5 The tone and nature of the consultation exercise was shared and the Board broke into groups to discuss the direction of policy on three key issues identified: client money; monitoring, identifying and managing risk; and the Compensation Fund. This will be used to inform proposals for the autumn consultation which would be brought to the 17 September 2024 Board meeting.

### **Update on approach to communications and engagement**

- 3.6 Recent developments in our communications approach were discussed, including the use of more of a ‘campaign’ approach to achieve greater, long-term impacts. They welcomed the fact that we had been more on the front foot, and suggested we would need to review once we had reflected on the results of the stakeholder perceptions work.

### **Correspondence from complainants sent to the Chair and/or Board**

- 3.7 Board members had been receiving an increasing amount of correspondence from complainants and wanted to understand why this might be happening and whether there were any patterns or issues they should pursue. The majority of the complaints in question had been through the complaints process some time ago, and the continued correspondence often reflected dissatisfaction with outcomes that had already been reviewed. Notwithstanding, members asked that this exercise be repeated on an annual basis.

### **Professor Richard Moorhead**

- 3.8 There was an interesting and wide-ranging discussion with Professor Richard Moorhead, Professor of Law and Professional Ethics, University of Exeter whose main focus was research on the causes of ethical issues. Professor Moorhead was also a member of the Board considering compensation for the Post Office Horizon IT Scandal victims and had been asked to speak on the issues that he saw arising from the Post Office Inquiry.

### **Update on HR matters 2023/24**

- 3.9 An overview of HR activity during the year 2023/24 was provided and there was discussion about three areas in particular: the staff survey, gender and ethnicity pay gap reporting and accreditations.

## **SRA BOARD**

### **CLASSIFICATION – PUBLIC**

- 3.10 Overall results for the recent staff survey had been very good and positive compared to benchmark data. The executive was planning to focus on change and reward over the next period. The Board asked that the next annual update should include reflections on how hybrid working was working, what the future model of working might look like, and how that related to the market for staff recruitment.

### **Corporate Strategy stakeholder perception review: initial findings**

- 3.11 Thinks insight presented initial results of the work they had done to provide a benchmark of stakeholder perceptions. The aim was to identify measures of success for the strategic aim of driving confidence and trust in legal services. The research used qualitative and quantitative insights across five stakeholder groups (legal professionals, consumers, SMEs, MPs/Senedd members and opinion leaders). The final results and next steps will come to Board in September as will the final version of the business plan for 2024/25. The Board asked that the exec think about how to take account of the findings in next year's plans.

### **Data Strategy and Developing our Risk-based Approach**

- 3.12 An update was given on the development of the long term Data Strategy and shorter term developments in our risk-based approach. A key enabler would be to get more from the technology we already had and to improve the integrity of the data available to us. A project manager had been appointed to oversee this work, A paper would come to the Board at its meeting in November and there would also be regular updates on progress in the CEO reports.

### **Publication of data on how SQE candidates are preparing for the assessments and their pass rates**

- 3.13 Finally, the executive gave the Board a flavour of the discussions they were having with education providers about the pros and cons of publishing data on how SQE candidates are preparing for their assessment and their pass rates. The discussion focused on the risks in this area ahead of the Executive making a decision.

## **4 2024/25 PRACTISING FEES AND COMPENSATION FUND CONTRIBUTIONS**

- 4.1 The Board was asked to approve the fee determinations for 2024/25 in respect of individual practising certificate fees, entity turnover based fees and Compensation Fund contributions; and note and comment on the feedback on the business plan.
- 4.2 The Board noted that there was no change from the previous estimate that the overall individual practising fee for 2024/25 should be £307 per annum of which the SRA's component was £162. Both of these figures were unchanged from the previous year, in part because of an increase in the number of solicitors holding practising certificates.
- 4.3 The Board also noted responses to the Compensation Fund contribution consultation. The Board considered the feedback and, in particular, the impact on small firms. The Board considered whether it would be appropriate to change the balance between firms and individual contributions, given the changing balance in the profession over recent years. However, it agreed that any changes should be

**SRA BOARD**  
**CLASSIFICATION – PUBLIC**

consulted on more widely, which is planned as part of the ongoing consumer protection review. The Board therefore agreed the proposed Compensation Fund contributions, noting that it would be important to give the full picture of how the organisation had arrived at these levels of contributions when the figures were published.

- 4.4 The Board also reflected on initial feedback to our consultation on the Business Plan for 2024/25 which would come to the Board for approval at its meeting in September 2024.
- 4.5 The Board made the following determinations:
- a) the Practising Certificate Fee Determination [2024]
  - b) the Recognised Body and Recognised Sole Practice Fee Determination [2024]
  - c) the Licensed Body Fee Determination [2024]
  - d) the Determination of Compensation Fund contributions for individuals and firms [2024]
  - e) the Determination of Compensation Fund contributions for Licensed Bodies [2024].

*NB: final versions of annexes 6 and 7 of this paper will be published in due course*

**5 MONEY LAUNDERING REPORTING OFFICER (MLRO) YEAR ENDED 5 APRIL 2024**

- 5.1 The Board was asked to consider a paper providing oversight on the work of the Money Laundering Reporting Officer (MLRO) in discharging our legal reporting obligations.
- 5.2 The MLRO introduced her report which provided the Board with a review of the work of her team during the year and assurance on the cooperation they received in carrying out their statutory duties.
- 5.3 Activity for the year covered in the report included delivery of mandatory money laundering, terrorist financing and sanctions related training to staff, as well as internal/external customer engagement, quality assurance work, and success outcomes. Working in partnership with others such as the National Crime Agency was a key part of this.
- 5.4 The MLRO confirmed that she was able to make her annual declaration to the Board that no restraints or restrictions had been placed on her carrying out her independent duties during the year reported on. The MLRO was also able to confirm that she had unrestricted access to the CEO and the rest of the Executive team.

## **SRA BOARD**

### **CLASSIFICATION – PUBLIC**

- 5.5 In response to questions from the Board the MLRO confirmed that the number and subject of concerns raised through the year was broadly consistent with previous years. Property transactions continued to carry the biggest risks though there had been some increase in cases relating to insurance fraud relating to personal injury and motor vehicles.
- 5.6 The MLRO also confirmed that it remained the case that the NCA did not give feedback on Suspicious Activity Reports (SARs) unless they were considered to be poor. The Board noted that this was not motivating for the profession and it was agreed that the Board Chair would write to the Director General of the NCA to repeat a request for more helpful feedback to be provided.
- 5.7 The Board noted the MLRO's assurance about her ability to carry out her role and received the annual report of the MLRO for the year ended April 2024. The Board also repeated its previous invitation to the MLRO to speak to the Board at any time if she considered it necessary.

## **6 SRA CORPORATE COMPLAINTS: NOVEMBER 2022 TO OCTOBER 2023**

- 6.1 The Board was asked to consider the Independent Reviewer's annual report 2022/23 and the key trends in complaints in 2022/23 and areas of focus to improve our service.
- 6.2 The Board noted that there had been an increase in stage one and two complaints compared to recent years, predominantly because the number of matters assessed had increased. There had also been a significant increase in the volume of work undertaken by the Client Protection teams during the year with a large increase in the number of interventions. These included the substantial intervention into the Metamorph Group (Metamorph) in December 2022 which had inevitably led to an increase in complaints related to Compensation Fund claims.
- 6.3 The Board was told that we were still working to improve messaging about what matters we did and did not deal with and which might be for other bodies such as the Legal Ombudsman. One successful action had been to add some explanatory case studies to our website which had been judged as helpful by those who had looked at them. We were also looking at the use of videos and avatars to make our explanations and guidance more understandable.
- 6.4 Board members made the point that it was not unusual for complaints to be used as a vector for cyber-attack and it was agreed that the Executive would check whether there any additional cyber security measure should be included in relation to complaints.
- 6.5 The Board also noted that there had been a reduction in complaints about unclear communication (including concerns about not keeping people updated, not replying to correspondence, and not explaining matters clearly) suggesting an improvement in that area.
- 6.6 The Board noted the Independent Reviewer's annual report 2022/23 and the key trends in complaints in 2022/23 and areas of focus to improve our service.

**SRA BOARD**  
**CLASSIFICATION – PUBLIC**

*NB for expediency this item was taken during the workshop session the previous day alongside the discussion on complaints copied to the Board noted above.*

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

- 7.1 The Board reviewed the meeting and agreed that the workshop session with Professor Richard Moorhead had been very stimulating and that other external speakers should be invited to speak to the Board.
- 7.2 Board members agreed that as ever the welcome in Wales had been particularly warm and that conversations at the stakeholder dinner the evening before had been very constructive. Topics covered had included legal apprenticeships in Wales, the use of AI by students, delivery of the Solicitors Qualifying Examination in Wales, the use and regulation of lawtech, whether Wales should have a separate jurisdiction and access to justice in Wales.
- 7.3 A number of dinner attendees had also raised what they saw as particular challenges for small firms providing legal services including in terms of compliance and the Board Chair suggested that we might give further consideration to what more, if anything, we should be doing in respect of small businesses.

*NB Executive attendees apart from the CEO and Board Secretary left the meeting at this point*

- 7.4 The Board Chair reminded the Board that Ann Harrison's term as the Senior Independent Director (SID) concluded in September 2024. The Board Chair had spoken to all of the Board members about this and there was a consensus that Ann should be reappointed as SID for a further year and that a new Board Chair could then lead further consideration of the role in 2025.
- 7.5 The Board Chair updated the Board on discussions in Nomination Committee (Nomco) on 1 July 2024 on recruitment of lay Board members to replace Paul Loft and Selina Ullah whose terms finished at the end of 2024.
- 7.6 The proposal was to run a recruitment round in the autumn with the assistance of Saxton Bampfylde and the Board's agreement was needed on criteria and appointment panel membership. The intention was to involve a new Board Chair as closely as possible in this recruitment process.
- 7.7 On criteria, Nomco had agreed that we should look for someone from the data/digital world but that strategic experience would be essential. This might also encompass a research/analyst role. For the second role we would look for someone with experience of vulnerable consumers and/or of engagement in the community. This might also include experience of consumer research and engagement and perhaps a background in advocacy for consumers. The Board agreed the selection criteria.
- 7.8 The Board Chair noted that she was required to Chair the appointment panel and said that following conversations with Board members, Nomco's recommendation was that Nicola Willaims and Rob McWilliam would be the other panel members,

**SRA BOARD**  
**CLASSIFICATION – PUBLIC**

along with an independent member yet to be identified. The Board agreed the membership of the appointment panel.

*The Board Chair, CEO and one Board member left the meeting*

7.9 [REDACTED]

7.10 The next meeting would be held on 17 September 2024 in London.