



Solicitors
Regulation
Authority

SRA Summary of Performance Measures and Statistics

April 2007

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Headline Statistics

- The number and value of fines ordered by the SDT continues to increase. In April 2006 the average fine was £4,375, with the largest single fine ordered being £7,500. The average is now £8,200. The largest fine ordered in April 2007 was £20,000.
- 49 matters closed in April resulted in referral to the SDT, bringing the year to date total to 164.
As a consequence of improvements in data recording introduced in December this information can be determined for individual cases, rather than being extracted from the decision data where multiple decisions can be misleading. Trend data is being collated to inform future reporting.
- Outstanding Liability against the Compensation Fund is currently £18 million. This has been declining steadily since a peak in August 2006 of £30.8 million, although there has been little change in the volume of outstanding applications since November.
- PSU visits completed this year to date are 13% down on target due to the programme of Referral Arrangement Compliance Project (RACP) visits being completed by the Unit.
- The service level achieved by the Ethics Guidance Service was affected by the Easter break which led to reduced staffing and a skewed distribution of calls. Despite the target service level of 40% being exceeded in the first half of the month, levels achieved during the second half brought the overall service level for the month down to 29%.
- The service level in Information Services fell to 26% against a target of 80% of calls answered within 30 seconds. This is due to the level of training being undertaken within the team, which totalled 243.5 hours in April
- The Professional Competence Team have seen a 57% increase in applications by students for character & suitability assessments prior to commencing the Legal Practice Course. The deadline for assessment was widely and successfully communicated, with students being advised to submit their applications by 1st April to allow adequate time for assessments to be completed.

Legal Solicitors Disciplinary Tribunal decisions

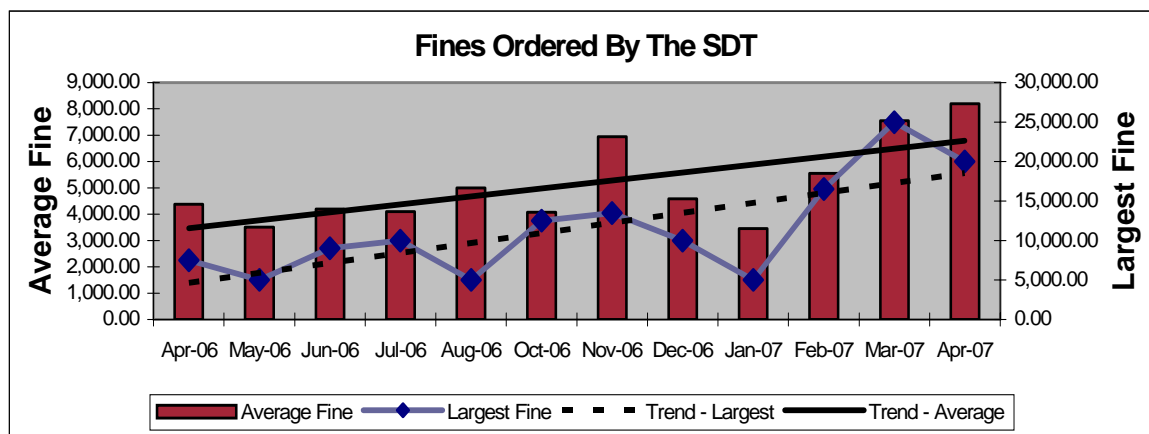
The **Solicitors Disciplinary Tribunal (SDT)** is the independent Tribunal that adjudicates upon alleged breaches of the rules of professional conduct for solicitors. The SDT has the power to strike off a solicitor from the Roll, suspend a solicitor from practicing and apply fines and reprimands.

Orders made by the SDT are recorded when they come into effect, which in most cases is immediately but in a few cases there is a time lapse before the order comes into effect.

It should be noted that cases to the SDT are often a combination of matters, frequently originating in different Units, brought together into one application to the Tribunal by the Intervention & Disciplinary Unit (IDU).

	12 Months to			
	Apr-06	Apr-07	Variance	Monthly Average '06
Fined	68	88	+29%	7
Struck Off	67	70	+4%	6
Suspended	42	36	-14%	3
No Order	8	9	+13%	1
Other	39	68	+74%	6
TOTAL	224	271	+21%	23

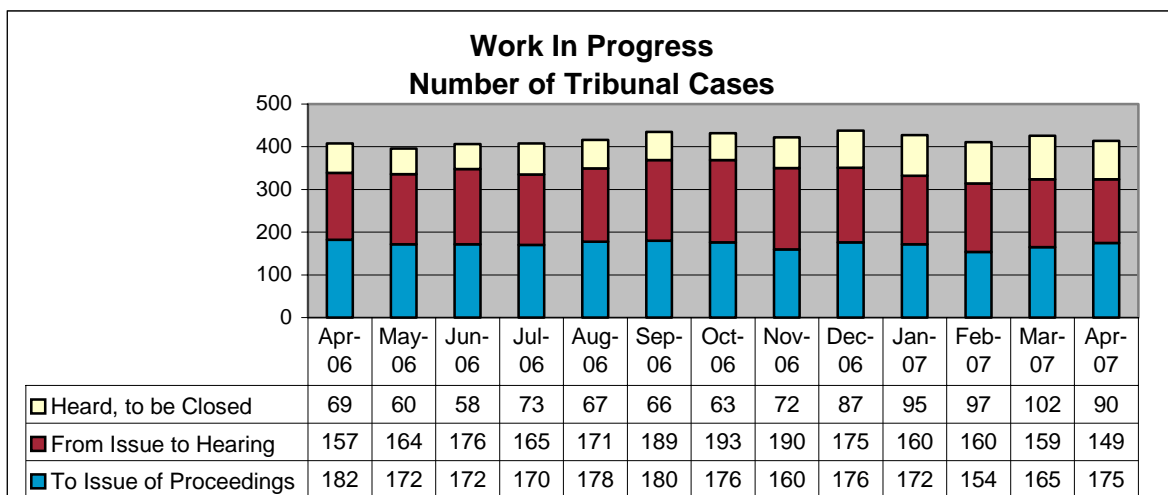
The number and proportion of fines imposed by the Tribunal has been increasing. 32% of orders in the last 12 months were fines, compared to 30% in the previous 12 months. The size of fine being imposed is also increasing. In April 2006 the largest fine imposed was £7,500 with the average being £4,375. In April 2007 the average, at £8,200, was higher than the largest fine ordered 12 months ago. the largest fine was £20,000. The trend since April 2006 is shown in the chart below.



Legal Prosecutions and Interventions

The **Intervention & Disciplinary Unit (IDU)** undertakes a number of important regulatory functions. These include conducting interventions into solicitors' practices, the prosecution of solicitors before the Solicitors' Disciplinary Tribunal (SDT), the conduct of litigation in respect of the exercise of the Society's regulatory powers, recovery of client papers under paragraph 3 of Schedule 1 or section 44B of the Solicitors Act 1974 and the recovery of costs associated with the activities above.

SDT Cases	12 Months			
	To Apr-06	To Apr-07	Variance	Monthly Average
New Cases	285	308	+8%	26
Closed Cases	272	295	+8%	25



The chart above refers specifically to Tribunal matters against solicitors (TRI matter types). There are also 26 section 43 applications in progress with IDU. Section 43 orders are used to prevent a solicitor from employing a person subject to the order without first obtaining the written permission of the office.

6 interventions were effected in April, 2 on the grounds of suspected dishonesty. All were effected within the target.

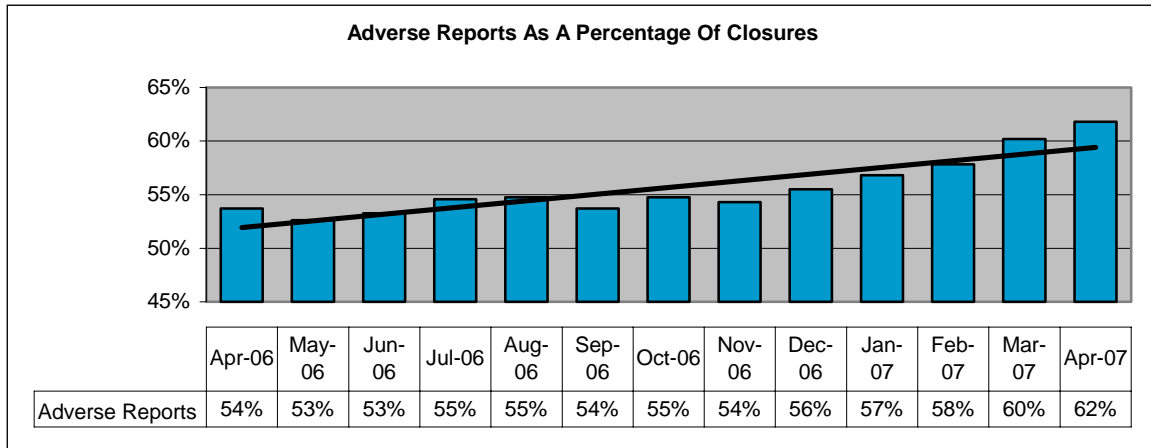
Reporting on data relating to the age profile of cases issued and heard by the SDT is under review.

IDU's target is to issue proceedings within 6 months of creation of the matter. The SDT aims to hear matters within 6 months of proceedings being issued by the Law Society.

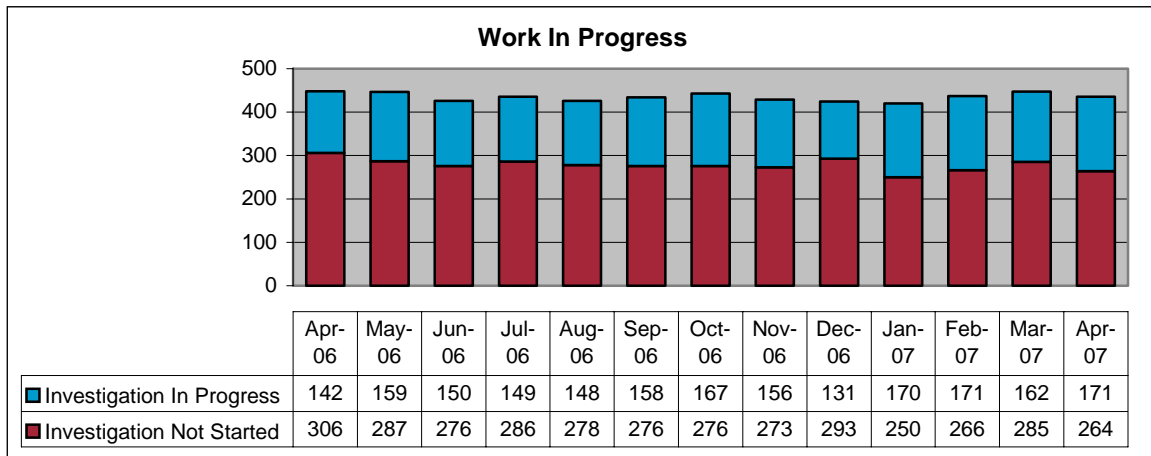
Investigations

Forensic Investigations

Forensic Investigations (FI) carries out targeted investigations of firms following the risk assessment of referrals from within Compliance, PSU and casework units. FI Investigators visit firms and adduce evidence of the misuse of client money, serious misconduct or malpractice, dishonesty, fraud, money laundering etc.



	12 Months			
	To Apr-06	To Apr-07	Variance	Monthly Average
New Investigation Files Created	501	471	-6%	39
Closed or Rescinded	490	477	-3%	40



The proportion of adverse reports continues to rise, as shown in the first chart. There are several factors influencing this trend, including the targeting of specific areas of risk.

Considerable resource has been committed in respect of Miners' cases, mortgage fraud and the threat posed by money laundering.

Across the organisation greater experience and understanding of risk also leads to better, more focused intelligence, which is another key factor impacting on the proportion of adverse findings.

On-Site certificates are issued to the firm where the identified breaches or conduct are not material or minor corrective action is required following an investigation. Adverse reports are prepared where there is evidence of serious breaches of the Rules, of professional obligations, misconduct or dishonesty which may require a regulatory sanction, disciplinary proceedings or intervention. The closed FI matter will then be transferred to other departments within the SRA responsible for enforcement actions.

Investigations Practice Standards Unit

The **Practice Standards Unit (PSU)** carry out a programme of monitoring visits to check compliance with the practice rules, aiming to raise standards by obtaining agreement and consensus from firms for improvement following these visits. Firms are profiled for monitoring visits by a risk assessment process based on information held by the SRA and intelligence from other units. PSU also carry out an educational programme of client care seminars to improve standards of practice in the profession through the promotion of client care and practice excellence.

PERFORMANCE MEASURES Year to Date	Apr-06	Apr-07	Target	Variance from Target
Full Risk Profiles Completed	447	384	396	-3%
Total Visits Completed	387	282	326	-13%
Client Care Seminars	8	1	1	0%

Total visits completed this year to date are 13% down on target due to the programme of Referral Arrangement Compliance Project (RACP) visits being completed by the Unit. Client Care seminar programme is due to commence in May/June in order to reflect the new code and the new SRA status.

Firms receiving a monitoring visit by PSU continue to generate between 15% and 23% less complaints than prior to a visit. Firms that have not received a monitoring visit generate between 1% and 6% more complaints in the same analysis period

Visit Outcome Grade	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07
A	4	7	7	4	10	7	6	11	2	5	4	4
B	60	54	63	61	54	53	66	50	15	60	49	27
C	30	21	13	22	26	30	29	26	9	20	14	8
D	6	8	3	2	6	4	7	3	3	3	1	2
No Grade	0	0	0	0	0	0	0	0	0	0	0	9
Awaiting Grade	0	0	0	0	0	0	0	0	0	0	4	11
% of Graded Firms with Grade C or D	36%	32%	19%	27%	33%	36%	33%	32%	41%	26%	21%	19%

A = Evidence of satisfactory compliance with Practice Rules although some improvements may be necessary.
 B = A number of minor weaknesses and/or breaches of Practice Rules identified for corrective action.
 C = A number of significant weaknesses and/or breaches of Practice Rules identified for corrective action.
 D = Significant weaknesses and/or breaches in Practice Rules and urgent remedial action is necessary.
 No Grade = RACP visits completed by PSU which are not graded.

A visit outcome grading is applied by the PSU Advisers, for internal purposes, based on the findings and areas of weakness. In the last 12 months an average of 30% of firms have been graded C or D.

No. of Visited Firms in which Referrals Have Been Made to Other Units												
	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07
Formal Referrals	9	2	2	4	7	5	6	3	4	3	6	3
as % of Visited Firms	9%	2%	2%	4%	7%	5%	6%	3%	14%	3%	8%	5%
Intelligence Referrals	11	5	9	4	8	8	10	9	3	4	7	4
as % of Visited Firms	11%	6%	10%	4%	8%	9%	9%	10%	10%	5%	10%	7%

As PSU makes site visits, it is well placed to judge whether firms should be formally referred to Regulation Response or Inspections & Investigations for further disciplinary action where they are not responsive to PSU's supportive approach, or in cases of suspected dishonesty or serious regulatory breaches. PSU also make intelligence referrals to Regulation Response or Inspections & Investigations for consideration of issues which may not require disciplinary action but of which they need to be aware. The average percentage in the last 12 months of those firms being formally referred is 5%.

Regulation Response Regulation Unit

The **Regulation Unit** imposes Practising Certificate controls, deals with applications for approvals by solicitors and unadmitted persons, investigates information about regulatory breaches and deals with FI reports. A minority of cases (c. 15%) are generated from information received from the public.

REGULATION MATTERS - DECISIONS	12 Months			
	To Apr-06	To Apr-07	Variance	Monthly Average To Apr-07
PC Conditions	1091	1865	+71%	155
Intervention	115	98	-15%	8
Referral for Disciplinary Proceedings	346	347	+0%	29
Vest Discretion	251	232	-8%	19
No Action	421	254	-40%	21
Other	1888	1953	+3%	163
TOTAL	4112	4749	+15%	396

Although there has been a significant increase in decisions relating to PC conditions in the 12 months to April 2007, approximately one third of the additional applications were in respect of 2 large multi-partner firms. In an exceptional occurrence, 2 large firms failed to comply with the regulations in respect of delivery of accountants reports. Consequently The Law Society can exercise discretion in respect of the Practising Certificate of each partner within those firms, and a Regulatory decision was required for each one.

Regulation Response CAI

The **Conduct Assessment and Investigation Unit (CAI)** deals initially with all third party (non-client) complaints of misconduct received by the SRA as well as referrals of conduct information from LCS. The table below reflects the transfer of all specialist redress work from CAI to LCS on 1st June 2006. The majority of CAI's workload consists of assessing and closing complaints where there is no issue or evidence of misconduct. CAI deal with a higher volume of excluded / low risk "reports" but refer to Adjudication the more serious, higher risk issues. For historical reasons, the unit operates under LSCC targets.

Outcomes	12 Months			
	To Apr-06	To Apr-07	Variance	Monthly Average To Apr-07
Not Upheld	5438	4304	-21%	359
Excluded matters	1125	535	-52%	45
Required no regulatory action	4020	3710	-8%	309
Conciliated (service)	293	59	-80%	5
Upheld	584	639	+9%	53
Letter of Advice	114	192	+68%	16
Formal decision made	470	447	-5%	37
Referred to SDT	N/A	42	N/A	4
Other	6	11	+83%	1
TOTAL	6028	4996	-17%	416

*Monthly average based on January '07 to date

There has been a 68% increase in the number of letters of advice issued in the past 12 months compared to the previous 12 months. This is a result of focus on risk based and proportionate responses to the reports of misconduct we receive.

Apparent reductions in both conciliated and excluded matters are a result of the transfer of specialist work to LCS in 2006.

Client Protection Compensation Fund

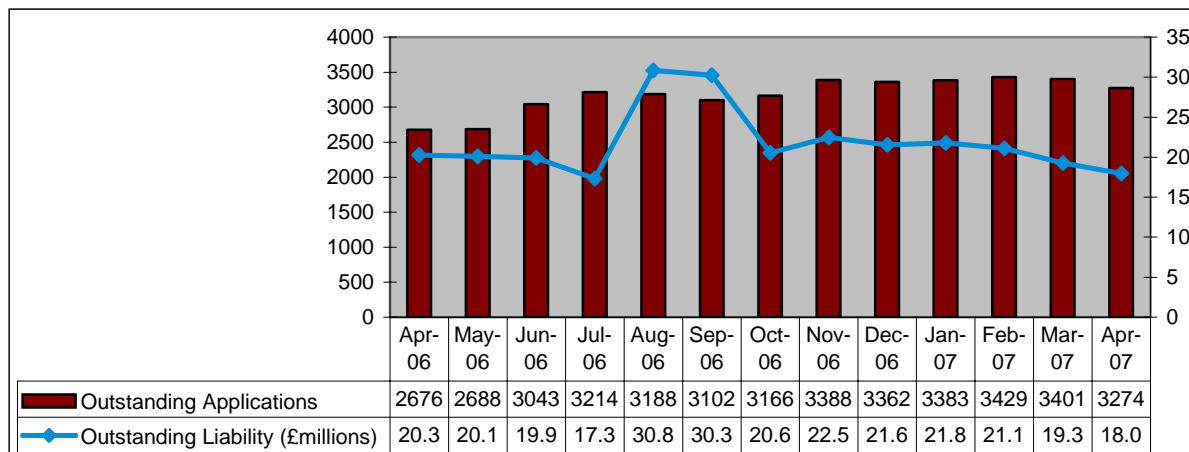
The **Compensation Fund** deals with and investigates applications for payments from the Fund from people who have suffered financial loss due to a solicitor's dishonesty or failure to account for monies received. The Unit can award funds to Applicants up to a delegated limit; an Adjudicator Decision is required for sums above this.

Claims and payments

	Value of Claims Received in 2006 (in £ millions)	Total Paid in 2006 (in £ millions)	Total Paid on 2006 Claims (in £ millions)	Total Paid in 2006 on Pre-06 Claims (in £ millions)	2006 Payments as % of 2006 Claims	% Paid in 2006 on Pre-06 Claims
2006	£31.2	£9.8	£4.0	£5.7	13%	59%

	Value of Claims Received in 2007 (in £ millions)	Total Paid in 2007 (in £ millions)	Total Paid on 2007 Claims (in £ millions)	Total Paid in 2007 on Pre-07 Claims (in £ millions)	2007 Payments as % of 2007 Claims	% Paid in 2007 on Pre-07 Claims
2007	£3.7	£2.8	£1.0	£1.8	28%	63%

Outstanding Liability

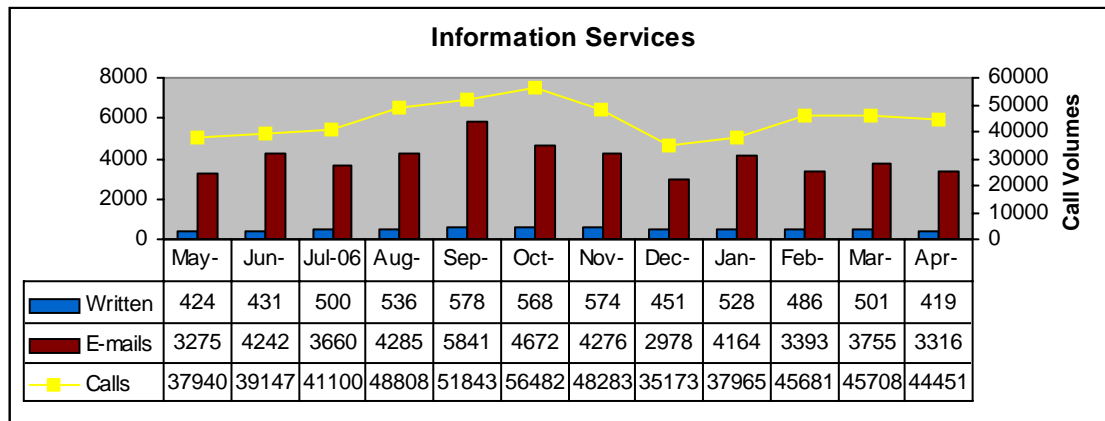


Following a sustained and steady increase over the twelve months prior to November 2006, there has been little or no change in the volume of outstanding applications for the past six months.

Consumer claims continue to be prioritised. In the 12 months to April 2007, 59% of applications by private individuals have been completed within 6 months, and 76% within 12 months. This compares to the overall rate of 40% closed within 6 months and 65% within 12.

Outstanding liability against the fund continues to reduce.

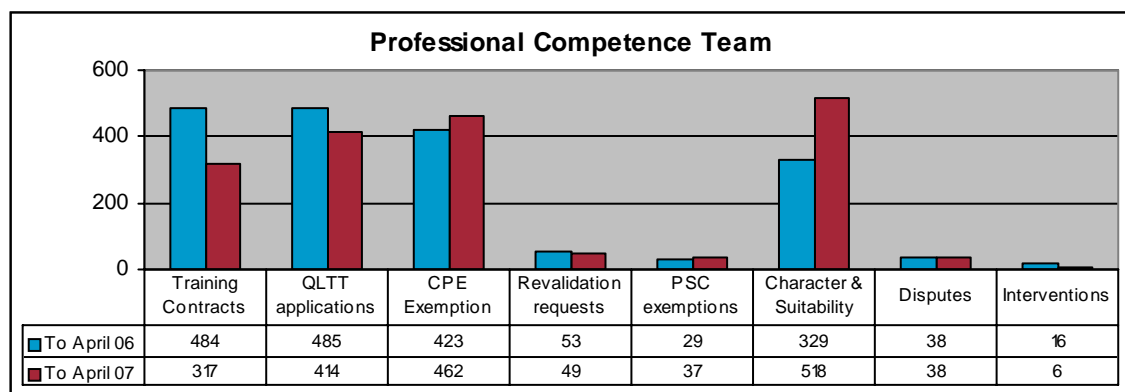
Information



An intensive training programme is in progress in **Information Services** with a total of 243.5 hours spent on classroom training and associated written work this month. This equates to 35 days spent on training, reducing the available workforce by 5 to 7 people at any given time. Whilst volumes have remained steady, the service level has inevitably been affected, with 26% of calls in April being answered within 30 seconds.

The bulk of current applications to the **Registration Project Team** are in respect of the retention of names on the roll for any non-practising solicitor. Although the exercise was commenced later than in previous years, the process has been simplified. In the majority of cases there is now a simple confirmation required, rather than a detailed application. This allows for more detailed consideration of applications from individuals posing greater risk, such as those with outstanding complaints being considered by other areas of the SRA. It is anticipated that the majority of applications will be returned by the end of June.

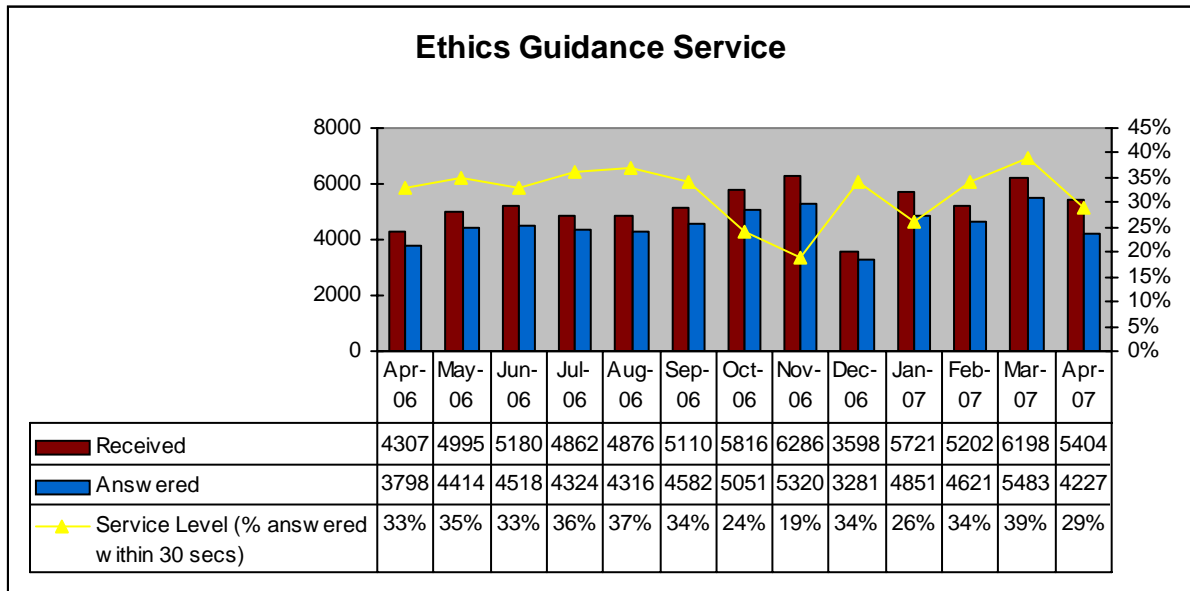
The **Customer Records Team** ensures that the corporate database is kept up to date with any amendments like address changes, movement of the solicitors within organisations and setting up new organisations. April and May were peak months for the team in 2006. April 2007 has again seen high volume changes, although lower than April 2006.



The above chart shows a year on year comparison of the pre-admission applications considered by the Professional Competence Team and highlights a significant increase in Character & Suitability checks undertaken. These checks identify any issues that would, in the interests of public protection, preclude a successful student from being admitted to the roll, and any such issues can be considered by the case-working team before students commence the Legal Practice Course (LPC). This process has been well communicated during the first quarter of the year and all students were advised to submit their applications before 1st April to allow adequate time to make a character and suitability assessment. The increase in applications is an indication of the success of that communication.

Regulation Standards

The **Professional Ethics Guidance Team** provides confidential guidance to help solicitors comply with their professional obligations.



5404 calls were received in April 2007, which is a 25% increase compared to April 2006 but a decrease in calls received compared to last month. This was largely due to the reduced number of working days and call traffic over the Easter period.

Service level was impaired largely due to reduced staffing and a skewed distribution of calls. The target service level of 40% was exceeded in the first two weeks of the month, but was not achieved in the second two weeks bringing the overall service level for the month down to 29%.

The peak in November is directly connected to the practising certificate renewal exercise which impacts all solicitors and brings a similar peak across many part of the organisation.

Appendix 1: Resources HR and E&D data

Monthly HR Update

- As at 30th April 2007 the FTE for the SRA was 479.18 with 102.71 vacancies. (There are 3 fixed term temps and 42.53 agency and contractors sitting against those vacancies).
- The budget FTE is 581.89.
- 13 days were spent on training in April.

A system for recording time spent on technical training is being developed.

Monthly E & D Update

Subject individuals of Regulation and Tribunal matters closed in April 2007 compared with the overall population of solicitors.

	Population	Regulation/Tribunal Matters
Asian/Asian British	5%	11%
Black or black British	2%	6%
Chinese or other Asian group	1%	1%
Mixed or unknown	14%	19%
White/European	78%	63%
F	43%	21%
M	57%	79%
30 or below	19%	3%
31 - 40	35%	21%
41 - 50	25%	37%
51 - 60	16%	30%
61 or over	5%	8%
Unknown	1%	1%

Appendix 2: Resources Budget report

Direct Costs Summary For the Four Months Ending April 30, 2007

Account Description	Approved Budget £'000	YTD Budget £'000	YTD Actual £'000	YTD Variance £'000	Variance %
Paybill	23,936	7,979	7,650	329	4.12%
Other Staff Costs	1,608	536	557	(20)	-3.81%
Total Staff Expenditure	25,544	8,515	8,206	309	3.62%
Staff & Admin Recoveries	(11,716)	(3,905)	(3,136)	(769)	19.70%
Total Non-Staff Expenditure	16,550	4,770	3,171	1,599	33.52%
Gross Expenditure	30,378	9,380	8,241	1,138	12.14%
INCOME	(6,030)	(2,011)	(1,049)	(961)	47.81%
Net Expenditure	24,348	7,369	7,192	177	2.40%
Total Departmental Charge	24,348	7,369	7,192	177	2.40%
Chief Executive's Office Group Summary	3,694	1,177	788	389	33.06%
Information Group Summary	490	155	651	(496)	-319.52%
Standards Group Summary	491	158	618	(460)	-291.53%
Reg Response Group Summary	4,304	1,428	1,144	284	19.87%
Investigation Group Summary	5,744	1,908	1,790	118	6.20%
Legal Group Summary	6,838	2,191	1,948	243	11.09%
Client Protection Group Summary	(2,937)	(990)	(555)	(435)	43.92%
Resources Group Summary	512	171	144	27	15.69%
Policy Group Summary	2,701	891	622	269	30.17%
SRA Change Summary	2,510	279	41	238	85.26%
SRA TOTAL	24,348	7,369	7,192	177	2.40%

NB: Budget centres are under review following the creation of new directorates within the SRA.
For budget purposes, total annual income is distributed evenly throughout the year, although the actual income pattern is seasonal.

Appendix 3: Headline Summary of SRA performance against LSCC strategic targets (April 2007 to March 2008)

For the plan year 2007/08 the LSCC requires reporting on the individual contributions of both SRA and LCS towards the overall targets. The headline performance shown here is the SRA contribution.

Strategic priority 1 : improving the speed with which complaints are handled

	Current month	Year to date	LSCC Target	Variance from target
Target T1 Number of live cases open for 12 months or more				
	115	N/A	By 31 March 2008 no more than 65 RDC cases open	83
Target T2 Cases closed within 3 months of receipt				
Within 3 months	79%	79%	76%	3%

Strategic priority 2 : improving the quality of complaints handling

Target Q6: Percentage of referrals to the LSO that are upheld

	91%	91%	76%	15%
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Performance against quality targets 1 to 5 is based on audit. This data is not yet available.

Strategic priority 3 : implementing the plan for complaints handling

	Current month	Year to date	LSCC Target
Target P1: The total budget to support the delivery of the plan.			
Target P1	N/A	N/A	-5% to 0%
Target P2: All resources to support the delivery of the plan			
Target P2	-6.2%	-6.2%	-5% to 0%
Target P3: The priority initiatives will be delivered to time and cost in accordance with the plan, meet all milestones declared in the plan and benefits realised.			
Target P3	100%	100%	
Target P4: Progress against the plan, targets and supporting KPIs, will be reported in line with the timescales agreed.			
Target P4	100%	100%	

Appendix 4: Glossary of terms

Terms used in this document:

CAI	Conduct Assessment & Investigation Unit
CAU	Customer Assistance Unit
CCC	Customer Contact Centre (formerly CAU)
CCS	Consumer Complaints Service
CDT	Conduct complaint
Compliance Directorate	SRA Directorate dealing with all investigation and enforcement work, together with much of the work formerly dealt with by the former OSS Solicitors' Practice Unit
Conduct and Service	Normally referring to the work of CAI, but also ICT. This is the distinction made by the SRA between complaints of poor <i>service</i> , for which redress can be offered (by the LCS), and complaints of misconduct
CRB	Criminal Records Bureau
CRO	A service complaint
Decisions	There are two sorts of decisions: those made by Adjudicators, where there can be a number of decisions in relation to a matter, and the decisions (orders) by the SDT which tend to be the decision on the totality of a case presented to them – more usually one case, one decision
ENQ	An enquiry or an initial request for details of the remuneration certificate process
FTE	"Full-time equivalent", a measure of the number of staff. The budget FTE - actual FTE equals the number of vacancies
Intervention	A formal decision of the adjudication panel to intervene into a solicitor's practice, which results in all monies and papers held by the solicitor being taken by the Law Society. Interventions are subject to a statutory appeal direct to the High Court
Inspections	Term normally used in connection with Accounts Inspections by the Forensic Investigation department
LCS	Legal Complaints Service (formerly CCS)
LSCC	Legal Services Complaints Commissioner
LSO	Legal Services Ombudsman
PC	Practising Certificate
PSU	Practice Standards Unit
QLTT	Qualified Lawyers Transfer Test
RCA	Remuneration Certificate Application
RDC	Redress Conduct - conduct issues arising from a redress matter handled by the LCS.
Regulatory	In this report, refers to the work of the Regulation Unit
REL	Registered European Lawyer
RFL	Registered Foreign Lawyer
SRA	Solicitors Regulatory Authority
Throughput	The volume of cases passing through the Compliance Directorate from creation to completion
Tribunal	The independent Solicitors Disciplinary Tribunal (SDT)
WIP	Acronym for "Work In Progress", cases not concluded during the month, carried over from or to the following month

Age of Cases

The methodology for calculating the age of cases:

The age of a case will be calculated from the day the case was created on the computer system. For reporting purposes the age of cases will be grouped as follows:

0-3 months = 0-91 days	0-6 months = 0-183 days	0-9 months = 0-274 days
0-12 months = 0-365 days	0-18 months = 0-548 days	