

## SRA Business Plan 2020-21 Quarter Three Update

### Our Strategic Objectives

*Strategic Objectives 1* - We will set and maintain high professional standards for solicitors and law firms as the public would expect and make sure we provide an equally high level of operational service.

*Strategic Objective 2* - We will actively support the adoption of legal technology, and other innovation, that helps to meet the needs of the public, business community, regulated entities and the economy.

*Strategic Objective 3* - We will continually build our understanding of emerging opportunities and challenges for the users of legal services, the legal sector and our role in effectively regulating it.

Our business plan for 2020/21 is available on our website [here](#) <sup>1</sup>

Annex 1 shows the activities within each objective.

### Progress against activities in our annual planned work programme

This is the third quarter reporting against the activities in our 2020-21 business plan, the first year of the 2020-23 Corporate Strategy.

Annex 1 shows the RAG status of all the activities under the three objectives, together with the previous quarter's status. A summary of these ratings is as follows:

Status	Completed	Green	Amber	Red	On Hold
Objective 1	2	21	2		
Objective 2		12			
Objective 3		11			

Relates to objective status based on progress to date: Completed – the activity is complete; Green (G) – in line with expectation and overall delivery is expected; Amber (A) – generally in line although challenge to maintain progress and deliver overall objective; Red (R) – progress behind expectation and will not succeed without direct action; Black (On hold) – on hold or in line with planned delivery schedule work not yet started.

We have detailed our achievements in quarter three in the table beginning on page 3, with the last three months showing good progress against our business plan. Activity 2.7 in relation to the Regulators Pioneer Fund was reported as on hold last quarter, however it has moved to Green as BEIS opened a smaller funding programme, to which we submitted a detailed proposal for a collaborative, partnership-based project testing the use of legal technology to tackle access to justice barriers at a local level. We also completed activity 1.15 and two activities have been listed as Amber, these are detailed below.

### Exceptions: Updates on Amber and Red activities

#### Activity 1.14

We will improve the monitoring of our investigation and disciplinary work by establishing an in-house 'arms-length' quality assurance team for all our disciplinary work

<sup>1</sup> <https://www.sra.org.uk/sra/corporate-strategy/business-plan/business-plan-2020-2021/>

### *Rationale for rating*

This action was rated amber because there had been challenges with the recruitment of two Quality Assurance Officers and a second advertising campaign was required, which was underway at the time of drafting.

### *Update and corrective action*

This has been brought back on track following successful recruitment which fell a few weeks after the end of quarter three.

## **Activity 1.16**

We will continue the collection and sharing of diversity data on protected characteristics and socio-economic status so that all those with an interest, including government, the judiciary, charities and the Law Society can see how the profession is developing.

### *Rationale for rating*

This activity is split into two sections, the first relating to the collection of diversity data is marked as amber.

The Firm Diversity Data (FDD) collection tool was developed a month ahead of schedule, so we were able to start collecting data from 5 July. The exercise has worked well, with one technical issue affecting about 150 users which has been addressed.

### *Update and corrective action*

In the light of what is a busy time in the sector and a slower than usual rate of returns, we will keep the reporting site open until 26 November.

## **Completed Activity this quarter**

## **Activity 1.15**

Subject to Legal Services Board (LSB) approval we will implement the changes to the Compensation Fund following public consultation.

### *Update*

The LSB approved changes to the arrangements for the Compensation Fund during quarter three and this activity is now marked as complete. This activity was marked as Amber in last quarter's update, due to resubmission of an amended set of arrangements to the LSB for approval.

## Achievements in the last period

	Objective 1	Objective 2	Objective 3
<b>Achievements</b>	<ol style="list-style-type: none"> <li>1. In July, we successfully opened registration and booking for the first SQE assessments.</li> <li>2. Kaplan have plans in place for a pilot of SQE assessments in Welsh in September.</li> <li>3. We are preparing our annual AML report for publication in the autumn, in addition to our corporate reporting and our additional reporting to Treasury.</li> <li>4. Visits to Legal Choices website in the year to date exceeded 0.5 million in Q3. In May-July, there were also more than 0.6 million views of campaign videos.</li> <li>5. We have appointed experienced evaluation specialists to conduct the Year One evaluation of our Standards and Regulations. The research has multiple strands covering analysis of our internal data and primary research with the profession, consumers, stakeholders and our staff. We have already completed surveys with firms and interviews with key stakeholders, and we are currently reaching out to consumers to understand how the reform programme is working for them.</li> <li>6. Our new Head of Welsh Affairs started in role in Q3 and began work on mapping and engaging with stakeholders. Discussions on establishing an office presence in 2021/22 began.</li> <li>7. Outsourcing of our payroll function has been completed.</li> <li>8. We have undertaken internal analysis of our fees. We have also commissioned external economic analysis of the effectiveness of our practising certificate fee framework compared to those of other regulators.</li> <li>9. Contact Centre ICS (Institute of Customer Service) survey of customers completed in July / August.</li> </ol>	<ol style="list-style-type: none"> <li>1. We published our research on legal technology and innovation, commissioned from Oxford University. The report is both one of the broadest, but also the most in-depth pieces of research we have produced as a regulator – and also that has been conducted into this area. The report has been widely accepted and praised by external stakeholders, and was published alongside a successful launch event. There were around 100 live viewers of the event and a further 350 in the few days after. The social media campaign to promote the launch achieved over 14,000 impressions in the first few days.</li> <li>2. The Oxford University research included insights on how law firms responded to the pandemic and found that the increased use of technology was largely here to stay.</li> <li>3. We are progressing a partnership with Swansea University to launch a Virtual Innovation Hub and in collaboration with several other regional universities and business schools (subject to funding approval).</li> <li>4. Whilst the BEIS Regulators Pioneer Fund competition was later than expected and with a reduced budget, we submitted an application for the second round of the competition in July.</li> <li>5. We are stepping up our own innovation capability. We have recruited some</li> </ol>	<ol style="list-style-type: none"> <li>1. We have built a new horizon scanning system and gained wide acceptance for it across the organisation. The system combines the existing internal horizon scanning (RED) initiative and the Risk Outlook together and explicitly links to the corporate strategy, developing our understanding of how risks will develop and where we need to communicate about them.</li> <li>2. The Oxford University research (see objective 2) involved a survey sent to all law firms, interviews with 50 firms and other stakeholders, and the analysis of three relevant datasets, one of which was a longitudinal dataset of all online job adverts in the UK and US legal markets. We will work with other teams so that we can share the survey data from this project.</li> <li>3. We are also continuing to analyse how the post-lockdown market is developing as part of our ongoing horizon scanning work and we have updated the data that we monitor to better understand a wider variety of changes in the legal market (ie: data on the number of overseas offices of law firms).</li> </ol>

	Objective 1	Objective 2	Objective 3
	<p>10. The LSB approved our application for practising fees for 2021/22. This year we consulted separately on our Business Plan, which included the budget and our element of practising fee. More than 8,000 people and 50 organisations were engaged with as part of the consultation.</p> <p>11. The transfer of our functions to SRA Ltd was completed on 1 June.</p>	<p>dedicated innovation resource and have re-launched our website for SRA Innovate.</p>	
<b>Impacts and Outcomes</b>	<ol style="list-style-type: none"> <li>1. Through SQE, we will set and maintain the same high professional standards for solicitors, however and wherever they learn, and make it easier for people from every background to become a solicitor.</li> <li>2. Candidates will be able to choose to attempt SQE through the medium of Welsh.</li> <li>3. Our corporate AML report was published in July: <a href="http://www.sra.org.uk/sra/how-we-work/reports/antimoney-laundering/">www.sra.org.uk/sra/how-we-work/reports/antimoney-laundering/</a></li> <li>4. A Q3 video ad campaign on pandemic-related employment law issues generated high levels of audience engagement at minimal cost.</li> <li>5. The research report will form part of our overall report on the early impact of these reforms, and we have made sure that we engage as far and wide as possible with the profession and consumers to inform the evaluation.</li> <li>6. The appointment of the Head of Welsh Affairs has been well received and is already increasing our understanding of the Welsh landscape and where we can add value.</li> <li>7. Outsourcing the payroll leads to cost savings, decreased risk and increased resilience.</li> <li>8. The review of fees has made good progress and some key actions to address in the near term will be finalised shortly with the Board, including a programme to maintain and appropriately charge</li> </ol>	<ol style="list-style-type: none"> <li>1. The Oxford report shows how seriously we are driving forward our corporate objectives, and also that we are leading from the front in how the lawtech market can develop to improve consumer outcomes.</li> <li>2. The Oxford report has helped to develop our understanding of how the lawtech market is developing, and how this has been accelerated by Covid-19.</li> <li>3. The Virtual Innovation Hub will bring together consumer needs, commercial development, academic research, and regulatory activity work to enable cutting-edge legal innovation. By involving regulators, consumer organisations, government, and higher education, we will ensure that regulation, consumer protection, policy-making and educational approaches develop in parallel to the business opportunities.</li> <li>4. We have submitted an application to the latest BEIS Regulators Pioneer Fund round, which had been delayed. Our suggested project will be delivered in partnership with the Information Commissioner's Office; the University of the West of England's Business School, Law Clinic and a student digital agency;</li> </ol>	<ol style="list-style-type: none"> <li>1. By introducing this programme, we will deliver the embedded horizon scanning work that we have committed to, while strengthening our ability to work across boundaries and to effectively communicate on consumer protection.</li> <li>2. This project covered Lawtech and innovation, which means that we are able to comment and act on this Objective 2 topic authoritatively based on this broad evidence base collated by well-respected researchers. We have also achieved wide praise for our Research here and has shown us a real leader.</li> <li>3. This gives us a stronger basis for analysing change in the market, giving us a greater ability to identify and respond to issues in a timely and effective fashion.</li> </ol>

	<b>Objective 1</b>	<b>Objective 2</b>	<b>Objective 3</b>
	<p>for activity to maintain the accuracy of the solicitors roll.</p> <p>9. Contact Centre to maintain ICS ServiceMark accreditation.</p> <p>10. The approved practising fees have reduced, the individual fee will be £266, down £12 from the current year.</p> <p>11. This change to our status gives more clarity and transparency on the role of the SRA as the regulator, and of the Law Society as the professional body.</p>	<p>Swansea's University's Innovation Hub and Law Clinic, West of England Combined Authority.</p> <p>5. The new SRA Innovate web content includes new support content for lawtech innovators and law firms, including a compliance checklist and resources targeted at smaller firms.</p>	

## Annex 1

Ref	Objective	Current (Q3) RAG rating	Previous (Q2) RAG rating
<b>Objective one – We will set and maintain high professional standards for solicitors and law firms as the public would expect and make sure we provide an equally high level of operational service.</b>			
<b>Solicitors Qualifying Examination and solicitor competence</b>			
1.1	We will continue to work with key stakeholders, the profession, academics and education and training providers to develop the Solicitors Qualifying Examination SQE ahead of its introduction in autumn 2021.	G	G
1.2	We will work with our assessment provider to make sure we can introduce the SQE in Welsh in an incremental way, helping to meet the needs of the profession and the public in Wales.	G	G
1.3	We will also undertake a strategic review of our approach to regulating solicitors' continuing competence which is likely to be a programme of work that continues over several years.	G	G
1.4	We will build on our work supporting the profession to attain high standards in advocacy and supporting solicitors working in the youth justice system and the young people involved.	G	G
1.5	We will continue to authorise providers of the Police Station Representatives Accreditation Scheme qualification and we want to enhance our quality assurance of this qualification by reviewing current arrangements this year-	G	G
<b>Anti-Money Laundering</b>			
1.6	We will continue working with the profession and others, such as the Law Society and we are committed to meeting our obligations in legislation to preventing money laundering that involves the solicitors and firms we regulate.	G	G
1.7	We will expand our Anti Money Laundering (AML) visits to visit all high-risk firms on a three-year rolling basis, along with visiting a sample of lower risk firms. Every month we will call in and analyse a sample of firms' AML policies, procedures and controls, or their risk assessments, and we are planning to undertake a thematic review into tax advice. We will publish what we learn from the reviews, as well as other guidance as needed to help firms get it right, including our work to support the implementation of the Sixth Money Laundering Directive.	G	G

Ref	Objective	Current (Q3) RAG rating	Previous (Q2) RAG rating
1.8	As part of making sure we meet high standards ourselves, and those required by Office of Professional Body Anti-Money Laundering Supervisors (OPBAS), we will start to review the methodology we use to risk rate firms and target our AML oversight, so that we can make changes in future.	G	G
1.9	We will report transparently on our AML work, directly to OPBAS and HMT, and through our Board, making sure we are fully accountable to the public and the profession.	G	G

Ref	Objective	Current (Q3) RAG rating	Previous (Q2) RAG rating
<b>Our regulatory model, Standards and Regulations and Transparency Rules</b>			
1.10	We will work with the Competition and Markets Authority (CMA) to provide evidence for their review of the effectiveness of the pricing and transparency requirements we set for firms, and of the clickable logo we brought in to help the public understand the consumer protections regulated firms provide.	Complete	Complete
1.11	We will continue our rolling programme of firm website reviews and enforcement and we will increase the resourcing of this work.	G	G
1.12	We will continue to work with the other regulators to develop the joint consumer website, Legal Choices. We will report on progress against our target of two to three million visitors at the start of this business year and work with the legal regulators to set out the plan for the 2020–2023 period.	G	G
1.13	We will start our evaluation of our new Standards and Regulations, which we introduced in November 2019. As part of our commitment to mainstreaming equality diversity and inclusion (EDI) throughout all our work, our evaluation approach will include an assessment of the EDI implications for both the public and the profession.	G	G
1.14	We will improve the monitoring of our investigation and disciplinary work by establishing an in-house ‘arms-length’ quality assurance team for all our disciplinary work	A	G
1.15	Subject to LSB approval we will implement the changes to the Compensation Fund following public consultation.	Complete	A
<b>Equality, diversity and inclusion</b>			
1.16	We will continue the collection and sharing of diversity data on protected characteristics and socio-economic status so that all those with an interest, including government, the judiciary, charities and the Law Society can see how the profession is developing.	A	G
1.17	Utilising the improvements that our new IT systems have brought, we will work to increase and the diversity data capture rates on mySRA offering an enhanced picture of the profession.	G	G
1.18	Building on our 2019/20 we will work to analyse and report on the profile of solicitors in our disciplinary processes, we plan to look at how best to understand the factors that bring the profession into our processes. We will publish any research so that interest groups and the profession can join with us and others to address any underlying factors.	G	G
<b>UK-EU exit</b>			
1.19	We will continue to monitor how the March 2020 UK exit from the EU will change the way solicitors and law firms work. In order to do that, we will work closely with the government and other agencies, including EU and international regulators, to ensure a smooth transition to any new arrangements.	G	G
<b>Developing our work in Wales</b>			
1.20	We will establish an increased presence in Wales.	G	G

Ref	Objective	Current (Q3) RAG rating	Previous (Q2) RAG rating
<b>Continuous improvement</b>			
1.21	We are committed to working as efficiently and effectively as possible while providing good customer service. In order to do that, we are reviewing key areas of our supporting resources, for example, our premises strategy.	G	G
1.22	We will scope out a programme of work to undertake a full review of the fees we charge solicitors and law firms and develop an updated approach to our regulatory fees model for introduction in subsequent years.	G	G
1.23	We will continue our Modernising IT programme of work which will include a new case management system, updated support for our disciplinary processes and building on the IT that we need for the introduction of the SQE.	G	G
1.24	We will build on our 2019/20 work with the Institute of Customer Service to develop an organisation-wide approach to understand what our service users think and to improve customer experience across everything we do.	G	G
1.25	We will commission independent surveys of a cross-section of our stakeholders, including the profession, the public and opinion formers, as well as asking the organisations with which we work most closely for their views	G	G

Ref	Objective	Current (Q3) RAG rating	Previous (Q2) RAG rating
<b>Objective two - We will actively support the adoption of legal technology, and other innovation, that helps to meet the needs of the public, business community, regulated entities and the economy.</b>			
2.1	We will continue to look at the how technology can transform the way the profession works and how legal services are delivered, contributing to the regulatory objectives to increase access to justice, to promote competition in the provision of services and to promote the consumer interest.	G	G
2.2	We will look closely at how Covid-19 has and will affect access to justice. We, like others, also need to consider how best innovation and technology can help people, recognising that digital access and skills vary	G	G
2.3	We will take forward research that looks at how best technology can help those with limited or no access to digital services, and work to facilitate more publicly available data law firms and the justice system, which is often cited as one of the key barriers to the development of legal technology.	G	G
<b>Increase our understanding of the use of technology in the legal sector</b>			
2.4	We are committed to supporting fair, accessible and inclusive legal technology that has the potential to increase access to justice. In order to add value, we will undertake research to segment the market, with a focus on where and at what level the adoption of new technology is taking place.	G	G
2.5	We will look at what benefits and risks there might be for consumers, including the vulnerable (both long term and situational), those in digital poverty and small businesses, from new technology. This will also consider the impact on legal service provision that innovation and technology has had to date and the changes already brought about by the global Covid-19 pandemic.	G	G
2.6	We will work with existing UK and international networks – including the Better Regulation Executive’s Regulator Forum, Innovation Network, Tech Nation and Innovate UK and the legacy of the Legal Access Challenge (LAC) network – and build new ones as needed. Part of that will be exploring and scoping the need for a specialist innovation and technology panel. We will also explore opportunities to join up with business schools, charities and others to develop collaborative innovation-based projects, and we will look at international developments in this area.	G	G

Ref	Objective	Current (Q3) RAG rating	Previous (Q2) RAG rating
<b>Develop specific initiatives to promote and develop the use of legal technology and innovation</b>			
2.7	We will look at how the planned second round of the Regulators' Pioneer Fund, which will provide £10m of funding subject to the outcome of the Government Spending Review, can contribute further to increasing access to justice.	<b>G</b>	<b>On hold</b>
2.8	We will review how the SRA Innovation Space is working and use information from our first-year evaluation of the new Standards and Regulations to look at how best to develop its focus and operation.	<b>G</b>	<b>G</b>
2.9	We will explore the opportunities to work in partnership with others, including law firms that have already adopted technology effectively, to ensure that the profession can put their ideas into practice.	<b>G</b>	<b>G</b>
2.10	We will also work to increase our guidance and support materials for the both the profession and the public. Building public trust in lawtech solutions is an important component of increasing access to justice.	<b>G</b>	<b>G</b>
2.11	We will explore cyber -attack prevention methods and how other industries/regulators/jurisdictions have responded, as well as working with key stakeholders to undertake a review of how losses linked to cyberattacks and fraud can be better prevented using technology and innovation.	<b>G</b>	<b>G</b>
2.12	We also recognise that technology and innovation crosses national boundaries and impacts on people from every community. We will build this into our engagement on the EU exit and work with international authorities, including through the International Conference of Legal Regulators, whose website ICLR.net we run.	<b>G</b>	<b>G</b>

Ref	Objective	Current (Q3) RAG rating	Previous (Q2) RAG rating
<b>Objective three - We will continually build our understanding of emerging opportunities and challenges for the users of legal services, the legal sector and our role in effectively regulating it.</b>			
3.1	We will build on our current sector risk analysis, publish through our Risk Outlook, and work across boundaries to support consumer protection and to speak up in line with the regulatory objectives where it is necessary to do so.	G	G
<b>Improving our understanding</b>			
3.2	We will also work with others to develop our understanding of the legal services market from a longitudinal and economic perspective, so that we improve our understanding of consumer concerns and requirements.	G	G
3.3	We will commission research, including reaching out directly to consumers to listen to their needs, and monitoring the findings of research undertaken by others. We will share our data and publish authoritative reports on key issues.	G	G
3.4	We will analyse the impact of the Covid-19 pandemic on the structure of the legal market over several years and any implications for how services are accessed by consumers.	G	G
<b>Speaking up</b>			
3.5	We will work to address relevant public protection and public policy issues, using clear criteria, including consumer protection, to assess where we can add value.	G	G
<b>Public legal education</b>			
3.6	We plan to develop a strategy for 2020–2023 to help us to identify opportunities to work with others to increase our provision of public legal education building on our work to date.	G	G
<b>Immigration and asylum services</b>			
3.8	We will continue to look into issues around the accessibility and quality of immigration and asylum legal advice.	G	G
3.9	We will carry out a thematic review into the quality of service delivery and ensure that those who need immigration and asylum services can access quality advice.	G	G
<b>Understanding patterns of attainment in education and training</b>			
3.10	We will continue to review the attainment gap and ensure that everyone meets the same high standard however they learn and contribute to a truly diverse profession by making it easier for people from every background to become a solicitor.	G	G
3.11	We plan to share our data, commission research and work with others to increase understanding of the difficult issues around the attainment gap, including how protected characteristics and social mobility intersect, and what might be done.	G	G