

**Sent by email**

Paul Philip  
Chief Executive  
Solicitors Regulation Authority



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25 August 2022

Dear Paul

### **Internal Governance Rules 2019 – Rule 16 authorisation**

Thank you for submitting the SRA's request to the Legal Services Board (LSB) of 12 August 2022 made under Rule 16 (Saving Provisions) of the Internal Governance Rules (IGR) that came into effect on 24 July 2019.

You requested written authorisation for non-compliance with Rule 7 of the IGR due to the unexpected circumstance of a lay member leaving the SRA's Board with immediate effect.

We have considered the request and taken account of the following matters:

- the unexpected nature of the change in balance on the SRA's Board and the SRA's assurance that it would usually expect a Board member who was leaving to serve a full three-month notice period
- the fact that the request is time-limited for a period of three Board meetings
- the SRA's plans to remedy the non-compliance in advance of its first Board meeting of 2023, which helpfully does not fall until the end of February
- the lack of any mechanism to effectively appoint a lay member on a temporary basis
- the SRA's plans to mitigate the risk of the same situation occurring in the future by trialling having a Board of ten members with 6 lay and 4 non-lay

- the assurance provided that the items expected to be discussed during the period of authorisation are all matters the Board has discussed previously and agreed by consensus without any lay/non-lay difference in opinion
- the confirmation that even though it is very rare for a matter to go to a vote, that if a vote was required the Chair would require a two-thirds majority
- the assurance provided, that for significant or controversial decisions (such as decisions relating to next steps for the Solicitors Indemnity Fund), the newly joining professional non-lay member of the Board will observe, rather than actively take part. Thus, enabling the Board to maintain a lay majority of voting members for such items.

In view of these considerations, we confirm that your request for the LSB's authorisation under Rule 16(1)(c) (Saving Provisions) is granted until 31 December 2022. The effect of this authorisation is that the SRA will not be required to comply with Rule 7 of the IGRs with respect to requiring a lay majority for its Board meetings from 13 September 2022 to 31 December 2022. This authorisation is granted on the basis of all the matters set out above. We consider that this time limited authorisation is proportionate and appropriate in the circumstances.

In granting authorisation the LSB reminds the SRA that it must continue to comply with all other obligations as an approved regulator under the Legal Services Act 2007.

The authorisation has effect from date of issue of this letter, 25 August 2022 and will expire on 31 December 2022. This letter will be published on the LSB website.

Yours sincerely

A handwritten signature in blue ink, appearing to be 'Matthew Hill', with a stylized, cursive script.

Matthew Hill

Chief Executive