

SRA BOARD  
7 December 2016

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## Chief Executive's Report

### Purpose

- 1 This report sets out progress against our strategic objectives and provides an update on operational performance.
  - Section 1: reports on our priorities and progress against the 2015/16 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 2015/16

- 2 This section provides an update focusing on developments and progress against our 2015/16 Business Plan.

#### *Progress against our 2015/16 Business Plan*

- 3 We are making good progress to achieve the objectives set in our Business Plan. Below, I provide detail of our programme and highlight areas of development and points to note.

<p><b>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</b></p>	<p><b>On track</b></p>
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#### *Professional Indemnity Insurance Data Published*

- 4 On 20 October, we published an analysis of professional indemnity insurance trends for law firms (<http://www.sra.org.uk/sra/news/press/pii-trends-published.page>). The analysis will be used to inform the development of proposals for changes to minimum cover requirements. We have undertaken analysis of ten years of claims data - from 2004 to 2014 - from insurers currently active in the market. This is presented along with data from other sources to show trends in the insurance market.

#### *Case of Mr Arslan*

- 5 We were successful in our challenge to the SDT applying the criminal standard of proof in the case of Mr Arslan. The High Court agreed that we are right to apply the civil standard of proof when we are deciding whether to order that a non-solicitor cannot work for a law firm without our permission (under s43 of the Solicitors Act 1974). It also agreed that the civil standard of proof applies when we make disciplinary decisions such as to rebuke or fine an individual. The judgment was given by Mr Justice Leggatt sitting with Sir Brian Leveson, President of the Queen's Bench Division, who added "I emphasise the observations of Leggatt J in relation to the standard of proof in these cases and underline the need for a re-evaluation of the approach to disciplinary measures intended to protect the public."

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- 6 Mr Arslan was self-employed and although we argued that our powers to fine an “employee” should cover self-employed consultants, the court disagreed. It considered that our power to control such people under s43 was sufficient and it would be for Parliament to decide whether we should have fining powers over people who are neither solicitors nor employees of a law firm.

<b>Objective 2: We will work with solicitors and firms to raise standards and uphold core professional principles</b>	<b>On track</b>
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### ***Solicitors Qualifying Examination (SQE)***

- 7 On 3 October, we published the second consultation on the proposed Solicitors Qualifying Examination (SQE) and supporting materials. The consultation closes on 9 January 2017.
- 8 Response to the consultation continues to be broadly positive. Julia Black published an article in the Gazette on 17 October 2016 and this was accompanied by a piece by Robert Bourns, President of the Law Society, which expressed the Law Society’s strong support for our proposals. Liz Smart, Head of Law at Sheffield Hallam University also provided positive comments in Lawyer2B.
- 9 On 12 October 2016, the University of Manchester Law School announced the start of a strategic review of its LLB curriculum, to integrate clinical legal education and wider skills and the competences to be assessed in the SQE. A number of employers are also talking to us about ways of aligning apprenticeships and graduate solicitor training, should the SQE be introduced.

### ***Support Launched for Youth Court Solicitors***

- 10 We have launched a specialist support package for solicitors working in youth courts, to help them when representing young people (<https://www.sra.org.uk/solicitors/cpd/youth-court-advocacy.page>). More than 60% of young people and children in the criminal justice system have significant speech, language and communication needs. This means there is a risk that they will not understand their solicitor, how the court works, or find it difficult to get their message across. Our support package brings together expert insights into practising in the youth court, and tips on how to meet children and young people's needs.

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

**On track**

***Practising Certificate (PC) Renewals Exercise***

- 11 The 2016 PC renewal exercise closed on 31 October 2016 and went well with good system performance throughout the renewal window. We are ahead of our target to process applications. As of 17 November 2016, 123,386 Practising Certificates had been issued (compared to 119,605 at the same point last year).
- 12 The Contact Centre performed well with 91% of calls successfully answered in 20 seconds and 87% of calls answered immediately during October. We received 29,026 calls compared to 38,750 in 2015 and 49,949 calls in October 2014. The reduction in calls has been as a result of making the forms clearer, introducing an improved password reset functionality and the profession being more experienced and familiar with the renewal process. The revocation process has now started.

**Objective 4: We will work with our stakeholders to improve the quality of our services and their experience when using them**

**On track**

- 13 Our warning notice to the public about law firms involvement in investment schemes has had good initial media pick up, including substantial pieces in The Times, Daily Express and Daily Mirror, as well as targeted publications such as Money Wise and Money Observer. We have also published an easy read version of the warning notice to the public and have begun a social media campaign targeted at those who are most likely to fall victim to such schemes.
- 14 Following the publication of our discussion paper in October, we have received good coverage of our proposals to publish better regulatory data and information for consumers in The Times, with support from the Law Superstore and Legal Services Consumer Panel.

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## Section 2: Operational Performance

### *KPIs*

- 15 We have continued to make good progress against our key disciplinary proceedings target, with 91% of conduct matters closed within 12 months of receipt against a target of 90%.

## *Section 3: Publications and Engagement Activity*

- 16 On 12 October the Justice Committee 2016 announced that it was launching an inquiry into the implications of Brexit for the justice system. As part of this it made a request for written submissions providing views on the implications of Brexit for the legal services sector in England and Wales and the wider UK economy. We have made a submission, using this as an opportunity to highlight our recent and ongoing work in this area.
- 17 We were invited for the first time to have a strong presence at the Sole Practitioners Group Annual conference on 25 - 27 November 2016. In addition to speaking on our regulatory reform work, we ran authorisation and supervision surgeries and engaged delegates in our modernising IT programme.
- 18 As part of our commitment to encouraging a diverse profession, we sponsored the Black Solicitors Network diversity awards this year. The event was held on 22 November 2016 and I was pleased that Ruth Grant, one of the external advisers to our Equality, Diversity and Inclusion committee, won an award.

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