

Charles Plant
Chairman
Solicitors Regulation Authority
8 Dormer Place
Leamington Spa
CV32 5AE



LEGAL SERVICES
BOARD

The Chairman's Office
Legal Services Board
7th Floor
Victoria House
Southampton Row
London WC1B 4AD

T 020 7271 0050
F 020 7271 0051

www.legalservicesboard.org

12 October 2010

A handwritten signature in blue ink that reads 'Dean Charles'.

IGR

You will already be aware that my Board discussed your compliance with our internal governance rules at its recent meeting. My colleagues and I are pleased with the progress that has been made towards compliance and with the clear commitment to achieve full compliance when the Board is reconstituted at the end of its current term.

We noted that the SRA will commence the recruitment of an additional lay member before Easter 2011. That will bring the SRA Board to immediate parity between lay and professional members in addition to your role as Chair. You have committed to achieve full compliance by 2013 when your next major recruitment takes place.

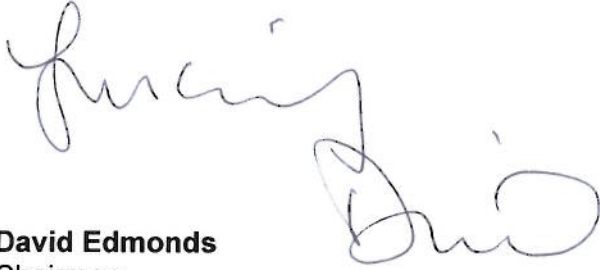
There are some outstanding matters, such as with service level agreements, which our executive teams will be discussing over the coming weeks. We are clear for example that your decision to obtain many services from the Law Society should be on the basis of shared not central services: that is, it is for the SRA to specify what it wants and for the shared service provider to see the SRA as its customer. I am clear that your ability to deliver independent regulation is not undermined through the Law Society's control of shared services.

You will be aware that the dual self certification of compliance with our internal governance rules is an annual process. Compliance with our rules ensures that a structure is in place that is capable of delivering independent regulation, but independent regulation must happen in practice so the 2011 annual return will bring greater focus to regulatory practice. A more detailed assessment will be provided by my executive in due course that can serve as the basis for some of those discussions.

There are several significant regulatory decisions for the SRA in the year ahead, including the move to outcome-focussed regulation and your Board's decision to apply to become a licensing authority. We will continue to discuss with you and Linda how the legitimate interests of the representative Law Society can be reflected in that work in ways that do not compromise the SRA's independence.

I appreciate the manner in which you, your Board and executive have approached these discussions over recent months. It provides a solid basis for regulators to jointly deliver the modernised legal regulation that the Legal Services Act intends.

I am copying this to Linda Lee at the Law Society.

A handwritten signature in cursive script, appearing to read 'David Edmonds', written in black ink.

David Edmonds
Chairman