

## News from the Board

### Reflections on our June Board meeting - Anna Bradley

01 July 2024

Two years' ago, CILEX formally approached us about redelegating regulation of CILEX members to the SRA. Since then, we have carried out two consultations, and the Board has been scrutinising what this change would mean in practice. We knew there would be strong responses from the profession to these proposals, so our focus has always been on the public interest.

We have engaged extensively on the issues. The insight we have about consumer understanding of legal regulation all points to the benefits of this approach. Legal professionals' views are mixed; I have spoken to lawyers in large and small firms who are very supportive of these changes, but clearly others have concerns, and some (such as, The Law Society) have strong objections. At a more granular level the consultations have helped us to refine the way we would approach this task.

The Board's conclusion is that this change would be in the public interest and so we would be willing to take on the regulation of CILEX members. It would simplify the complex regulatory landscape, making it easier for consumers to navigate. It would bring more consistent standards and levels of protection. The switch would also result in efficiencies, including reducing duplication and complexity for 75% of CILEX members and the SRA regulated firms they already work in.

Mindful of the profession's concerns around our conclusions the Board spent a considerable time talking through the issues raised and reflecting on whether now is the time to make this decision. We agreed we would publish a longer than [usual minute](https://media.sra.org.uk/sra/how-we-work/our-board/public-meetings/archive/) and a [single statement](https://media.sra.org.uk/sra/news/sra-statement-cilex/) that draws together the thinking we have done over two years about why we think this is in the public interest and what our response is to some of the main concerns that have been raised.

I am going to pick up two issues in particular in this blog.

#### **Taking account of consumers views**

Some have questioned the quality and conclusions of the consumer research and its support for change. We are content that years of

research with consumers all points in one direction and the most recent evidence from polling and focus groups strongly reinforces those views.

This research showed that the vast majority say that bringing more legal professionals under one regulator seems the right approach. They think it will be less confusing, and they would welcome greater consistency. They would prefer not to have to complain to more than one regulator if something goes wrong, and if enforcement action is needed, they expect all legal professionals to be held to the same standard.

These changes won't solve all the issues with complexity in the regulatory landscape, that would take legislation, but we are clear that it will help consumers by improving on the current situation.

## **The wrong time**

Recently some, including The Law Society, have questioned whether this is the right time for such change, particularly given the range of other high profile issues the SRA is dealing with. We spent time exploring these issues with our executive and our assessment is that there is no reason not to pursue this now. Almost all of the preparation work that involves our senior staff has already been done, and the implementation and business as usual activity will be handled by our operational teams. Notwithstanding, the Board asked for assurance around the resourcing plans for the next stages, if it went ahead.

I would encourage you to read the documents we have published, including particularly our [statement](https://media.sra.org.uk/sra/news/sra-statement-cilex/1) [<https://media.sra.org.uk/sra/news/sra-statement-cilex/1>].

The next decision will be for CILEX to decide whether to go ahead with redelegation, and all of this depends on Legal Services Board approval. We will now await the decision of CILEX's Board with interest.

## **Budget and practising certificate fees**

The other major item we discussed at our meeting was the consultation on our budget and what it means for our portion of the practising certificate fee.

We must be effective in delivering our work, but it is also vital that we are efficient. Most respondents supported our budget rising in-line with inflation, and the Board approved this.

The result would be that our portion of the practising certificate fee would remain the same as last year. The total practising certificate fee will come for final approval to our July Board in Cardiff. At that meeting we will also consider feedback on our proposed compensation fund rises and make a final decision on that as well.