

## **SRA BOARD**

30 June 2025

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### **Summary of consultation feedback on the draft budget for 2025-26**

1. Our consultation on our draft Business Plan and budget 2025-26 ran between 8 May and 19 June 2025. We sought feedback about our proposed workplans and activities, budget, practising certificate fee requirement, required Compensation Fund contribution, and Equality Impact Assessments (EIAs).
2. This is an overview of responses and feedback received in relation to the draft budget, and feedback on the Equality Impact Assessments (EIA) related to the budget. A further summary will be provided to the Board for its meeting of 7 July on feedback on our proposed workplans and activities, level of practising fees and Compensation Fund contributions and further feedback on the EIAs related to those issues.
3. In September the Board will consider a complete report and analysis on the consultation responses received, together with our response to that feedback. Following the Board's review, that analysis will be published alongside the final version of our Business Plan and budget for 2025-26.

### **Consultation respondents**

4. We received seven formal written responses to our consultation, from:
  - The Law Society (TLS)
  - Legal Services Consumer Panel (LSCP)
  - Association of Consumer Support Organisations (ACSO)
  - Three solicitors
  - One local law society.

### **Feedback from other stakeholders**

5. We also engaged directly and heard from over two thousand stakeholders and members of the public through other engagement activities. This included broadcasting an on-demand webinar, through our social media channel, polling and focus groups with members of the public, and roundtable discussions with local law societies, sole practitioners, legal representative groups, consumer groups, and in-house solicitors.

### **Feedback on our proposed budget for 2025-26 (Q5)**

6. Broadly we received little concern or opposition about our proposed increase in budget for 2025-26. The Law Society note that the LSB's directions, issued in May 2025, require us 'to make measurable changes to [our] governance and approaches to risk and supervision within the next 12 months' which 'will likely require significant attention and dedication of resources, which must be considered when approaching the business plan for the coming year.' They note an appreciation of 'efforts to reprioritise work, and the cost savings involved, at a time when firms are already facing rising costs.'

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7. The Sole Practitioners Group (SPG) have told us that our need for more investigation resources is understood. Consumer groups were broadly supportive and raised no concern.
8. While the Law Society acknowledge that the increase is necessary, in their response they have urged us to be 'transparent on expenditure and to evaluate the work undertaken to ensure that money is being well spent' adding that to 'maintain the additional resource needed to deal with a changing market and increase in complaints and the scale and complexity of investigation work, but keep fees at an incremental level of increase, it will be necessary to expend resources only where they are proven to be effective.' They add that they understand 'the prioritisation/ de-prioritisation exercise that has been undertaken to identify areas where work can be paused, and where it must be expanded, so that resources are spent effectively.'
9. ACSO raise a similar point in their response. They note the inflationary environment of recent years has increased some costs alongside increased 'workloads in the ever-evolving legal sector.' They add however that where we ask for more resources 'which will always ultimately be borne by the consumer' that we can show we are 'doing more, not just costing more' and that 'any increases (and any future increases) continue to be monitored and remain proportionate to need'.
10. The same point of the need for accountability if asking for an increased budget was raised by a representative from a local law society. Another from this same roundtable said we needed to be clear that additional funds are being used for what is new work, not things that we should already be doing.
11. One local law society has commented they felt the budget was at a 'too high level ... to make a detailed commentary on it.' They call for more resource to be spent on client protection by cutting spending in other areas but have not specified what those should be.
12. Overall, we consider the feedback we received does not mean we need to reconsider our overall proposed budget.

**Feedback on the EIA which relates to our proposed budget setting for 2025-26 (from Q8)**

13. The limited feedback we received in relation to the EIAs, and EDI-related work commitments, mainly focused on specific suggestions we could do to better tailor this work, as well as impacts for small firms of increases in fees and how the Compensation Fund is split. We do not therefore consider the feedback we received means we need to look again at our overall proposed budget for 2025-26.

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### **Next steps**

14. The Board will be provided with a summary of feedback received on our proposed workplans and activities, practising fee portion and Compensation Fund contribution, and the Equality Impact Assessments as they relate to these, for its meeting of 7 July.
15. The SRA Board will consider a final version of the Business Plan and budget 2025-26 in September 2025, alongside a full analysis of the consultation responses received, our response to these, and updated Equality Impact Assessments.