



The regulator of solicitors and
law firms in England and Wales

SRA Work Programme

November 2019 to October 2020

www.sra.org.uk



Introduction and summary

The Solicitors Regulation Authority (SRA) is the regulator of solicitors and law firms in England and Wales, protecting consumers and supporting the rule of law and the administration of justice. We do this by overseeing all education and training requirements necessary to practise as a solicitor, licensing individuals and firms to practise, setting the standards of the profession and regulating and enforcing compliance against these standards.

This work programme sets out our plans for the period 1 November 2019 to 31 October 2020, the final year of our Corporate Strategy 2017–20, which we published in November 2017. It provides more detail on what we will do and the resources we will use in 2019/20 to complete the delivery of that strategy.

Our Corporate Strategy set five objectives for delivery over the three-year period it covers. These are:

- We will set and apply consistently high professional standards for the individuals and firms we regulate and make sure they are appropriate to meet the challenges of today and the future.
- We will make sure our regulatory requirements are proportionate, providing solicitors and firms the

flexibility to innovate and better meet the needs of members of the public and businesses, while maintaining appropriate levels of public protection.

- We will increase the availability of relevant and timely information to help people make informed choices in the legal services market.
- We will make sure that our regulatory arrangements work as effectively as possible for the public, businesses, solicitors and firms in the context of constitutional developments within the UK and any new relationship with the EU.
- We will work better together and with others to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions.

The year to come is an important one for us. After many years of working across the sector, development, consultation and communication, we are delivering our new Standards and Regulations. This major change in how we regulate – with its sharp focus on high professional standards and the removal of outdated barriers to the profession working in ways that can help people find the legal services they need at a price they can afford – will change how many solicitors work.

Alongside that, we will also bring in the final parts of our transparency reforms, adding in the clickable logo and our new Solicitors Register to our introduction last year of requirements on firms to publish prices and details for some key services. All of these are designed to help the public, from every community, and small businesses shop around and easily find information on what solicitors do and the consumer protections in place.

We have a busy year ahead for development work on the Solicitors Qualifying Examination (SQE). The SQE will bring with it not just consistent high standards for all who enter the profession, but also the potential for a diversity dividend across protected characteristics, and for social mobility. In turn, these will help to make sure the profession reflects the communities it serves, contributing to access to justice.

And, of course, we want to play our part in tackling the scourge of money laundering. It supports crimes, such as people and drug trafficking, which impact disproportionately on the vulnerable. New legislation asks both us and the profession to do more.

As we set out this work programme against the backdrop of the UK exit from the EU, we are consulting on our new Corporate Strategy for 2020–23. This Strategy will build

on the work we have carried out in 2017–20 to develop an open, diverse and competitive legal market that can help to meet people’s needs by providing the right service in the right way at the right price.

Our proposed future Strategy sets out our ambition to be a progressive and relevant regulator, able to anticipate and respond with agility to emerging opportunities and challenges for the legal sector in England and Wales. In addition to a strong focus on high professional standards, working with others and providing good service to all our users, we anticipate doing more on legal technology and innovation, which offers the potential to increase access to justice.

Over the 2019/20 year, we will lay the foundations for delivery of that strategy. We will also develop appropriate measures so we can check we are on track to deliver what we set out to do and we will ensure we have the right people and resources in place to achieve our aims.

The following programmes of work are developed with the new Strategy in mind to ensure we are in the best place to deliver this from 1 November 2020.

The activities across our five current strategic objectives are complementary and interlinked. To avoid repetition, each activity has been included under the most appropriate single objective.





Strategic objective

1

We will set and apply consistently high professional standards for the individuals and firms we regulate and make sure they are appropriate to meet the challenges of today and the future.

We will deliver the final parts of our new SRA Standards and Regulations. Building on our work to date, this will ensure a focus on high professional standards, moving away from lots of unnecessary rules. These rules add costs and get in the way of offering affordable, accessible legal services that meet people's needs. We will implement and embed the new Standards and Regulations in November 2019. We will make sure that we have the systems, processes, knowledge and trained staff to support this and to provide a good level of service for all our stakeholders, including those who are distressed or vulnerable.

We will continue our work with Kaplan (our chosen assessment organisation) and stakeholders to develop the SQE, ahead of its introduction in autumn 2021. The SQE will ensure all that all aspiring solicitors meet the same high standards at point of entry into the profession, regardless of which route they have chosen, ensuring public confidence and improving diversity. To support the introduction of the SQE, we will put in place SQE transitional arrangements and we will continue to manage the quality assurance system for the qualifications we currently regulate.

Money laundering is how criminals use the profits from some of the worst crimes in society, for example, drug trafficking, people trafficking and arms dealing (which often affect the most vulnerable in society). This is why we take our duties as an anti-money laundering supervisor very seriously. We will support firms to comply with anti-money laundering regulations and further strengthen our approach as a supervisory body, including through visits to firms to understand, document and feedback on relevant processes and procedures. We will make sure that we, and the

profession, are prepared for the implementation of the Fifth Money Laundering Directive, which will introduce additional requirements. We will do that through ongoing dialogue with the Office for Professional Anti-Money Laundering Supervision, partnering with others to raise awareness and revising our own processes where we need to.

We went out to consultation in summer 2019 on assuring advocacy standards. We proposed changes to Higher Rights of Audience arrangements and the provision of resources to help solicitors and to support reporting about advocacy standards. Subject to the outcome of that consultation, we will take steps to support the quality of advocacy to make sure that every community has confidence in these key services.

We will seek to understand the impact of our policy reforms for the public, the legal market and the profession, further developing our evaluation programme. As part of our strong commitment to mainstreaming Equality Diversity and Inclusion (EDI) throughout all our work, our evaluation approach will

include an assessment of the EDI implications for both the public and the profession.

We will publish diversity data about the solicitors' profession, including the results of the 2019 firm diversity data collection exercise. This is so that we and the profession can see what is going well and where more needs to be done. We will further develop our data collection to make sure it is up to date and in line with best practice.

We will also continue to promote the diversity in the profession, so that it reflects, and is familiar to, the communities it serves. This will include building on the success of the LGBTQ+ mentoring pilot, supporting small firms, and running awareness campaigns on issues including disability awareness and wellness in the workplace.



Strategic objective

2

We will make sure our regulatory requirements are proportionate, providing solicitors and firms the flexibility to innovate and better meet the needs of members of the public and businesses, while maintaining appropriate levels of public protection.

We will continue to review consumer financial protection arrangements (professional indemnity insurance and the Compensation Fund). We will implement reform where appropriate to make sure they are fit for purpose and provide the right levels of protection when things go wrong. We will seek approval from the Legal Services Board for our proposed changes during the year.

We will maintain a regulatory approach that encourages positive innovation, while making sure we manage any potential risks for

the users of legal services from every community. This will include delivery of our Legal Access Challenge, which is funded through the Regulators' Pioneer Fund, innovation roadshows and developing targeted support on aspects of legal technology. We will also work with other organisations as we develop our thinking on the implications of technology for the sector and on our regulation, collaborating where appropriate as we look ahead to our new Corporate Strategy.

We will also develop our SRA Innovate 'sand box' further, so that it can support firms to try new ways of working in a safe and managed environment that ensures public protection. And, we will build up our own in-house capability and expertise on legal technology. This is so that we are ready to deliver the commitment in our new Corporate Strategy to promote legal technology and innovation, which offers the potential to increase access to justice.

As part of keeping everyone up to date on how to maintain the standards we expect, we will continue to publish warning notices and information on risks in the legal sector. For example, solicitor involvement in the dubious investment schemes that take money from so many vulnerable people.

We will continue to deliver a co-ordinated programme of communication and meaningful engagement across all external channels. This will allow us to increase understanding and support all our stakeholders to shape our work and to benefit from any changes we introduce.

To make sure we are keeping up to date with people's experiences and expectations, we will also do more to enhance our understanding of the needs of consumers. We will commission targeted research, monitor the findings of wider research and reach out directly to consumers to listen to their needs.

In order to maintain public and professional confidence in our work to set and enforce standards, we will keep our procedures under review and ensure we have effective oversight of the quality and consistency of regulatory decision making across the business.





Strategic objective

3



We will increase the availability of relevant and timely information to help people make informed choices in the legal services market.

We will continue our work to support people to identify legal need and find the services that will support them. We want to address the barriers that prevent people getting the help they need when they need it, and we know that the lack of useful information is part of the problem. Our Transparency Rules came into force in December 2018 and we will continue to work to embed our requirements throughout the profession. Under these Rules, the firms we regulate have to publish a range of information, including on price and service detail, if they offer services in specified legal areas.

We will introduce a mandatory clickable logo as part of the introduction of our Standards and Regulations on 25 November 2019.

The logo is designed to help the public find out what consumer protections are in place when they use a regulated provider.

We will monitor compliance with our transparency requirements and address issues where we do not consider firms are being transparent enough. We will also share best practice to encourage improvement in the information provided.

We will continue to develop Legal Choices, the consumer-facing website and social media presence that we manage on behalf of the legal regulators. We will be introducing new products that will help people to identify whether they have a legal need and help them to get support. We will promote the new services as widely as possible with the public and small businesses. Our products should also help organisations that support people in difficulty who may not have online access. We will include a service designed in partnership with these groups to assist their advisers and staff to access relevant information on legal services for the people they work with.

We will deliver a coordinated and effective programme of events, helping the public, the profession and other

stakeholders engage with and influence our work and to understand our regulatory approach and use our services. We will also provide dedicated events that support firms, especially small firms, to comply with regulation, including on anti-money laundering. The programme will include a series of public engagement events, specific diversity events, the Compliance Officers Conference 2020, an annual SQE conference and small firm events.

We will launch a Solicitors Register of all regulated firms and individuals as part of the move to our new Standards and Regulations. This will enable the users of legal services to find basic information about solicitors and their practice. We will develop and enhance this throughout the year.





Strategic objective

4

We will make sure that our regulatory arrangements work as effectively as possible for the public, businesses, solicitors and firms in the context of constitutional developments within the UK and any new relationship with the EU.

The political and legal environment within which we and those we regulate work is changing rapidly. We will seek to make sure that the regulatory arrangements within the UK and across national boundaries work well, making it as easy as possible for firms to operate and support businesses and the public.

And, more broadly, we will also horizon scan and do more to work with others to respond effectively to opportunities and challenges

brought about by ongoing changes of all types, including societal and technological. This will be a key theme in our future Strategy.

We will develop a wider and deeper approach to capturing and reporting the views of our stakeholders, so that our Board and others can readily access their feedback. To do this, we will build on the success of our virtual reference communities, programmes of focus groups and digital outreach to make sure we are engaging with voices across all our stakeholders in order to understand the nuances of different groups' positions.

We will continue to work closely with government to manage and monitor the impact of the UK's exit from the EU and consider regulatory change or communication activity if necessary. We will continue to engage with EU regulators and affected parts of the regulated community.

We will introduce a fee limit for solicitors and authorised firms carrying out claims management activities relating to financial products and services. We will develop regulatory arrangements that implement this. This is so that people who want to make claims about, for example, mis-sold financial services, get a good service.

We will review our international work, including ensuring that the International Conference of Legal Regulators website supports the benefits of collaborative working across different jurisdictions.

We will continue our dialogue with the Welsh Government and others as we work to ensure that our regulation meets the needs of the users of legal services in Wales. As part of the development of the SQE, we will explore the provision of SQE in Welsh.





Strategic objective

5

We will work better together, and with others, to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions.

We seek to continually improve our performance across all areas of the business. We will work to ensure our structures and processes are effective and efficient to deliver the best service and ensure value for money.

And we will work with the Institute of Customer Service to enhance the experience of all those who use our services, laying

the foundations for this component of our 2020–23 Strategy.

Building on steps taken in early 2019, we will continue to implement changes to support good governance and improve the transparency of the work of our Board, ensuring that stakeholders can place confidence in what we do. That will include more information on how our Board works and a review of how we report our performance against our work programme.

We will complete the implementation of our Modernising IT work to improve our core technology, support our wider regulatory objectives and deliver a high-quality customer experience

We will ensure our processes and procedures that deliver strong environmental management outcomes are reviewed to support the reaccreditation of the organisation with ISO 14001.

We will develop and implement a strategy for Information Governance and Security, risk and business continuity. This –encompasses ISO 270001 alignment, an enhanced assurance framework, refreshed risk management, and GDPR compliance.

We will develop and start to implement our new People Strategy. This will ensure our approach to pay and reward, recognition, leadership and management and training and development delivers the people and culture we need to support our objectives and align with our values. And we will continue to develop and deliver high-quality staff communications through a range of channels, maximising the benefits of our new digital workplace tools, refreshing our values and supporting a truly inclusive workplace.



Budget 2019/20

Table 1

SRA income summary	2019/20 budget (£000s)	2018/19 budget (£000s)
Individual and entity (firm) practising fees	54,080	52,624
Regulatory fees (eg payments for applications)	3,069	3,069
Recoveries (eg cost orders)	2,040	2,040
Compensation Fund	10,204	10,523
Reserves	4,120	12,387
Total SRA income	73,513	80,643

Most of the funding we receive comes from fees paid by solicitors and firms. We collect these practising fees every October. The rest of our income is from other sources, for example:

- fees paid for specific activities, such as applying to set up a new firm
- recovering costs when we conclude a disciplinary case
- the Compensation Fund, as the fund covers the cost of managing the fund itself and any interventions into firms.

In table one we have set out details of our 2019/20 funding (our financial year runs from 1 November to 31 October) compared with 2018/19.

Funding from reserves in 2019/20 will be used predominantly for our Modernising IT programme (MIT). The amount to be taken from reserves has reduced from 2018/19 as the programme will complete during 2019/20.

The figure for the Compensation Fund is the recharged cost of the overheads and administration costs of running the fund (the basis of the recharge is reviewed annually by our Finance and Audit Committee) and any interventions.

Budget 2019/20

Table 2

SRA expenditure summary	2019/20 budget (£000s)	2018/19 budget (£000s)
Staff expenditure	33,505	32,413
Intervention costs	6,651	6,612
External disciplinary and enforcement legal costs	3,619	3,619
SRA cost of shared services and property	6,813	11,608
Projects	11,089	17,578
Other	11,836	8,813
Total SRA income	73,513	80,643

In table two we have set out a breakdown of how we will spend our money in 2019/20.

The budget for projects in 2019/20 includes £2.6m of planned spend rolled forward from 2018/19.

The increase in staff expenditure is due to pay inflation and the transfer of staff from shared services to the SRA, in part offset by the reduced charges for shared services.

'Other' costs include non-staff IT spend, consultancy, Board and committee costs, external advisers including adjudicators and examiners, research, engagement activity and staff travel. The increase from 2018/19 includes the continued transfer of several functions from shared services, again offset by reductions in shared costs.



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