

**EQUALITY, DIVERSITY
& INCLUSION (EDI) COMMITTEE**
7 September 2016



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**Progress update against the equality, diversity and inclusion (EDI)
action plan 2015/16**

Purpose

- 1 The purpose of this paper is to update the Committee on the progress made against objectives two and three of the Equality, Diversity and Inclusion (EDI) Strategic Action Plan 2015/16.

Recommendations

- 2 The Equality, Diversity and Inclusion Committee is asked to note:
 - a) the publication of the revised EDI strategy
 - b) an update on the SRA enforcement strategy review
 - c) an update on our work to assess the equality impact of investigations carried out by the forensic investigation team – this item is classified as official
 - d) an update on the diversity data research project and thematic review of EDI in firms
 - e) a breakdown of Diversity Matters members
 - f) stakeholder engagement and plans for 2016/17.

If you have any questions about this paper please contact Jane Malcolm, Executive Director for External Affairs.

The item referred to at paragraph 2 (c) above is marked as official because as it provides an interim update in relation to one of our deep dive reviews of operational work.

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Progress to note under EDI Objective two

- 3 Objective two is to ensure that the way we operate, our rules and the decisions we make are proportionate, fair and free from bias and help firms and individuals understand and comply with our requirements

Revised EDI strategy

- 4 The draft revision of the [EDI strategy](#) was amended following the meeting on 14 July 2016 and has now been published.

SRA enforcement strategy review

- 5 This work covers the following EDI actions:
- action 2.2 - Embed equality, diversity and inclusion into our programme of regulatory reform, to ensure our regulation is more targeted and proportionate.
 - action 2.3 - Review our decision making criteria and embed equality and diversity in our decision making framework and supporting processes.
 - action 2.8 - Engage with all sectors of the regulated community about professional standards to explore attitudes about the relative seriousness of regulatory events that are referred to us.
- 6 Our approach to enforcement is guided by our regulatory purpose, alongside our duty to have regard to the better regulation principles, to promote access to justice and competition and to act in a way that is compatible with the regulatory objectives. The overarching aim in terms of the role of enforcement is to focus on breaches which are "serious" in that they present a risk to the public interest. The purpose of enforcement is to:
- protect consumers
 - support the rule of law and the administration of justice.
- 7 We consider that liberalising our rules to allow businesses room to innovate and grow, while also maintaining strong enforcement powers, strikes the right balance between these aims.
- 8 The sanctions we impose aim to deter behaviour that conflicts with our regulatory purpose, rather than being punitive. We will also be looking at the impact of enforcement on both regulated individuals and firms.
- 9 We are aware through the monitoring of our regulatory activities that black, Asian and minority ethnic (BAME) solicitors are over represented in regulatory outcomes and that

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smaller firms are more likely to have had a referral for investigation. In 2014, 25 per cent of regulated individuals in small firms (two to four people) were BAME compared to nine per cent in the larger firms (26 to 80 persons). We will look at the equality considerations in our approach to enforcement.

- 10 The enforcement strategy will form an integral part of phase two of the Handbook review which will go out to consultation in due course.

Equality impact of investigations carried out by the forensic investigation team – official

- 11 This item is classified as official, as it provides an interim update in relation to the work we have undertaken to look at the diversity breakdown of firms which receive a forensic investigation visit.

Progress to note under EDI Objective three

- 12 Objective three is to work with those we regulate to support them in achieving a more diverse and inclusive profession.

Diversity data research project and thematic review of EDI in firms

- 13 This work covers action 3.5 - Consider ways to identify the key barriers to diversity in relation to recruitment and career progression in law firms through research and engagement with the profession.
- 14 There are two components to this research. The first is a quantitative academic research study for which academics and educational institutions have been asked to submit a proposal for. Because they will be analysing large data sets, we are encouraging partnership working and / or the development of consortia to take forward this work. We hope this will spark debate and discussion to generate research ideas and to address any information gaps to help us explore diversity in the legal profession.
- 15 Data collected through the annual practising certificate renewal exercise and the workforce diversity data go some way to illuminate the profile of the profession and issues related to diversity. However, the actual picture is much more complex and interacts with the education sector, social mobility, deprivation, training, regional location, ethnicity and culture and this is what we are asking academics / institutions to explore. We are asking that our existing data is linked and analysed with relevant external data and research, such as:
- research data by academic institutions
 - longitudinal data studies
 - office for National Statistics (ONS) data
 - research and data from the Department of Business, Innovation and Skills (BIS)

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- University and Colleges Admissions Services (UCAS) data
 - other Higher Education resources e.g. destination of leavers of higher education
 - Department of Education data on returns to qualifications
 - data from the Graduate Diploma in Law (GDL), Legal Practice Certificate (LPC) and Training Contract (TC) from providers including BPP and University of Law
 - data collected by solicitor networks such as the Black Solicitors Network.
- 16 This is because we have limitations with our dataset regarding incomplete, missing data and validation. The data we hold only goes back as far as 1993 and we are unable to track individuals throughout their career.
- 17 The thematic qualitative research will look into the experience of diversity in law firms and we are working with an external EDI expert and the Research and Analysis team to draw up a clear methodology. This work starts in October / November 2016 and will explore some of the recommendations which come out of the quantitative research. We have asked for input on this research from the Association of Women Solicitors (London) and 'Diversity Matters', our EDI virtual reference group. In particular, it will focus on why women and BAME solicitors are underrepresented in management roles at firms e.g. as partners and whether one of the causal factors is social mobility. It will also explore whether achieving 'partner' continues to be equated as a marker for success as anecdotal evidence suggests linear career paths are no longer seen as the only path to success and wellbeing.

A breakdown of Diversity Matters members

- 18 This is a new activity that is related to action 3.1 - Demonstrate SRA leadership in the wider debate about equality and diversity in the profession.
- 19 As of 9 August 2016, we have 76 members. 39 are regulated individuals, two are law students and 35 are members of the public.
- 20 54 per cent of the regulated individuals are female and 44 per cent are male. Three per cent are unknown. Further diversity information is shown in the tables below.

Sexual Orientation		Religion		Ethnicity	
Gay	2.56%	Christian	41.03%	BME	58.97%
Hetrosexual/Straight	58.97%	Hindu	5.13%	Unknown	5.13%
Lesbian/Gay woman	7.69%	Muslim	12.82%	White	35.90%
Prefer not to say	5.13%	No Religion	15.38%		
Unknown	25.64%	Unknown	25.64%		
Grand Total	100.00%	Grand Total	100.00%	Grand Total	100.00%

- 21 We do not ask unregulated members for diversity information when they join Diversity Matters. The diversity information for solicitors however is provided through 'mySRA'. We let solicitors know that the information they provide will help us undertake regular analysis and evaluation of our policies, procedures and processes to ensure that they

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promote equality of opportunity and do not unlawfully discriminate. We also confirm that all information will be used in accordance with the Data Protection Act 1998 and that the information will be treated as confidential, stored in a secure system accessible to authorised persons only.

22 Diversity Matters is being set up as LinkedIn discussion group. The following rules will apply.

- This group is for anyone who has an interest in helping us to think about how we can progress our work on equality, diversity and inclusion. Employers, solicitors, students and trainees, academics and equality practitioners are likely to be especially interested in the group. We warmly welcome all others too, including members of the general public.
- We will moderate posts and comments prior to approval. We will not approve posts that seek to promote goods or services you or your organisation provide. We will remove any member who consistently submits to moderation unrelated or promotional content.
- As the owners and moderators of the group, we at the Solicitors Regulation Authority reserve the right to post content from time to time promoting free services and products, such as engagement events, surveys and research outputs.
- We will not tolerate abusive, sexist, racist or otherwise offensive language. We will immediately, and without discussion, remove any group member who submits content of this kind to moderation.
- We are very keen for this group to succeed as a vehicle of genuine engagement and dialogue.

Strategic approach to engagement in 2016/17

23 This work covers the following EDI actions:

- action 3.1 - Demonstrate SRA leadership in the wider debate about equality and diversity in the profession.
- action 3.2 - Identify opportunities to promote diversity and social mobility through our training for tomorrow programme.
- action 3.5 - Consider ways to identify the key barriers to diversity in relation to recruitment and career progression in law firms through research and engagement with the profession.

24 There are two strands to our strategic approach to engagement:

- supporting the business
- working with those with regulate to support them in achieving a more diverse and inclusive profession (Objective 3).

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- 25 For 2016/17 our priority is to build relationships with equality stakeholder and network groups and our work will include engaging with large, medium and small firms and with the in house sector.
- 26 Engaging with our stakeholders is one element of our work and sitting behind this we will develop guidance, case studies and toolkits to support all three of our strategic engagement priorities and our actions in next years business plan. Guidance and case studies on EDI will also provide information in support of the EDI principle in our Handbook an we will be promoting and creating new website content.

Supporting the business

- 27 This includes making sure we engage with equality stakeholders on our approach to policy development. We want to provide accessible, balanced and objective information and encourage feedback on consultations. We also want to understand how equality stakeholders are affected by emerging risks and equality issues. Some of our engagement on this has included events on compliance in small firms and on our new approach to qualification. We will also develop our engagement with consumers and members of the public. Our work on this will help shape strategic thinking and decision making at the SRA and help us to engage with stakeholders to support understanding of our work.

Working to achieve a more diverse and inclusive profession

- 28 We will build on our relationships with equality stakeholders and firms to support and achieve a more diverse and inclusive profession.
- 29 We will focus our engagement on specific equality areas. These are:
- race equality
 - LGB and trans equality
 - disability and well being
 - gender equality.
- 30 We will continue to work with large firms to look at good practice and not so good practice and how this can help shape future engagement and leadership on EDI.
- 31 This works supports engagement across all equality areas and engagement on social mobility. Some of this engagement is in its early stages, for example, we will be holding workshops on disability and wellbeing later this year and in 2017.
- 32 Our internal staff networks are supporting our outreach work, for example, the LGBT network (Nexus) have been meeting and engaging with external organisations, such as the Alliance network in Birmingham.

Race

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- 33 We know there is an over representation of BAME solicitors in small firms and for this reason we want to strengthen our relationship with BAME groups in the profession to understand, mitigate and identify some of the issues concerning BAME professionals.
- 34 We have worked together with the Black Solicitors Network and held a number of events on supporting small firms, one of which is booked to take place on 29 September 2016. We will be undertaking further events next year and are looking at the possibility of research in this area to better understand the barriers faced.

LGBT

- 35 We will continue to engage on LGBT equality to support the work firms are doing as well as support firms which are yet to make progress in this area. We are in the process of revising our transgender policy and are also looking to include a question on transgender as part of the work on firm workforce diversity data. We did not want to do this in isolation and have proactively engaged with networks and firms to understand good practice and the initiatives firms have put in place on LGBT equality.

Disability and well being

- 36 We want to respond better to solicitors who have a disability and mental health or wellbeing issues. Our well being initiative has been well received and we plan to build on this work. This is also an area in which we want to promote best practice among the profession.
- 37 We are looking at making changes to operational processes to collect and monitor reasonable adjustments and following the launch of our wellbeing campaign, 'your health, your career' we have revised our reasonable adjustment policy.

Gender

- 38 We want to build on our work to engage better and more proactively on the subject of gender equality, having held our very first meeting at the SRA with the Association of Women Solicitors (London). We also want to engage with firms and the in house solicitor population to look at lessons learned.

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Supporting information

Links to the SRA Business Plan/ EDI Action Plan

39 Links to the specific actions in the EDI Action Plan are provided in the body of the paper.

How the action will be evaluated

40 The EDI strategy sets out more detail about how we will evaluate our performance against the EDI Action plan and an annual progress report will be published.

What equality and diversity considerations relate to this issue

41 The update report relates to the progress being made against the EDI strategy.

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Date 12 August 2016

Annexes

Annex 1 Progress against the EDI action plan 2015/16 in quarter three (Objectives two and three)

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Objective 2 - ensure that the way we operate, our rules and the decisions we make are proportionate, fair and free from bias and help firms and individuals understand and comply with our requirements.					
No.	Activity	Executive responsibility	Delivery date	RAG	Progress update
2.1	Monitor the work of the SRA Board and the other SRA committees, to ensure that equality, diversity and inclusion is fully integrated into their business and decisions.	Jane Malcolm	October 2016	On track	We will look at how best we can embed EDI into Board and Committee business and decisions.
2.2	Embed equality, diversity and inclusion into our programme of regulatory reform, to ensure our regulation is more targeted and proportionate.	Crispin Passmore	Ongoing	On track	<ul style="list-style-type: none"> The EDI implications of the proposed changes to the Code of Conduct were addressed in the initial regulatory impact assessment at annex 5 of the consultation documents published on 1 June 2016. The EDI Committee had an opportunity to consider our early thinking on this at its meeting on 14 March 2016 and a draft of this document was taken to the meeting on 17 May 2016. An initial impact assessment was published with the Accounts Rules consultation on 1 June 2016. Work to assess the EDI implications of the SQE has been ongoing over this quarter and an update will be provided to the EDI Committee on this work at its next meeting on 7 September 2016.

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2.3	Review our decision making criteria and embed equality and diversity in our decision making framework and supporting processes.	Juliet Oliver	July 2016	On track	The delivery date in the EDI action plan was adjusted as the final timelines of the decision making project were set. EDI was taken into account by those drafting the guidance documents and the EDI team reviewed the documents for EDI implications making comments and suggestions. A high level update of the work was provided to the EDI Committee on 12 July 2016. The guidance documents are due to be signed off at the end of July and published internally on 19 September and externally the next day.
2.4	Develop and establish a revised and improved quality assurance function and processes so as to demonstrate that our regulatory decisions are fair, consistent and free from bias.	Robert Loughlin	October 2015 and ongoing	On track	The new audit criteria have been in use since 1 April 2016. Any concerns around EDI will be identified by the use of a critical flag, which will be used to identify a range of concerns and will trigger a documented process to address the concerns raised. BIQA are reviewing the data from first few months of using the new framework to see if there is sufficient data to test how the new framework is working to identify EDI concerns. We delayed reporting progress to the EDI Committee in May as we had insufficient data, but we are intending to take a paper to the EDI Committee on 7 September 2016 to explain the approach we have taken and how it is working.

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2.5	Review our approach to diversity monitoring our regulatory work to ensure we are monitoring all key areas of our decision making to identify any disproportionality and set an appropriate timetable for publishing regular monitoring reports.	Jane Malcolm	September 2016	On track	<p>There are real challenges in reporting the increasing proportion of decisions that we make about firms, because there is no easy way to categorise the diversity of a firm. A report based only on decisions made about individuals would not be complete and could be misleading. The approach will be informed by some expert advice that we received earlier this year and the EDI team has started work to prepare an options paper for EPF to approve the approach before we proceed to compile a report for 2014/5.</p>
2.6	Undertake a detailed investigation into at least two areas of decision making where we have identified disproportionality.	Jane Malcolm	December 2016	On track	<ul style="list-style-type: none"> • A review of on-site visits to firms by Forensic Investigations is ongoing. • Subject matter of the second report to be determined.

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2.7	Review our approach to recording and monitoring reasonable adjustment requests to identify trends and ensure consistency.	Jane Malcolm	October 2016	On track	<ul style="list-style-type: none"> • A report recommending an interim solution for recording reasonable adjustments (pending longer term IT changes) will be brought to SMT on 18 August and thereafter taken to the EDI Committee on 7 September 2016. • The EDI team reviewed the SRA Reasonable adjustments policy and an early draft was approved by SMT. We have since consulted the leadership team, Access Ability (the disability staff network), Diversity Matters (the EDI virtual reference group), Lawcare, the Lawyers with Disabilities Division of the Law Society and the SRA EDI Committee. A final draft is annexed to the reasonable adjustments report that will go to the EDI Committee on 7 September and then will be published (in consultation with the Policy Compliance and Communications officer).
2.8	Engage with all sectors of the regulated community about professional standards to explore attitudes about the relative seriousness of regulatory events that are referred to us.	Jane Malcolm	June 2016	Completed	Now closed, this was a very successful campaign and the EDI implications from this work were reported to the EDI Committee on 17 May 2016. A report of the findings from the campaign was published on 15 July 2016.

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2.9	Explore the possibility of establishing an equality network with legal and other regulators to share information and best practice on EDI in regulation.	Jane Malcolm	October 2016	On track	<p>There is currently good cooperation with other legal regulators in relation to EDI matters, and currently we are not proposing to set up any formal equality network. Recent co-operation and engagement with other legal regulators includes:</p> <ul style="list-style-type: none"> • Sharing the SRA's firm diversity data reporting tool with ICAEW • Joint presence with the BSB (and others) at London Pride in June 2016 • Race equality roundtable event in June held with BSB and the Law Society and Bar Council
2.10	Review our Interpretation and Translation services to ensure we are inclusive and accessible and provide appropriate material in Welsh and other languages.	Jane Malcolm	Sept 2016	On track	Proposals being finalised and will be brought to EPF for approval in the next few weeks.

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2.11	Review our approach to identifying and supporting vulnerable stakeholders.	Jane Malcolm	April 2016	On track	<ul style="list-style-type: none"> • Research team has commissioned independent research to understand the experiences of consumers in family, children's and social welfare law (announced on 29 July 2016). • An event for small to medium sized firms to share good practice with the profession on providing legal services to vulnerable clients deferred until early 2017 • Solicitors Wellbeing – "Your health, your career" campaign launched on 19 May 2016 to coincide with Mental Health Awareness week, raises awareness of the support available to solicitors with concerns or in the SRA's processes. Postcard highlighting the issues made available and planning underway to identify activities for phase two of the campaign. • SRA attended the first meeting of the Legal Professions Wellbeing Taskforce which was launched in mid May - to promote and support mental health and wellbeing in the legal community.
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Objective 3 - to work with those we regulate to support them in achieving a more diverse and representative profession.					
No.	Activity	Executive responsibility	Delivery Date	RAG	Progress update
3.1	Demonstrate SRA leadership in the wider debate about equality and diversity in the profession.	Jane Malcolm	Ongoing	On track	<ul style="list-style-type: none"> 13 May - Paul Philip spoke at the General Counsel Strategy Summit in Portugal about diversity in the in-house sector. 17 May - published the result so of the 2015 data collection with news coverage in Guardian, City Am, Times, The Brief May and June – successful media coverage from SRA presence at Pride in Birmingham and London. 8 June – Barry Mathews represents the SRA at the dinner Supporting Diversity in the Workplace chaired by Debbie Abrahams MP 13 June - Compliance seminar for small BAME firms which had been requested by the Black Solicitors Network 23 June – joint roundtable meeting on Race Equality in the legal profession with Bar Council, BSB, and Law Society to discuss barriers to race equality in both professions. 7 July – Association of Women Solicitors (AWS) came to the Cube to discuss work on the Handbook and other matters 21 July - SRA hosted a launch of the Legal Social Mobility Partnership commercial week

					<p>for school students on placements with local law firms.</p> <ul style="list-style-type: none"> • 25 July – Risk Outlook published including chapter on diversity • 31 July – SRA submits response to the Inquiry into Access into Leading Professions by the all party parliamentary group on Social Mobility and the Sutton Trust
3.2	Identify opportunities to promote diversity and social mobility through our training for tomorrow programme.	Crispin Passmore	Ongoing	On track	<p>Since the first consultation on assessing competence closed on 4 March, we have been reviewing the consultation responses and planning ahead for the second consultation. We are gathering further evidence for our equality impact assessment, we have:</p> <ul style="list-style-type: none"> • gone back to our technical experts to look again at the EDI issues arising from the assessment methods used in the Solicitors Qualification Examination (SQE) • set up a Delphi Group, made up of university academics, to review the EDI impacts of the assessment specifications used in the SQE • developed exemplar pathways to show how people can prepare for the SQE to make it clear and accessible • commissioned research into pre qualification work experience, through a survey of trainees and a literature review, to help us in making the requirements around pre qualification work experience flexible and inclusive.

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3.3	Review our approach to the collection, monitoring and publication of diversity data about the profession.	Jane Malcolm	October 2016	On track	<ul style="list-style-type: none"> • Awaiting direction on taking forward work to update the data collection application (pending agreement of the IT roadmap) • The EDI team and contact centre engagement with 'non compliant' firms extended to minimise the handover to supervision. • In July, the EDI team provided feedback into the LSB's planning for the review of their diversity data guidance which will be published for consultation in September 2016
3.4	Review compliance with the diversity data publication requirement on firms and identify ways to improve compliance and promote best practice through work with firms.	Jane Malcolm	Sept 2016	On track	We are proposing to take this forward as part of the RM thematic review into diversity in law firms commissioned by EDI team. This will mean that the delivery date for this action will be extended.
3.5 and 3.6	Consider ways to identify the key barriers to diversity in relation to recruitment and career progression in law firms through research and engagement with the profession.	Jane Malcolm	July 2016	On track	<ul style="list-style-type: none"> • The Research and Analysis team have discussed the dataset with MI which will be made available to external researchers. The team are currently planning a workshop to put forward our research idea that we will make our internal data available to them and propose they link it with external sources of data to drive a wide ranging, large scale quantitative analysis to build a picture of diversity and career progression based on actual data. We hope this will spark debate and discussion to generate research ideas
	Develop a strategy for promoting good practice in the profession in relation to recruitment and career progression.		October 2016		

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					<p>and to address any information gaps to help us explore diversity in the legal profession.</p> <ul style="list-style-type: none">• EDI team has commissioned the RM thematic team to carry out research with firms to provide qualitative data and to inform toolkits/ case studies etc to support the new Handbook. The project initiation document will be drafted in quarter 4.
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