

SRA response

BEIS and RDA consultation on ethnicity pay reporting

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View the BEIS and RDA consultation on ethnicity pay reporting (PDF 458KB, 31 pages)

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/747546/ethnicity-pay-reporting-consultation.pdf] .

The SRA is the regulator of solicitors and law firms in England and Wales. We work to protect members of the public and support 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. We are the largest regulator of legal services in England and Wales, covering around eighty percent of the regulated market. We oversee some 192,000 solicitors and more than 10,400 law firms.

We welcome this consultation and are pleased to provide a general submission based on our some of our own experience.

A key component of our work is to support the profession to promote diversity. This sits alongside one of our regulatory objectives, as set out by the Legal Services Act 2007 (LSA), which is to encourage ‘an independent, strong, diverse and effective legal profession’. We are also covered by the public-sector equality duty set out in the Equality Act 2010 and this means we are proactive in taking steps to make sure our approach is fair and promotes race equality.

Data collection from the profession

We monitor the diversity of those we regulate and collect diversity data from law firms every two years. We require law firms to collect the diversity data from all staff (not just solicitors) at the firm and report that to us, so we are able to provide an overview of diversity in the profession.

The questionnaire includes data about ethnicity, using standardised classification based very closely on the 2011 census with 18 standardised ONS ethnic classifications. The firm diversity data questionnaire

[https://www.sra.org.uk/solicitors/resources/diversity-toolkit/your-data/#collection_3] we use is published on our website. Our last data collection exercise took place in 2017 and we received returns from 92 percent of law firms which included information from nearly 180,000 people working in almost 9,000 firms. 74

percent of firms had a response rate from their staff of 90 percent or more. We published the diversity profile of the profession [<https://www.sra.org.uk/solicitors/resources/diversity-toolkit/law-firm-diversity-tool-2/>] based on returns from that exercise on our website.

Ethnic breakdown of law firms

The legal profession is more diverse than it has even been. There has been an increase in the proportion of black, Asian and minority ethnic (BAME) lawyers working in law firms, now one in five lawyers. When we drill down into the data where it becomes apparent that the diversity in the small firm sector is very different from that in the larger firms, in particular for partners. The largest firms (50 plus partners) have the lowest proportion of BAME partners at 8 percent, which has risen by 1 percent since 2014. This contrasts with one partner firms, where just over a third (34 percent) of partners are from a BAME background.

There are also differences in the proportion of BAME lawyers according to the type of legal work undertaken by firms. Firms mainly doing criminal work and those mainly doing private client work both have a higher proportion of BAME lawyers, 33 and 37 percent respectively. Firms doing a mixed range of work and firms doing mainly corporate work both have the lowest proportion of BAME lawyers, 12 and 19 percent respectively.

Further research about diversity in the profession

We commissioned research into career progression in the profession, focusing on gender and ethnicity. The findings from this research, Mapping advantages and disadvantages: Diversity in the legal profession in England and Wales [<https://www.sra.org.uk/sra/how-we-work/archive/reports/diversity-legal-profession/>] is available on our website and highlights the difference in progression rates for BAME solicitors, BAME women in particular. The probability of becoming a partner for white males is almost 75 percent compared to 13 percent for BAME females. The analysis was the first time we have carried out detailed intersectional analysis of our data. We have promoted the findings of this research to the profession through speaking engagements, social media campaigns and events.

To complement the quantitative research, we carried out a thematic review of diversity in law firms to better understand what law firms were doing to promote diversity. Our report Unlocking the benefits of diversity [<https://www.sra.org.uk/sra/how-we-work/archive/reports/unlocking-benefits-diversity/>] provides an overview of the activities that law firms were involved with to promote diversity, focusing on ethnicity and gender. This includes, evaluating and putting in place policies and practices on flexible and agile working, parental leave, fair and transparent recruitment practices and

alternative career paths. We have distributed copies of the research widely, including to legal sector equality groups and Members of Parliament.

We do not hold data about the remuneration of solicitors who we regulate, but the distribution of BAME partners across different firm sizes, as set out above, may also affect the average earnings of BAME solicitors.

Practice on ethnicity pay gap reporting in the legal profession

We are aware that many law firms are working hard to promote diversity for BAME solicitors through a range of activities. A number of firms have already started publishing ethnicity pay gap data on a voluntary basis, although we do not have a comprehensive picture of the numbers of firms who are publishing this data.

Ethnicity pay gap reporting at the SRA

We are covered by the requirement to report our gender pay gap data [<https://www.sra.org.uk/sra/equality-diversity/diversity-sra/>], which we have done. We have considered how we might carry out a similar exercise to identify if we have an ethnicity pay gap. In exploring the options, we came up against the problems that are highlighted in your consultation, such as the value in comparing the high-level categories of white and BAME staff. We look forward to the outcome of your consultation and would welcome guidance of the type that was provided to support employers covered by the gender pay gap reporting requirement.