

SRA BOARD

24 March 2020

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This paper will be published

Organisational impacts of the COVID-19 coronavirus pandemic

Purpose

- 1 This paper looks at recent developments in relation to the Covid-19 coronavirus pandemic, our response to date and next steps.

Recommendations

- 2 The Board is asked to:
 - (a) note the steps taken to date
 - (b) consider our future steps.

If you have any questions about this paper please contact: Jane Malcolm, Executive Director External and Corporate Affairs, jane.malcolm@sra.org.uk, 07813 432583

Equality, Diversity and Inclusion considerations

Consideration	Paragraph nos
We have taken steps to protect all our staff, particularly the most vulnerable, and supported staff to care for vulnerable members of the family.	Paragraph 13

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CLASSIFICATION – OFFICIAL**Organisational impacts of the COVID-19 coronavirus pandemic****Background**

- 3 On 12 January the World Health Organisation (WHO) confirmed that a new coronavirus, COVID-19, was the cause of a respiratory illness in a cluster of people in Wuhan, Hubei Province, China.
- 4 By 1 March, cases had been detected in England, Wales, Northern Ireland and Scotland leading to the government releasing its Coronavirus Action Plan¹ on 3 March. The first UK fatality was reported on 4 March. London has been the worst affected region to date, however, recent media [reports](#) suggest that the West Midlands is emerging as the next hotspot.
- 5 By 11 March, the WHO declared the outbreak a pandemic and the next day the UK risk level was raised from moderate to high. The government advised that anyone with a new continuous cough or a fever should self-isolate for seven days. On 16 March, based on scientific advice, the government advised on further measures, including social distancing. It advised against "non-essential" travel and recommended home working, where possible.
- 6 On 17 March the Chancellor built on measures announced in the budget with a £330b package of support to businesses (equivalent to 15 percent of GDP) in order to protect the economy. This included sectoral exemption from business rates, a new grant scheme and "mortgage holidays".
- 7 As the number of confirmed cases in the UK increases, the government has continued to develop its strategy to deal with the pandemic. It was announced that schools will close from 20 March, with some provision for vulnerable children and those of key workers.
- 8 On 19 March the government published its Coronavirus Bill, setting out in full detail the emergency powers it plans to use to deal with the crisis. The Bill is due to be passed on 23 March.
- 9 In response to the situation, many organisations have closed their offices completely. This includes the Solicitors Disciplinary Tribunal, the Institute of Chartered Accountants of England and Wales, the Legal Services Board, Council for Licensed Conveyancers, Cilex Regulation, the General Medical Council, Royal Institute of Chartered Surveyors and the Local Medical Committees. The Gambling Commission and HS2 have closed their offices with staff access if required. The Law Society has now closed all its offices. The Highways Agency, which has office space in the Cube, has shut its office and is using it for storage purposes only.

¹ <https://www.gov.uk/government/publications/coronavirus-action-plan>

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CLASSIFICATION – OFFICIAL**Discussion**

- 10 Against the backcloth of the increasing threat of the COVID-19 coronavirus, and in line with the developing government advice, over the past two weeks we have taken a range of actions to protect the welfare of our staff.

Staff welfare and management

- 11 Action includes robust hygiene arrangements in our offices and the introduction of flexible travel times. We have moved the vast majority of staff to home working, using more than 220 additional laptops and remote access on their own devices, supported by training and information security arrangements.
- 12 We have put appropriate line management in place and transferred our team and community working online, using tools such as Skype and Microsoft teams. In line with changing government advice, we closed our London office on Wednesday 18 March, with staff now working from home.
- 13 There are no clinically confirmed cases of coronavirus amongst our staff as yet. Sickness levels and the number of staff self-isolating, whether because they or a family member have symptoms, are varying on a daily basis. We have put arrangements in place to accommodate staff who have caring responsibilities, including for those whose children are now at home in the light of school closures. The arrangements align with those of the Law Society
- 14 We continue to monitor developments through our leadership structures and through the invocation of our bronze and silver business continuity planning. That includes looking ahead to reducing staff at the Cube to the bare minimum, potentially in the next few days, and our contingency arrangements should there be a government lockdown.

Operational work and short-term implications

- 15 We have made some pragmatic adjustments to our operational delivery in order to align with the requirements of government advice and to maximise home working as quickly as possible.
- 16 **Managing customer calls:** We have closed our onsite Contact Centre and Professional Ethics helpline, moving over to an email, call back and webchat service for two weeks while we equip the teams with mobile phones which will enable more effective telephony from home. This is in line with other regulators and legal sectors organisations, many of which have moved to email only contact. We have used our website to communicate our approach.
- 17 **Training:** We have moved all internal training online and onto Skype. Looking ahead we are reprofiling our planned IT training to deliver as much as possible virtually. We anticipate that some classroom training will be needed and are looking at how best to do that.

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- 18 **Regulatory Management:** In place of face-to-face meetings, we have moved to teleconferences with firms and with the City of London Law Society. All other work continues as normal.
- 19 **Anti-money laundering:** We have moved these visits to a conference call. We will not review firm files, however, until we are able to attend offices in person. We will continue to call in firms' risk assessments, policies, procedures and controls. However, we have given firms longer to return the documents to us and asked any firms experiencing difficulties due to coronavirus to contact us about an extension.
- 20 We have a significant number of firms that have not completed the declaration that they have a firm-wide risk assessment in place. We had been due to send a postal letter to the Compliance Officer for Legal Practice and an additional contact (where applicable) at all firms the week commencing 16 March. However, anticipating that many firms will not have staff in the office, we will delay this and consider other ways to bring down the number of non-responders.
- 21 **Events and outreach:** We have postponed or cancelled our forthcoming events, including our SRA Innovate roadshow and our planned sessions for small firms, and have where possible moved to online meetings and webinars. External events have now been cancelled or postponed.
- 22 **Review of disproportionality in our operational processes:** We have cancelled the planned use of temporary staff to undertake the retrospective review of our records needed to identify individuals and therefore their diversity profile. We plan to use staff with capacity now freed up elsewhere in the organisation to undertake this work. This may delay this project.
- 23 **Legal Access Challenge:** We are planning to make the final judging of the [Legal Access Challenge](#) entirely virtual. We are looking at ways to control and manage the technology risks, and to manage the impact on the chair and judges of running intensive sessions remotely. We are also developing contingency plans should the judging have to be postponed or delayed. We currently plan to announce the winners on Thursday 9 April.

Recommendation: the Board is asked to note the steps taken to date.

Longer term impact of the current situation on our operational work.

- 24 The transition to changed working arrangements and potential increased sickness is likely to impact adversely and significantly on our operational timeliness, for example in authorisation, investigation and supervision and client protection. We have also, by necessity, paused recruitment so will therefore have an increased vacancy rate. Changes to how the Contact Centre works will also change our call targets and reporting. We are monitoring performance closely.

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- 25 In addition, the Solicitors Disciplinary Tribunal closed on 20 March until 'at least after Easter'. All hearings due to take place between 23 March and 9 April 2020 have been adjourned and the intention is to re-list the substantive matters for the first open date after 12 weeks. The Tribunal is keeping this under review and there is potential that the closure will be extended. This will impact on our prosecution work and therefore also the end to end timeliness of cases.
- 26 At present we are continuing to undertake all proposed interventions, with additional risk assessments and precautions being taken to protect the welfare of all the people involved. We are keeping this under review and are also working closely with our intervention agents and with our Capita storage facility to maintain business continuity and resilience going forward.
- 27 The external environment and impact on firms and their clients, and therefore on our operational work, is as yet unclear.
- 28 We are writing to the Financial Conduct Authority to set out the changes to the delivery of our anti-money laundering supervisory role.

Modernising IT (MIT)

- 29 Work has continued on the MIT programme in line with our planning. We are currently working to go live with RegOps 1 subject to continued progress and the impact of the virus on resources. Our key partners have confirmed that they are fully prepared to continue their support and delivery.
- 30 That will bring with it changes to what firms need to do in some areas, particularly on the admission of their trainees, and on Practising Certificate Renewal Exercise. We are assessing the possible impact of transition at what may be a difficult time for firms, and the potential issues around this. Our work includes contacting a range of firms to discuss the challenges.
- 31 We also anticipate some challenges with classroom training on the new IT systems. We have reprofiled the planned training to largely online but there may be a need for some hands on training. We are considering how best to handle this if required.
- 32 Looking further ahead, disruption to our MIT timetable would have very significant financial consequences. Delays will also mean that we need to balance the need for progress on the IT needed for our disciplinary and client protection work.

Solicitors Qualifying Examination

- 33 We continue to work on the development of the SQE, with the next milestone in summer, when we make our second submission to the Legal Services Board. Ahead of that we will be asking the Board to make decisions on the assessment methodology.

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- 34 We also need to ensure that we can maintain engagement with key interests in the run up to our submission. We have moved activity to virtual discussion and are exploring what more we can do.

Resource implications

- 35 There are a number of potential resource implications of the current COVID-19 coronavirus situation.
- 36 These include significant Human Resources impacts. There are significant challenges with recruitment at the moment so we are likely to carry vacancies, with the attendant impact on productivity. We are also seeing increases in sickness level and we will need to redeploy staff in certain areas onto other work. We will need to think creatively and flexibly in our workforce allocation and planning to ensure we focus efforts to deliver on our key priorities and activities.
- 37 Financially we have incurred additional costs purchasing laptops to facilitate home working (£300K). The longer-term financial impacts are not yet clear but are likely to include a significant extra resourcing cost to “catch up” activities which fall back over this period.

Future steps to address the potential impacts in the sector

Education and training

- 38 We have reviewed our education and training requirements to see how we can help providers continue to deliver teaching and assessment at a time when social interaction is limited, while maintaining our assurance of consumer protection through proper professional standards.
- 39 Our starting position has been that we will maintain current requirements for supervised assessments to be taken in exam conditions. However, this would mean postponing traditional examination-style assessments until large gatherings are again permitted. As it becomes clear that emergency measures may be in place for many months, and therefore that delaying assessments may cause disruption to the training market and to student and trainee progression, we have been exploring whether we can relax these requirements.
- 40 We are also monitoring the approach taken by other regulators in this area. The Bar Standards Board has, so far, taken a very similar position to us.

Qualifying Law Degree (QLD) and Graduate Diploma in Law (GDL)

- 41 We do not currently specify the format or timing of assessment on the QLD or GDL. We therefore recognise that universities can make their own decisions about assessing students through alternative arrangements, such as coursework assessments, or take-home, open-book examinations or online,

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timed examinations. However, we understand some universities are considering cancelling assessments altogether. We propose holding the line that we do require some form of assessment, although the timing and format of the assessment are for universities to determine. We are asking universities to notify us of any changes to current assessment arrangements.

Legal Practice Course (LPC)

- 42 We are proposing a relaxation in our requirements for LPC assessments to be supervised so that we would permit skills assessments and elective subjects to be taken by alternative assessment arrangements, for us to approve. We would retain the requirement for supervised assessments of the core subjects. This relaxation would therefore help a substantial majority of students to complete the LPC by September.
- 43 We have had requests from training providers for us to permit “remote proctoring” as meeting our requirement for supervised assessments. This is a system whereby students take assessments online at their own computers but are supervised remotely by an invigilator through the camera on their computer.
- 44 We propose permitting this, on the basis that providers can demonstrate to us that the remote proctoring system will have proper systems to check that the candidates’ work is wholly that of the relevant individual. For both alternative arrangements and remote proctoring, we will permit open book exams. Providers will need to demonstrate to us how they have changed their exams to make them appropriate for open book conditions. Any adjustments to current requirements will be considered on a provider by provider basis, will be recorded, will be for a finite time, and will be subject to review.

Professional Skills Course (PSC)

- 45 We have had requests from training providers for assessments by remote proctoring on PSC courses, too. We plan to take a similar approach to the LPC. A small pilot by two providers of remote proctoring is already under way. We are also exploring whether we can admit individuals subject to a condition to complete the PSC within 12 months after admission.

Next steps on Education and Training

- 46 We plan to publish a list of Frequently Asked Questions to assist training providers, firms and candidates understand the current position. We are also planning to write directly to training providers and training principals. We will also be encouraging course providers to contact us if they need us to authorise an alternative teaching or assessment arrangement.
- 47 We will keep arrangements under review and will update stakeholders as circumstances develop.

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Communications on COVID-19 to the profession and public

- 48 We will be publishing information for the profession and the public on our website, including a series of questions and answers based on the queries we are getting from firms and others. We are also working closely with the Law Society as the situation develops to help support the profession and help solicitors continue to work in their clients' best interests.

Recommendation: the Board is asked to consider our future steps.

Next Steps

- 49 We are keeping our response to COVID-19 coronavirus under close review.

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Supporting information

Links to the Corporate Strategy and/or Business Plan

- 50 This paper outlines the work of the organisation in response to a global pandemic and therefore supports all aspects of the delivery of our Corporate Strategy.

How the issues support the regulatory objectives and best regulatory practice

- 51 Issues covered in this paper include how we discharge our regulatory model in a way that meets the better regulation principles of consistent, targeted and proportionate in the face of the challenges presented by pandemic and the response to it. We want to make sure that we can deliver to the regulatory objectives as best we can in current circumstances.

Public/Consumer impact

- 52 We have described the steps we have taken to date to continue to protect the public, and the information we are providing for those who need it. We recognise that this is a time of heightened concern and that our work with the profession is part of ensuring the impact on consumers is minimised.

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

- 53 We have communicated carefully with staff, introducing new channels – such as a daily bulletin on our coronavirus related activity – and new ways of working. We have engaged with the Law Society and the profession on the issues that concern them, establishing a weekly coronavirus communications call to share our planning.

What equality and diversity considerations relate to this issue

- 54 We have taken steps to protect all our staff, particularly the most vulnerable, and supported staff to care for vulnerable members of the family.

How the work will be evaluated

- 55 We are keeping our response under review and will use lessons learned to inform future business planning. We will also report progress to the Board.

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NB: We have removed a small number of references to commercially sensitive information from this paper before publication