

Costs statement

August 2024

This statement details our costs for the financial year from 1 November 2022 to 31 October 2023 in line with the Legal Services Boards (LSB) principles of cost transparency¹[\[#n1\]](#).

Regulated community

At 31 October 2023 we regulated 172,775 individuals including 166,256 practising solicitors, 6,370 Registered foreign lawyers, 138 Exempt European lawyers and 11 Registered European lawyers²[\[#n2\]](#).

This was an increase of 3.4% on the previous year.

We also regulate solicitors' firms. At 31 October 2023 there were 9,377 regulated firms, a reduction from 9,636 at 31 October 2022.

Income and expenditure

We are funded primarily from practising fee income collected from solicitors and law firms, with additional income from regulatory activities such as authorising firms to offer legal services. We also work to recover costs spent on intervening into law firms, taking disciplinary action and administering a Compensation Fund.

| SRA Funding | 2021/22 (£m) | 2022/23 (£m) |
|-------------------------------|--------------|--------------|
| Practising fee income | 58.1 | 60.6 |
| Compensation Fund income | 7.2 | 23.7 |
| Education and training income | 8.5 | 19.2 |
| Other income | 2.7 | 3.6 |
| Total income | 76.6 | 107.1 |
| Operating expenses | (75.2) | (106.8) |
| Operating surplus | 1.4 | 0.3 |

Full financial statements are available on our website

Expenditure increased significantly from 2021/22 to 2022/23 as a result of additional costs related to interventions and the Solicitors Qualifying Examination, both offset by increases in income.

Practising Certificate fees 2021/22

53% of the practising certificate fees are retained by the SRA, 27% of fees fund the activities of the Law Society and 20% is collected on behalf of the LSB, LeO, FCA and SDT.

Reserves

- As at 31 October 2023 the SRA had reserves of £17.8m.

Staff costs

- Our average number of full time equivalent staff was 766 during 2022/23 (2021/22: 708).
- Overall staff costs were £41.6m in 2022/23 (2021/22: £37.9m)
- As at 31 October 2023 our Chief Executive's salary was £392k (2021/22: £376k)³[\[#n3\]](#)
- The Chief Executive's salary was 7.1 times the full time equivalent median salary of the workforce which was £38,983
- Salary bands of senior employees (excluding the Chief Executive)

Salary band October 2023

£170k - £175k 1
£175k - £180k 0
£180k - £185k 0
£185k - £190k 0
£190k - £195k 0
£195k - £200k 0
£200k - £205k 0
£205k - £210k 0

£210k - £215k 0
£215k - £220k 0
£220k - £225k 0
£225k - £230k 0
£235k - £240k 0
£245k - £250k 0
£250k - £255k 0
£255k - £260k 1
£260k - £265k 1

Board costs

- The chair of our Board received emoluments of £90k over the financial year ending 31 October 2023 (2021/22: £90k)
- The total cost of Board member salary costs and expenses in 2022/23 was £256k (2021/22: £300k). The costs are lower due to reduced external meeting costs in the year.

Notes

1. [Annex 1: LSB Cost of Regulation \(PDF 15 pages, 442KB\)](http://www.legalservicesboard.org.uk/about_us/board_meetings/2017/PDF/23March/(17)%2017%20Cost%20of%20Regulation.pdf)
[\[http://www.legalservicesboard.org.uk/about_us/board_meetings/2017/PDF/23March/\(17\)%2017%20Cost%20of%20Regulation.pdf\]](http://www.legalservicesboard.org.uk/about_us/board_meetings/2017/PDF/23March/(17)%2017%20Cost%20of%20Regulation.pdf)
2. [Regulated community statistics](https://consultations.sra.org.uk/sra/how-we-work/archive/reports/statistics/regulated-community-statistics/) [<https://consultations.sra.org.uk/sra/how-we-work/archive/reports/statistics/regulated-community-statistics/>]
3. This includes salaries and allowances, bonuses, non-cash benefits and accrued pension benefits in line with HM Treasury financial reporting guidelines