



Solicitors
Regulation
Authority

SRA Regulatory Outcomes Report

June 2011

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1. Headline figures

In the second quarter of 2011 we have

- concluded **3,585** casework investigations
- risk assessed **2,255** allegations
- issued **28** sets of proceedings at the SDT
- issued proceedings at the SDT within an average of **5.0** months against a target of 6 months
- **9** individuals were struck from the roll
- effected **18** interventions
- effected **100%** interventions within target
- **1,952** claims in progress on the Compensation Fund representing a liability of **£205m**
- paid **£2.93m** to claimants from the Compensation Fund
- answered **79%** of telephone enquiries from the public & profession within 20 seconds
- answered **11,657** calls to our Professional Ethics Helpline
- answered **74%** of calls to the Professional Ethics Helpline within 45 seconds

2. Introduction

2.1 About this report

This report presents regulatory outcomes data for the SRA for the year to June 2011. It looks at the work that the SRA has carried out during this period and the outcomes of this work.

The structure of this quarter's report is slightly different to previous reports in that it focuses specifically on outcomes data. Previous reports have included key statistics about the regulated community and this information has now been moved onto our website. Please now see www.sra.org.uk/community-statistics for key facts and figures about the regulated community. We will be updating this webpage every month with the latest data about the profession.

The outcomes data presented in this report are structured around the functions of the SRA based on our target operating model. The SRA is currently going through a period of organisational reform in preparation for the move to outcomes-focused regulation (see section 2.2). As part of this programme of reform, many units within the SRA are changing to reflect this new way of regulating and as a result some of the outcomes that we report on will change. In addition to this, our new IT systems mean that much of our business will start to be conducted online and this will also impact on the outcomes that we report on. These ongoing changes mean that this report will continue to develop over the next few quarters as new functions become established and outcomes data for these functions become available.

If you have any feedback or queries regarding this report, or would like to receive it in an alternative format, please contact us at ManagementInformation@sra.org.uk

2. Introduction

2.2 Outcomes-focused regulation: the transformation of the SRA

The SRA continues with its programme to transform its approach to regulation for the benefit of consumers. The OFR programme has met its objectives and key deliverables during this quarter.

From April to June 2011, the SRA:

- gained approval from the Legal services Board (LSB) for its Handbook which sets out the standards and requirements for principles-based, outcomes-focused regulation (OFR). The decision, made at the LSB's Board meeting on 13 June, paves the way for the launch of OFR on 6 October, when the Handbook comes into effect. The Handbook has been available in draft form since 6 April, giving law firms and the profession six months to prepare for the new regulatory approach. On 13 June, the LSB also approved the SRA's application to become a licensing authority for alternative business structures (ABS), which will enable the ownership and management of legal service providers by non-lawyers. That application now goes forward for Parliamentary approval.
- delivered a successful series of thirteen roadshows around England and Wales to update the profession on OFR and provide a briefing on the SRA Handbook, with a total attendance from members of the profession of over 1800. Three further roadshows will be held for those practitioners who were unable to get a place at earlier roadshows in September: <http://www.sra.org.uk/solicitors/freedom-in-practice/news-events/roadshow/roadshows-2011.page>
- began a series of webinars on OFR-related topics, including on relationship management, control functions, complying with the Handbook, moving to SRA on-line reporting processes and the supervisory experience: <http://www.sra.org.uk/solicitors/freedom-in-practice/news-events/webinars-index.page>
- approved proposals at SRA Board level on 1 June for a radical overhaul of quality standards for criminal advocates (subject to assurances on a few key issues). The Quality Assurance Scheme for Advocates (Criminal) has been developed by the Joint Advocacy Group (JAG), comprising the Solicitors Regulation Authority, Bar Standards Board, and IPS (ILEX Professional Standards). The review is based on Lord Carter's 2006 report calling for a 'client-driven need for the quality assurance of advocacy' as a vital part of an effective justice system.
- announced, with the Bar Standards Board (BSB) and the Institute of Legal Executives Professional Standards (IPS), a fundamental review of the legal education and training requirements of individuals and entities delivering legal services. The overall conduct of the review is managed by the project's Review Executive, comprising the CEOs of the SRA, BSB and IPS. The UKCLE Research Consortium has been selected to conduct the review and is led by Professor Julian Webb, University of Warwick. It also includes Professor Paul Maharg, University of Northumbria, Dr Jane Ching, Nottingham Trent University and Professor Avrom Sherr, Institute of Advanced Legal Studies. A consultation steering panel chaired by Dame Janet Gaymer and Sir Mark Potter will provide advice. The final report will be delivered in December 2012.



3. Authorisation

The **authorisation** function ensures that those who enter the regulated system are fit to do so. Authorisation are responsible for making decisions on applications from firms and individuals to be recognised as approved suppliers of legal services and regulated by the SRA.

3.1 Regulatory applications

Most low-risk or straightforward applications are handled by staff within the application-handling units. However, those requiring more in-depth investigation are escalated to the caseworking units. Regulatory applications are higher risk applications relating to areas such as practising certificate conditions, approval of employment or submission of accountants reports.

Outcomes of applications

The most common application type dealt with by the caseworking units is the Regulation 3 application, which allows conditions to be placed on a solicitor's practising certificate when that certificate is renewed. The conditions may restrict where or in what capacity a solicitor can practise.

Caseworked Regulation 3 applications

Count of applications	Q3 2010	Q4 2010	Q1 2011	Q2 2011
Individuals already subject to Regulation 3	19	99	360	154
..of which..				
Restrictions continued	11	19	145	77
Restrictions varied	8	6	38	49
Restrictions lifted	0	74	177	28
Individuals newly subject to Regulation 3	41	281	459	119
..of which..				
Restrictions imposed	30	21	58	54
No restrictions imposed	11	260	401	65
Application refused	0	0	3	2
TOTAL	60	380	822	275

35 applications were dealt with in respect of the SRA Recognised Bodies Regulations 2009 which enable the SRA to place conditions on a firm's recognition. Conditions were placed on one of the recognised bodies and one application was refused. There were a further 12 applications dealt with for sole practitioner endorsement.

The unit also dealt with over 200 other applications, the majority of which relate to the requirement to file regular accountant's reports with the SRA. A comprehensive picture of the numbers of individuals being made subject to practising or registration conditions is shown on page 8.

4. Supervision

The **supervision** function provides a risk-based oversight of regulated firms and individuals. Supervision will constructively engage with all regulated firms to encourage firms to tackle risks to help improve standards and to provide the right outcome for clients.

Supervision are currently piloting a number of approaches to how they will supervise firms when we move to outcomes-focused regulation.

4.1 Casework investigations

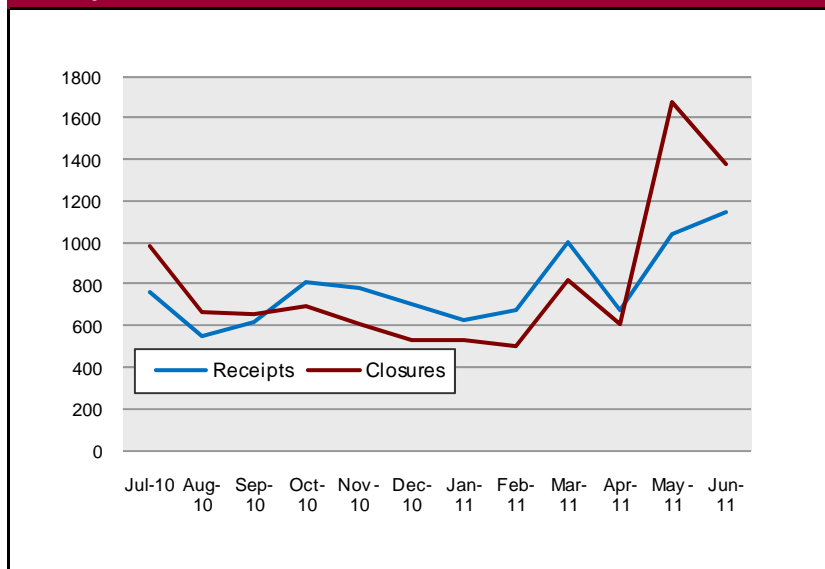
Casework investigations primarily take place within the **Conduct Investigation Unit** (CIU) and **Regulatory Investigation Unit** (RIU). CIU deals initially with all third party (non-client) complaints of misconduct received by the SRA as well as referrals of conduct information from the Legal Complaints Service and the Legal Ombudsman (LeO). The RIU investigate information about regulatory breaches and deal with adverse reports referred by the Forensic Investigations Unit. A small number of more complex investigations are dealt with in **Casework Investigations & Operations** (CIAO) who may combine desk-based investigation with visits to firms where necessary.

Casework investigation volumes

The chart below shows new conduct and regulatory investigations alongside numbers closed each month. This chart does not include regulatory applications.

During the last two months conduct receipts and closures have shown a marked increase. This follows the assessment of a large number of allegations of misconduct that required no further action. The breakdown of outcomes of casework investigations can be found on page 8.

Receipts and closures



4. Supervision

This table provides an overview of the outcomes for investigations taking place within the caseworking units. It should be noted that the number of matters with the outcome of 'SDT referral' will exceed the number of actual tribunal cases, as an individual may be investigated under several conduct or regulatory file references. These figures relate to the number of investigations conducted and not the number of individuals involved.

Outcomes of casework investigations

Outcome category	Q3 2010	Q4 2010	Q1 2011	Q2 2011	% variance from last quarter
Allegation upheld	454	287	364	358	-2%
*Letter of advice	266	151	221	230	4%
*Finding and warnings	67	25	36	23	-36%
*Rebuke / reprimands	70	49	64	44	-31%
SDT referral	73	51	75	89	19%
Ongoing other action / Added to existing disciplinary proceedings	341	279	301	532	77%
No regulatory action required	1,379	1,173	1095	2606	138%
TOTAL	2,247	1,790	1835	3585	95%

* Note: The three categories 'letter of advice', 'finding and warning' and 'rebuke/reprimand' are the most common courses of regulatory action that may be taken in an investigation. It is also possible for multiple actions to be taken on one file. The total of these three categories do not necessarily add up to the number of investigations upheld.

Scale of regulatory actions (Increasing in severity)

Letter of advice – this is a letter advising the firm or regulated person that they have breached a rule. It is used where there has been a minor breach and where there is a low likelihood of it being repeated.

Finding and warning – this outcome is used where the breach of a rule has had a moderate impact on a client or member of the public and where there is a low/moderate likelihood of the misconduct being repeated.

Reprimand or severe reprimand – These two sanctions, severe reprimand being the most harsh, are used where the impact of the misconduct is high. The likelihood of repetition can vary greatly.

Referral to the Solicitors Disciplinary Tribunal (SDT) – the SDT is an independent tribunal and has wider powers in relation to the application of sanctions than the SRA. We will refer a firm or regulated person to the SDT for a decision when we consider our own powers are insufficient given the seriousness of the misconduct. Files culminating in referral for disciplinary proceedings are sent on to our Litigation and Legal Advice Unit who will examine the evidence available and merits of the case before confirming whether proceedings will be issued or an alternative outcome may be suitable.

Practising certificate & registration conditions

In addition to the disciplinary outcomes, the SRA can also impose conditions on a solicitor's practising certificate (PC). This is not a disciplinary sanction, but a regulatory measure.

Application of conditions

Count of individuals affected	Q3 2010	Q4 2010	Q1 2011	Q2 2011
Solicitors with PC conditions applied	76	82	218	107
REL's or RFL's with conditions applied	0	0	1	1

The SRA can regulate the way solicitors work by placing conditions on their practising certificates. Some conditions restrict the ability to practise, and others outline steps that must be followed. For example, an individual may be barred from holding client money, from working in particular areas or law, or may be required to undertake certain training. These are not intended to be punitive, but as pragmatic measures to ensure public protection.

We also have powers to place conditions on recognised bodies & recognised sole practices.

4. Supervision

4.2 Practice standards visits

The **Practice Standards Unit (PSU)** aims to assist practitioners to improve standards and service by monitoring compliance with the rules of professional conduct. This is achieved through monitoring visits carried out by the unit. Firms are profiled for monitoring visits by the unit, and additional referrals are also received from the Risk Assessment & Designation Centre. The visits aim to raise standards by obtaining agreement and consensus from firms for improvement where any breaches of the rules are identified.

The number of visits carried out by PSU over the last four quarters are shown in the following table:

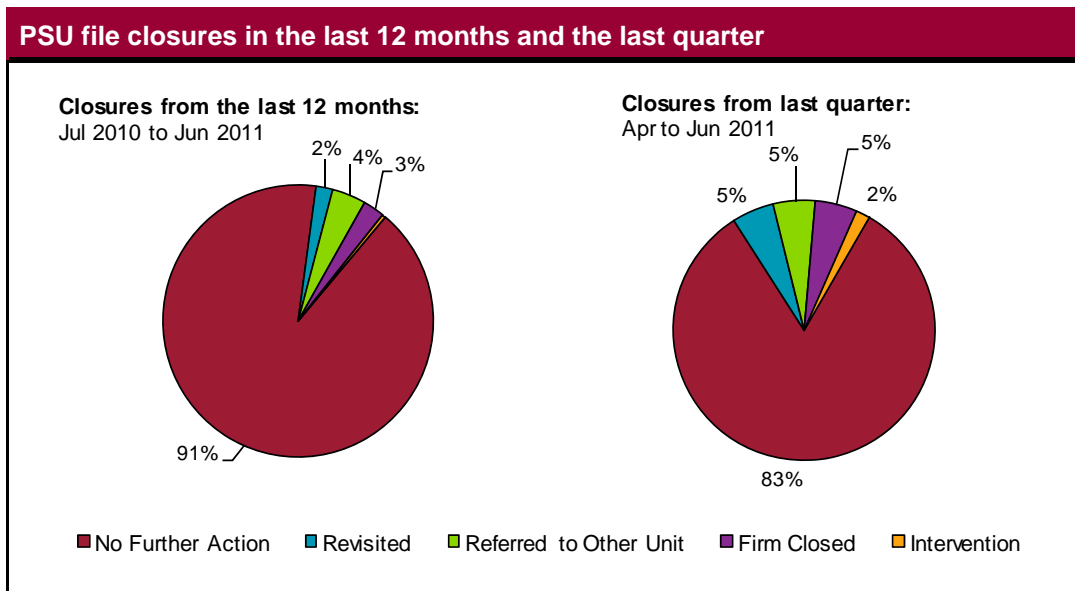
PSU visits				
Volumes	Q3 2010	Q4 2010	Q1 2011	Q2 2011
No. of visits	238	254	241	101
On-site days	360	256	288	104*

* Q2 figure is provisional as it does not include any on-site days for 22 of the 101 visits where we are still awaiting data.

PSU have been undertaking a series of baselining visits to assess levels of compliance within firms. This is part of a project to assess changes in the profession during our move to outcomes-focused regulation. The visits will look at levels of compliance and at understanding of our regulations and the changes underway.

The unit completed the baselining visits to a representative sample of the profession during the first half of 2011.

Each visit file is given a final outcome upon closure. In the last 12 months 91% of files have been closed with 'No Further Action'. Visit files are usually reviewed both 9 and 15 months after the visit to see how the firm has progressed. At these review periods a decision can be made to either close the file or extend the review period further if a firm's progress is not satisfactory.



5. Risk Centre

The **Risk Centre** provides an analysis of risks to underpin risk-based decision-making across the SRA. The centre uses horizon scanning to identify new risks and is developing a risk framework for the business.

The risk centre also includes the **Risk Assessment & Designation Centre (RADC)**. The RADC is the primary gateway for the receipt of regulatory information other than confidential intelligence, which is gathered by our **Fraud & Confidential Intelligence Bureau (FCIB)**.

The RADC and FCIB work in parallel operating a consistent risk assessment process designed to be compliant with the Government's principles of better regulation:

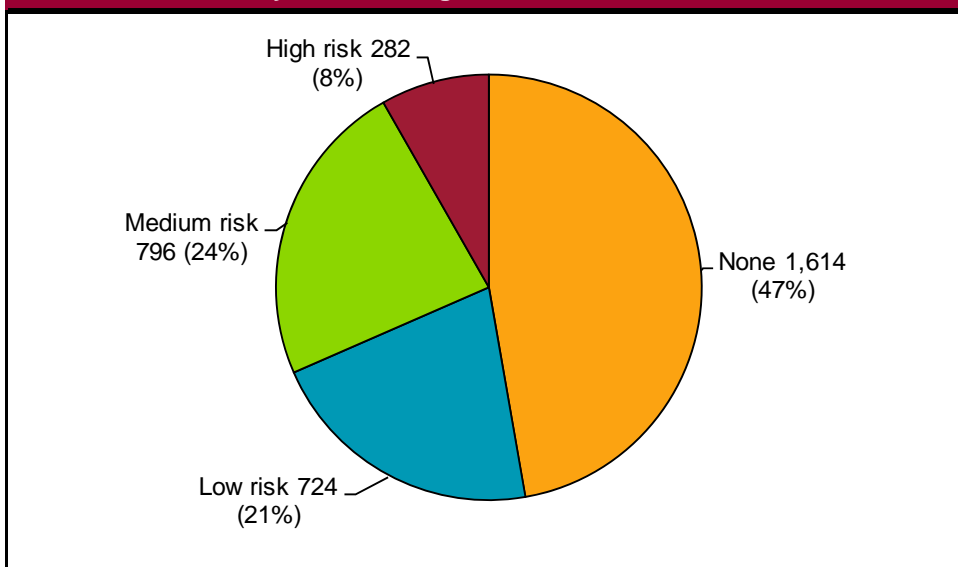
- **Proportionate** Regulators should only intervene when necessary. Remedies should be appropriate to the risk posed, and costs identified and minimised.
- **Accountable** Regulators must be able to justify decisions, and be subject to public scrutiny.
- **Consistent** Government rules and standards must be joined up and implemented fairly.
- **Transparent** Regulators should be open, and keep regulations simple and user-friendly.
- **Targeted** Regulation should be focused on the problem, and minimise side effects.

The RADC receives reports of regulatory information that are assessed using an objective system that incorporates definitions of risk based on our Code of Conduct 2007. This is coupled with a subjective assessment of intent, of the credibility of the information presented and an assessment of background information held about the firm or individual in question.

An overall risk score is generated which is used to designate the report to the most appropriate operational unit within the SRA.

Each item received into the RADC is assessed for risk and is categorised as either high, medium, low or no risk. This chart below is based on information received into RADC and shows the output by risk banding for quarter 2 2011. Of the 3,416 risk assessments carried out in the quarter, just under half were categorised as no risk, and 32% were classed as medium or high risk.

Risk assessments by risk banding - Q2 2011



5. Risk Centre

There are also three categories of compliance risk identified during the risk assessment process. These are efficiency, management and administrative competence, financial issues and legal competence. Further information regarding the SRA's approach to risk assessment can be found on our website (www.sra.org.uk/sra/strategy/risk.page). The number of allegations received within each category is shown below. Each assessment may involve multiple allegations and so the number of assessments carried out does not necessarily relate to the number of allegations.

Allegations received by compliance risk

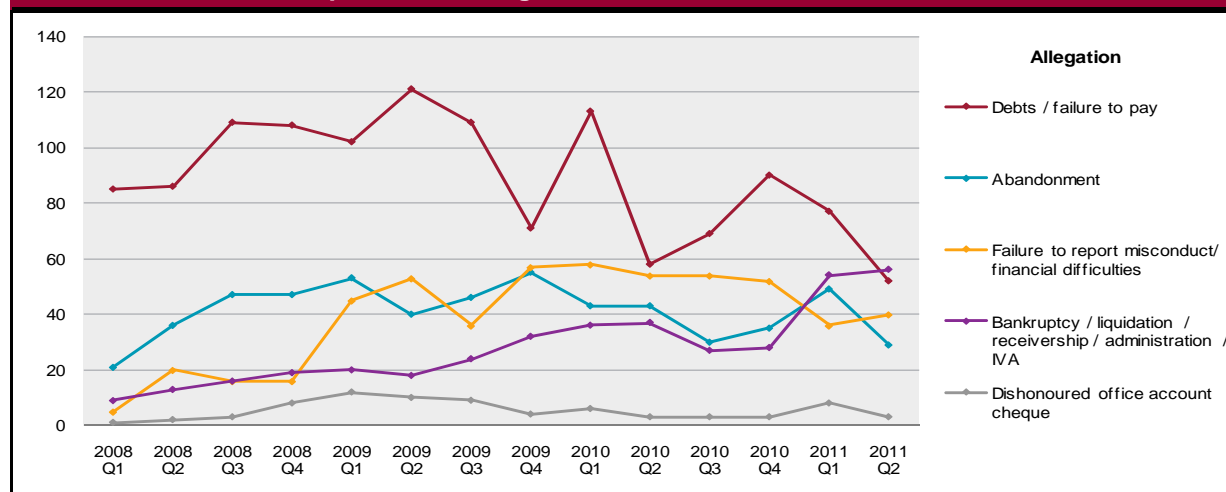
Total allegations by category		Q3 2010	Q4 2010	Q1 2011	Q2 2011
Efficiency, management and administrative competence		1,660	1,523	1,241	1,242
.. of which..	Character and suitability	1,187	1,193	856	686
	Conflict of interest	51	67	72	58
	Requirements/ framework of practice	422	263	313	498
Financial		794	950	884	791
.. of which..	Abandonment of practice	66	63	94	86
	Costs/ fees/ referrals	45	42	56	35
	Financial	450	653	531	453
	Fraud/ dishonesty/ money laundering	233	192	203	217
Legal competence		321	307	385	222
.. of which..	Breach of undertaking	60	53	92	61
	Mortgages and property	177	118	120	102
	Professional competence/ client relations	84	136	173	59

There was a decrease in the number of financial and legal competence allegations received between quarter 1 and quarter 2. The number of legal competence allegations fell by 42% (from 385 to 222) and this was largely due to a fall in the number of allegations around professional competence/client relations. Financial allegations fell by 11%, although within this category there was a small rise in the number of allegations around fraud, dishonesty and money laundering.

Although overall, allegations categorised as 'efficiency, management and administrative competence' remained at a similar level to quarter 1, within this category there was an increase in allegations related to requirements/framework of practice (+59%) and a fall in allegations related to character and suitability (-20%) and conflict of interest (-19%).

The graph below shows the changes in some specific allegations which may indicate the increased/ decreased pressure on solicitors as a result of the current economic situation.

Indicators of economic pressures: allegations received



6. Intelligence and investigations

The **intelligence and investigation** function provides a formal investigation service which supports the SRA's other regulatory functions. This unit takes into account the SRA's risk-based approach and identifies and investigates issues that could result in formal regulatory sanctions or criminal prosecutions. The unit is made up of the **Forensic Investigations Unit (FI)** and the **Fraud & Confidential Intelligence Bureau (FCIB)**.

6.1 Forensic investigations

The **Forensic Investigations Unit** carry out targeted investigations of firms following the risk assessment of internal referrals from a variety of departments. Forensic investigators visit firms and adduce evidence of things such as the misuse of client money, serious misconduct or malpractice, dishonesty, fraud and money laundering. Accounts inspections make up the majority of visits by FI, although the unit also conducts investment business and Assigned Risk Pool monitoring visits.

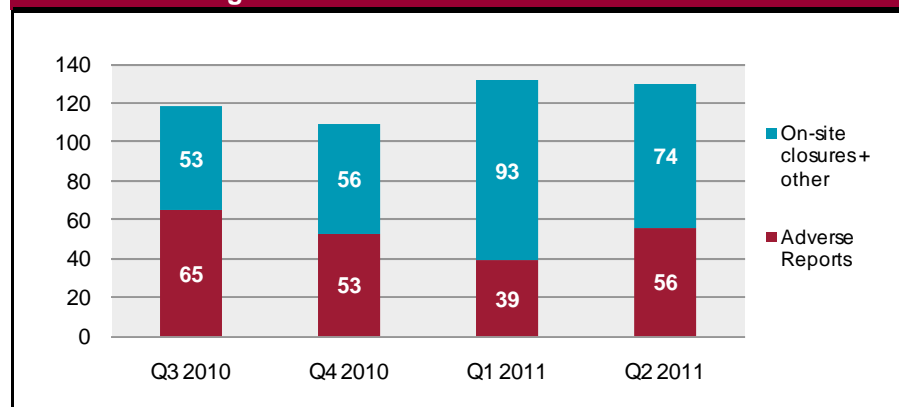
At the conclusion of an investigation, a closure letter is issued to the firm where the identified breaches or conduct are not material, or minor corrective action is required following an investigation. Alternatively, where there is evidence of serious breaches of the rules or professional obligations, misconduct or dishonesty, an adverse report will be issued which can result in regulatory sanction, disciplinary proceedings and / or intervention. The forensic investigation report will be referred to other departments within the SRA responsible for enforcement actions.

Forensic investigations summary

Year on year	12 months to June 10	12 months to June 11	Variance	Monthly average to June 11
New investigations authorised	512	549	+7%	45.8
Investigations concluded	483	502	+4%	41.8
Rescinded / other	28	47	+68%	4.7

The table above shows throughput figures for accounts inspections conducted by the unit. The number of investigations opened and closed in any one month fluctuates. The table above shows that there has been an increase in the number of investigations authorised (7% increase to 549) with an increase in investigations concluded (4% to 502) between the year to June 2010 and the year to June 2011. Visits are rescinded where no investigation took place (for example if the firm no longer poses such a risk, has closed down, or where it is appropriate to await the outcome of some other activity). The number of rescinded matters increased between the 12 months to June 2010 and June 2011, from 28 to 47 matters.

Forensic investigation outcomes



This chart shows the number of accounts inspection closures split by those which involved an adverse report, and other investigations concluded. 43% of the visits concluded in quarter 2 2011 had an adverse report compared to 53% for the same period in 2010.

There were no investment business monitoring visits concluded during quarter 2 but there were 13 over the last 12 months.

7. Legal and enforcement

The **legal and enforcement** function provides cross-cutting legal advice and support to the whole SRA. The unit conducts litigation, provides advice in proposed enforcement action and authorises and prosecutes SDT cases.

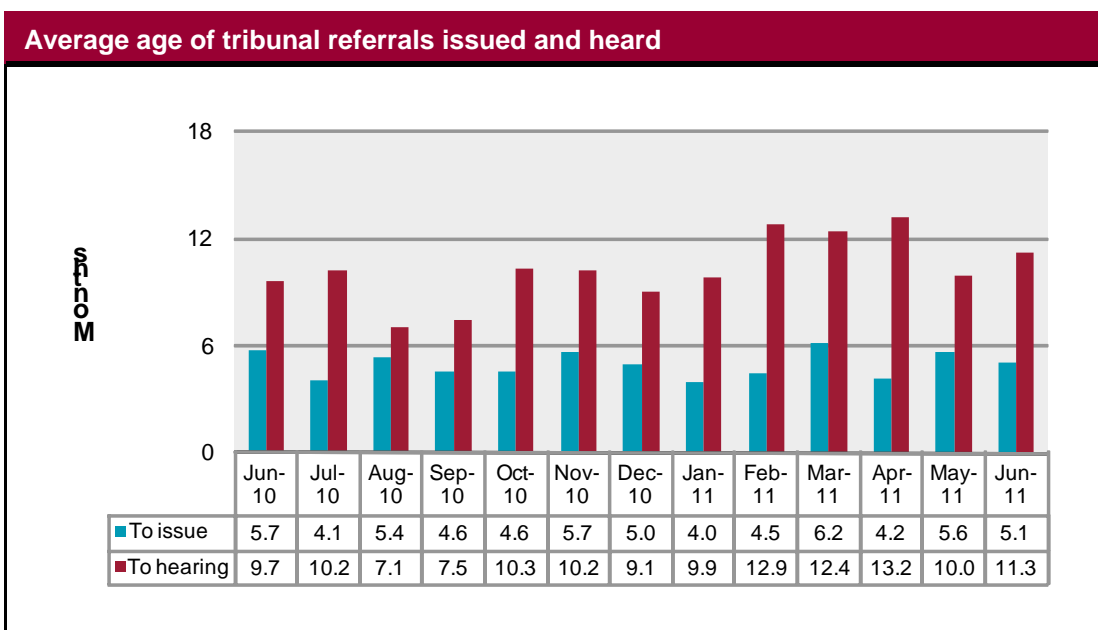
This area also includes the adjudication function which makes decisions relating to disputed, high profile or complex applications in accordance with the principles of regulatory decision-making.

7.1 Disciplinary proceedings

All investigations resulting in a referral for disciplinary proceedings are passed to our **Litigation and Legal Advice Unit**.

Each set of proceedings issued may be the culmination of several different casework investigations, concerning the same individuals or firm, that we choose to combine into a single case.

Our Legal Advocates (or solicitors that we appoint) will put together a case to issue before the Solicitors Disciplinary Tribunal (SDT), and aim to do so within a target of 6 months. The SDT, in turn, aims to hear matters within 6 months of issue. This quarter, we issued 28 sets of proceedings.



The SDT has the power to strike a solicitor from the roll, suspend a solicitor from practice and to apply fines and reprimands. There are also some non-solicitors brought before the Tribunal by the SRA under Section 43 of the Solicitors Act 1974. This allows the SRA to restrict the employment of certain individuals within regulated firms where necessary.

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

The table on the following page provides a breakdown of the orders made by the SDT on cases issued by the SRA.

7. Legal and enforcement

SDT orders

Year on year	12 months to June 10	12 months to June 11	Variance	Monthly average Last 12 months
Fined	162	124	-23%	10
Struck off	78	83	6%	7
Suspended	49	52	6%	4
No order	22	15	-32%	1
Reprimand	50	29	-42%	2
Other	32	50	56%	4
TOTAL	393	353	-10%	29

The total number of SDT orders decreased by 10% in the last 12 months.

8. Post enforcement

The three key functions of **post enforcement** are to carry out interventions, recover costs and manage claims for compensation. The **interventions** team effect the closure of solicitors' practices or recognised bodies where it is necessary to protect clients' interests and money. Intervention officers instruct intervention agents and have day-to-day responsibility for the 'closure' process ensuring that clients' interests are protected. Interventions also includes the **cost recoveries** team which recover costs or debts that arise from the SRA's regulatory powers such as intervening in a firm or issuing disciplinary proceedings.

The **Claims Management Unit** provide redress for clients who have lost money due to their solicitor's dishonesty or failure to account.

8.1 Interventions

In the last quarter we effected 18 interventions, of which one involved reason to suspect dishonesty.

Interventions summary

Year on year		12 months to June 10	12 months to June 11	% variance
Interventions effected		93	63	-30%
..of which..	Suspected dishonesty	24	12	-50%
	Non-dishonesty	66	51	-23%
..of which..	Individual(s)	0	0	0
	Sole practice	66	50	-24%
	2 - 5 partner firm	24	13	-46%

The number of interventions effected in the last 12 months was 30% lower than in the 12 months to June 2010.

However, although the number of interventions has decreased during this time period, the proportion of interventions that were into sole practitioners has stayed at a similar level.

The majority of interventions are into practices run by a sole practitioner. In cases where the intervention is not into a sole practice then typically all partners within the firm (or members of an LLP / directors of a company) will be subject to the intervention. Occasionally we will intervene into the practice of an individual within a firm, leaving the rest of the firm to continue.

8. Post enforcement

Grounds for intervention

The circumstances in which we can intervene are set out in statute, and include a public interest test. The 5 most common grounds for intervention over the last 12 months are shown in the table below - many interventions take place for several different reasons so may have multiple grounds.

'Protect interests of clients / beneficiary' has been recorded as grounds for an intervention since the enactment of the relevant provisions of the Legal Services Act 2007 on 31st March 2009. This relates to situations where a solicitor has acted in such a way that the interests of former or potential clients require protection.

Most common grounds for intervention

<i>For the 90 interventions in the 12 months to June 2010 and the 63 interventions in the 12 months to June 2011</i>	12 months to June 2010		12 months to June 2011	
	No. interventions	% of interventions	No. interventions	% of interventions
Protect interests of clients / beneficiary	72	80%	42	67%
Accounts rule breaches	52	58%	30	48%
Code breaches	32	36%	20	32%
Reason to suspect dishonesty	24	27%	12	19%
Bankrupt / insolvency of LLP	8	9%	10	16%

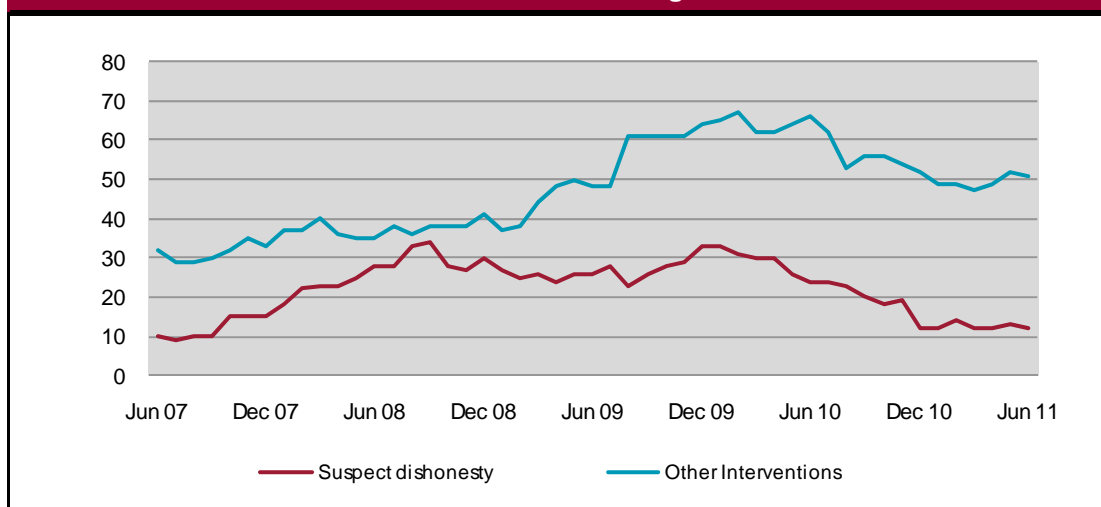
Timeliness

Where dishonesty is suspected, the unit's target is to effect the intervention within 3 working days of the resolution to intervene being passed. Otherwise the target is to effect the intervention within 5 working days. All of the interventions taking place in the last 12 months were within the target.

Long term trends

During the last 12 months the proportion of interventions where dishonesty was suspected has decreased from 27% to 19%. The last quarter saw 6% of interventions with suspected dishonesty as a ground.

Number of interventions effected: 12 months rolling



8. Post enforcement

8.2 Claims management

The **Claims Management Unit** handles applications for grants from the Compensation Fund from people who have suffered financial loss due to a solicitor's dishonesty or failure to account for monies received.

The vast majority of claims on the fund relate to firms that have been intervened into. The Claims Management Unit also deals with claims for the repatriation of funds held in statutory trust following an intervention.

Claims and payments made in the last 12 months

This table shows a quarterly comparison of claims made on the fund and payments issued in the last 12 months. Figures are shown as currently recorded, but the value of claims may change during the course of an investigation.

Overview of claims and payments

	Q3 2010	Q4 2010	Q1 2011	Q2 2011
No. of new claims	992	793	661	495
Total amount claimed	£40.48 m	£18.01 m	£38.99 m	£14.95 m
£ paid out	£5.72 m	£8.92 m	£5.03 m	£2.93 m

The number of claims received decreased again this quarter. The amount claimed is currently less than half the amount in the previous quarter and lower than in any of the last 4 quarters.

The average claim amount for quarter 2 was £30,201, a decrease on the previous quarter.

New claims made on the fund

New claims received

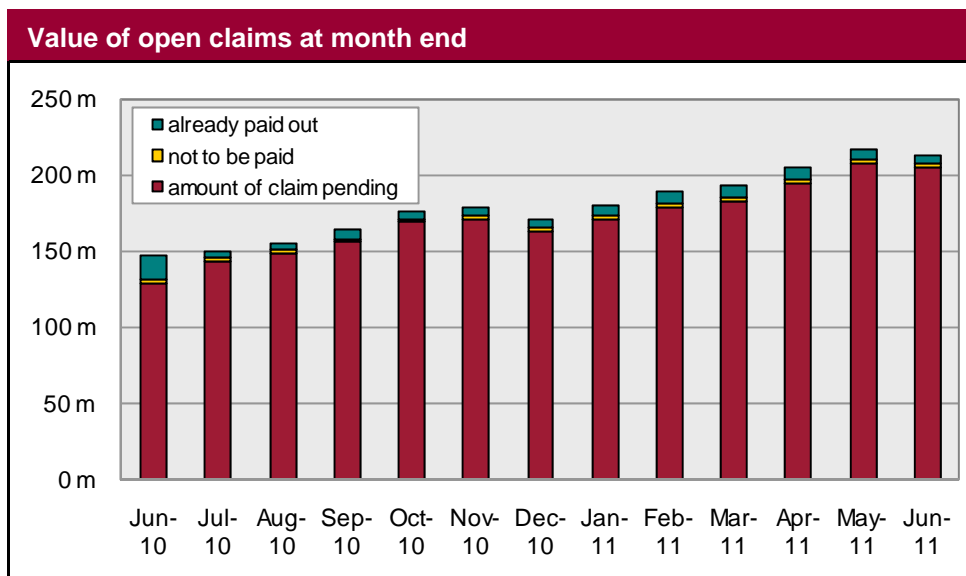
Number of claims by reason	Q3 2010	Q4 2010	Q1 2011	Q2 2011
General client money	678	489	498	189
Counsel fees	10	23	12	33
Mortgage fraud	62	29	9	61
Experts fees	23	53	9	30
Probate	22	23	17	22
Stamp Duty Land Tax	153	138	49	45
Retention	6	11	4	9
Unredeemed mortgage	5	5	2	2
Gross overcharging	0	3	2	3
Other / unspecified*	33	19	59	99
Total	992	793	661	493

* A large proportion of claims categorised as 'other' would be those relating to non-barrister professional fees.

8. Post enforcement

Ongoing claims

The graph below shows the total value of the 1,952 claims currently under investigation.



The value of open claims at the end of June was £205m, this is 12% higher than the value at the end of March and £76m more than at the same time in 2010. This is due to an increase in the average claim amount.

Payments on application concluded

The following table shows whether claims that were closed in the last 12 months were paid, either partially or fully. This quarter has seen a slight decrease in the number of claims closed and a decrease in the proportion that have been paid.

Claims closed

Payment status	Q3 2010	Q4 2010	Q1 2011	Q2 2011
No. of claims closed	1195	1324	899	809
Payment made	44%	45%	52%	40%
Not paid	56%	55%	48%	60%

The next table shows the amounts claimed and paid on matters that were closed in each quarter. This does not relate to the amounts paid out within the quarter, these figures are shown on the previous page.

Payments on claims closed

Proportion paid	Q3 2010	Q4 2010	Q1 2011	Q2 2011
Total amount claimed	£12.59 m	£23.03 m	£24.58 m	£20.42m
Total paid out	£3.52 m	£6.99 m	£8.99 m	£5.71m
% paid	28%	30%	37%	28%

9. Contact management

The **contact management** function handles and records contacts with regulated firms and individuals and the public, capturing relevant information and routing the information to the relevant regulatory function.

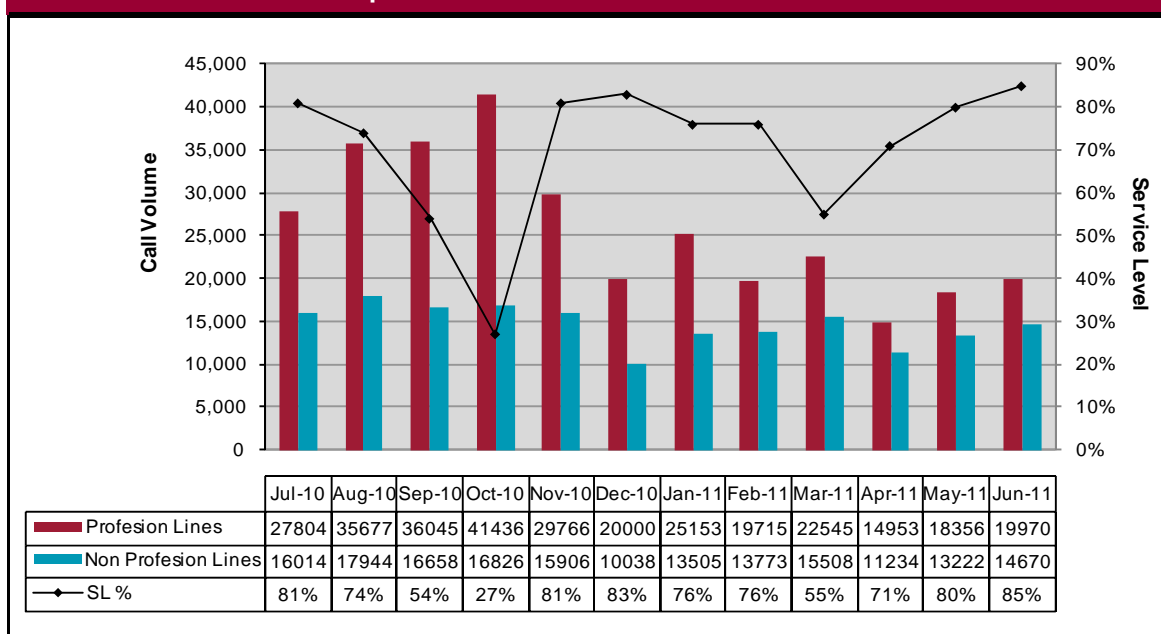
9.1 Contact Centre

The **Contact Centre** answer general enquiries and queries, both from the profession and the public. The contact centre offers dedicated lines for the profession, students and the public as well as a number of seasonal lines which take calls relating to specific areas of enquiry such as solicitor annual enrolment and practising certificate applications / renewals.

Enquiries from the profession

Over the last quarter, the Contact Centre received 53,279 calls from the profession of which 42,212 calls were to the profession line and 11,067 calls were to the seasonal lines. Within the second quarter of 2011, 79% of calls were answered within 20 seconds, which is just below the target of 80%.

Calls to the Contact Centre profession lines



Enquiries from members of the public

As well as dealing with enquiries from the profession over the last quarter, the Contact Centre received 39,126 calls from members of the public, 42% of all calls received. Within the second quarter of 2011, 79% of calls were answered within 20 seconds, which is just below the new target of 80%.

The Contact Centre also receive requests from members of the public who wish to trace a member of the profession, this might be, for example, connected to assistance they require from the solicitor or help with tracing their family history. We may also receive requests from members of the profession to trace another solicitor in order to assist them with work they have been requested to do for their clients. On average we receive around 86 tracing requests each month.

9. Contact management

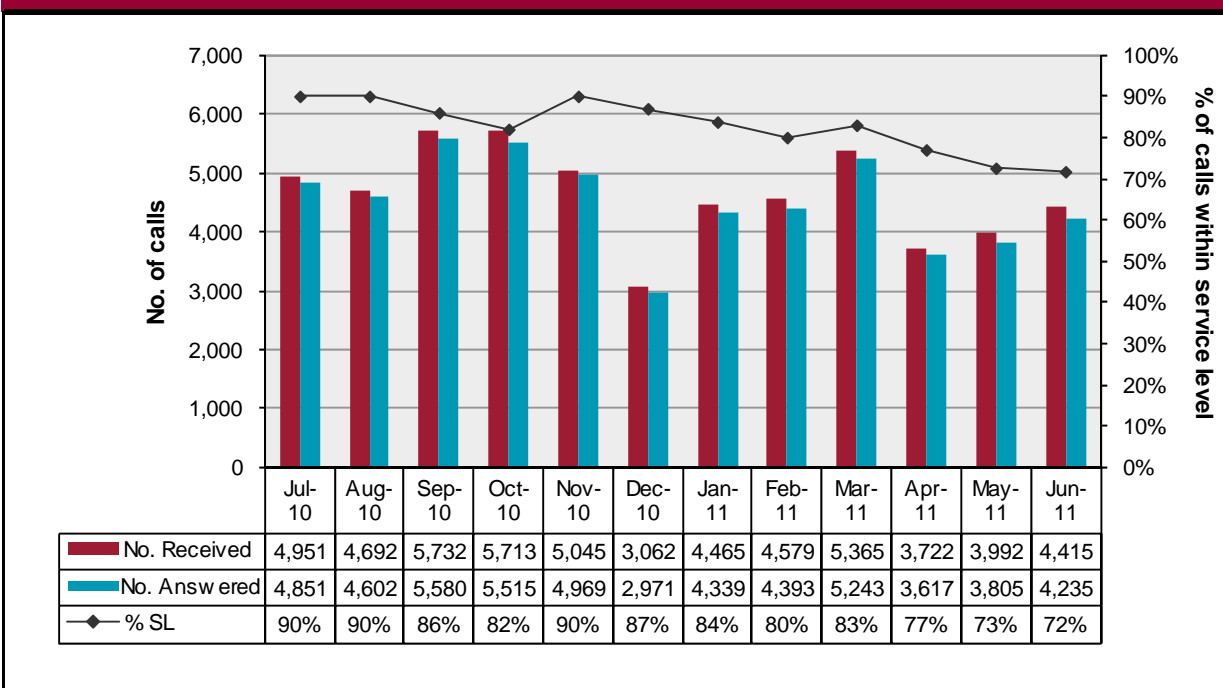
9.1 Professional Ethics Helpline

The **Professional Ethics Helpline** provides guidance to help solicitors comply with their professional obligations. The Helpline is open 5 days a week, and also deals with written and email enquiries. Helpline staff provide guidance on complex issues such as conflicts of interest and retainers.

The most common areas of enquiry received by the Helpline during the last quarter were:

- Accounts rules
- Confidentiality and disclosure
- Requirements of practice

Calls to the Professional Ethics Helpline



The service level for the Professional Ethics Helpline is for staff to answer calls within 45 seconds. The service level on the graph above shows the percentage of calls that were answered within this time.

The Professional Ethics Helpline aims to answer 90% of calls within 45 seconds. In the second quarter of 2011, 74% of calls were answered within target and just 4% of calls to the Helpline were abandoned. There were 11% fewer calls received by the Helpline in the second quarter of 2011 compared with the same period in 2010. A total of 12,129 calls were received and 11,657 answered in the quarter.

The Professional Ethics Helpline also send written advice to many enquirers.

The team aim to respond 90% of correspondence within 10 working days. In the second quarter of 2011, 92% of responses were issued within this service level. The team sent out 1,436 written responses, a 11% increase on the same period in 2010.

10. Resources

10.1 Budget

This table below presents a summary of the SRA accounts this year to date:

Direct costs summary for the year to June 2011

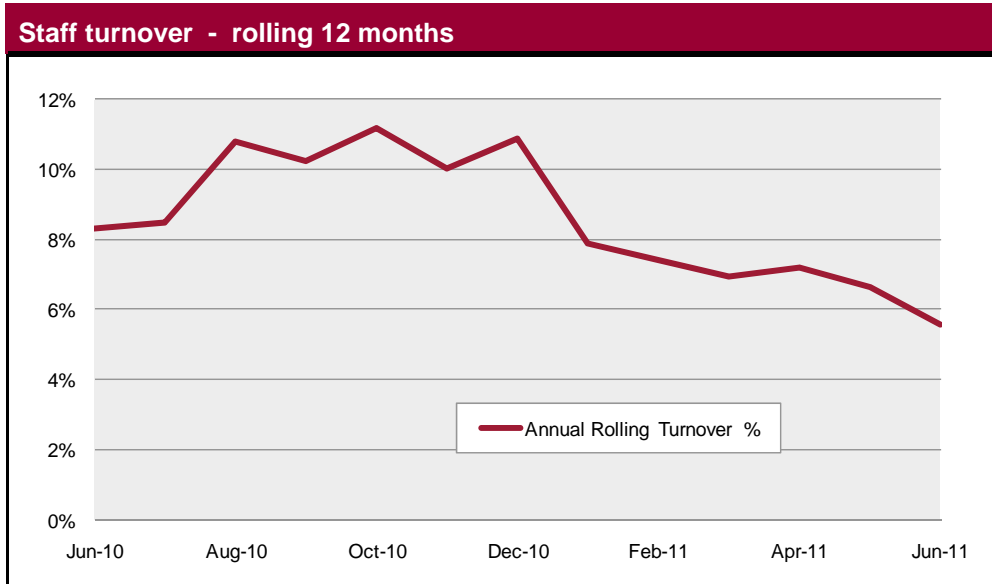
Amounts in £000's	YTD actual	YTD forecast	variance	% variance
Total Staff Expenditure:	-13,351	-13,121	-230	+2%
> Salary Costs	-13,043	-12,812	-231	+2%
> Other staff costs	-308	-309	+1	0%
Total Administration Costs	-8,640	-10,239	+1,599	-16%
GROSS Expenditure (before recoveries)	-21,991	-23,360	+1,369	-6%
Recoveries	6,969	9,072	-2,103	-23%
GROSS Expenditure (after recoveries)	-15,022	-14,288	-734	+5%
Income	3,615	3,593	+22	+1%
NET EXPENDITURE	-11,407	-10,695	-712	+7%
Shared Services Allocation	-21,391	-21,391	0	-

Note: A positive variance denotes favourable position against forecast.
A negative variance denotes an adverse position against forecast.

10. Resources

10.2 Human resources & development

As at 30th June 2011, the SRA has 530 full time equivalent (FTE) permanent employees. In addition, there are 88 FTE fixed term temporary employees and 71 FTE agency and contractor staff.



Staff turnover for the 12 months to June 2011 stands at 5.6%. The staff turnover calculation is based on the number of staff leaving in the previous 12 months as a proportion of average headcount during the same period.

Glossary

Abbreviations and internal terms

ARP	Assigned Risks Pool
ASC	Application by Solicitors' Clerk
CIAO	Casework Investigations and Operations
CIU	Conduct Investigation Unit
CRB	Criminal Records Bureau
DPs	Disciplinary Proceedings (taken before the Solicitors Disciplinary Tribunal)
FCIB	Fraud & Confidential Intelligence Bureau - the SRA department responsible for intelligence gathering.
FI	Forensic Investigations Unit who deal with high risk cases requiring on-site investigation.
FTE	"Full-time equivalent", a measure of the number of staff based on hours worked The budget FTE - actual FTE equals the number of vacancies
HRD	Human Resources & Development
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
LDP	Legal Disciplinary Practice
LLP	Limited Liability Partnership
LSB	Legal Services Board
OFR	Outcomes-focused regulation
PC	Practising Certificate
PSU	Practice Standards Unit
QLTT	Qualified Lawyers Transfer Test (part of the Qualified Lawyers Transfer Regulations which closed to new applicants 1 September 2010)
QLTS	Qualified Lawyers Transfer Scheme (the new scheme running from 1 September 2010 for lawyers wishing to transfer from other jurisdictions)
RADC	Risk Assessment and Designation Centre who risk assess all non-confidential incoming information
REL	Registered European lawyer
RFL	Registered foreign lawyer
RIU	Regulatory Investigation Unit
SDT	Solicitors Disciplinary Tribunal
SRA	Solicitors Regulation Authority
Tribunal	The independent Solicitors Disciplinary Tribunal (SDT)
WIP	Work In Progress - cases which are continuing