

SRA BOARD
7 December 2016

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Research Programme 2016/17

Purpose

- 1 To provide the Board with project information and budget details of the research programme for 2016/17 and a summary of the research programme for 2015/16.

Recommendation

- 2 The Board is asked:
 - (a) to provide feedback on and endorsement of the research projects for 2016/17 (paragraphs 8 to 18 and Annex 1).

If you have any questions about this paper please contact: Crispin Passmore, Executive Director of Policy, crispin.passmore@sra.org.uk or 0121 329 6687 or 07834 856 564.

SRA BOARD
7 December 2016

CLASSIFICATION – PUBLIC



Research Programme 2016/17

Introduction

- 3 The research team is a small specialist team which commissions, carries out, co-ordinates and manages internal and external research projects to support the SRA to meet its regulatory objectives by:
- providing an evidence base for policy making and knowledge-based decisions
 - informing the ongoing process of regulatory reform and filling any evidence gaps
 - improving the evidence base on changes and experiences of those working in and using the legal services market.

Governance

- 4 We have established the Research Commissioning Board (RCB) to oversee the development of the 2016/17 research programme. A long-list of research projects/ideas was compiled through internal consultations with directors and team managers from across the SRA. This list was also informed by horizon scanning and requests received from Policy Committee, the Executive and the Board.
- 5 The RCB evaluated the long-list of projects in terms of their alignment with our strategic aims, benefits to us and our stakeholders, the appropriateness and feasibility of the methods and resource, the proposed costs and any equality, diversity and inclusion considerations. The final short list of projects and their associated budgets was approved by the Executive Policy Forum in August 2016. It was also considered by external stakeholders through the Legal Service Board's sector-wide research strategy group.
- 6 A summary of the research programme for the 2015/16 financial year can be found at Annex 2.

SRA BOARD
7 December 2016



CLASSIFICATION – PUBLIC

The Research Projects for 2016/17

Internal Research

- 7 **Improvements to cost recovery letters:** The SRA is funded through fees paid by the individuals and firms that we regulate. It is important to maximise the recovery of money due to us as a result of our regulatory actions. This will help minimise our costs and the cost of regulation for individuals and firms which is ultimately passed on to consumers. This research will identify appropriate amendments to cost recovery letters based on effective changes from previous behavioural economics research. For example, HM Revenue & Customs included in its tax debt letter that the majority of people pay their debts on time. Encouraging recipients to conform to this 'social norm' and pay on time recovered an additional £160m of tax debts during a six week trial.

- 8 We will select one type of amendment and carry out a randomised control trial. The new letter will be sent to a pilot group and a control group will receive the original letter. At the end of the pilot period we will analyse the results for each group to determine whether the new letters are more effective in the recovery of costs. This is an internal project so no budget is required. A Behavioural Insights Analyst with experience of conducting randomised control trials and behavioural economics will lead this project.

External Research

- 9 The following research studies will be conducted by an external research organisation and will each require a budget of £50-55K (incl. VAT).

- 10 **First Tier Complaints:** Previous research exploring consumer experiences of using asylum and family legal services found that some consumers lack awareness of the availability of redress and that there is a misconception that pursuing redress will have an adverse impact on the outcome of their case. This research aims to understand the role and effectiveness of first tier complaints in ensuring the quality of service to consumers. It will identify trends in the number and nature of first tier complaints received by solicitors. Using a survey and follow-up interviews with consumers we will explore the factors that lead consumers to complain to their solicitor and what subsequently pushes them to pursue complaints through The Legal Ombudsman (LeO), SRA, Alternative Dispute Resolution or the courts.

- 11 We will also assess the effectiveness of solicitors in dealing with complaints and the role that first tier complaints play in changing the behaviours of firms and individual solicitors. LeO will be working with us on this project.

- 12 **Transparency of legal costs:** The Legal Services Board (LSB), Legal Services Consumer Panel and Competition and Markets Authority (CMA) have focused on how consumers can better compare providers, particularly on costs, to drive competition in the market leading to better quality and lower prices.

SRA BOARD
7 December 2016



CLASSIFICATION – PUBLIC

- 13 This research will explore the pros and cons of giving estimate quotes or fixed fees to potential consumers; seek to understand what consumers and law firms think about cost transparency and legal comparison sites – including barriers preventing firms from providing up front costs information. Using surveys and interviews with consumers and solicitors, we will incorporate these findings into the design and promotion of our Registry of Data. This project will be fully scoped early in 2017 to consider the recommendations of the CMA's final report on the legal services market due to be published in December.
- 14 **Conveyancing:** The previous Government called for increased innovation in this market¹. The project will be fully scoped following anticipated Government announcements around this area of the market. The project is likely to explore the benefits of innovation for conveyancing clients and the barriers to innovation for those firms not currently innovating.
- 15 **Blue Tape Regulation:** We have implemented a programme of cutting red-tape to encourage innovation and competition in the market. However, non-statutory regulation or 'business on business' regulation exists and there is a dearth of information about the impact this has on the legal services market. The research will explore the impact of non-statutory regulation on supply and demand in the market. It will explore arguments in favour of and opposed to non-statutory regulation in provision of products and services; identify, assess and compare the types of non-statutory regulation used in the market.
- 16 We will examine the impact of non-statutory regulation on the behaviours of firms and consumers. The research approach will include survey/interview engagement with solicitors and consumers.
- 17 **Quality of Civil Advocacy:** The LSB, Legal Services Consumer Panel and the Ministry of Justice have all requested that regulators to conduct research on monitoring and providing information on quality in legal services. In this research we would profile the legal services market for civil advocacy (including higher and lower courts); examine the working practices of solicitors involved in civil advocacy and explore aspects of civil litigation which are associated with higher risk of poor service.
- 18 The research would include internal file reviews, a survey of solicitor advocates and interviews with consumers. This research could identify any gaps in terms of consumer protection for us to address. It can also identify areas of good and poor practice which can be used as learning tool for the profession.

Recommendation: the Board is asked to provide feedback on and endorsement of the research projects for 2016/17.

¹ HM Treasury (2015). A better deal: boosting competition to bring down bills for families and firms. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/480797/a_better_deal_for_families_and_firms_print.pdf

SRA BOARD
7 December 2016

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Next steps

- 19 The research programme will be reviewed in mid-December following the publication of the CMA's report on the legal services market to ensure any recommendations are addressed.
- 20 An update on this research programme will be provided to the Board in July 2017.

SRA BOARD
7 December 2016

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Supporting information

Links to the Strategic Plan and / or Business Plan

- 21 The research programme links directly to all four of the strategic objectives as it may encompass any type of project covering:
- reforming our regulation to enable growth and innovation in the market and to strike the right balance between reducing regulatory burdens and ensuring consumer protection
 - working with solicitors and firms to raise standards and uphold core professional principles
 - improving our operational performance and make fair and justifiable decisions promptly, effectively and efficiently
 - working with our stakeholders to improve the quality of our services and their experience when using them.

How the issues support the regulatory objectives and best regulatory practice

- 22 Research informs the SRA's work on professional standards, consumer protection, improving access to justice, promote competition in the provision of services and encourage an independent, strong, diverse and effective legal profession.
- 23 The better regulation principles of transparency, targeted, effective, efficient and accountable apply to conducting research and using the research findings.

Public/Consumer impact

- 24 Some research such as the transparency of legal costs project will involve engagement with consumers to explore their views, perceptions and experiences. This research will be used to improve consumer experiences of legal services.

What engagement approach has been used to inform the work and what further communication and engagement is needed

- 25 The engagement approach is varied and dependent on the specific research project. For research involving participation from firms we write a letter of engagement to firms specialising the relevant area/s of the market inviting them to participate in the study. A press release is then issued and information provided to the Contact Centre so that it is able to field any queries.

SRA BOARD
7 December 2016



CLASSIFICATION – PUBLIC

What equality and diversity considerations relate to this issue

- 26 All research projects are scoped to take into consideration any equality and diversity issues. In addition, any issues that might prevent specific groups from participating in the research are identified and adjustments made such as providing the option of a telephone interview for consumers who do not have access to the internet to answer an online questionnaire.
- 27 If the research involves contacting firms or individuals that we regulate, a sampling frame based on the demographics of the relevant area of the market is used to make sure a representative sample of participants is recruited.

How the work will be evaluated

- 28 Each research project will be evaluated against the original research objectives and project managed in line with the appropriate research governance. The impact of any research findings and implementation of any recommendations can be measured and evaluated.

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Annexes

Annex 1 Summary of Research Programme 2016/17
Annex 2 Summary of Research Programme 2015/16

Summary of Research Programme 2016/17

Research Project	Description	Links to SRA's strategic aims	Estimated Cost	Due to be completed
Improvements to cost recovery letters	To adapt our costs recovery letters to more effectively recover costs, using insights from behavioural economics.	Improve operational performance and make fair and justifiable decisions promptly, effectively and efficiently	In-house	Autumn 2017
First Tier Complaints	To explore the role and effectiveness of the first tier complaints process in ensuring proper standards of service for consumers.	Reform of regulation to enable growth and innovation in the market whilst ensuring consumer protection; Raise standards and uphold core professional principles	£55K	Summer 2017
Transparency of legal costs	To understand what consumers and law firms think about cost transparency and legal comparison sites – including barriers preventing firms from providing up front costs information.	Reform of regulation to enable growth and innovation in the market whilst ensuring consumer protection	£55K	Autumn 2017
Conveyancing	To explore the benefits of innovation for conveyancing clients and the barriers to innovation.	Reform of regulation to enable growth and innovation in the market whilst ensuring consumer protection; Raise standards and uphold core professional	£55K	Autumn 2017

SRA BOARD
7 December 2016

CLASSIFICATION – PUBLIC



		principles		
Blue-tape regulation	To investigate the impact of non-statutory regulation on supply and demand in the market.	Reform of regulation to enable growth and innovation in the market whilst ensuring consumer protection; Raise standards and uphold core professional principles	£55K	Summer 2017
Quality of civil advocacy	To examine the working practices of solicitors involved in civil advocacy and explore aspects of civil litigation which are associated with higher risk of poor service.	Reform of regulation to enable growth and innovation in the market whilst ensuring consumer protection; Raise standards and uphold core professional principles	£55K	Autumn 2017
TOTAL			£275K	

Summary of Research Programme 2015/16

Research Project	Description	Use of Findings	Estimated Cost	Due to be completed
Reform of regulation to enable growth and innovation in the market whilst ensuring consumer protection				
Economic impact assessment of regulatory changes	A review of the possible impacts of changes to the Handbook upon consumers, solicitors, regulated providers, and firms who provide non reserved activities through non-solicitors. An initial report by Chris Decker has been published ² .	External	£90.5K	In progress. Due to be completed Winter 2016
Reviews of prior regulatory changes	To conduct a review of the impact of removal of minimum salary for trainees	External: including report to LSB	In-house	In progress. Due to be completed Winter 2016
Authorisation and firm management of risk	To investigate the impact of the current authorisation process, the effect on new businesses and whether the rigour of the process has a net positive/negative impact on the public.	Internal	In-house	COMPLETED Summer 2016
Personal Injury	Profile the provision of PI legal services and understand the changes firms have made in response to legislative and market changes.	Published on the SRA Website ³	£94K	COMPLETED Summer 2016
Representation of consumers who may be vulnerable using family law	To understand the experience of consumers who may be vulnerable using family law in relation to access, quality and cost.	External	£74K	In progress. Due to be completed Winter 2016

² <http://www.sra.org.uk/documents/sra/consultations/code-of-conduct-annexes.pdf>

³ <http://www.sra.org.uk/sra/how-we-work/reports/pi-report.page>

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	To explore the behaviours and practices of firms offering family law and how they deal with consumers who may be vulnerable.			
Raise standards and uphold core professional principles				
Criminal practice	Research with judges to learn more about the quality of solicitor advocacy on the courts.	External	£30K	In progress. Due to be completed Spring 2017
Diversity in the legal profession: Career progression	To stimulate an external quantitative data project to investigate progression trends through the legal profession by individuals protected characteristics.	External	£25K	In progress. Due to be completed Spring 2017
Value of training contract and work based experience	This research will explore the type of work paralegals, trainees, undergraduates on sandwich degree placements and law clinics undertake to inform role of work based experience in the proposed SQE.	Published on the SRA Website: report for SQE Consultation ⁴	£12K	COMPLETED Summer 2016
Improve operational performance and make fair and justifiable decisions promptly, effectively and efficiently				
Effective Enforcement	To assess the effectiveness of our current approach to enforcement and supervision and to inform our wider regulatory framework approach.	Internal	In-house	In progress. Due to be completed Winter 2016
TOTAL			£325.5K	

⁴ <http://www.sra.org.uk/documents/sra/research/workplace-report.pdf>