



Solicitors
Regulation
Authority

Initial Equality Impact Assessment

2021/2022 Practising Certificate Fee

6 May 2021

Equality Impact Assessment - 2021/2022 Practising Certificate Fee

1. This impact assessment supports our work to set the annual practising certificate fee. The fee application is made to the oversight regulator, the Legal Services Board and they have provided the template we have populated below on pages 3 and 4.
2. Every year we charge law firms and individual solicitors a practising certificate (PC) fee. This covers the running costs of the Solicitors Regulation Authority (SRA), certain Law Society activities and levies for the Solicitors Disciplinary Tribunal, the Legal Services Board, the Financial Conduct Authority (for money laundering activity), and the Legal Ombudsman. These fees are determined annually, based on the combined requirements of the various organisations involved and this EIA looks at the potential equality impacts for the SRA and Law Society components.
3. The budget and PC fee requirements for the Law Society group are subject to annual consultation, with wider and fuller consultation for 2021. In 2020 we also started to consult annually on the detail of our business plan for the year ahead and our budget allocation across the various activities. The consultations reach out to different groups in the profession, including those with protected characteristics. We are inviting comments on this equality impact assessment.
4. Law firms pay an amount based on turnover, as well as for the individual PCs for the solicitors in the firm. Details of our fee model can be found on our [website](#).
5. This means that variation in the amount firms pay depends on the size of the firms. Because of the distribution of firm sizes in the sector – with smaller numbers of very large firms having both a high turnover and large qualified staff bases, and larger numbers of small firms with correspondingly lower turnovers and staff numbers, the largest firms pay several orders of magnitude higher fees than the smallest.
6. To develop this Equality Impact Assessment (EIA), we have analysed historic data for firms and the fees they pay. The outcomes are captured in the LSB summary table below, which includes the full range of protected characteristics.
7. Our data relies on solicitors completing the relevant sections in their mySRA account and in our biennial Firm Diversity Data collection. Diversity data declaration is not mandatory, and this means our data is limited for some characteristics. We plan to improve the data collection so that we report more effectively and undertake intersectional analysis, for example on the diversity profile of those in our operational processes.

Protected characteristic group	Is there a potential for positive or negative impact?	Please explain and give examples of any evidence/consultation/data used	Action to address negative impact (eg adjustment to the policy)
Disability	No	<p>Our analysis indicates that there are very few firms where significant numbers of PC holders declare that they have a disability.</p> <p>We have analysed our data from 2014 to 2019 and we have not identified any adverse impacts on this group.</p>	<p>Not applicable</p> <p>More broadly, there may be under-recording of disability in the sector and we will work to encourage people to declare a disability if appropriate.</p>
Gender reassignment	Unknown	Data for this group is very limited so we cannot draw any meaningful conclusions.	Not applicable
Marriage or civil partnership	Unknown	Data for this group is very limited so we cannot draw any meaningful conclusions.	Not applicable
Pregnancy and maternity	No	We provide a 50% discount to anyone applying for a maternity discount. We also offer the discount to those applying for adoption, shared parental and paternity leave. This discount is provided to all PC holders that apply for it. An average of 3500-4500 solicitors take advantage of this discount each year.	We have no plans to withdraw the discounts available.
Race	No	Our data shows that both Black and Asian lawyers are underrepresented in larger firms and over-represented in small firms. For example, the largest firms (50 plus partners) have the lowest proportion of Black, Asian and Minority Ethnic partners at 8%. This contrasts with	Not applicable. However, we will continue to raise awareness of the race profile across firm size as part of wider work towards a

		one partner firms, where 36% of partners are from a Black, Asian and Minority Ethnic background. Large firms, as set out at paragraph 5, pay very much more than small firms, so there is no indication of disproportionate impact on this group.	diverse profession.
Religion or belief	No	There is limited information about the religion of people employed in law firms, albeit there are some indications that Muslim solicitors are overrepresented in small firms. As set out above, the fee distribution by firm size indicates that there is no disproportionate impact on this group.	Not applicable, however we continue to work to increase declaration rates.
Sexual orientation	Unknown	Data for this group is very limited so we cannot draw any meaningful conclusions.	Not applicable
Sex (gender)	No	The profession is evenly split across men and women, albeit with proportionately less senior women in larger firms. The potential for indirect discrimination against women because of maternity has been mitigated by our discount scheme. Between 2014 and 2019, 96% of those that applied for the maternity or equivalent discount were women.	Not applicable
Age	No	Solicitors' age is broadly evenly spread across all firms, but there is some evidence that the very smallest firms may have an older solicitor age profile.	Not applicable