

SRA BOARD
CLASSIFICATION – PUBLIC

SOLICITORS REGULATION AUTHORITY
Minutes of the SRA Board meeting
held on 24 February 2025 at The Hilton London Tower Bridge, 5 More London
Place, Tooley St, London SE1 2BY

Subject to final approval by the SRA Board at its meeting on 29 April 2025

Present: Anna Bradley (Chair)
Claire Bassett
Ann Harrison
Rob McWilliam
Simon Millhouse
Claudio Pollack
Lisa Mayhew
Vikas Shah
Liz Smart (for items 5 and 6)
Nicola Williams (for items 1 to 5)

In attendance: Paul Philip, Liz Rosser, Juliet Oliver, Alex Magloire, Julie Swan
(for item 4), 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 14 JANUARY 2025

2.1 The minutes of the meeting on 14 January 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.

4 CHAIR'S UPDATE

4.1 The Board Chair reported that she had appointed Simon Millhouse to the Audit and Risk Committee following consultation with the Board. She had also approved some further small amendments to the rules needed to give effect to the professional qualification aspects of the UK/Swiss Trade Agreement.

4.2 The Chair told the Board about a very positive introductory meeting with the Minister of State for Courts and Legal Services, Sarah Sackman MP. Subjects covered had included bulk litigation, on which there had been further contact at official level around bringing interested parties together. Since the previous Board meeting the Chair had also met the President of the Law Society, the Chair of the

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Chartered Institute of Legal Executives and the President of the Solicitors Disciplinary Tribunal. The Board was also looking forward to discussion with City solicitors over dinner that evening.

- 4.3 The Chair summarised the workshop discussions that had taken place that morning (at annex 1). *NB: the summaries also cover discussion on 25 February which are included for completeness*

5 REPORT ON THE THIRD FULL YEAR OF THE SOLICITORS QUALIFYING EXAMINATION (SQE)

- 5.1 The Board was asked to consider an update on the third year of the delivery of the Solicitors Qualifying Examination (SQE). Some reports which would be published in March had been made available to the Board: Kaplan's annual report; the annual report of the Independent Reviewer; and our quality assurance report. These reports covered the academic year 2023/24.
- 5.2 The Board was joined by Soren Kroon, Managing Director at Kaplan Professional, and Zoe Robinson, Director of Qualifications at Kaplan Professional. Topics covered in discussion included the significant growth between reporting periods (75%) in the number of candidates taking the exam. Kaplan gave assurances about how this increase had been managed, including the use of new oral assessment centres, the introduction of a forms-based approach to SQE1 and an increase in the number of Kaplan's staff. The Board noted that the number of sittings in other countries was positive both in terms of the reputation of law in England and Wales but also for the wider growth agenda,
- 5.3 In response to questions from Board members Kaplan said that the year on year increase was likely to be a bubble reflecting the timing of the transition to the SQE and that future rises were expected to be significantly lower before a more steady state position was achieved.
- 5.4 The Board was pleased to hear that Kaplan had addressed some issues with candidate satisfaction including by: rationalising the assessment centres it used; improving booking arrangements so that candidates indicate where they want to sit and Kaplan, rather than the candidate, locates a suitable seat; and providing greater flexibility for sittings to take place in the event of disruption.
- 5.5 Board members asked Kaplan about progress in introducing spellcheck facilities for candidates taking the SQE2 written assessments. Good progress had been made but it was still not possible to make the functionality available to all candidates. Kaplan's view was that the facility needed to be made available to all candidates at one time (other than as a reasonable adjustment) rather than introduced gradually. Board members noted that candidates were not penalised for spelling errors and that Kaplan was trying to bring the universal introduction forward but that it would not happen until 2026.
- 5.6 A great deal of work had been done to prevent any repeat of an error of the type that had occurred with the rounding of scores for SQE in January 2024. This had included a review of policies and processes and progress against the resulting

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action plan was regularly reported to the SRA. Actions had included the recruitment to a new role of Quality and Standards Director.

- 5.7 The Board also asked Kaplan about its plans for 2025 and heard that these included introducing scaled scoring for SQE2, which would facilitate the holding of two written sittings on a single day and five oral sittings. Scaled scores would also assist firms in making comparisons in performance over time. Arrangements were also being introduced to make reasonable adjustments for candidates endure through different sittings, rather than having to be applied for and agreed each time. Kaplan would also be commissioning more research to support our work on addressing the causes of differential outcomes.
- 5.8 The Board agreed that it was increasingly happy with the way that our relationship with Kaplan was continuing to develop and it was very positive to see Kaplan addressing the issues that the Board had raised. The Board looked forward to continuing this close working relationship, particularly on work on differential outcomes.
- 5.9 The Board noted the SQE annual report prepared by Kaplan, the annual report of the Independent Reviewer and our quality assurance report, along with the actions we will take, in collaboration with others, to address some of the causes of differential outcomes
- 5.10 The Board confirmed the SQE fees for the academic year 2025/2026 of: SQE1: £1,934 (£1,888 for 2024/25) and SQE2: £2,974 (£2,902 for 2024/25).
- 5.11 The Board also noted the forthcoming opportunity for established organisations to seek funding from the Access and Reinvestment Fund to support candidates to overcome significant barriers to qualify as solicitors.

6 REVIEW OF MEETING AND ANY OTHER BUSINESS

- 6.1 The Executive left the meeting and the Board considered proposals from the Nomination Committee for the process for recruiting a new Chief Executive Officer. The Board agreed the recruitment process including the timetable, the membership of the selection panel, key content for the recruitment pack (subject to some suggested minor amendments) and the attraction strategy.
- 6.2 The next meeting would be held on 29 April 2025.

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Annex 1: summaries of workshop discussion on 14 and 15 February 2025

Anti-money laundering (AML)

- 1 The Board considered a report on our work to prevent and detect money laundering and changes to the economic crime landscape. The Board noted that we were waiting to hear the Government's plans for the future of AML supervision. In the meantime, we were preparing for a further visit from our oversight supervisor for AML, the Office for Professional Body AML Supervision (OPBAS) at the end of April. The Board acknowledged that we were a contributor to the wider AML system and that although we heard from solicitors and firms that the requirements were onerous, this was a legislative scheme and our part was to ensure compliance and to make sure that effective safeguards were in place to reduce opportunities for criminal funds to enter the economy. Whilst the legislative requirements for AML compliance are stringent, we supervise these through a risk-based approach, relying on a well managed data set about the population of firms that are subject to AML rules. This approach to data stands as an exemplar for the sort of processes we are developing more widely through our data strategy and risk development work.
- 2 The Board also agreed that it was important to make sure that we continued to make clear that money laundering was not a victimless crime. The Board also received assurance that AML risks were appropriately represented in the new risk framework.

First-tier complaints policy work

- 3 The Board discussed our planned work programme on first-tier complaints (complaints received by Solicitor firms) and our response to the Legal Services Board's Statement of Policy. We discussed implementing changes ahead of the LSB's November deadline, as well as the benefits and challenges of collecting and publishing data relating to these complaints. The Board noted the challenges of doing this in a way which would result in improved information for consumers, which required careful consideration. The Board also discussed a model complaints handling procedure, which might be a standard procedure that all regulated legal services providers adopt, and agreed that this should be explored further, noting the benefits of collaboration. More broadly, the Board noted the need to consider in the round the balance between regulation and competition, both of which are necessary to bring benefits to consumers, in the context of a new emphasis on the growth of legal services. The Board would be updated ahead of publishing a consultation on changes to our requirements on first-tier complaints.

The Solicitors Qualifying Examination (SQE) – the third set of annual reports and wider communications and engagement on the SQE

- 4 The Board considered key findings in the SQE annual reports (the third annual SQE report, prepared by our service provider Kaplan, and the SQE Independent Reviewer's report) which would be discussed with Kaplan in the formal Board meeting. We also considered how we could better bring the SQE to life, including

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through sharing examples of how different SQE candidate have prepared for their assessments and taken advantage of the wide range of options available to them. The Board agreed that the SQE continued to be a significant success story. Aspiring solicitors were now being assessed to the same high standard and unnecessary barriers to qualification had been removed.

Update on high profile cases

- 5 We were updated on progress with some high profile cases including the independent review into our intervention into Axiom Ince commissioned by the Legal Services Board (LSB). We also received a report on the LSB's draft regulatory performance assessment to which we would be responding the following week.

Initial considerations for Business Plan and budget 2025/26

- 6 The Board discussed priorities for the 2025/26 financial year including a draft narrative and potential commitments for inclusion in the Business Plan 2025/26, proposed changes to the budget for 2025/26 with related proposals for the practising fee requirement and proposals for the Compensation Fund contribution requirement in 2025/26. These proposals recognised the investment the Board had previously endorsed, for example to respond to changing risks in the external environment. The Board would be asked to agree a draft budget and business plan for consultation at its meeting on 29 April 2025 and asked that, as preparation for this, some further work should be done on articulating the reason for prioritising some work streams over others and further information on the cost of additional work.

Financial Penalties: post-consultation position

- 7 We discussed concerns raised in the responses to our 2024 consultation on reforms to our financial penalties guidance, and current thinking on those issues following further engagement and policy development work. The Board agreed that given the feedback we had received from stakeholders another consultation would be needed on some elements of the financial penalties guidance. Further detail on this and on some decisions arising from the original consultation would be brought to the Board for formal approval. The Board also supported plans to work with the Solicitors Disciplinary Tribunal which was reviewing its own sanctions framework to ensure that in so far as possible the two schemes were complementary.

Tom Hayhoe, Chair of the Legal Services Consumer Panel (LSCP) and Lola Bello, Head of the Consumer Panel

- 8 We received an interesting presentation from Tom Hayhoe on the LSCP's work and priorities including on their continued efforts to promote consumer based regulation, research on access to justice and standing up for professionalism in legal services. We had a wide ranging discussion including on continuing competence, the balance between regulation and growth and the information needed to help consumers make informed choices. The Board agreed to continue to work closely together with the LSCP and welcomed Mr Hayhoe's offer to explore specific issues with the Board when appropriate.