SDT Solicitors Disciplinary Tribunal

# SDT/SDTAL 2027 Budget Application

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# INTRODUCTION

This document sets out the Solicitors Disciplinary Tribunal's budget application for the 2027 financial year. It explains the funding required to enable the Tribunal to discharge its statutory functions and maintain the effective operation of its proceedings.

The 2027 application has been prepared in the context of expected reductions in referral volumes, while recognising that the cases referred to the Tribunal are likely to remain complex and require significant Tribunal time. The budget therefore reflects the need to maintain core operational capability, while ensuring that resources remain proportionate and clearly justified to the profession.

The application provides an overview of the key assumptions underpinning the budget, including sitting days, case volumes, fixed and variable expenditure, reserves and cost per court sitting (per day). It should be read alongside the accompanying budget spreadsheets, which provide the detailed financial breakdown and explanations for material variances from 2026.

The document also explains how the proposed budget supports the Tribunal's strategic objectives and the continued delivery of fair and transparent proceedings. It includes a review of key achievements and impacts during 2026, demonstrating how previous funding has supported improvement and value for money.

Overall, the application seeks to show that the funding requested for 2027 is necessary and proportionate, having regard to the Tribunal's operational requirements and planned activities.

# EXECUTIVE SUMMARY

This application seeks approval for the Solicitors Disciplinary Tribunal's 2027 budget of £3,324,857. The budget request is intended to enable the Tribunal to discharge its statutory functions, maintain effective proceedings and deliver targeted operational and strategic improvements during 2027.

The budget has been calculated by reference to the following core assumptions:

- The Tribunal expects to receive approximately 140 cases, comprising around 95 SRA referrals and 45 other matters, including Lay Applications;
- Taking account of expected case volumes, case complexity, listings and Agreed Outcomes, the Tribunal is forecast to sit for 225 court days in 2027;
- [redacted]
- The cost base distinguishes between business-as-usual operating costs (BAU), non-annualised operational costs and strategic initiatives.

The 2027 budget request is an increase of £263,650 (8.61%) on the 2026 budget. This equates to £18.54 per regulated person/practising certificate holder.

***Table 1: headline 2027 budget request and key metrics***

| | 2023 Actual | 2024 Actual | 2025 Actual | 2026 Budget | 2027 Budget |
|---|---|---|---|---|---|
| Total Funding | £4,289,381* | £2,517,316 | £3,042,083 | £3,061,207 | £3,324,857 |
| Sitting Days | 212.5 | 209 | 275 | 230 | 225 |
| Cost per Regulated Person | £18.96 | £14.95 | £16.95 | £17.65 | £18.54 |

Of the total budget, 93% relates to BAU operational costs, with the remaining 7% comprising strategic expenditure and additional non-annualised operational spending. The BAU element represents the cost of maintaining the Tribunal's core statutory functions and ensuring that it remains able to list, hear and determine cases effectively. The additional operational and strategic elements relate to targeted activity required in 2027, some of which also supports the Tribunal's longer-term priorities by maintaining capacity, improving resilience and supporting the effective conduct of proceedings. Further detail on these areas of expenditure is provided later in this report.

When we consider like for like BAU-only costs, the relevant amount for 2027 is £3,090,384 – this is only £29,177 more than the 2026 budget (approximately 1%), despite inflationary increases across [redacted]operating costs. The remainder of the increase reflects targeted, non-annualised operational requirements and strategic initiatives.

# EXECUTIVE SUMMARY

In developing the budget application, the SDT has taken account of the following principles:

- to ensure the SDT is effectively deploying its funding to deliver an excellent standard of service;
- to deliver value for money where every expense is carefully considered and justified;
- to continue to engage in a programme of improvement to enhance efficiency.
- The table below sets out the funding request by the categories within the Memorandum of Understanding between the SDT, the Law Society and the Legal Services Board, including the relevant sub-categories:

*Table 2: funding request by Memorandum of Understanding category*

| CATEGORY | 2026 FULL-YEAR FORECAST | 2027 BUDGET Application | % Allocation |
|---|---|---|---|
| Law Society Funding | | | |
| **TOTAL Income** | £3,061,207 | £3,324,857 | |
| | | | |
| Salary & Related Costs | £1,212,225 | £1,385,789 | 42% |
| General Admin Costs | £1,342,651 | £1,404,739 | 42% |
| Building Costs | £336,825 | £360,192 | 11% |
| Irrecoverable VAT | £143,554 | £174,137 | 5% |
| | | | |
| **TOTAL Expenditure** | £3,035,254 | £3,324,857 | |
| | | | |
| **OPERATING SURPLUS/DEFICIT** | £25,952 | - | |
| | | | |
| Depreciation Costs | £137,968 | - | |
| | | | |
| **SURPLUS/DEFICIT** | (£112,015) | - | |

# SITTING DAYS

This section explains how the Tribunal has calculated the 2027 sitting day assumption. It brings together the SRA referral forecast, historical Tribunal data, the impact of Agreed Outcomes and the expected relationship between case volumes, case complexity and hearing activity.

The 2027 sitting day assumption of 225 days is based on SRA forecasting and Tribunal historical data (reduced from 229 following updated SRA forecasting provided in August 2026).

Although the SRA has predicted that referral volumes will reduce, the SRA has also indicated that cases referred to the Tribunal are likely to remain complex, with longer listings, greater reliance on live evidence and more issues in dispute.

The budget therefore reflects the fact that sitting days are not determined by referral numbers alone. Case complexity, listing patterns and the proportion of matters resolved by Agreed Outcome all affect the level of hearing activity required.

## SRA Case Referrals – Present and Historical Data

At the time the 2026 budget was submitted, the SRA forecast that approximately 110-120 cases would be referred to the Tribunal during the year. However, in August 2026 the SRA provided a revised forecast indicating that referred cases for the remainder of the year are expected to average at least five matters per month.

The Tribunal understands that this revision followed a review of cases progressing through the SRA's investigations and enforcement processes, together with enhanced quality assurance arrangements.

As a result, the number of cases referred to the Tribunal during 2026 is now expected to be significantly lower than originally forecast and is anticipated to be in the region of 60-65 matters by year end. Cases referred from September 2026 are typically listed for hearing in 2027 and therefore will form the base of the caseload for next year. For illustration purposes, the table below compares forecast and actual referrals from the SRA in previous years.

***Table 3: Number of cases: SRA forecast vs actuals, 2021–2026***

| | Forecast number of cases | Actual number of cases | Variance (%) |
|---|---|---|---|
| 2026 | 120 | *37 | N/A |
| 2025 | 120 | 102 | -18 (-15%) |
| 2024 | 196 | 153 | -43 (-22%) |
| 2023 | 92 | 84 | -8 (-9%) |
| 2022 | 100 | 89 | -11 (-11%) |
| 2021 | 120 | 97 | -23 (-19%) |

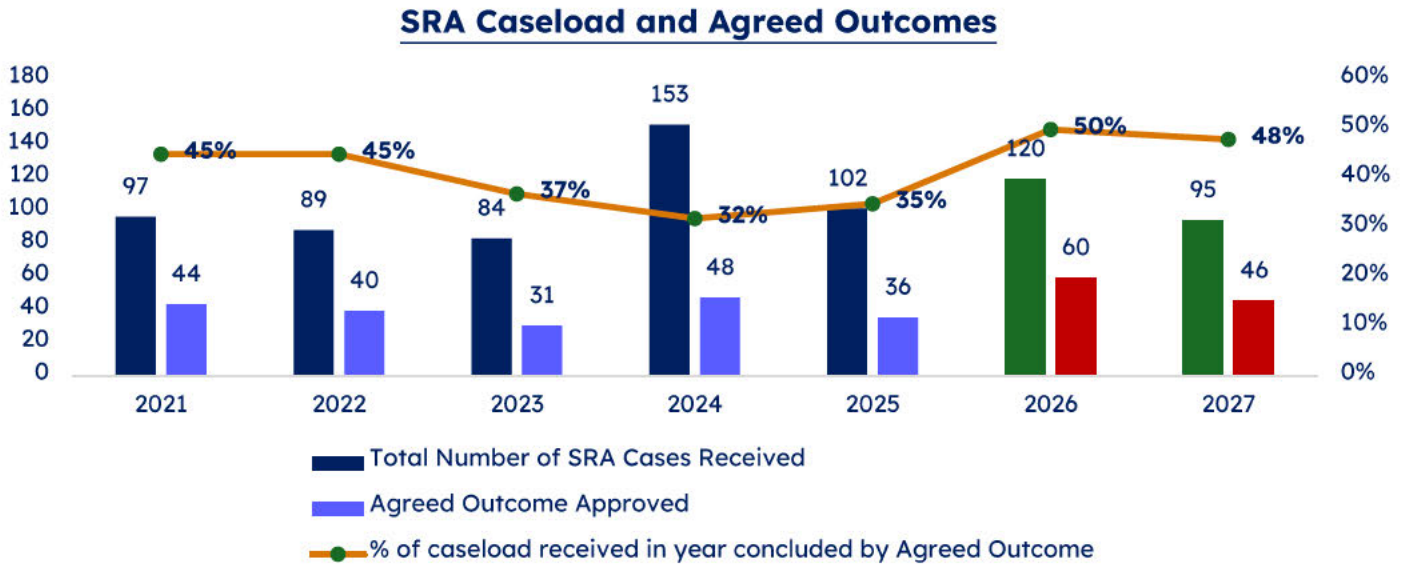
*As at 31.08.26

As at 31 August, the Tribunal has received 50 cases from other sources, with Lay Applications continuing to account for an increasing proportion of those cases. The number of Lay Applications has steadily increased in recent years and we assume this is due to technology and, in particular AI, making it easier for these to be drafted and submitted.

## Impact of Agreed Outcomes and Historical Data

In its 2027 forecast, the SRA has indicated that, of the 95 cases expected to be referred to the Tribunal, approximately 46 are anticipated to conclude by way of Agreed Outcome. For illustration, the chart below shows, for each year, the number of cases received and the proportion of those cases that have ultimately concluded by Agreed Outcome, regardless of the year in which the conclusion was reached*.

*Figure 1: cases received and proportion concluded by Agreed Outcome*




*As at 31 August 2026, 9 cases received in 2024 and 23 cases received in 2025 remain outstanding. The Agreed Outcome figure for those years should therefore be viewed as a snapshot and may change as those cases are concluded. The data for 2026/2027 is based on the forecast data received from the SRA.

# COSTS

This section explains how the 2027 budget is calculated at an aggregate level and also between BAU operating costs, additional non-annualised operational costs and strategic spending. The below narrative should be read in conjunction with the accompanying budget spreadsheet, which provides the detailed financial breakdown.

At an aggregate level, the 2027 budget request totals £3,324,857. This represents an increase of £263,650, or 8.61%, compared with the 2026 budget. The increase should be understood in the context of the distinction between the Tribunal's recurring business-as-usual cost base and the targeted additional expenditure required in 2027.

## Costs by category

The table below provides a summary of the budget by category, with further detail on each area of expenditure set out in the sections that follow.

*Table 4: 2027 budget by BAU, non-annualised operational and strategic expenditure*

| Spending | Amount | % |
|---|---|---|
| Business as usual spending | £3,090,384 | 93% |
| | | |
| Additional (non-annualised) operational budget | £192,474 | 6% |
| | | |
| Strategic spending | £42,000 | 1% |
| | | |
| Total Budget | £3,324,857 | 100% |

## Business-as-usual operating costs

A substantial proportion of the SDT's expenditure relates to core operational costs that are required to maintain the Tribunal's ability to discharge its statutory functions. These include premises costs, IT infrastructure/support and administrative staff costs. These costs are largely fixed and must be maintained irrespective of fluctuations in case volumes, because the Tribunal must remain able to list, hear and determine cases.

The variable elements of the budget are driven primarily by the number of sitting days. Costs associated with sitting days include panel member expenses, such as travel and accommodation. These costs are directly linked to the volume of cases received/heard, length and format of hearings and will therefore increase or decrease in line with hearing activity.

## Staff Salaries and Related Costs

The overall 2027 budget provision of £1,385,789 represents an increase of £107,079 (+8.4%) compared with the 2026 budget of £1,278,710.

The BAU element amounts to £1,350,363 and represents an increase of £71,653 (+5.6%)

The SDT currently has 13 employees, equivalent to 11.37 FTE. The 2027 budget application includes provision for two full-time junior roles and one part-time finance assistant. This additional capacity is intended to support the effective administration of proceedings, maintain service levels and

provide greater resilience within the team as the Tribunal continues to manage complex casework and its wider operational requirements at the appropriate level of experience.

## General Administration Costs

### *Members Remuneration & Expenses*

The overall 2027 budget application of £922,946 represents an increase of £29,559 (3.31%) compared with the 2026 budget of £893,387. The increase reflects a combination of inflationary uplifts and specific budget provision for the planned member recruitment campaign, detail of which is provided later in this report.

The BAU element represents £834,954 or a decrease of £58,433 mainly reflecting the reduction in sitting and cancellation days.

The Tribunal currently has 47 members (29 solicitor and 18 lay). [redacted]

The budget for Members' expenses has been calculated using the average historical level of expenses per person per sitting day, uplifted for inflation and applying this to the number of in-person sitting days.

The proportion of in-person sittings is a key driver of expenditure, as it directly impacts travel, accommodation and other attendance-related costs. Based on average hearing patterns observed between 2024 and 2026, the Tribunal has continued to operate in accordance with its established hearing policy, with 54% of hearings conducted remotely, 39% in person and 7% in a hybrid format. Hybrid hearings are those that commence in person and subsequently continue remotely. We have used these historical proportions as the basis for the 2027 budget.

### *Professional Costs*

Professional costs for 2027 are budgeted at £135,375, broadly in line with the 2026 budget of £131,180, representing an increase of 3.2%.

These costs include legal advice, consultancy, audit, insurance and practising certificate fees for staff. Legal fees cover solicitor instructions for appeals, judicial reviews and other ad hoc matters. Audit costs are expected to rise in line with market conditions, while insurance has been budgeted prudently to allow for market volatility. The budget also includes communications support to maintain clear and accessible public information, support media handling where required and build on Phase 1 of the Tribunal's communications strategy, which is described later in this report.

### *IT & Website Costs*

IT and Website Costs are budgeted at £182,941 for 2027, representing an increase of £49,769 (37.37%) compared with the 2026 budget, the explanation for the increase in this area is explained below under the section 'non-annualised operational costs and strategic initiatives'. The BAU element totals £131,274, representing a decrease of £1,898 (-1.4%), due to a reduction in proposed website update spend.

The budget provides for ongoing IT support and maintenance, including support for SDT membership email accounts, together with external data backup services to support the secure management of sensitive information and business continuity arrangements.

*CaseLines (also known as Case Center)*

CaseLines costs are budgeted at £57,000 for 2027, representing an increase of £28,325 (+98.78%) compared with the 2026 budget.

The BAU element is £43,000, an increase of £14,325 (+50%). The increase is largely driven by the renewal of the CaseLines contract following a change to CaseLines pricing structure, together with the need for additional page capacity to accommodate the volume of electronic hearing material uploaded to the system. CaseLines supports the Tribunal's use of secure electronic bundles for hearings, and recent usage shows that the existing page allowance no longer provides sufficient capacity. The 2027 budget secures the additional capacity required for the year, while the one-year agreement preserves flexibility to review longer-term options. The Tribunal secured the same year-one pricing that would have been available under a longer-term arrangement. Information regarding the £14,000 non-annualised spending in this area is detailed in the section below.

## Building Costs

The lease on the SDT's premises commenced on 8 November 2023 and includes a rent-free period for years 1, 2, 6 and 7. On the advice of external auditors, for budget purposes the rent-free period has been allocated evenly over the duration of the lease term: 10 years, with a 5-year break clause. Business rates for 2027 are based on actual costs invoiced to date with an allowance for inflation.

Building costs are budgeted at £360,192, a 6.59% annual increase. This includes a contingency for potential building-related costs, in line with LSB advice to maintain prudent provision for repairs and maintenance in the early years of occupation.

The BAU element represents £344,217 or an increase of £6,291 (+1.9%). This includes rent, rates, service charge, maintenance, security, cleaning, building insurance, building maintenance and repairs.

## Non-annualised operational costs and strategic initiatives

This section provides details on non-recurring costs. These are two categories of cost that are considered:

- a BAU element which are those costs required to operate the usual business of the Tribunal but are not required to be spent on an annual basis;
- costs related to strategic initiatives.

The SDT's priority is to continue strengthening the efficiency and accessibility of proceedings, balanced with the Tribunal's longer-term priorities, ensuring that the budget remains proportionate and clearly justified to the profession.

The non-recurring spend being proposed has been developed to support the Tribunal's strategic objectives whilst being pragmatic and cognisant of the need to control costs, operate efficiently and provide value for money.

# COSTS

The Tribunal's Strategic Objectives are:-

1. **Governance**
   The Tribunal is fit for purpose to deliver transparent justice in the changing evolutionary landscape of legal services enforcement.

2. **To enhance trust and confidence of the public and the profession**
   The Tribunal will act to enhance the trust and confidence of the public and the profession in its delivery of transparent, fair outcomes in an efficient, effective and consistent way.

3. **EDI**
   The SDT aims to represent the diversity of the legal profession and provide a culture for staff and users which respects everyone, is fair and non-discriminatory.

4. **Contribution to the Profession in terms of skills and training**
   The SDT is committed to sharing our experiences and our expertise to continually improve standards across the profession.

5. **Cost Efficiency and Effectiveness**
   The Tribunal provides value for money for its services.

The following section explains how the proposed budget aligns with those objectives:

*Potential benefits and assessment:* The funding will support a number of planned initiatives and areas of ongoing work. Benefits will be assessed through the outcome of the member recruitment campaign, the Tribunal's ability to manage high-profile hearings, the extent to which AI tools improve access to information within electronic hearing bundles and evidence that the communications strategy is supporting greater understanding of the Tribunal and its work.

*EDI impacts:* The member recruitment campaign will support the Tribunal's aim of attracting a broad and diverse range of applicants. The provision for additional hearing space also supports accessibility and open justice by ensuring that hearings of significant public interest can accommodate parties, witnesses, the press and public where appropriate.

*Impact on the profession and public interest:* The initiatives support confidence in the Tribunal by ensuring it has sufficient member capacity, suitable facilities for significant hearings and clear, accessible information about its role and work.

*Value for money:* The budget includes provision for identified operational requirements needed to support the effective operation of the Tribunal and delivery of its planned activities. The proposed approach addresses specific risks and priorities while maintaining flexibility and control over future expenditure.

***Non-annualised business as usual spend***

The following items are operational in nature and support the Tribunal's core functions, but are not expected to recur annually at the same level.

*Table 5: planned non-annualised operational initiatives for 2027*

| Initiative | Purpose | Cost excl. VAT | Covering Strategic Objective |
|---|---|---|---|
| Recruitment campaign | Succession planning, member capacity and optimising diversity of future appointments | £123,418 | 1-4 |
| Additional hearing space | Larger premises for high-profile or high-attendance proceedings | £15,975 | 1-2 |
| Laptops and IT renewal | Replacement of courtroom and staff laptops that are past end of life | £16,667 | 4-5 |
| Discovery for Evidence Management Platform | Initial discovery work to explore the requirements, feasibility and potential build of a system tailored to the Tribunal's needs. | £14,000 | 5 |

**Recruitment Campaign (General Administration Costs)**

Costs in this area covers proposed recruitment campaigns in 2027 to maintain member capacity, strengthen the diversity of future appointments and support succession planning within the Executive team. The member recruitment campaign forms part of the Tribunal's usual recruitment cycle and will help ensure that the Tribunal has an appropriate range of members to hear cases effectively. The nature of the Tribunal's caseload continues to evolve, with proceedings often involving complex factual issues, substantial volumes of documentation and longer hearing durations. Maintaining a broad pool of solicitor and lay members with a range of professional backgrounds and experience (as well as availability) helps ensure that suitable panels can be constituted for different types of cases whilst maintaining sufficient capacity for lengthy hearings.

**Additional hearing space (Building Costs)**

A small cost has been included for additional hearing space for a small number of high-profile matters, including Post Office Inquiry-related cases, in case the Tribunal's existing hearing rooms do not provide sufficient capacity. The budget includes provision for the hire of alternative facilities for up to five hearing days should such accommodation be required. This represents a prudent contingency for exceptional hearings that may attract significant attendance or require arrangements beyond those ordinarily provided within the Tribunal's existing facilities.

**Laptops & IT Renewal (IT and Website Costs)**

This relates to the replacement of courtroom and staff laptops that are approaching end of life, ensuring that equipment remains fit for purpose.

**Discovery for Evidence Management Platform (CaseLines)**

This relates to initial discovery work to explore the requirements, feasibility and potential build of an evidence management platform tailored to the Tribunal's needs due to the increase in CaseLines pricing. Any decision on further development would be informed by the outcome of that work.

## *Strategic Spending*

The following strategic spending supports targeted activity above the Tribunal's core BAU requirements, with a focus on improving efficiency, resilience and access to information over the longer term.

*Table 6: planned strategic spending for 2027*

| Initiative | Purpose | Cost excl. VAT £ | Covering Strategic Objective |
|---|---|---|---|
| AI Operating Costs | Licences, storage/database capacity, staff training and limited AI customisation | £35,000 | 2,4,5 |

### AI Operating Costs

This item reflects the practical costs of using AI tools responsibly, including licences, training, additional storage and limited system configuration. Following the upgrade of the Tribunal's Microsoft Copilot licences during 2026, practical testing has commenced within the clerking function to assess how AI may assist in navigating large volumes of material served in proceedings. Funding may also support the development of bespoke AI agents designed to assist clerks in locating and retrieving information from electronic hearing bundles more efficiently. This allows the Tribunal to build on the initial testing already undertaken and further develop these capabilities in a measured and proportionate way, without committing to a bespoke system at this stage. Responsibility for the accurate and timely production of judgments and decisions will remain entirely with the Tribunal. We envisage that going forward, use of AI will become part of BAU in future years.

# BUDGET AND KPIs

This section summarises the overall budget request in the context of the relevant key performance indicators.

The principal KPIs for the budget request are: cost per sitting day, cost per regulated person/practising certificate holder, budget movement against the prior year and the relationship between sitting days and referral assumptions.

The Tribunal has historically calculated how much it costs to sit for one court day. The table below provides the actual cost per court for the first six months of 2026, alongside the projected cost per court for the remainder of 2026 together with a normalised view based on the 2027 sitting days budget based on previous methodology.

Additionally, to aid understanding and illustrate the potential impact of variations in workload, also included is an infographic showing the projected 2027 cost per court based on a range of sitting days between 175-275 to demonstrate the cost implications across various sitting day scenarios.

The Tribunal is working on proposals for alternative methodology which will make this figure relate more closely to court activity. This work remains ongoing.

***Table 7: cost per court sitting day and funding metrics, 2022–2027***

| | 2022 | 2023 | 2024 | 2025 | 2026 Actual | 2026 Est. | 2027 |
|---|---|---|---|---|---|---|---|
| | Actual | Actual | Actual | Actual | Jan-Jun 26 | Jul-Dec 26 | Budget |
| Number of Sitting Days | 174 | 213 | 209 | 275 | 140 | 95 | 225 |
| Total Funding £ | £3,156,354 | £4,289,381 | £2,517,316 | £3,042,083 | £1,528,257 | £1,532,950 | £3,324,857 |
| Cost per Court** | £17,791 | £12,244* | £11,697 | £10,531 | £10,224 | £15,076 | £14,777 |

*2023 included office move costs

**Cost per Court is calculated based on the Actual Expenditure (excluding depreciation and amortisation)

## Normalised View of Cost per Court based on 2027 Sitting Days Budget

To demonstrate an alternative view, we have presented below the data showing the same number of sitting days in each year i.e. the assumption of 225 days.

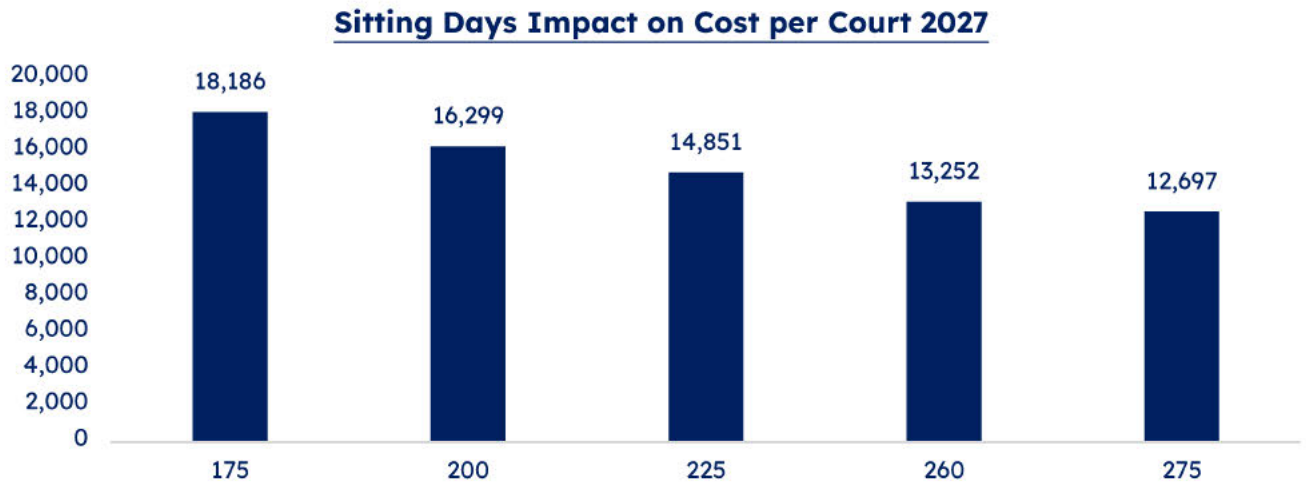
*Table 8: normalised cost per court sitting day based on 2027 sitting day assumptions*

| | 2022 | 2023 | 2024 | 2025 | 2026 Actual | 2026 Estimate | 2027 |
|---|---|---|---|---|---|---|---|
| | Actual | Actual | Actual | Actual | Jan-Jun 26 | Jul-Dec 26 | Budget |
| Sitting Days | 225 | 225 | 225 | 225 | 112.5 | 112.5 | 225 |
| Total Funding | £3,156,354 | £4,289,381 | £2,517,316 | £3,042,083 | £1,528,257 | £1,532,950 | £3,324,857 |
| Cost per Court** | £14,028 | £11,564 | £10,865 | £12,871 | £12,723 | £12,723 | £14,777 |

This normalised view provides assurance that the 2027 cost per court remains within a reasonable range of recent years, and the variance against 2025 is reduced from £4,246 in the reported view to £1,906. For additional context, the 2026 budgeted cost per court was £13,310, while the 2027 BAU budgeted cost per court is £13,810.

Overall, the analysis supports the conclusion that the Tribunal continues to manage its cost base carefully. The 2027 budget provides sufficient funding to maintain statutory operating capability, respond to the expected complexity of proceedings and support planned activity.

*Figure 2: projected 2027 cost per court under alternative sitting day scenarios*



## 2025 Audited Figures & 2026 Year End Forecast

*Table 9: 2025 audited figures by budget category*

| 2025 Audited Figures | Budget (£) | Actual Spend (£) | Variance (Budget – Actual) (£) |
|---|---|---|---|
| Salary & Related Costs | 1,214,470 | 1,170,876 | 43,594 |
| General Admin Costs | 1,462,040 | 1,280,314 | 181,726 |
| Total Building Costs | 323,045 | 310,299 | 12,746 |
| Irrecoverable VAT | 140,592 | 134,589 | 6,003 |
| **Total Revenue Costs** | **3,140,147** | **2,896,078** | **244,069** |
| Capital Spend | - | - | - |
| Transfer from General Reserves | - | - | - |
| **TOTAL EXPENDITURE (REVENUE & CAPITAL)** | **3,140,147** | **2,896,078** | |
| Depreciation Costs | 0 | 137,969 | (137,969) |

*Table 10: 2026 year-end forecast by budget category*

| 2026 Year End Forecast | Budget (£) | Forecasted Spend (£) | Variance (Budget-Forecast) (£) |
|---|---|---|---|
| Salary & Related Costs | 1,278,710 | 1,212,225 | 66,486 |
| General Admin Costs | 1,301,017 | 1,342,651 | (41,633) |
| Total Building Costs | 337,925 | 336,825 | 1,100 |
| Irrecoverable VAT | 143,554 | 143,554 | - |
| **Total Revenue Costs** | **3,061,207** | **3,035,254** | **25,952** |
| Capital Spend | - | - | - |
| Transfer from General Reserves | - | - | - |
| **TOTAL EXPENDITURE (REVENUE & CAPITAL)** | **3,061,207** | **3,035,254** | **25,952** |
| Depreciation Costs | - | 137,968 | (137,968) |

# APPENDICES

## Appendix A: Reserves

As at 31st December 2025 the SDT held:

*Table 11: reserves held at 31 December 2025*

| Description | Amount |
|---|---|
| General (free) Reserve | £673,103 |
| Sitting Days Designated Reserve | £556,118 |
| Fixed Asset/Future Depreciation (accounting) Reserve | £660,960 |

The total reserves as at 31 December 2025, as shown in the audited accounts, were £1,890,181. Of this amount, £673,103 was held as free reserves, £556,118 was allocated to the sitting days reserve, and £660,960 was held in the fixed asset and future depreciation reserve.

The Fixed Asset/Future Depreciation Reserve reflects the element of reserves associated with fixed assets and will reduce over time as those assets are depreciated. It does not represent additional funds available for future expenditure; rather, it is an accounting classification reported within the statutory accounts.

In 2027, the Tribunal proposes to reallocate approximately £77,000 from the sitting days reserve to free reserves, bringing free reserves up to the maximum level permitted under the revised reserves policy. This would leave approximately £479,000 in the sitting days reserve.

## Appendix B: Risk Register

*Table 12: key budget risks and mitigations*

| Risk | Mitigation |
|---|---|
| **Case volumes and complexity i.e. forecasting** | The budget is based on 225 sitting days and around 95 SRA referrals. Referral patterns, sitting days and listing requirements will be kept under review so resources can be managed in line with actual demand. |
| **SRA enforcement strategy** | The Tribunal will maintain regular dialogue with the SRA to understand referral trends and the likely impact on future workload. Any sustained reduction in referrals will be considered as part of wider planning, ensuring that resources remain aligned with statutory responsibilities, case complexity and the effective operation of the Tribunal. |
| **Maintaining sufficient member capacity and expertise** | The recruitment campaign will be supported by the Master of the Rolls' office and designed to attract a broad range of applicants. The Tribunal will use clear role information, accessible application materials and targeted promotion, with monitoring during the campaign to ensure any issues can be identified and addressed at an early stage. |
| **High-profile hearings** | Some high-profile cases may require larger facilities than the Tribunal's existing hearing rooms can provide. Provision has been included for suitable space to be secured on a one-off basis where required, supporting open justice in cases likely to attract significant public or press interest. |
| **AI and digital systems** | AI testing will remain subject to oversight, with responsibility for judgments and decisions remaining with the Tribunal. The Tribunal will continue to utilise AI tools within its existing governance and information security framework. Any future investment will be informed by operational testing and evidence of benefit within the clerking function. |

## Appendix C: 2026 Highlights and Impacts

The following section highlights key improvements delivered during 2026 together with progress made against the principal activities identified in the 2026 budget application. It is intended to demonstrate how previous funding has supported operational improvements and planned developments, including areas where changes have improved efficiency, accessibility or the effective operation of the Tribunal.

*Table 13: 2026 highlights and impacts*

| | Highlight and Impact |
|---|---|
| 1 | Attrition rate reduced to 36%* due to changes to listing procedure, resulting in fewer adjournments. |
| 2 | Communications strategy implemented, improving the Tribunal's public profile and accessibility of information, with 18,125 LinkedIn impressions and 1,421 page views. |
| 3 | Board financial oversight strengthened through the appointment of an independent Non-Executive Director with financial expertise. |
| 4 | Case Assurance Committee established, providing quarterly oversight of decision-making, judgments and Tribunal processes to support consistency and continuous improvement. |
| 5 | Competency framework project commenced to establish a consistent basis for member development and future recruitment. |
| 6 | Virtual tour launched to improve accessibility and help hearing participants understand what to expect before attending the Tribunal. |
| 7 | Placement scheme delivered for a third year, attracting participants from three different educational and professional pathways. |

*as at 30.06.2026

### Changes to Listing Procedures

The revised listing process introduced in 2025 was intended to reduce hearing attrition caused by late Agreed Outcomes, adjournment applications and cases not being ready to proceed. Under the revised process, a Case Management Hearing is listed before a substantive hearing date is fixed, giving the parties earlier opportunity to narrow issues and deal with indicative Agreed Outcomes through a separate process.

The half-year data for 2026 shows a clear improvement:

- Attrition rate reduced to 36%, compared with 59.3% at 30 June 2025 and more than 50% in each of the previous three years.
- Adjournment applications reduced to 21, compared with 31 at the same point in 2025.
- Since January 2025, 32 Agreed Outcomes have been dealt with under the revised process. Of these, only 8 resulted in a substantive hearing being vacated or being dealt with on the first day of the hearing.

The Tribunal will continue to measure the success of the process through attrition rates, adjournment applications, effective sitting days and the number of substantive hearings lost to Agreed Outcomes. Further refinements to the Standard Directions are being considered to preserve the reduction in attrition while strengthening control over the timetable for concluding proceedings.

## Communications Strategy – Phase 1

During 2025/26, the Tribunal implemented the first phase of its communications strategy, introducing a more structured approach to public information, stakeholder engagement and media handling. This included an agreed messaging framework, updated communications policies, media training and regular communications support.

The work has improved the visibility and accessibility of the Tribunal's role. LinkedIn activity generated 18,125 impressions over the past 12 months and the Tribunal's page received 1,421 views from 533 unique visitors.

Alongside new photography and initiatives such as Spotlight and Future Voices, this has helped the Tribunal present its work in a clearer and more consistent way.

## Board Governance and Financial Oversight

The SDT has strengthened its governance arrangements through the appointment of an independent Non-Executive Director with financial expertise. The appointment process was supported by Inclusive Boards to help ensure a transparent and inclusive process and attract a strong and diverse candidate pool.

The appointment has enhanced the Board's financial oversight and strategic challenge, bringing independent expertise to budget planning and financial management.

## Case Assurance Committee

Since the previous budget submission, the SDT has established the Case Assurance Committee (CAC) to support its work on quality assurance and strengthen confidence in Tribunal decision-making. The Committee reviews Tribunal processes, observes hearings and identifies learning points for training and development.

This provides a clear route for sharing learning across the Tribunal and ensuring that feedback is acted on in a structured way. The Committee strengthens governance and accountability by giving the SDT ongoing assurance that its processes are working effectively and that improvements are based on evidence from actual cases and hearings.

# APPENDICES

## Member Competency Framework and 360 Appraisal Programme

As outlined in the 2026 budget application, the SDT intended to introduce a programme of member appraisals during 2026. In developing the approach, the Tribunal identified that the appraisal process would be stronger if supported by a clear competency framework.

The competency framework is now being developed and will set out consistent expectations for Tribunal members. It will support the 360-appraisal process and provide a clearer basis for future recruitment, training and ongoing member development.

## Virtual Tour and Improved Accessibility

In September 2025, the SDT launched a virtual tour of its hearing facilities to help respondents, witnesses and other attendees understand what to expect before attending a hearing.

Analytics show sustained engagement from viewers, with many continuing through to the closing section of the video. This suggests that the content is relevant and useful to its intended audience.

The virtual tour forms part of the wider work to make information more accessible and improve the experience of those interacting with the Tribunal.

## Placement Scheme and Outreach

The Tribunal delivered its placement scheme for a third consecutive year, attracting participants from across the country and from a range of educational and professional pathways.

This supports the Tribunal's objective of increasing awareness of its role amongst those considering different pathways into the legal profession and helps ensure outreach activity is not limited to a single educational route.

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