

SRA BOARD  
15 July 2015

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## Chief Executive's Report

### Purpose

- 1 This report sets out progress against the SRA's strategic objectives and provides an update on operational performance.
  - Section 1: reports on our priorities and progress against the 2014/15 Business Plan.
  - Section 2: provides an update on operational performance.
  - Section 3: provides details on publication and engagement activity.

**If you have any questions about this paper please contact: Paul Philip, Chief Executive, [paul.philip@sra.org.uk](mailto:paul.philip@sra.org.uk), 0121 329 6940.**

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### Section 1: Priorities for 2014/15

- 2 This section provides an update to the Board on our key priorities, starting with an update on any key developments and then moving onto an update against our 2014/15 Business Plan.

#### *Consumer Credit*

- 3 Further to my update to the Board in June, the consultation paper setting out our proposed arrangements for the regulation of SRA authorised firms undertaking consumer credit activities was published on 25 June 2015: (<http://www.sra.org.uk/sra/consultations/consumer-credit-activities-sra-arrangements.page>). The consultation will run for six weeks following the level of engagement that has already taken place, including our October 2014 consultation, feedback from the small firms virtual reference group, views gathered at events with local law societies and our engagement with firms that we know undertake consumer credit work. In addition, we will look to undertake further meaningful and targeted activity to engage affected stakeholders and will hold an open webinar where participants can raise questions and express views. This is in line with our published approach to consultations.
- 4 Subject to Financial Conduct Authority (FCA) and Legal Services Board (LSB) approval, we are aiming to publish final regulatory arrangements in November 2015, which will not take effect until April 2016. This will allow for smooth transition, including providing opportunity for firms wishing to get approval from the FCA to do so. The FCA has agreed an extension to existing transitional provisions to April 2016, on the understanding that we will publish our final arrangements in November 2015.

#### *Insolvency Practitioners*

- 5 We have now given notice to all solicitor insolvency practitioners (IPs) that their authorisation with us will be withdrawn with effect from 1 November 2015. All solicitor IPs who wish to continue to be authorised for insolvency purposes will need to seek authorisation from another regulator before that date and we have been working closely with the other regulators to facilitate this transition.

#### **Progress against our 2014/15 Business Plan**

- 6 We are progressing well on the activities being undertaken to deliver our objectives in the Business Plan. Below, I highlight to the Board whether objectives are on track and provide any further updates on key activities that the Board needs to be aware of.

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**Objective 1: We will reform our regulation to enable growth and innovation in the market and to strike the right balance between reducing regulatory burdens and ensuring consumer protection**

On track

- 7 Overall we are on track to achieve this objective. The Board is considering items on accountant's reports and the outcomes of our regulatory simplification consultation as substantive items on its agenda.
- 8 The Supreme Court judgement in R (on the application of Lumsdon and others) (Appellant) v Legal Services Board (Respondent) [2015] UKSC 41 relating to the Quality Assurance Scheme for Advocates (QASA) was delivered on 24 June 2015. The Court unanimously dismissed the appeal and concluded that there was a firm rationale for the scheme and that a comprehensive assessment scheme (in which the advocate requires judicial assessment before being entitled to conduct trials at a higher level) was proportionate. This means that we can now proceed to implement the scheme, along with the Bar Standards Board and CILEx Regulation. We are due to meet with them shortly to discuss next steps.

**Objective 2: We will work with solicitors and firms to raise standards and uphold core professional principles**

On track

- 9 We are on track to deliver our activities against this objective. Work continues to evaluate a new Assessment Framework for admission, and in particular the possibility of a new Common Professional Assessment. We are testing the validity and reliability of our model and exploring its likely equalities and economic impact. We have commissioned an external researcher to support us with this work. At the same time we are undertaking a review of performance on current pathways by protected characteristics.
- 10 The programme of stakeholder engagement on the Assessment Framework that I reported to the Board in June is continuing and now also includes: Training Principals, Small Firms Virtual Reference Group, our Equalities Virtual Reference Group, the Association of Graduate Careers Advisory Services and other regulators such as the General Medical Council and the General Pharmaceutical Council. We remain on track to publish a formal consultation on our proposals before the end of 2015.

**Objective 3: We will improve our operational performance and make justifiable decisions promptly, effectively and efficiently**

On track -  
revised  
plans

- 11 Following the decision to implement OneView in March 2016, a number of re-planning sessions have been held to maximise the opportunities presented with the revised timetable. We are looking to focus on two key strands of activity:

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- System improvements – reviewing what has been developed and tested to see where we can improve the customer journey and make any internal process improvements. We will also incorporate the outputs from our “tone of voice” review to ensure our forms and our correspondence are aligned to our corporate approach.
- Additional forms – a focus on developing an online form for Firm Based Authorisation, with an emphasis on usability. We have engaged the expertise of a User Experience designer and will be testing our design with end users.

<b>Objective 4: We will work with our stakeholders to improve the quality of our services and their experience when using them</b>	<b>On track</b>
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- 12 The final questionnaire for the stakeholder perceptions tracking survey has been agreed and quantitative fieldwork (telephone and online) is underway. IFF, the organisation appointed to deliver the survey, has written to those identified as being able to help to see if they are willing to take part in the research project.
- 13 As the Board is aware, one of my priorities for the organisation after my first few months in post was improve customer focus and care. We have already changed our approach to communicating with those who report information to us about solicitors and we initiated our tone of voice work, including an audit of our core communications. This work is expected to conclude by the Autumn. We are also starting to begin to make further changes as part of this overall priority, such as ensuring that we are learning from what our complainants are telling us we could do to improve. Guidance and advice has been cascaded down the organisation through the monthly team brief process.
- 14 In the early part of June we published an accessible Welsh translation of our core information for people using a solicitor: [www.sra.org.uk/consumers/using-solicitor/community-languages/cymraeg-welsh.page](http://www.sra.org.uk/consumers/using-solicitor/community-languages/cymraeg-welsh.page). We continue to explore options for social media in Welsh in a sustainable, scalable, managed way.
- 15 As part of our commitment to accessibility, we will subtitle on-demand versions of future SRA webinars for users with impaired hearing. A software and hardware upgrade for our website sra.org.uk will be completed in July; we expect the upgrade to increase the stability of the web platform and improve user experience by shortening page-load times.

## Section 2: Operational Performance

- 16 We continue to report against our end to end KPIs. The percentage of files closed within 12 months of receipt was 91% at the end of May against our target of 90%. The average number of days from assessment to Tribunal proceedings issued has reduced from 616 days in April to 593 days in May. This data continues to be monitored to enable us to better understand what influences the results.

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- 17 In my last report, I informed the Board of our proposals for an email and call back service dedicated to small firms, supported by a team within Supervision. We intend for this dedicated service to be in place from the start of August.
- 18 The 2015/16 Practising Certificate Renewal Exercise (PCRE) project is progressing with plans to fix residual defects with the IT system and to make some minor improvements to the content of the guidance and questions to reduce the number of queries to the Contact Centre. In addition, the project will implement changes to support sole practitioners transitioning to a life time licence with effect from 1 November 2015.
- 19 In my last report, I informed the Board that the LSB has started the process for its 2015/16 assessment of our progress against the Regulatory Standards with a data request. We submitted our response in June. Following this, we will have to complete a self assessment exercise that will be targeted on areas they want to explore further with us. They will also be contacting our key stakeholders as part of this process.

***Section 3: Publications and Engagement Activity***

- 20 We have held four SRA 'Meet the Board' workshops with Kent, Manchester, Devon and Somerset, and Cornwall Law Societies. Board members also attended the Manchester Law Society Compliance Conference and the Southern Area Association of Law Societies meeting on the Isle of Wight.
- 21 We also continue to speak and engage with a range of stakeholders at public events. I spoke at the Solicitors Disciplinary Tribunal induction day for its panel members, the Birmingham Law School and the Westminster Legal Policy Forum during the last month. I will also be speaking at international conferences over the next few months at the LAWASIA Risk Management and Professional Indemnity Insurance Conference in Hong Kong, the 4th International Conference of Legal Regulators in Toronto and at National Organisation of Bar Counsel annual meeting in Chicago.
- 22 The Risk Outlook is in its final stages of development. It will be published in July and will set out a view of risks in the market that is closely aligned with our priorities of protecting consumers and upholding the proper administration of justice. Recent research showed that a third of firms actively use the Risk Outlook to manage risk, and two thirds use the dedicated topics papers. This demonstrates that these resources are becoming an established feature of the legal services market. Steps have been taken to improve the accessibility of the Risk Outlook to smaller firms. The 2015 version is to be accompanied by a wider range of web-based resources. These include 'quick read' guides to the risks and a larger selection of case studies.

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**Author** Paul Philip, Chief Executive  
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