

From the Chief Executive

Antony Townsend
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The Law Society

3 November 2011

Dear Antony

IGR discussions: Oversight arrangements

At a special meeting held yesterday, the Management Board considered the proposals arising from the negotiations between SRA and the Society about our arrangements for dealing with shared services, and for oversight. Subject to the issue raised in this letter, the Board agreed to commend the proposals to the Council.

The Board decided to seek clarification as to the way in which the proposed oversight protocol would work. The Board was concerned there might be some ambiguity and felt that clarification now would be helpful. I am therefore writing to ensure a common approach and understanding.

We recognise that one key aspect of the new arrangements is that they make clear that Law Society oversight of SRA at the governance level will in future rest with the Business and Oversight Board, rather than with the Management Board. In that sense requests for information, or for explanations of why SRA took a particular approach, made in the Law Society's oversight role will be made under the auspices of BOB.

We envisage also that requests will come from far fewer different individuals within the Society. They will come from the Law Society members of BOB, or from staff supporting the Law Society's representatives on BOB. In practice, under our present arrangements that would mean Russell Wallman or Nick Denys.

Of course, many other people within the Law Society may identify issues about which it is appropriate for the Society to ask SRA questions in our oversight capacity. However, in future such questions will need to be channelled through a Law Society member of BOB, or through the staff supporting BOB in the oversight role. These individuals can be expected to filter out any requests for information which is readily obtainable from published sources, or any requests which appear inappropriate or disproportionate – which will be to our mutual advantage.

We envisage that – except where the matter is particularly urgent – any such questions would be collated and submitted every few weeks or so, rather than being sent as and when they arise. We envisage that SRA will (as previously agreed) respond to any requests promptly, letting us know when particular questions will require longer than usual to provide a response.



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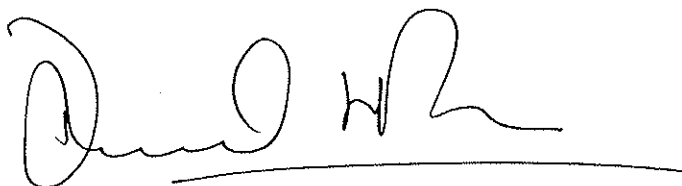
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We thus do not interpret paragraph 11 of the protocol as meaning that requests for information should be made only at the Business and Oversight Board; nor that such requests will generally only be answered in a report for the meeting, since again we assume that it would be easier for you to respond to matters as and when the necessary information or enquiries are complete. Indeed, although only a minority of requests for information in the oversight capacity are likely to give rise to a need for discussion at BOB, it will generally be much more satisfactory for all BOB members if SRA's written replies have been received in advance of the meeting - any necessary discussion at the Board will be better informed by having had sight of the papers.

We recognise of course that a significant part of our oversight function will consist of receiving (and where appropriate raising questions on) the SRA's reports on progress against its Business Plan and other similar documents. We believe – and I think you have acknowledged during the course of the discussions between us – that the Society also needs to be able to ask questions about ad hoc matters which give rise to concern in our oversight capacity, even if they are not covered by SRA reports of that sort. We do of course acknowledge that in doing so we are bound by the provisions in paragraph 10 of the protocol. The arrangements in paragraph 14 will apply if SRA should consider that the Society is seeking information in a way which is disproportionate or inappropriate.

I would be grateful if you could confirm that SRA is comfortable with the way in which we propose to carry out the oversight function, as set out in this letter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Desmond Hudson', written over a horizontal line.

Desmond Hudson
Chief Executive

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