Solicitors Regulation Authority

SRA response

Legal Regulation Review call for evidence

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Covering letter

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9 April 2009

Dear David

Legal Regulation Review: Call for Evidence

On behalf of our Board I am pleased to enclose the SRA's response to the Call for Evidence of the Legal Regulation Review, an independent review of the regulation of law firms established by the Law Society in its capacity as the representative body for solicitors.

As you know, we have also provided evidence and comment to the associated Smedley Review on the regulation of corporate legal work. We shall be responding fully to the Smedley Review by June, and will supply you with that response, which we shall invite you to take into account in your final report. We have not attempted in this document to anticipate that response.

It is important to emphasise that the SRA is in the middle of a major programme of regulatory reform, based upon a strategy which we finalised towards the end of 2006 following consultation, which takes into account the provisions of the Legal Services Act and, increasingly, the priorities emerging from the Legal Services Board. Our consideration of the outcome of the Smedley Review and, in due course, of your review, will need to take that broader context into account.

We have, of course, already written to you about the work we are undertaking to prepare for the changes brought about by the Legal Services Act 2007, and have had very constructive discussions with you during the course of your review to date. The approach we have adopted to the Call for Evidence is not to attempt to answer individual questions (many of

which raise issues which the LSB will want to discuss with legal regulators) but to summarise the SRA's programme of regulatory reform, focusing on some key initiatives which we believe to be of particular interest.

We look forward to further opportunities to discuss these and other points with you. If you would find it helpful for us to comment on any specific questions we will be happy to do so, and we may well wish to comment on your initial findings.

The LSB has recently published its first Draft Business Plan for 2009/10 [http://www.legalservicesboard.org.uk/] , on which we have submitted our comments. The LSB says that its goal is simple and clear—to reform and modernise the legal services market place in the interests of consumers, enhancing quality, ensuring value for money and improving access to justice across England and Wales.

This—as the LSB recognises—is an ambitious goal, which encapsulates the programme of reform which Parliament embodied in the Legal Services Act 2007. The SRA wholeheartedly supports the plan's objectives and the direction of travel which it sets out.

We believe that the achievement of those objectives will require the development of a genuine partnership between the LSB and the SRA and our colleagues in the other legal regulatory bodies. It will also need constructive dialogue between the representative and regulatory functions of the approved regulators.

For the SRA, that means effective working relationships and the mutually beneficial exchange of views with the representative Law Society in its role as primary consultee on behalf of the solicitors' profession. We hope that your review's report will make an important contribution to that process, to which we are fully committed.

Yours sincerely

Peter J Williamson

Chair of the SRA Board

The reform of regulation

1. The SRA Board [https://www.sra.org.uk/board] was established in 2006, initially under the title "Law Society Regulation Board". The SRA was formally launched in January 2007.

2. From the outset it was clear to the Board that it would need to take forward a significant programme of reform. This would have a number of drivers:

1. The passing of the Legal Services Act 2007 would introduce major change to the legal landscape. The SRA would have to work with the Law Society [http://www.lawsociety.org.uk] , with other stakeholders and, in due course, with the Legal Services Board [http://www.legalservicesboard.org.uk] (LSB) to ensure that that change was managed effectively in the interests of the public and consumers of legal services. This would include establishing the SRA as a credible public interest regulator, transparently separate from the Law Society's representative interests, whilst laying the groundwork for the implementation of new forms of legal practice through a model of firm-based regulation
2. The requirements of good regulation would mean that the work of the regulator would have to become more proportionate, consistent, transparent and accessible. This would encompass a wide range of issues, including moving from the historic processes inherited from the Law Society to risk based, competence based and principles based models of regulation.
3. None of this could be achieved by more resource alone (although the right level of resources would be critical), but would demand increased efficiency and effectiveness through improvements to systems, processes, working practices and organisational structures.

3. The Board published its strategy, setting out strategic objectives and outcomes, in late 2006. The strategy set out the SRA's purpose as

   To set, promote and secure in the public interest standards of behaviour and professional performance necessary to ensure that clients receive a good service and that the rule of law is upheld

   The strategy defined the principles which would underpin the SRA's work as

   1. to be fair and consistent in our contacts with the public and the regulated community;
   2. to be inclusive and actively promote equality and diversity [https://www.sra.org.uk/equality] in the way we undertake all our activities;
   3. to act independently of, but in consultation [https://www.sra.org.uk/sra/consultations/] with, our stakeholders including consumers, the profession and its representative bodies, the judiciary and government;

4. to operate in accordance with Good Regulation principles [https://www.sra.org.uk/sra/strategy#appendix] adopting a risk-based approach to regulation [https://www.sra.org.uk/archive/risk/] ;
5. to be open and accountable;
6. to demonstrate value for money.

4. The strategy is based on the delivery of five key objectives ("strategic themes") encompassing the following:
    1. Setting the standards;
    2. Support and monitoring;
    3. Consumer protection, enforcement and discipline;
    4. Access to justice, transparency and consumer information;
    5. Organisational improvement.

5. Towards the end of 2008, the SRA published its first strategic plan, covering the period 2009–2012. The plan sets out in more detail how the objectives will be achieved and measured. The SRA also publishes annual business plans. The business plan for 2009 sets out progress during 2008, including efficiency savings achieved, and the key deliverables for the current year.

6. Closely aligned to the delivery of our strategy is the implementation of our equality and diversity strategy, and its associated action plan. This was developed following the publication in summer 2008 of the report of the independent review which the SRA commissioned by Lord Ouseley into disproportionate regulatory outcomes for black and minority ethnic solicitors [https://www.sra.org.uk/ouseley/] (which found no evidence of inappropriate sanctions being imposed in individual cases).

7. We are keenly aware of the importance of communicating with our diverse stakeholder groups. [The SRA's communications strategy for 2009 was attached to this response at Annex 5 [#annex] ; it will be published here shortly.] The SRA's communications strategy for 2009 includes the continuation of our successful programme of regulation roadshows for solicitors. The Board has also recently approved the SRA's first consumer engagement strategy, which includes consumer research. [This was attached to our response at Annex 6 [#annex] ; it will be published here shortly.]

8. In 2006 we identified the introduction of new information technology as fundamental to our ability to deliver the

strategic objectives. The SRA was then, and still is now, reliant on two main IT systems which date from the 1990s and which cannot meet the requirements of risk-based and firm-based regulation. Modern regulation needs to be information led in order to be focused and proportionate. Our current legacy systems restrict our ability to gather and use information; to undertake proactive identification of regulatory risk; to deliver the effective firm-based regulation which the Legal Services Act requires; and to enable solicitors to conduct business with us online.

9. We quickly began work in close consultation with the Law Society's IT department, and had initially hoped to start decommissioning the old systems in the summer of 2008, but the programme has been subject to very substantial delay, which has slowed the pace of regulatory improvement.

10. However, the recent and welcome decision by the Law Society's Management Board to recommend funding to Council will mean (if accepted) that we will be able to move forward with an ambitious Enabling Programme, as set out in the Enhanced Blueprint. [This was attached to our response at Annex 7 [#annex] ; it is not a public document.] Over the next three years, the Enabling Programme will provide the SRA at last with new systems which will help us to transform our processes, ways of working and organisational structures to meet the demands of modern regulation.

11. In the remainder of this document, we set out in more detail some of the key areas which the SRA has been addressing. The common thread running through all the solutions we have proposed or implemented is the need to deliver regulation which is proportionate, accountable, consistent, transparent and targeted as required by the Principles of Good Regulation [https://www.sra.org.uk/sra/strategy#appendix] .

Securing independent regulation

1. The LSB's recently published draft business plan [http://www.legalservicesboard.org.uk] says that:

   "Independent and transparent regulation is an essential hallmark of a publicly credible regulatory system…consumer confidence in a regime that was perceived to be 'run by lawyers, for lawyers' could not be sustained. The Act therefore requires us to make rules that can give effect to the reality and—importantly—also to the perception of regulatory independence".

2. It was because consumer confidence was lacking—rather than because the Society's existing regulatory practices were inherently incapable of reform—that the separation of regulation from representation was recognised as an imperative, by the Society itself in 2004–5, by Sir David Clementi, and by Parliament in the Legal Services Act [https://www.sra.org.uk/sra/legal-services-act/] . The SRA is the largest by far of the legal regulatory bodies, and, if the perception takes hold that it is not truly an independent, public interest regulator, then the post-Clementi settlement will be seriously, perhaps irretrievably, damaged.

3. Our firm view is that regulatory functions must be demonstrably—not just technically—independent from representative functions if the new regulatory framework is to gain public confidence. That does not, of course, mean that the SRA must become independent from the Law Society Group. The SRA's Board was appointed to make the Clementi model—as embodied in the Legal Services Act—work effectively. Since 2006 we have been trying to agree a solution with the Law Society which will secure credible independence for the SRA *within* the Law Society Group. When we talk of an independent SRA, we mean independence from the representative interests of the Law Society, not from the Society as a corporate body.

4. The Legal Services Act designates the Law Society as approved regulator [https://www.sra.org.uk/solicitors/handbook/glossary/#approved_regulator] (AR). It also says that the LSB must make internal governance rules setting out the requirements to be met by ARs for the purpose of ensuring that the exercise of an AR's regulatory functions is not prejudiced by its representative functions; and that decisions relating to the exercise of an AR's regulatory functions are so far as reasonably practicable taken independently from decisions relating to the exercise of its representative functions.

5. In law the SRA is part of the Law Society as a corporate entity, and therefore part of the AR. The Society has delegated substantial regulatory (including rule-making) powers to the SRA in order to create a separate regulatory function. What it has not done, however, is to create a separate representative function, or to establish a 'neutral' corporate Society which is neither regulatory nor representative.

6. Under the arrangements currently in place, the representative Council and Management Board, and the executive management responsible to them, act under the name "the Law Society" both as AR (in which role they exercise oversight powers in relation to the SRA) and as representative function (in which role they represent the profession to the SRA). This leads to the problematic outcome that whilst "the Law Society" seeks to distinguish between the role of approved regulator and the actual discharge of the regulatory function by the SRA, it is unable to make any transparent and convincing distinction between its exercise of the role of approved regulator and the exercise of its representative role. The SRA has experienced a number of examples of the conflicts or perceived conflicts of interest which this generates.

7. In the SRA's view, this is inconsistent with the requirements of the Legal Services Act. It is also a source of much unhelpful conflict and confusion within the Law Society Group, and—we suspect—is baffling to many consumers and solicitors.

8. The current situation makes it hard for consumers, or indeed solicitors, to understand what is meant by "the Law Society" in any given context: Is it the approved regulator? Or the corporate group? Or the body representing the interests of solicitors? The muddle to which it has given rise will inhibit the development of the SRA's identity as a true public interest regulator.

9. Although we appreciate that your review relates to the substance of regulation rather than to organisational arrangements, in practice the two cannot be separated. Effective regulation requires the confidence of consumers, which will be impossible to achieve under the present arrangements.

10. The LSB is currently consulting on regulatory independence. We will be responding to that consultation, but as a contribution to the debate have already published documents on principles which ought to underpin independent regulation [https://www.sra.org.uk/sra/strategy/independent-regulation/governance-principles] , and a new governance model for the Law Society Group [https://www.sra.org.uk/sra/corporate-strategy/independent-regulation/] . The latter deals not only with the Law Society's governance structures, but also with securing the accountability of the SRA. We believe that it is essential that the LSB's work on internal governance rules in 2009 leads

to the necessary changes to current arrangements being made, allowing effect to be given to the intention of the Legal Services Act.

Competence-based regulation

1. Whilst parts of the inherited structure for assuring the quality of the profession had considerable merit, it was fragmented and lacking in overall coherence. We have made significant progress towards our objective of providing a strategic approach to ensuring that solicitors are able to achieve and maintain the high standards of professional competence needed for successful modern legal practice.

2. In 2006 we inherited a long-running Law Society review of the initial Training Framework, the final and quite limited conclusions of which had been agreed by the Law Society Council in December 2005. The main development was the establishment of a set of Day One Outcomes (DOOs), which specified what a newly qualified solicitor should be able to do. The SRA has sought to build on this foundation a substantial and overdue set of practical reforms of the initial training arrangements, designed to meet the following goals (which themselves derive from the statutory regulatory objectives):
    1. a further switch from a time-served approach to training to one based on outcomes and demonstrable competence;
    2. high, demonstrable and enforceable entry standards based on the DOOs;
    3. ensuring that the content of initial training keeps abreast of the changing knowledge and skills needs of the profession;
    4. the removal of unnecessary gold plating, in particular in the legal practice course (LPC), for example, mandatory staff/student ratios;
    5. broadening access to the profession and improving equality and diversity by removing unnecessary (and in some cases potentially anti-competitive) barriers to entry for people who are otherwise able to demonstrate compliance with the requisite standards.

3. This programme has been developed with the help of a diverse Education and Training Committee, including legal academics, LPC providers and practitioners from large-firm, small-firm and in-house practices, and a member from a different professional background. Specialised working groups have been used to develop reform proposals in specific areas, such as LPC content and qualified lawyers

transfer (QLTR) changes. The groups have included Law Society representatives as well as relevant experts from academia and professional practice. Major changes are, of course, the subject of widespread consultation, the results of which are of genuine help to us in shaping the final schemes.

4. Our work has been carried forward through a series of initiatives including the following:
    1. The finalisation and implementation of the new LPC—from 2009, providers may offer a new-style LPC ("LPC2"), enabling greater flexibility in the design and delivery of courses, and offering more choice for students.
    2. Pre-qualification Work Based Learning (WBL)—in 2007, the SRA consulted on a new framework for assessing trainee solicitors' performance. The aim is that there will be one route to qualification and one common set of outcomes, but with much more flexibility about the content and format of learning and assessment tools. This will be tested through a WBL pilot [https://www.sra.org.uk/globalassets/documents/sra/research/work-based-learning-evaluation-report-final-august-2012.pdf?version=4a1ace] which began in September 2008, and will run until 2010, with cohorts of full-time and part-time participants.
    3. Transfer arrangements into the profession for qualified lawyers (QLTR)—revised guidance on qualified lawyers' transfer took effect in September 2008, as an interim measure. A consultation on proposals for radical revision of the regime is currently taking place, with an objective of agreeing new processes by 2011.

    Each is described in more detail in the paragraphs below.

LPC2

1. Changes being introduced this year and in 2010 clarify the minimum mandatory content in terms of specific outcomes; introduce additional flexibility both in content (to meet the needs of an increasingly specialised profession) and in the structure of the course, to allow students a wider range of part-time and interrupted participation (or to allow the elective elements to be integrated with training contract seats if employers wish); strengthen the arrangements for validation of courses and for external examiners, and for resits, to sustain more uniform high standards; and remove much detailed prescription on staff/student ratios, forms of student contact etc which tend to inflate costs and are best

left to the competitive market coupled with good information for prospective students.

WBL

1. A pilot scheme was launched in 2008, running to 2010, to explore both clearer requirements based on the DOOs for the outcomes to be expected from the training contract period of work based learning, and to provide an alternative to the traditional training contract for LPC graduates who are unable to obtain a training contract placement. The pilot involves both existing training firms (large and small), and candidates who are not in a conventional training contracts but are being provided with the necessary supervision and support by other means, but all working to common and more clearly specified outcomes, and with a clearer assessment or readiness to qualify than currently exists. Since large scale roll out of these changes will not be possible before late 2011 at the earliest, some limited interim changes to the training contract are planned for later in 2009.

QLTR

1. The scheme for allowing overseas lawyers to qualify to practise in England and Wales contains a number of anomalies, and does not provide a good equivalence to the normal domestic route to qualification. Proposals for a radical reform to the scheme have recently been out to consultation, and would involve a major expansion of the jurisdictions to which the scheme would be applicable, a more comprehensive and appropriate set of standards and related assessments, and the removal of the explicit requirement for a period of practice in England and Wales, or under the supervision of an England and Wales solicitor (though the assessment arrangements will be very challenging for those without such experience).

2. The SRA is also planning a major discussion with the profession during 2009 on the **assurance of quality** at the post-qualification stage, in the context of the planned shift in emphasis generally towards the regulation of firms as against individual solicitors, but also engaging the issue of the right role for regulation in this area generally. A discussion paper should be published shortly.

Principles-based regulation

1. The Solicitors' Code of Conduct [https://www.sra.org.uk/rules] came into force on 1 July 2007, following several years' work by the SRA and its Law Society predecessors. It

replaced the Law Society's Guide to the Professional Conduct of Solicitors, which had been criticised for its sometimes confusing and unwieldy structure and content. The Code is based on a series of core principles [https://www.sra.org.uk/rule1] which are strongly consumer focused. It was designed to support a shift from rules-based towards principles-based regulation, and to achieve a number of specific aims:

1. a clear set of professional principles, from which all rules derive;
2. a simplified structure;
3. the expression of a clear purpose for each rule;
4. clear and simple language;
5. targeting risk;
6. raising standards of service to clients;
7. identifying and maintaining essential client protections.

2. The Code is available online, and is subject to continuing review and amendment. An initial review of all outstanding issues raised in relation to the Code will be completed in the first half of 2009, with changes agreed later in the year. The Code has already been amended to meet the requirements of firm-based regulation and arrival of new forms of business structure under the Legal Services Act.

3. Following issues raised by the City of London Law Society , we have recently consulted specifically on proposals for amendments to the rules relating to conflict of interests and duties of confidentiality and disclosure (which had their origins in the early 2000s). The first amendment would increase the circumstances under which firms can act for sophisticated clients with conflicting interests where the clients give informed consent. The second would extend the circumstances in which information barriers can be used without the consent of the client whose confidential information is being protected. Both are of primary concern to solicitors who undertake corporate legal work on behalf of sophisticated clients.

Risk-based regulation

1. One of the SRA's aims has been to move to a modern system of targeted regulation based on the analysis of information and the assessment of risk. The objective is to protect consumers by ensuring that resource is targeted where the risk is highest. Although we have been impeded

in this aim by our reliance on inherited out-of-date information technology, it has nevertheless been possible to make substantial progress.

2. A new risk assessment process was fully implemented in early 2008. The new approach applies consistent, comprehensive and transparent (published) risk scoring to all reports. Work is then designated to individual units according to the urgency, risk score and regulatory treatment required, using clear rules. The processes and scoring are subject to quality assurance and may be adjusted in the light of experience. More detail is provided in Annex 11 [#annex] .

3. The new process applies to our programme of monitoring and advisory visits: we make use of the SRA risk classification, incorporating some additional factors, in order to target visits. Our Risk Assessment and Designation Centre, which was established in 2008 to consider all non-confidential reports of possible misconduct, is now extending its support into admission and renewal assessment processes, with particular focus on the development of firm-based regulation; as well as refining background checks within the reactive risk processes. Further work is planned during 2009 to analyse the weighting and range of risk indicators against outcomes in order to improve our proactive targeting. We will build on this on as more information and new technology become available in 2010 and beyond.

Firm-based regulation

1. One of the key elements of the Legal Services Act is the implementation of new forms of legal practice. We have been working with the Ministry of Justice and other stakeholders for the last two years in laying the groundwork.

2. We made a package of rule and regulation amendments in July 2008, and have introduced new procedures to regulate legal disciplinary practices (LDPs) under a firm-based regulation framework from 31 March 2009. However, the changes go wider than LDPs because firm-based regulation means that all existing partnerships will need to be regulated as recognised bodies [https://www.sra.org.uk/solicitors/handbook/glossary/#recognised_body] . We have established passporting arrangements for current firms, but any new firm setting up from March will also need recognition. In a separate process in July 2009, sole practitioners then practising will be passported to become recognised sole practitioners

[https://www.sra.org.uk/solicitors/handbook/glossary/#recognised_sole_practitioner] , and from that date any new sole practitioner will need to be recognised before commencing practice.

3. Alternative business structures (ABSs [https://www.sra.org.uk/consumers/using-solicitor/legal-jargon-explained#abs]) cannot be authorised until the LSB is empowered and has decided the detail of its new licensing scheme. Regulators will then apply to the LSB to become licensing authorities for the purpose of ABS regulation. It is likely to be at least 2011 before proposed ABSs will be able to apply for a licence to operate.

4. The SRA has already begun work on planning for ABSs, so as to be ready to take them forward when the LSB is in a position to establish the regulatory framework. The process will involve consultation, formation of new policies, rules and procedures. Assuming the LSB approves, secondary legislation will be needed to give us the necessary powers.

5. Much of our recent work has necessarily concentrated on the changes in rules, regulations and procedures to enable new forms of practice from March 2009. This has involved concentration on what may look like little more than administrative processes. Getting these processes right is essential, but they are only a part of the picture.

6. The Legal Services Act has also given the SRA new powers to impose sanctions (publishable rebukes and fines) on firms, as well as on individual solicitors, and in relation to non-solicitor managers and employees. We have recently consulted on how the SRA intends to adapt its policies relating to enforcement and disciplinary action in the light of new statutory powers relating to firms. We regard this as an opportunity to look afresh at existing practice, in the context of both firm-based regulation, and the development of risk-based regulation.

7. The amendments to our statutory powers in Schedule16 of the Act go well beyond what was necessary to enable us to regulate LDPs. The previous legislation was based on an old-fashioned form of professional regulation, focused on individuals. Too much prescription and detail was embedded in primary legislation, limiting flexibility. Firm-based regulation, while essential—as Clementi recognised—for the proper regulation of LDPs and ABSs, is also desirable in itself. It allows the SRA to increase significantly our capacity to develop as a risk-based regulator, and to regulate in accordance with good regulation principles. The new flexible, firm-based powers, together with new technology,

will allow us to transform all our processes and procedures in ways previously unavailable.

8. Firm-based approaches to regulation are also very relevant to the development of a new model of regulation for large firms undertaking corporate legal work. We have noted that the direction of travel for the regulation of the corporate legal sector outlined by the Smedley Review has much in common with the implementation of firm-based regulation under the Legal Services Act.

Fair, transparent and proportionate regulation

1. It is suggested from time to time (often on the basis of anecdote) that our procedures are oppressive and not compliant with human rights; or that our regulation is disproportionate and focuses on trivial issues.

2. These are clearly important issues which we must, and do take extremely seriously. It is certainly true that we inherited some regulatory practices from the Law Society's previous regulatory arrangements that were lacking in transparency, proportionality and consistency, and which sometimes placed too much reliance on a "box-ticking" approach. We have worked hard to improve the position, and continue to do so through the development of risk-based regulation [https://www.sra.org.uk/archive/risk/] , our equality and diversity strategy, our decision-making project and other initiatives.

3. We recognise that our investigatory processes are inevitably intrusive, and may cause disruption and anxiety to solicitors, and that this is exacerbated by the historical secrecy surrounding them. We have, therefore, implemented changes to bring greater transparency into the regulatory process. We have consulted on and published the key principles which underlie our regulatory decision making [https://www.sra.org.uk/sra/decision-making/] , and are rolling out reform of our processes to ensure they are consistent with the principles; and have made proposals to give reasons for our investigations except where the public interest requires otherwise, which are currently the subject of consultation.

4. Although the SRA has often been challenged in the courts, no breach of the Human Rights Act 1998 has been found against us. Disciplinary proceedings, interventions (closures) of firms and controls imposed in relation to practising certificates exist, of course, within a statutory framework, with statutory rights of appeal to the courts where allegations of unfairness and impropriety can be properly ventilated.

5. The suggestion that we focus disproportionately on breaches at the lower end of the scale is not consistent with an analysis of the regular summaries of performance measures and statistics [https://www.sra.org.uk/sra/how-we-work/archive/reports/] published on our website. For example, in relation to complaints alleging professional misconduct, in 2008 we closed 4,411 matters without any formal investigation; we made formal decisions to uphold allegations through a series of graduated outcomes—letters of advice, findings and warnings, reprimands, or regulatory settlement agreements—in 603 cases; and we referred 190 matters to the Solicitors Disciplinary Tribunal [http://www.solicitorstribunal.org.uk] . We introduced regulatory settlement agreements as a form of proportionate regulatory action in cases where firms were prepared to accept responsibility for their breaches.

6. The percentage of prosecutions by the SRA in the independent Solicitors Disciplinary Tribunal where no order was made was under 3 per cent in 2007 and 2008. Successful challenges to statutory interventions are exceedingly rare. These figures do not suggest that we are pursuing trivial issues.

7. Monitoring visits by the SRA's Practice Standards Unit (PSU), far from picking on trivial errors, have a demonstrable influence on public satisfaction and compliance. Our statistics show that firms which have received a PSU visit generate fewer complaints after that visit than firms which have not. On the other hand, in 2008 only 6 per cent of firms receiving a PSU visit were formally referred to another SRA unit for action. We regard these figures as evidence of successful preventative regulation on which we can build.

Engaging with our stakeholders

1. Communication and consultation with stakeholders are important but difficult issues for every regulator, and it may be helpful for us to set out some of the ways that the SRA is using to engage with its stakeholder groups. In addition to the matters set out below, we have of course also had regular contacts with Parliamentarians, the consumer bodies, and the representatives of groups within the profession.

2. The SRA has already undertaken well over 30 formal consultations. We are currently developing a new consultation strategy. The strategy will aim to improve the

way the SRA consults by enhancing our understanding of stakeholders' needs, improving decision making on consultation responses and providing better feedback to our stakeholders, as well as increasing the coordination and improving the quality of our consultation activity.

3. We are moving away from the presumption that one method is enough for every consultation. We have also begun to use targeted consultation, which may involve focus groups and emails as well as the standard web-based approach. The work on consultations currently being undertaken will cover alternative and additional methods of consultation, as well as asking considering the merits of stakeholder engagement rather than formal consultation in appropriate circumstances

4. In February 2009, the Board approved the SRA's first Consumer Engagement Strategy and work programme, with the purpose of increasing the transparency of our regulatory activity to consumers, and actively to involve consumers in shaping our future regulatory approaches.

5. A key component of this work is undertaking research into consumer experiences of solicitors, and we are currently analysing the results from two major research studies we commissioned of 1,000 adults across England and Wales. The first explores consumer experiences when using solicitors and awareness of the protections that exist within the regulatory framework; the second focuses on consumers using solicitors for conveyancing. We will use the findings to inform our future work with consumers and the SRA's policy development. Further consumer research studies are planned for 2009. This research follows on from some earlier research on consumer understanding and expectations of solicitor services, and attitudes towards referral arrangements, which we published in 2008.

6. Another strand of the work programme is concerned with sharing best practice on consumer engagement with other professional regulators, and to achieve this we chair a Regulators' Forum that meets twice a year. Forum members include regulators of other professions, all of whom are concerned to involve consumers in their policy making and in the development of their regulatory activity. The Forum was established as the result of a roundtable event for regulators and consumer groups which the SRA and the National Consumer Council held jointly at the end of 2007.

7. We held regulation roadshows for solicitors at nine locations across the country in 2008, reaching more than 800 solicitors. Overall feedback has been positive, with solicitors

rating the presentations highly and asking for more frequent events. The roadshow format is tailored to topical issues, but usually includes presentations by the Chair and Chief Executive updates on progress on the Legal Services Act changes and LDPs, and information on Practice Standards Unit visits, with the opportunity for questions and discussion. They are a way for us to engage directly with the profession, and for solicitors to ask questions and raise any concerns or issues.

8. There will be a further nine roadshows in 2009, three of them jointly branded with practitioner groups representing black and minority ethnic (BME) solicitors; in addition we will be holding two joint workshops with BME groups as part of our programme of engagement with this section of the profession.

9. Our electronic updates to the profession are newsletters containing short summaries of key regulatory news, with links to more detailed information. They are sent out approximately quarterly. The latest issue (January 2009), was opened by 40,000 people, with 12,000 clicking through to read the more-detailed information.

10. We relaunched the SRA website in June 2008 with separate segments for different audiences: solicitors, students/trainees, and consumers, as well as a corporate section. Traffic to the website continues to rise: the number of unique visitors rose by 69 per cent in January 2009 over January 2008 (in 2008, 560,000 unique visitors visited the site, with 1.1 million visits in total).

11. At Annex 13 [#annex] of our response, we listed for information the current and completed formal consultations which the SRA has carried out since its creation (we have, of course, also consulted informally with the representative Law Society and other stakeholders on many issues). This provides an indication of the level of regulatory reform which the SRA has already implemented or plans to introduce.

12. The pace of regulatory change since the SRA was established is such that perceptions, in the profession and elsewhere, of how we regulate are likely to run behind reality. We would be very interested to learn about the ways of engaging with stakeholders adopted by others who respond to your Call for Evidence.

13. A large amount of material about the work of the SRA and our programme of regulatory reform is available on our website.

Annexures

- Annex 1 – SRA Board Strategy [https://www.sra.org.uk/sra/corporate-strategy/]
- Annex 2 – SRA Strategic Plan
- Annex 3 – SRA Business Plan 2009 [https://www.sra.org.uk/sra/corporate-strategy/business-plans/business-plan/archive/sra-business-plan-2009/]
- Annex 4 – SRA Equality and Diversity Strategy and Action Plan
- Annex 5 – SRA Communications Strategy and Action Plan
- Annex 6 – SRA Consumer Engagement Strategy
- Annex 7 – SRA Enhanced Blueprint (This paper contains commercially sensitive data and is restricted under paragraph 14.9 of the Code of Practice on Freedom of Information to members of the Law Society Management Board and Council.)
- Annex 8 – LSB Draft Business Plan [http://www.legalservicesboard.org.uk/] and SRA response
- Annex 9 – SRA Governance Principles [https://www.sra.org.uk/sra/strategy/independent-regulation/governance-principles]
- Annex 10 – SRA Governance Model [https://www.sra.org.uk/sra/corporate-strategy/independent-regulation/]
- Annex 11 – SRA Risk Assessment Process [https://www.sra.org.uk/archive/risk/]
- Annex 12 – SRA Key Principles of Decision Making [https://www.sra.org.uk/sra/decision-making/]
- Annex 13 – SRA Consultations [https://www.sra.org.uk/sra/consultations/]