

**SRA BOARD**  
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**SOLICITORS REGULATION AUTHORITY**  
**Minutes of the SRA Board meeting**  
**held on 29 April 2025 at 40 Gracechurch Street, London EC3V 0BT and via**  
**Microsoft Teams**

*Subject to final approval by the SRA Board at its meeting on 30 June 2025*

Present: Anna Bradley (Chair)  
Claire Bassett (via Teams)  
Ann Harrison  
Simon Millhouse  
Claudio Pollack  
Lisa Mayhew (via Teams)  
Vikas Shah (via Teams)  
Liz Smart  
Nicola Williams

In attendance: Paul Philip, Aileen Armstrong, Liz Rosser, Alex Magloire, Dominic Tambling  
Ben Fisher (for items 8 and 9), Chris Handford and Harriet Gamper (for item 9), Patrick Bolser and David Adams (for items 9, 10 and 12) – all via Teams

**1 WELCOME AND APOLOGIES**

1.1 The Chair welcomed everyone to the meeting. Apologies had been received from Rob McWilliam.

**2 MINUTES OF THE PREVIOUS MEETING ON 24 FEBRUARY 2025**

2.1 The minutes of the meeting on 24 February 2025 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 on the agenda. All actions due were completed or in hand.

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. The Board Chair congratulated Claire Bassett on her appointment to the post of Chair of the Property Ombudsman Board which would be added to her register of interests.

**4 CHAIR'S UPDATE**

4.1 The Board Chair updated the Board on some of her recent meetings, including with the Chair of the Legal Services Board (LSB) They had discussed the role of legal regulators in the government's growth agenda and had agreed that a Board to Board meeting on this would be helpful.

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- 4.2 The Ministry of Justice was convening a roundtable on growth in the legal services sector which the Board Chair would attend. A letter from the LSB to the legal regulators about the growth agenda was annexed to the CEO report at item 6.
- 4.3 Board members suggested that anecdotal reports of an increase in interest from private equity agencies in law firms suggested that the appeal of England and Wales as a provider of legal services was high. The Executive noted that this was on the face of it positive but should also be flagged as a potential risk.
- 4.4 The Board Chair confirmed that the Board had not taken any decisions since the previous formal meeting on 24 February 2025.

## 5 COMMITTEE CHAIR UPDATES

- 5.1 The Board was asked to consider reports from the Chairs of its committees.
- 5.2 The Chair of the Nomination Committee reported that its recent meetings had focused on the recruitment of a new Chief Executive.
- 5.3 The report from the Chair of the Audit and Risk Committee focused on the Committee's discussions on the risk and data programme and financial statements, both of which were dealt with later on the agenda.
- 5.4 The Chair of the Remuneration Committee reported that recent discussions had covered the organisation's policies on pay, including Executive Remuneration and specifically the remuneration of the new Chief Executive.

[REDACTED]

[REDACTED]

[REDACTED]

*NB: the paper relating to this item will not be published as it relates to issues that are commercially sensitive and includes discussion of risk that might be exacerbated by publication.*

## 6 CHIEF EXECUTIVE'S REPORT

- 6.1 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

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on important external developments and our engagement activity with key stakeholders.

- 6.2 The CEO updated the Board on some high profile cases, including that we had concluded our investigations on the SSB Group in relation to former clients unexpectedly being pursued to pay adverse legal costs in relation to discontinued cavity wall insulation litigation claims. We had already taken action against four solicitors in relation to this case and had issued disciplinary notices to others. We were also continuing our liaison work with insurers and engagement with other regulators to support former clients of SSB, as well as our wider work on high volume consumer claims.
- 6.3 In discussion Board members noted that we had issued a Warning Notice to firms handling high volume consumer claims on marketing services to members of the public. The notice covers our expectations around how clients are approached, as well as the use of the term ‘no win no fee’ in marketing material, and highlights that a client’s liability for costs must be clearly explained. We have also published a consumer guide to help consumers navigate ‘no win no fee’ agreements, including questions to ask and things to look out for before signing up. It was noted that thematic work on high volume consumer claims should produce case studies illustrating both poor but also good practice in these areas.
- 6.4 The Board noted that we were continuing to progress more than 20 live investigations arising from the Post Office Horizon IT scandal into solicitors and law firms who were working on behalf of the Post Office/Royal Mail Group. The Board also noted that we were dealing with outstanding issues related to clients of the former firm WW&J McClure. Jones Whyte was now dealing with these clients and we were concerned that it was taking too long to deal with all of the issues arising. We now have a compliance plan agreed with the firm.

[REDACTED]

[REDACTED]

[REDACTED]

- 6.8 The Board agreed that it would be helpful to formalise a set of criteria which would help the Executive and the Board Chair decide what matters should be reported to

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the Board, and whether that needed to be done outside of the scheduled meeting cycle.

6.9 The CEO drew the Board’s attention to paragraph 12 of his report on our authorisation Garfield Law Ltd, the first purely AI-based firm to be authorised by us to provide regulated legal services in England and Wales.

6.10 The CEO reminded the Board that the next full Office for Professional Body Anti-Money Laundering Supervision (OPBAS) inspection of the SRA would take place from 30 April to 9 May 2025. OPBAS had already reviewed a sample of our SARs on 14 February 2025 but had not yet provided its opinions on the quality of the SARs.

[REDACTED]

[REDACTED]

6.12 The Board noted the Chief Executive’s report.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**8 UPDATE ON COMMUNICATIONS**

[REDACTED]

*NB: this was an oral item and there is therefore no paper to publish*

**9 SRA DRAFT BUSINESS PLAN AND BUDGET 2025-26**

9.1 The Board was asked to consider our draft Business Plan and budget for 2025-26, alongside next steps required for:

- consultation and engagement activity
- finalising the Business Plan and budget 2025-26
- finalising the Compensation Fund contribution
- finalising the practising certificate Fee for 2025-26
- publication by 31 October 2025.

9.2 In discussion Board members commented on the scale of the work proposed and asked the Executive to reflect on this, including the amount of senior management time which it would require, [REDACTED]

9.3 The Board also asked that preparation for the next Corporate Strategy should include information on the framework used to make decisions about what work was a priority and what was not. The Board did agree that the consultation on the

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Business Plan should make clear that we had given a great deal of thought to our proposed priorities for 2025/26 including where work would be done to satisfy an external obligation. The Board also asked that the consultation should set out more clearly the work that we had and were doing to ensure value for money was delivered, including some of the useful examples given elsewhere in the papers.

- 9.4 In relation to the proposed budget for 2025/26, the Board noted the proposed increase in budget and associated increase in the Practising Fee, but also that this would be largely offset by a reduction in the Compensation Fund contribution. Part of the proposed increase was to enable us to deal with a significant increase in complaints received and, although we were not clear why this increase had come about, we should recognise it in the consultation, as well as the significant increase in the number of solicitors over recent years.
- 9.5 The Board also noted that an increase in our costs meant that we did not expect our reserves to reach the minimum of our target range at the end of this year or of 2025/26, though any surplus would be used to rebuild reserves.
- 9.6 The Board discussed contributions to the Compensation Fund and agreed that for the coming year we should retain the position where 50% of the overall contribution is charged to individuals and 50% to firms holding client money.
- 9.7 The Board noted that as part of our consultation on client money in legal services, we invited views on a proposal to reapportion Compensation Fund contributions and on more fundamental changes to the way we set contributions that we might consider for the longer term. A full analysis of responses to all the consultation questions on the Compensation Fund and proposed direction of travel would be brought to the Board later in the year.
- 9.8 Subject to the points noted above, the Board agreed the draft Business Plan and draft budget for 2025-26 and our portion of the practising certificate fee for consultation; the recommendation for the 2025-26 Compensation Fund contribution for consultation; and the consultation approach.
- 9.9 The draft Business Plan and budget for 2025-26 would now be finalised for public consultation during May and June 2025.

*NB: annex 1 will be published as an annex to the consultation paper. Annexes 2, 3, and 4A will not be published as they relate to emerging strategy or policy. Annexes 5 and 6 will be published alongside the draft Business Plan and Budget.*

## 10 SRA NOVEMBER 2024 TO FEBRUARY 2025 PERFORMANCE REPORT

- 10.1 The Board was asked to consider an overview of the performance report for the four month period ended 28 February 2025.
- 10.2 The Board discussed the balanced scorecard (annex 2) and noted that the Investigations and Enforcement (AERT) target and the impact which a significant rise in the number of cases received (up 49% on the equivalent period for the previous year) was having on meeting this KPI. The Executive confirmed that plans were in place to address this increase. Board members said that, at the next

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full review of the content of the balanced scorecard, we could consider including measures around quality and customer service as well as timeliness. Also to consider whether the right AERT timeliness measures were escalated to the Board and might perhaps consider including triage days and time taken on high risk cases.

- 10.3 The Board noted that the forecast deficit of £8m for 2024/25 was higher than forecast because legal costs had increased significantly due to an increase in both the number of enforcement cases and their complexity. This increase had been taken into account in preparing the draft Business Plan and budget for 2025/26.
- 10.4 The Board was also asked to approve a revision to the SRA Limited Reserves Policy with a two-yearly review period rather than annual, on the basis this was more appropriate.
- 10.5 Finally, the Board considered an update on the LSB's performance assessment which focused on the 2024 regulatory performance assessment report, which the LSB published on 31 March 2025, and a summary of LSB consultations / position papers and our response to them. Future reports would include an update on progress to address the LSB's key expectations for us from the 2024 performance assessment report as well as the six themes that the LSB had identified as requiring focus and improvement by all of the legal regulators.
- 10.6 The Board:
- a) noted the content of the performance reports and the overall assessment of performance
  - b) approved the revision to the SRA Limited Reserves policy
  - c) noted the update on the LSB performance assessment.

*NB: Annex 1 of this paper will not be published because it contains information which is commercially sensitive*

## 11 SRA STRATEGIC RISK UPDATE

- 11.1 The Board was asked to consider a progress report on the SRA Strategic Register (SRR) and the discussion on our approach to risk management development.
- 11.2 The Audit and Risk Committee had discussed the Risk and Data Programme in detail and a sub-group of the Board had been established which would hold further discussion with the Executive and report to the Board in July. Alongside this, our internal auditors were undertaking an advisory audit and, it had been agreed, might be an appropriate route for further external assurance of the programme.
- 11.3 In response to questions from Board members it was confirmed that the Risk Management Framework was the overarching framework within which the Risk Intelligence Framework would be aligned.
- 11.4 The Board:

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- a) agreed the Strategic Risk and Residual Risk Level Report
- b) agreed the revised Strategic Risk Register
- c) noted the Audit and Risk Committee (ARC) discussion on the Risk and Data Programme.

*NB: the annexes to this paper will not be published as they include discussion of risk that might be exacerbated by publication.*

**12 2023-24 CONSOLIDATED AND COMPENSATION FUND ANNUAL REPORTS AND ACCOUNTS**

12.1 The Board was asked to consider the Financial Statements and Letters of Representation for the year ended 31 October 2024 of Solicitors Regulation Authority Limited, Solicitors Indemnity Fund (SIF) and the Compensation Fund.

12.2 The Audit and Risk Committee had looked at these documents in great detail and they were final subject only to one or two small points of clarification, the approval of which the Board was asked to delegate to the Board and ARC Chairs. The SIF audit was subject to one further check but it was unlikely that any material change would be needed. The Board was asked to agree that an immaterial misstatement within the SIF accounts not be adjusted at this stage.

12.3 The Board:

- a) approved the Solicitors Regulation Authority Limited consolidated financial statements for 2023/24 prepared on a going concern basis
- b) approved the Solicitors Indemnity Fund (SIF) financial statements for 2023/24 prepared on a going concern basis
- c) approved the Compensation Fund financial statements for 2023/24 prepared on a going concern basis
- d) agreed the Letters of Representation can be signed on behalf of the Board, noting the likely inclusion of an unadjusted error within SIF
- e) agreed to reappoint BDO as auditors of the Solicitors Regulation Authority Limited, SIF and the Compensation Fund for the 2024 financial year
- f) delegated the approval of any final changes to the annual report and accounts to the Board Chair.

*NB: annexes 4 to 9 of this paper will not be published because they are commercially sensitive and/or include legal or other professional advice on sensitive or confidential matters.*



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#### **13 FINANCIAL PENALTIES: ECONOMIC CRIME AND CORPORATE TRANSPARENCY ACT 2023**

- 13.1 The Board was asked to consider an update on work to develop technical changes to our fining guidance relating to the Economic Crime and Corporate Transparency Act 2023 (ECCTA), as an interim measure, to enable us to apply the fining powers granted by that legislation using our existing policy framework. The Board was also asked to agree that we should clarify that we would not use global turnover to calculate indicative fines for firms.
- 13.2 The Board was also asked to approve our approach to offences involving convictions for driving with excess alcohol.
- 13.3 The Board was reminded that at its workshop on 8 April 2025 it had discussed a proposed approach to make limited technical changes to our guidance in relation to higher fines under ECCTA using our existing financial penalties framework. This is in advance of consulting on wider changes to the penalties framework later this year.
- 13.4 In response to questions from Board members it was confirmed that we had discussed our intended approach to this change to our regulatory arrangements with the Legal Services Board.
- 13.5 The Board:
- a) agreed that we should make technical changes to our financial penalties guidance relating to ECCTA and note our intention to consult with key stakeholders on these changes
  - b) agreed that going forward we use domestic turnover as the basis of all firm fines where this is available, and – in any event - that we do not use global turnover as the basis for determining an appropriate fine
  - c) agreed that we should implement our consultation proposal to no longer issue financial penalties in relation to misconduct involving driving with excess alcohol (drink driving), save in exceptional circumstances.
- 13.6 We would now consult key stakeholders on our proposed technical changes to the guidance and then finalise the guidance and seek approval from the LSB before implementation.

#### **14 REVIEW OF MEETING AND ANY OTHER BUSINESS**

- 14.1 There was no other business. In reviewing the meeting Board members suggested that we should allow more time at the start of meetings for general updates on topical matters and to set out what the meeting hoped to achieve.
- 14.2 The next meeting would be held on 30 June 2025 via Teams.