

SRA BOARD
23 January 2019



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Chief Executive's Report

Purpose

- 1 This report sets out progress against our strategic objectives and provides an update on operational performance.
 - Section 1: reports on our priorities and progress against the 2018/19 Business Plan.
 - Section 2: provides an update on operational performance.
 - Section 3: provides details on publication and engagement activity.

If you have any questions about this paper please contact: Paul Philip, Chief Executive, paul.philip@sra.org.uk, 0121 329 6940.

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Section 1: Priorities for 2018/19

- 2 This section provides an update to the Board on our key priorities, starting with an overview of any key developments, followed by an update against our 2018/19 Business Plan.

2018/19 Business Plan published

- 3 Our 2018/19 Business Plan has now been published and can be viewed at the following link: <http://www.sra.org.uk/sra/strategy/business-plan/sra-business-plan-2018-2019.page>.

Practising certificate renewal exercise (PCRE)

- 4 The PC revocation exercise took place from 6 – 11 December 2018. This is where we revoke individual solicitors, Registered European Lawyers (REL) and Registered Foreign Lawyers (RFL) who have not renewed and are not managers within authorised bodies. In total we revoked 3,448 solicitors, 164 RFLs and 39 RELs. We are in the process of liaising with the managers of firms who have not renewed to understand why this is the case and either assist them in renewing or providing them with information to orderly wind down their firm. Firms who continue not to pay and do not communicate with us will be referred for investigation.

Progress against our 2017/18 Business Plan

- 5 We are making good progress to achieve the objectives set in our 2018/19 Business Plan. Below I highlight key areas of development to note against each Business Plan objective.

<p>Objective 1: We will set and apply consistently high professional standards for the individuals and firms we regulate and make sure they are appropriate to meet the challenges of today and the future</p>	<p>On track</p>
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- 6 We are on track to deliver this objective.

Solicitors Qualifying Examination (SQE)

- 7 On 18 December, we held our second SQE conference at the University of Coventry. There were 99 attendees from universities, training providers and law firms. The conference provided an opportunity for stakeholders to engage with the detail of the SQE and to input into the draft Assessment Specification.

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Objective 2: We will make sure our regulatory requirements are proportionate, providing solicitors and firms with the flexibility to innovate and better meet the needs of members of the public and businesses, while maintaining appropriate levels of public protection

On track

8 We are on track to deliver this objective.

Standards and Regulations

9 In the coming months, we plan to publish a range of materials to help the profession prepare for our new Standards and Regulations. This includes trialling a new online version of the new Standards and Regulations, with the aim of getting feedback from users so we can make sure it meets people's needs.

Technology and legal services paper published

10 On 11 December, we published a report that looks at innovations in technology affecting the legal service sector to coincide with the Compliance Officer conference. We worked with the National Cybersecurity Centre to include guidance on how firms can stay safe against cybercrime. The paper also gives an overview of the ethical issues of using artificial intelligence.

11 The report shows that rapid developments in Artificial Intelligence (AI) will free-up solicitors from lower-level work to carry out more complex tasks. The report also highlights the potential for technology to add further value in the workplace. More information can be viewed at the following link:

<http://www.sra.org.uk/sra/news/press/ai-risk-paper-2018.page>.

Objective 3: We will increase the availability of relevant and timely information to help people make informed choices in the legal services market

On track

12 We are on track to deliver this objective.

Price Transparency and Digital Badge

13 Our new transparency rules took effect on 6 December 2018. We also launched our digital badge on the same day. The badge aims to help law firms explain to the public the extra protections they get from using a regulated law firm. More information can be viewed at the following link:

<http://www.sra.org.uk/transparency/>.

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<p>Objective 4: We will make sure that our regulatory arrangements work as effectively as possible for the public, businesses, solicitors and firms in the context of constitutional developments within the UK and any new relationship with the EU</p>	<p>On track</p>
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14 We are on track to deliver this objective.

Exiting the EU (Brexit)

15 We updated our [information for law firms](#) on the potential implications of a 'no deal' EU exit, in particular what this could mean for exempt European lawyers (EELs). We also held briefing sessions for larger firms on our guidance who could be most affected by potential changes prior to publication.

<p>Objective 5: We will work better together, and with others, to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions.</p>	<p>On track</p>
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Modernising IT Programme (MIT)

16 The programme is continuing to progress within budget.

SRA website performance

17 We conducted an analysis of SRA website usage for the year ending 31 October 2018, in the light of the new navigation and design we launched in January 2018. The results show that we are doing a better job of meeting users' expectations. Visits were up 8% from a year earlier to 3.3 million. Our bounce rate (the number of one-page visits as a proportion of all visits) was down by 7%. After the launch of the site redesign in mid-January, views of pages targeted at consumers were up 57% year on year, to 2.9 million, and views of one web page (about how to find and instruct a solicitor) were up almost 500% following the redesign.

Section 2: Operational Performance

KPIs

18 Below are the KPI results for November 2018:

- 87% of conduct matters closed within 12 months of receipt against a target of 93%.

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- 69% of Compensation Fund claims were closed within 12 months against a target of 90%.
 - 98% of medium / high risk applications closed within 3 months in Firm Based Authorisation against a target of 90%.
- 19 We closed 69% of Compensation Fund claims within 12 months against a target of 90%. This relates to 56 claims, the majority of which are a result of a significant increase in claims relating to one intervention. We expect to be back on target by the end of February.

Section 3: External Developments, Publications and Engagement Activity

- 20 Our ongoing engagement programme with stakeholders continues. Our sixth Compliance Conference was the largest yet, with around 1,300 attendees, 32 speakers, and 26 marketplace stands. More than eight out of ten people said they found the event very useful or useful, and more than nine out of ten said that they would attend a similar event in the future.

Author Paul Philip, Chief Executive
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