

From the Chief Executive

Des Hudson
Chief Executive
The Law Society
113 Chancery Lane
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By email: des.hudson@lawsociety.org.uk

7 November 2011

Dear Des

Thank you for your letter of 3 November about oversight arrangements in the light of the Management Board's discussion. I have consulted Charles Plant, Martin Coleman, and Sara Nathan about this reply.

We agree that it is very important that we start these new arrangements on the basis of a common view. We hope that the following explanation will help to avoid any misunderstandings.

First, we can confirm that – while the template reports for BOB and Council which we have agreed are designed to provide the information which the Council requires to exercise its oversight role – neither BOB nor Council will be constrained by those reports. In other words, where there are other questions which Council or BOB requires to ask to fulfil its oversight role, that is entirely legitimate.

Second, nothing in the protocol should inhibit bilateral arrangements between the SRA and the representative bodies of the Law Society (eg RAB). We would expect dialogue between the representative and regulatory bodies to continue and be strengthened by these new arrangements. Information is already exchanged productively under these arrangements.

Third, emergency and urgent queries will be dealt with promptly, and paragraph 11 of our agreed protocol makes provision for that.

I believe that that is common ground. However, we have some concerns that – if we have understood it correctly - your letter is suggesting something which goes beyond what we understood to have been agreed in our discussions. As we discussed, the SRA Board has the delegated authority to oversee regulation. The Law Society's oversight role (through BOB and Council) properly operates at one remove. To fulfil that role, it needs sufficient information to satisfy itself (or otherwise) that the Board is meeting the statutory regulatory objectives. The regular reports, referred to above, which can be tested at BOB meetings and annually at Council, are designed to enable it to do so.



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That being the case, it is hard to see in what circumstances – save in emergencies – anything over and above what is provided for in the protocols could be required. The arrangements in your letter seem to envisage a regular flow of such requests which might be dealt with outside the cycle of meetings, and even envisage direct requests from representative Law Society staff.

In our view, that would set the arrangements off on the wrong footing, and would tend to perpetuate oversight arrangements which are akin to a shadowing of the SRA Board's role, rather than a periodic and strategic assurance role. It would also increase the risk of a confusion between representative and oversight roles.

We recognise that BOB members will be committed to ensuring that requests for information are legitimate and proportionate, but we think it important not to raise expectations that ad hoc requests outside the meeting cycle will be the norm rather than the exception. I and my colleagues will, of course, continue to discuss and seek to resolve matters informally with you and your colleagues outside the meeting cycle.

For all those reasons, we consider that the arrangements set out in the agreed documents – without the extensions suggested in your letter – are the appropriate ones.

Yours

A handwritten signature in black ink, appearing to read 'Antony Townsend', with a large, stylized flourish at the end.

ANTONY TOWNSEND
Chief Executive, SRA

Cc Charles Plant, Chair of the SRA Board
John Wotton, President, The Law Society
Lucy Scott-Moncrieff, Vice President, The Law Society
Martin Coleman, SRA Board member
Sara Nathan, SRA Board member
Sarah Plant, Executive Assistant to Chief Executive, SRA