

CLASSIFICATION – PUBLIC

SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
held on 21 January 2015 at 2pm
at The Cube, 199 Wharfside Street, Birmingham, B1 1RN

PUBLIC

Present: Enid Rowlands (Chair)
Julia Black
Graham Chisnall
Martin Coleman
Jane Furniss
Bill Galvin
David Heath
Cindy Leslie
Moni Mannings
Paul Marsh
Peter Phippen
Chris Randall
Shamit Saggar

In attendance: Paul Philip, Richard Collins, Robert Loughlin, Jane Malcolm, David Middleton, Juliet Oliver, Crispin Passmore, Rachel Lewis (Head of and Dominic Tambling

1 APOLOGIES

1.1 The Chair welcomed everyone to the meeting and especially the three new Board members, David Heath, Elaine Williams and David Willis along with Juliet Oliver who had taken up post as General Counsel at the start of the year and press attendees and observers.

2 MINUTES OF THE MEETING HELD ON 3 DECEMBER 2014

2.1 The minutes of the meeting held on 3 December 2014 were **agreed** subject to an amendment to clarify that the declarations referred to in paragraph 3.2 were actual rather than potential.

3 MATTERS ARISING AND DECLARATIONS OF INTEREST

3.1 There were no declarations of interest. The Board reviewed the action log which would now accompany each set of minutes and **noted** that the "Approach to Consultation" document had been published on 7 January 2015 and the response to the Red Tape 3 consultation on 8 January 2015.

4 COMMENTS RELATING TO THE CONFIDENTIAL SESSION

4.1 The Chair reported that there had been some valuable discussions in the morning session of the Board, not least on engagement and communications,

SRA BOARD

which included recognition of the need to have good links with and listen to the profession.

5 CHIEF EXECUTIVE'S REPORT

- 5.1 Paul Philip reported that the regulatory reform progress was progressing well with some consultations currently open and some proposals being prepared for consultation.
- 5.2 As of 6 January 2015 49 firms had entered the Cessation Period having not renewed their Professional Indemnity Insurance though discussions with 37 of these were ongoing. The names of firms that had not renewed had been published the previous year and this exercise was likely to be repeated.
- 5.3 Paul Philip outlined the work being done to help firms improve diversity through the creation of an online law firm diversity data toolkit. Jane Furniss welcomed this and underlined that it was very much a first step and that the data was still partial and would only be of real value to firms which were prepared to invest in this area.
- 5.4 The Board discussed the core service KPIs provided in the report and noted that it would take some months to see trends in the data, first published in November, on how long it took to deal with concerns about solicitors. Work was also being done to ensure that the measures being used should encourage and improve performance. The large number of solicitors and others who had engaged in the consultation on the competence statement was **noted and welcomed**.
- 5.5 The Board also **noted** the expanded scope of social media activities and that the SRA now had over 20,000 followers on Twitter.

6 LEGAL SERVICES BOARD (LSB) STRATEGIC PLAN 2015-18 AND BUSINESS PLAN 2015/16

- 6.1 The Chair said that the LSB's strategic and business plans were positive and recognised the work that the SRA had done with the LSB. A draft response had been prepared that acknowledged this and sought to identify some other areas where the LSB might consider some additional work.
- 6.2 In discussion it was agreed that the SRA response should also draw the LSB's attention to the importance of acknowledging diversity and the needs of groups of people with particular protected characteristics; that there should be recognition that regulation of the legal sector had served an important public interest purpose; and acknowledgment that a further conversation would be needed on the extent to which the LSB and regulators should be involved in the market.
- 6.3 The Board **agreed**:
- (a) the proposed overall approach to the SRA response to the consultation and;
 - (b) that the Chair should approve a final draft, subject to the points raised in discussion.

SRA BOARD

7 REVISED TERMS OF REFERENCE FOR REGULATORY RISK COMMITTEE (RRC)

- 7.1 David Middleton reminded the Board that at its meeting on 29 October 2014 it had agreed that the RRC's terms of reference should be reviewed and that the Committee should focus on how to measure and address risk, although close oversight would need to be maintained on some areas of operation.
- 7.2 The Board **agreed** the revised terms of reference for Regulatory Risk Committee subject to the removal of a reference to the executive risk committee.

8 REGULATION OF CONSUMER CREDIT ACTIVITIES

- 8.1 Crispin Passmore updated the Board on progress that had been made in discussions with the Financial Conduct Authority (FCA) and Treasury (HMT) following the transfer of responsibility of regulation of consumer credit activities to the FCA from the Office of Fair Trading. Some good progress had been made and it was clear that this issue had risen up the FCA's agenda over the past year as a result of these discussions. An agreement that satisfied both sides was now being pursued.
- 8.2 The consultation that the SRA had carried out on this issue had brought out how integral consumer credit services were to the provision of legal services and also how low risk most of the consumer credit services provided in the sector were. The points made by the consumer panel in response to the consultation would be carefully considered when further recommendations were brought to the Board.
- 8.3 The current recommendation was that the Board should agree to option 4 in the paper: to continue discussions with the FCA and request an extension of the transitional provisions beyond 31 October 2015.
- 8.4 The Board:
- a) **noted and endorsed** the work with HMT on reducing the scope of consumer credit regulation;
 - b) **noted** the current position with the FCA: and
 - c) **tasked** the executive with securing option 4 or 3 (in that order of preference) and, only if FCA would not agree to an extension or that agreement on how to regulate could not be reached, that option 2 should remain as an open option. The Board **agreed** that option 1 should continue to be ruled out.

9 PRACTISING CERTIFICATE RENEWAL EXERCISE (PCRE) REVOCATION UPDATE

- 9.1 Robert Loughlin introduced the paper which reported on progress in speeding up the process of revoking practising certificates for those individuals whose practising certificate renewal form and fee were not submitted by 31 October.

SRA BOARD

9.2 The Board **noted** the 2014/15 Revocation strategy and congratulated the team on the progress being made.

10 ANY OTHER BUSINESS

10.1 The Board noted the minutes of the:

- Education and Training Committee on 4 December 2014
- Regulatory Risk Committee on 17 December 2014
- Equality, Diversity and Inclusion Committee on 13 January 2015

**NEXT MEETING: WEDNESDAY 11 MARCH AT 24 MARTIN LANE, LONDON, EC4R
0DR COMMENCING AT 1.45PM**

SRA BOARD

Solicitors Regulation Authority Board Action Log: Public - 11 March 2015

Meeting date	Paragraph	Action	Owner	Date for action
3 Dec 2014	6.4	Bring further recommendations to Board on possible extension of post six year run off cover for one or two years	Crispin Passmore	Late spring/early summer
21 Jan 2015	6.2	Response to LSB consultation on Strategic Plan and Business Plan to be redrafted and cleared with the Chair	Richard Collins	
21 Jan 2015	8.4	Executive to continue discussions with FCA and HMT on regulation of consumer credit activities and request extension to the deadline for transitional provisions and report back to the Board.	Crispin Passmore	11 March 2015

Solicitors Regulation Authority Board Record of Actions Completed: Public - 11 March 2015

Meeting date	Paragraph	Action	Owner	Date completed
3 Dec 2014	7.3	Publish approach to consultation document	Crispin Passmore/Jane Malcolm	Published 7 January 2015
3 Dec 2014	8.4	Publish response to Red Tape 3 consultation	Crispin Passmore	Published 8 January 2015