

## **Responses to LSB questions**

### Lay majority of SRA Board

1. We are indeed on track to establish a lay majority on the SRA Board by January 2013. The General Regulation changes to that effect are already in place. The same General Regulation changes provide that as from 1 January 2013, lay persons will be eligible to chair the SRA Board.

### Delegations

2. We are satisfied that the provision for BOB to advise the Council, whilst retaining the right for the SRA Board to make representations direct to the Council, satisfies the requirements of the IGRs.

### Oversight Protocol

3. We do not consider that the IGRs preclude staff with representative responsibilities from advising Law Society participants in their oversight role. Our intention is that (with the exception of the Chief Executive) staff will not hold both representative and oversight responsibilities in respect of the same issue.
4. You asked for confirmation that there are no areas where the SRA need to seek advance authority from “the representation arm of the Law Society”. We are not entirely clear what you mean by “representation arm of the Society”. The position is that where SRA are acting within the scope of the delegated authority, and their budget, they do not need any prior authority. However SRA could not seek to take on new regulatory responsibilities, or seek to give up existing responsibilities, without the agreement of the Law Society Council.
5. The provisions of paragraph 4 of the protocol and paragraph 3 of the template were actually suggested by SRA, in order to demonstrate their acceptance of the fact that the Law Society Council remains the sovereign body within the Law Society. The Council is well aware that if it were to redesign the regulatory arrangements, or to dismiss the SRA Board, without the consent of the Legal Services Board, the Society would be in breach of the IGRs.

### Shared Services

6. It has been an explicit part of our discussions with SRA that will not acquire a unilateral right to obtain what are currently shared services from an alternative provider. There is no possibility that the Council would have agreed to the new arrangements if they had thought they would confer such a right on SRA.
7. The position is that if SRA were dissatisfied with the way in which shared services are provided to such an extent that they consider they should seek particular services from alternative provider, they will be entitled to make that case to BOB. BOB will have delegated power from the Council to decide on the issue. So (assuming for the moment that the Law Society were opposed to SRA’s proposal) if the external members of BOB agreed with SRA, SRA’s

proposal would command a majority and SRA would be able to use an alternative provider.

8. If SRA were dissatisfied with the decision of BOB, they would of course retain their right to report the matter to the Legal Services Board.

#### Appointments

9. The arrangements provide for the Council to take decisions on the way in which recruitment to the SRA Board will take place, and for BOB to advise the Council on that issue. We anticipate that appointments will be delegated to a panel, constituted on similar lines to those used in the past (an independent Chair, one member drawn from each of the Law Society and SRA, and an OCPA-accredited assessor). We are satisfied that these arrangements comply with the IGRs.
10. So far as the composition of BOB is concerned, five of the eight Law Society/SRA Board members will be ex officio. We do not yet know what approach the Council will take to appointing the remaining Law Society member. We regard it as a matter for the Chair of the SRA Board to decide which other SRA representatives should be appointed. So far as the external members are concerned, we will indeed be looking for the ability to discharge the roles required of the Board, rather than there being any formal or informal quota of professional members.

#### Remuneration

11. We have agreed changes to the composition of the Remuneration Committee which will mean that there will in future be an equal number of members drawn from the Law Society and from SRA (at present there are two, including the Treasurer, from the Law Society; and only one from SRA). We have also agreed that there should no longer be a requirement that the external members are solicitors.
12. We are satisfied that the arrangements comply with the Internal Governance Rules.