

Solicitors Disciplinary Tribunal Administration Ltd

Company Registration No: 06654464

Our ref: Geraldine Newbold

Steve Brooker
Head of Research and Development
Legal Services Board

By Email Only To: Steve.Brooker@legalservicesboard.org.uk

6 September 2018

Dear Steve

Solicitors Disciplinary Tribunal/Solicitors Disciplinary Tribunal Administration Limited: Budget Application 2019

In accordance with the Memorandum of Understanding dated 6 August 2016 between the Legal Services Board (“the LSB”), the Solicitors Disciplinary Tribunal (“the SDT”), Solicitors Disciplinary Tribunal Administration Limited (“SDTAL”) and The Law Society (“TLS”), I attach the SDT/SDTAL Budget Application 2019, for the LSB’s attention. The application comprises:

1. This letter, the Notes and the Tables below, which form an integral part of the Budget Application;
2. SDT/SDTAL Budget Principles 2019 (PDF);
3. SDT/SDTAL Budget Application 2019 (Excel Worksheet);
4. SDT/SDTAL Out-turn 2017 – Budget Compared with Actual Spend (Excel Worksheet);
5. SDTAL Management Accounts January to August 2018 (Excel Worksheet); and
6. Efficiency Impact Assessment (PDF).

The Notes follow on subsequent pages.

Note 1: Sitting Days (Actual and Estimated with Members' Fees)

Description	2017	2018	2019
Budget Application	345 = £545,100	300 = £474,000	406 = £641,480
Completed or Listed	266 = £420,280	303 = £478,740	N/A
Estimated to year end	N/A	303 = £478,740	N/A
Underspend (estimated)	£124,820	(£4,740)	N/A

Table 1

In April 2018 the SRA anticipated sending the SDT about the same amount of work as in the previous 12 month period, which was 138 cases. The SRA's estimated number of hearing days for 2019 at that time was 414. The SDT used this information to form the basis of the preliminary budget estimate which was submitted to TLS in May 2018, reducing the figure of 414 days to take account of Agreed Outcomes and adjournments.

On 26 July 2018 the SRA provided a significantly increased forecast for the work that it anticipates sending to the SDT in 2019. It estimates that it will be sending 180 cases (increased from 138) and that these cases will require 325 hearing days once adjustments are made for Agreed Outcomes and adjournments. The SRA also estimates that it will be sending an additional 25 cases related to sexual misconduct and that these cases will require an additional 81 hearing days. This equates to 406 hearing days in 2019.

To 31 August 2018 the SDT had received 76 applications from the SRA and 16 from all other sources. If current levels are maintained this suggests a caseload of 114 applications from the SRA and 24 from all other sources for 2018 as a whole. However, the SRA has indicated that it expects to see an increase in the number of cases it is sending to the SDT in the coming months. The best estimate for the total number of applications from the SRA in 2018 is between 131 and 136.

There has been a marked improvement in the information provided by the SRA during 2018. Each month the SRA provides an estimate of the number of cases it anticipates sending to the SDT in the following month with a maximum and minimum anticipated length for each case. As an example, at the end of August 2018 the SRA indicated that it anticipated submitting between 13 cases (most likely) and 21 cases (worst case scenario) in September, requiring between 39 (most likely) and 73 (worst case scenario) hearing days. This means that the actual likely length of hearings is not known by the SDT until proceedings are received. Consequently

the number of hearing days actually required is dependent on which cases are sent through in any given month.

Relevant factors in determining the number of hearing days required for a case include:

- (1) the number of respondents;
- (2) the number of allegations made;
- (3) whether the allegations include dishonesty and/or lack of integrity (which are more likely to be defended);
- (4) whether the respondent is legally represented (which can increase or decrease the hearing length);
- (5) whether the allegations are to be defended;
- (6) the number of witnesses to be called;
- (7) the quantity of supporting paperwork;
- (8) the likelihood of an Agreed Outcome based on the papers.

To 31 August 2018 the SDT had sat on 174 days. It is currently scheduled to sit on 303 days in 2018. In addition there are 93 hearing days already listed in quarter one of 2019 and the SDT is currently listing cases in early April 2019. If 93 hearing days per quarter is indicative of the requirement for 2019, then 372 hearing days will be required even if the number of cases remains static, which is not what has been predicted by the SRA.

The estimated number of applications for 2019 is 230 applications from all sources, including a number of lay applications. Based on the information available the 406 hearing days appears to be a reasonably accurate estimate of the number required. Based on experience of how applications from applicants other than the SRA have been listed historically, no allowance has been made for additional sitting days for these matters as they can be accommodated within the 406 hearing days.

General enquiries from members of the public appear to be continuing at previous levels. Those contacting the Tribunal have continued to be more litigious, for example including threats of Judicial Review and naming the Tribunal as an Interested Party in Judicial Reviews. There has also been increased post-hearing contact from a number of respondents unhappy with the SDT's decision and seeking recourse that is not within the SDT's powers, rather than choosing to exercise a right of appeal.

The number of individuals seeking restoration to the Roll or termination of a period of indefinite suspension has fallen so far this year with only one such application whereas in previous years such applications have been fairly constant at around 5-7 each year.

In 2018 the number of lay applications for consideration by the Tribunal for certification looks likely to be similar to 2017, having reached 7 to date (2017 total = 11). There were 4 Section 44E appeals in 2017 and 2 to date this year.

Note 2: 2017 Underspend and 2018 Underspend Estimate

The 2017 underspend and current estimate of underspend in 2018 can be broken down as follows:

2017	Budget (£)	Actual Spend (£)	Under Spend (£)
Employment Costs	1,115,510	1,025,674	89,836
General Administration Costs	1,024,872	835,808	189,064
Building Costs	581,643	543,811	37,832
Contingency	30,000	-	30,000
Irrecoverable VAT	153,141	135,066	18,075
Total Costs	2,905,166	2,540,359	364,807
Capital spend	-	52,952	(52,952)
TOTAL EXPENDITURE (REVENUE & CAPITAL)	2,905,166	2,593,311	311,855
2018	Budget (£)	Actual Spend (£)	Under Spend (£)
Employment Costs	1,159,939	1,046,603	113,336
Administrative Costs	927,421	906,873	20,548
Building Costs	579,138	601,913	(22,775)
Contingency	25,000	-	25,000
Irrecoverable VAT	146,624	160,229	(13,605)
Total Costs	2,838,122	2,715,618	122,504
Capital spend	-	1,337	(1,337)
Contingency budget re rent & service charge increase	75,398	75,398	-
Contingency budget re additional sitting days	-	5,946	(5,946)
TOTAL EXPENDITURE (REVENUE & CAPITAL)	2,913,520	2,798,299	115,221

Table 2

Note 3: Annual Report

The SDT published its Annual Report for the year ended 2017 in May 2018. It was sent to the LSB at the point of publication.

Note 4: Gate House Rent Review

The SDTAL's rent for Gate House has increased following a rent review which fell due in December 2017 under the leases for each floor. The rent review has been concluded on favourable terms of £45 per sq. ft. compared to initial advice from SDTAL's agents, JLL, which anticipated a rent in the range of £52.50-£57.50 per sq. ft. with the potential for negotiation of a rent-free period of 6-9 months, bringing the rent per sq. ft. down to £46-£53.

The 2018 budget figure has been amended to incorporate the additional rent and related items, as the 2018 budget was agreed on the basis that once the final figure was known funds would be released by TLS. This approach was to avoid any overpayment by TLS whilst the rent review process was ongoing.

Note 5: CaseLines

On 29 August 2018 the SDT's Board approved the implementation of CaseLines (a computerised evidence management and presentation system). Further information about CaseLines is included in the Efficiency Impact Assessment submitted with this letter.

It is anticipated that the majority of the up-front costs for implementing CaseLines will be incurred this year and met from provision in the 2018 budget. These include consultancy, training and bespoke front-end design estimated to be in the region of £28,600. Once implemented CaseLines will deliver savings for the SDT, the SRA and the profession as a whole.

It is not my intention to send hard copies of this letter and enclosures. If hard copies would assist, or if I can immediately help with anything else in relation to this application, please do not hesitate to let me know.

You will see that I have copied Paul Wilson at TLS into this email. I confirm that the Preliminary Budget Estimate 2019 was sent to TLS on 29 May 2018.

Edward Nally and I are expecting to attend at the LSB Board Meeting on 24 October 2018 for the purpose of presenting the Budget Application and dealing with questions. I would be grateful for confirmation of the practical details in due course.

Yours sincerely



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