

# **Review of the Statement of Solicitor Competence and SQE Functioning Legal Knowledge: Initial Regulatory and Equality Impact Assessments**

October 2026

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## Summary

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This is our initial Regulatory Impact Assessment (RIA) and Equality Impact Assessment (EIA) to support our review of the Statement of Solicitor Competence (SoSC) and Functioning Legal Knowledge (FLK). We have also considered our proposals in light of the Better Regulation Principles. You should read this document in conjunction with our consultation.

Here we assess the potential impacts of our proposed changes to the SoSC and FLK to ensure that they remain fit for purpose and reflect the realities of modern legal practice. The proposed changes are made as part of the phase four evaluation of the Solicitors Qualifying Examination (SQE) in which we committed to reviewing the SoSC and FLK. We have made the proposals following engagement with stakeholders across the legal profession.

We have not identified any significant or disproportionate negative regulatory or equality impacts. Based on our analysis, we believe our proposals are a proportionate and legitimate regulatory response to address the issues which we have identified. The proposals should have a positive impact. The changes to the SoSC will:

- be more inclusive to those with disabilities
- be clearer and more accessible to those whose first language is not English
- promote an inclusive and healthy workplace culture
- place a greater obligation on solicitors to promote equality, diversity and inclusion.

Therefore, this could have a positive impact on underrepresented groups.

Our proposals aim to protect and promote the public and consumer interests and ensure adherence to the professional principles set out in the Legal Services Act 2007, including:

- acting with independence and integrity
- maintaining proper standards of work
- acting in the best interests of clients.

We do this by ensuring all elements of the [Competence Statement](#) are up-to-date and indicative of the competences a solicitor needs in order to practise effectively.

We will publish an updated RIA and EIA when we publish our consultation response next year.

# Our consultation proposals

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We are conducting a review of the SoSC and FLK as part of the fourth phase of our programme to evaluate the SQE, which was introduced in 2021. The SoSC and the FLK inform the design and content of the SQE. The SoSC is also used by solicitors to help them meet their obligation to [maintain their competence](#).

The SoSC and FLK were initially drafted in 2015. As part of the ten-year evaluation programme, we committed to reviewing them to determine the extent to which they remain fit for purpose, and the extent to which they reflect the realities of modern legal practice.

In doing so, we need to consider:

- whether there have been any significant changes in legal practice in the last 10 years that should be reflected in the SoSC
- whether there are any anticipated changes or developments in legal practice over the next 10 years that should be reflected in the SoSC to future proof it
- whether the FLK is testing candidates who are entering the profession in areas which reflect the current legal landscape, taking into account any changes in the law, and the core legal principles and rules in specific areas which a day one solicitor should be expected to know.

Our consultation proposals include changes to the SoSC and FLK.

## Statement of Solicitor Competence

We have made proposals to amend the SoSC across four broad themes:

- technology and AI
- professional conduct and ethics
- supervision
- health and wellbeing.

In addition to the key areas of focus above, we have also made changes to competences relating to equality, diversity and inclusion, to align with drafting in our Principles and Codes of Conduct. The changes reflect the need for greater emphasis on a solicitor's role to promote equality, diversity and inclusion in the profession and in the workplace.

We have also made some changes to language throughout the SoSC to:

- make it more accessible to all, using clear, plain and simple English which can be easily understood, including by those whose first language is not English
- make sure the language is consistent throughout
- make sure the wording is inclusive, particularly for those with disabilities
- align wording with the SRA Transparency Rules and Code of Conduct

We describe these proposals in detail in our consultation.

## Functioning Legal Knowledge

Changes are proposed to both FLK1 and FLK2.

The proposed changes have been developed in response to areas of strong consensus identified from stakeholders and practice area specialists who attended the focus groups. This includes the removal of some content, and additions to the scope of some practice areas covered in the FLK.

We have also proposed changes to the FLK to provide clarification for candidates.

These suggestions will be considered as part of the wider consultation.

Our proposals, if implemented, will:

- improve the accessibility of the SoSC
- update and future-proof the SoSC making it more reflective of what a solicitor should be able to do in current legal practice
- ensure the FLK is relevant to the standard of a competent newly qualified solicitor, up-to-date and reflects any changes in the law
- better help solicitors to maintain their competence by supporting them to reflect on their practice and identify and address their learning and development needs.

## Evidence taken into consideration in proposing changes to the SoSC and FLK

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We considered the diversity of the profession, using the diversity data we collect from law firms every two years and the trends over time. The data we hold for in-house solicitors is less detailed, so we are relying on the [data we collect from firms](#) which covers solicitors and other employees working in SRA-regulated law firms in England and Wales. It is based on diversity data collected from almost 100% of firms in summer 2025. In summary:

- 55% of lawyers were women, 43% were men and 2% preferred not to say.
- 8% of lawyers declared they had a disability and 5% preferred not to say (compared with 17% of the UK workforce in 2025).
- Since 2015, the proportion of disabled lawyers has increased by five percentage points, from 3% to 8% in 2025.
- 20% of lawyers are from Black, Asian and minority ethnic backgrounds.
- Since 2015, the proportion of Black, Asian and minority ethnic lawyers has increased by six percentage points, from 14% to 20% in 2025.

According to [data collected by us](#), as of August 2026, we regulate:

- 179,054 practising solicitors
- 9 registered European lawyers
- 7,733 registered foreign lawyers
- 121 exempt European lawyers.

The [SQE Annual Report 2025](#) provides us with information and data about the demographics of candidates sitting the assessment that year. This gives us a picture of who will be entering the profession in the future. The data collected shows that:

- nine per cent of candidates sitting SQE1 assessments disclosed that they considered themselves to have a disability
- eleven per cent of candidates sitting SQE2 assessments disclosed that they considered themselves to have a disability
- twenty-nine per cent of candidates sitting SQE1 assessments disclosed that English was not their first language
- twenty per cent of candidates sitting SQE2 assessments disclosed that English was not their first language.

We have aimed to make sure our proposed updates to the SoSC and FLK are written in a clear, inclusive and accessible way, and that they do not use language that could disadvantage particular groups.

We have also considered the importance of health and wellbeing in the profession. A report commissioned and published by Law Care, [Life in the Law 2025](#) explored mental health and wellbeing across the legal profession. It summarised their findings from surveying individuals and organisations across the profession about how working in law is affecting mental health and wellbeing.

The report stated that:

- there are low levels of mental wellbeing with nearly 60% of individuals reporting poor mental wellbeing
- forty-three per cent of individuals reported that mental health and wellbeing was very significantly influenced by work
- levels of psychological safety, work intensity and bullying, harassment and discrimination were factors which underpin mental health and wellbeing in the workplace.

### **What does the data tell us about our customers and about protected equality groups?**

- The demographic of the legal profession is changing over time.
- The socio-economic background of lawyers is becoming more diverse.
- The percentage of lawyers who disclosed a disability is on the rise.
- A fifth of candidates sitting the SQE disclosed that English was not their first language.

Practices should be put in place to protect, promote and enhance mental health and wellbeing in the legal profession, and the profession needs to prioritise and value managing people with effective supervision and support, and training for those who manage others.

### **Stakeholder engagement**

We have consulted with various stakeholders as part of the review of the SoSC and FLK.

This included holding focus groups with members of the legal profession including practising solicitors, EDI and HR leads, training providers, educational institutions and legal academics. The full detail of our stakeholder engagement is detailed in our consultation.

# Regulatory and Equality Impact Assessments

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In this section, we outline our regulatory impact assessment and our assessment of our proposals on people with the characteristics protected by the Equality Act 2010. We explain any potential negative impacts we have identified and how we intend to mitigate them.

## Regulatory Impact Assessment

We have identified the following potential positive and negative regulatory impacts of our proposals:

| Proposal                                                             | Positive Impacts                                                                                                                                                                                                                                                                                                                                                           | Negative Impacts                                                                                                                                                                                             |
|----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| All proposals                                                        | The SoSC changes will help ensure that all aspiring solicitors, solicitors and employers understand the competences needed for modern, effective and ethical legal practice, and the FLK changes will help ensure that the SQE remains up to date. The changes may also give consumers more confidence that legal services provision is competent, up to date and ethical. | Some solicitors may identify new learning needs in respect of the updated SoSC. For some, there may be a cost to address this need. But it is essential that solicitors are competent to perform their role. |
| Specific reference to the use of technology in the SoSC              | This will help ensure that solicitors use technology / AI effectively and responsibly.                                                                                                                                                                                                                                                                                     | No negative impacts identified.                                                                                                                                                                              |
| Reinforcing reference to professional conduct and ethics in the SoSC | This change will reinforce the importance of solicitors having the right knowledge and skills on professional ethical duties, both at the point of qualification and throughout their career.                                                                                                                                                                              | No negative impacts identified.                                                                                                                                                                              |
| Including a section on supervision in the SoSC                       | This will make clear the competences we expect of those solicitors' responsible for the supervision of others.                                                                                                                                                                                                                                                             | No negative impacts identified.                                                                                                                                                                              |
| Including a section on health and wellbeing in the SoSC              | This will make clear the competences we expect of new and existing solicitors in relation to their own wellbeing and that of others.<br>This could benefit employees who are supervised and who have concerns                                                                                                                                                              | No negative impacts identified.                                                                                                                                                                              |

|                                                             |                                                                                                                                                                                                                   |                                 |
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|                                                             | about their health and wellbeing. It will promote a more open and inclusive workplace where concerns can be raised more freely.                                                                                   |                                 |
| Reinforcing references to equality, diversity and inclusion | This change will ensure that the wording is clear and aligned with drafting in our Principles and Codes of Conduct.                                                                                               | No negative impacts identified. |
| Changes to the language and structure used in the SoSC      | Up to date, accessible language will reflect current legal practice. This will support the competence and workplace-readiness of newly qualifying solicitors.                                                     | No negative impacts identified. |
| Changes to the FLK                                          | Updated FLK will ensure that aspiring solicitors are tested on up-to-date law, rules and principles and the content reflects the knowledge that a day one solicitor should possess at the point of qualification. | No negative impacts identified. |

## Assessment of the potential impact of our proposals on equality

In carrying out this review we were mindful of our public sector equality duty (to consider how we might also advance equality of opportunity) and the [draft expectations of the LSB](#) in this area. The proposed changes to the SoSC and FLK will help us to ensure that the SoSC and FLK represent a clear, current and relevant standard, written in a clear, inclusive and accessible way. This may reduce the risk of individuals or groups feeling or being excluded or disadvantaged.

We have been able to advance our emphasis on equality through the proposed changes in a number of ways:

- clarifying our expectations in relation to encouraging equality, diversity and inclusion by more closely aligning the statement with our principles and our requirements under the Codes of Conduct
- expanding reference to core principles of fairness, inclusion and the importance of recognising health and wellbeing in those parts of the SoSC which cover professional relationships
- expressly referencing the importance of taking steps to create and promote a healthy workplace culture
- by using more inclusive language in relation to communication and advocacy, recognising that methods of communication may change depending on the needs of the parties involved.

The amendments do not alter the underlying standard of competence required, create barriers to qualification or introduce requirements that would affect individuals differently on the basis of their protected characteristics. We considered the impact for each group and did not identify any negative impacts on equality arising from our proposed changes to the SoSC.

## **Disability**

We expect a positive impact. The changes to the SoSC regarding communication will be more inclusive to those with disabilities and those who may require reasonable adjustments to demonstrate the skills required in the competence statement. For example, removing reference to spoken and written advocacy and simply referring to 'advocacy' and replacing 'obtaining relevant information through effective use of questioning and active listening' with 'obtaining relevant information through effective interviewing'.

## **Race**

We expect a positive impact. We have aimed to ensure that the proposed updates to the SoSC and FLK are written in a clear, inclusive and accessible way, and that they do not use language that could indirectly disadvantage individuals or groups including those whose first language is not English or Welsh.

## **Age, gender reassignment, marriage or civil partnership, pregnancy and maternity, religion or belief, sexual orientation, sex**

We have not identified any evidence that our amendments to the SoSC and FLK would have either a positive or adverse differential impact in relation to these protected characteristics. However, the proposed changes to the SoSC do place a greater obligation on solicitors to promote equality, diversity and inclusion. Therefore, there could be a potential positive impact for underrepresented groups.

## **Other (eg carers, socio-economic background)**

We have not identified any evidence that our amendments to the SoSC and FLK would have any negative impact on these groups.

Overall, we have concluded that there will be positive impact on equality arising from the proposed changes because of the additional references we have included to equality diversity and inclusion as set out above.

# Impact of our proposals

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## Impact of our proposals on our regulatory objectives

We have considered the potential impacts below of our proposals on the regulatory objectives set out in the Legal Services Act 2007. Most of the impacts relate to the SoSC changes.

| <b>Legal Services Act s1(1) Regulatory Objective</b>                       | <b>Potential impact of our proposals on the Regulatory Objectives, having regard to the Better Regulation Principles (Legal Services Act ss 1 and 28)</b>                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Protecting and promoting the public interest                               | <p>Our changes are designed to make the SoSC clearer and more accessible which should help solicitors better understand what we expect in terms of competence. This should benefit the public and consumers.</p> <p>The FLK changes will ensure that all new solicitors are up to date on the law and legal practice.</p>                                                                                       |
| Supporting the constitutional principle of the rule of law                 | At this stage, we have not identified any impact of our proposals on this objective.                                                                                                                                                                                                                                                                                                                            |
| Improving access to justice                                                | At this stage, we have not identified any impact of our proposals on this objective.                                                                                                                                                                                                                                                                                                                            |
| Protecting and promoting the interests of consumers                        | Our proposals will help ensure that newly qualified solicitors and practising solicitors understand the competences we expect, which in turn will help them to provide better quality services.                                                                                                                                                                                                                 |
| Promoting competition in the provision of services                         | At this stage, we have not identified any impact of our proposals on this objective.                                                                                                                                                                                                                                                                                                                            |
| Encouraging an independent, strong, diverse and effective legal profession | <p>The proposals on technology and wellbeing will help ensure that newly qualified and practising solicitors are equipped with the competences to be more effective, resilient and ready for the future.</p> <p>The proposals on accessible language and strengthening the reference to equality, diversity, inclusion and wellbeing will help remove barriers and support the diversity of the profession.</p> |

|                                                                                            |                                                                                                                                                                                                                                                                       |
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|                                                                                            | The proposals on ethics will help support the independence of the profession.<br>The changes to language in the SoSC to make it more accessible particularly to those who need reasonable adjustments to perform their role will promote diversity in the profession. |
| Increasing public understanding of the citizen's legal rights and duties                   | At this stage, we have not identified any impact of our proposals on this objective.                                                                                                                                                                                  |
| Promoting and maintaining adherence (by authorised persons) to the professional principles | The proposals to update the SoSC in terms of ethics will help support newly qualified and practising solicitors' adherence to the professional principles.                                                                                                            |
| Promoting the prevention and detection of economic crime                                   | At this stage, we have not identified any impact of our proposals on this objective.                                                                                                                                                                                  |

## Impact of our proposals on innovation and economic growth

We have not identified any negative impact of our consultation proposals on innovation and growth.

The SoSC will continue to apply to all solicitors in England and Wales and they can use it to reflect on their practice and identify any relevant learning and development needs. This may mean that some solicitors identify further training needs. For example, on the use of technology and AI in the delivery of legal services, or a need to better understand the importance of promoting health and wellbeing in the workplace.

There may be a cost associated with addressing these needs for some firms and individuals. Whilst we recognise this cost, it is important that solicitors are competent to perform their role, and this is important for the innovation and growth of legal services in England and Wales. Solicitors are required to demonstrate their continuing competence, and as such the cost for any learning required as a result of the changes to the SoSC could form part of their annual continuous professional development.

We do not believe that our proposed changes to the FLK will have a detrimental impact on candidates in terms of costs of qualifying. The content of the FLK will not change dramatically, therefore, we do not anticipate that training courses and materials used by training providers will need to be altered significantly. Therefore, it is likely that there will be limited negative impacts on entrants to the legal services market.

Since the SQE was introduced, the number of individuals admitted each year to the solicitor's profession has grown. Keeping the FLK up to date will help enhance the reputation of the qualification and profession in England and Wales.

## Impact on how we operate

We have not identified at this stage any increased operational costs for us of implementing our proposals.

## Impact on other legal services regulators

We do not foresee that the proposed changes to the SoSC and FLK will have any impact on other legal services regulators.

Barristers, Chartered Legal Executives, Licensed Conveyancers, Costs Lawyers, Patent and Trade Mark Attorneys, Notaries and Accountants all have their own regulatory framework, including Codes of Conduct and Competency Frameworks. However, some individuals from these professions may seek to cross qualify as a solicitor and therefore such changes would be relevant to them.

We have conducted a mapping exercise and review of the competence frameworks of other regulators within the legal sector. Our proposals in relation to technology, health and wellbeing and professional conduct and ethics and equality, diversity and inclusion are already reflected in some of the competence frameworks. Therefore, we are not proposing any changes which are different and inconsistent with other regulators in the sector.

## Monitoring and evaluation

The FLK is reviewed on an annual basis. The purpose of the review is to update the FLK to reflect changes in the law and practice and make any other essential changes, and to offer clarification in the light of feedback from stakeholders where necessary. We will continue to review the FLK annually.

We will continue to listen to feedback from stakeholders and monitor changes in legal practice and the profession to determine whether and when further changes are needed to the SoSC.