

News release

SRA consults on 2020-21 business plan, budget and principles for setting future Compensation Fund contributions

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The Solicitors Regulation Authority (SRA) is consulting on its forward business plan and budget for the first time as part of its commitment to accountability and transparency.

In addition to the SRA's core work to protect the public and deliver effective regulation of law firms and solicitors, key areas of work set out in the 2020-21 business plan include:

- the planned introduction of the Solicitors Qualifying Examination
- responding to the implications of the Covid-19 pandemic for the legal sector
- increasing monitoring of anti-money laundering arrangements
- understanding and supporting the adoption of technology in the legal sector
- supporting the legal sector through the transition toward the UK's EU exit
- establishing an SRA office in Wales

Paul Philip, Chief Executive, said: "This is the first time we have consulted on our forward business plan and how we intend to allocate our budget across our three complementary and interlinked strategic objectives. I am looking forward to hearing views of the public, profession and partner organisations.

"We are of course consulting against the backcloth of the Covid-19 pandemic. It will be some time before the implications of the pandemic for the users of legal services, the wider economy and the profession itself are fully understood, and you can see that reflected in the plan itself."

The business plan is set in the context of longer-term work to meet the objectives agreed during a previous public consultation on the SRA's 2020-2023 Corporate Strategy. The three objectives focus on setting and maintaining high professional standards, supporting the adoption of legal technology and innovation, and understanding emerging opportunities and challenges for the users of legal services and the legal sector.

This consultation [<https://www.sra.org.uk/sra/consultations/consultation-listing/business-plan-2020-21/>] runs until 26 August 2020. It takes place, in part, alongside the

Law Society Group consultation on the level of the practising certificate fees for 2020/21, which runs until 10 July 2020. The SRA has therefore encouraged responses on the budget component of the business plan prior to 10 July.

As part of this consultation, the SRA is also asking for views on its proposed principles for managing its Compensation Fund, which is a key part of consumer protection and supports public confidence in solicitor firms and the reputation of the profession. Every year the SRA Board decides on the level of the profession's contributions to the fund, based on information about trends, past and prospective claims and interventions.

The proposed principles address how the SRA will set future contribution levels in a way that ensures the fund is both sustainable for those who need it and affordable for the firms and solicitors that pay for the fund.

These principles are:

- The overriding principle will be to maintain the viability of the fund
- The SRA will ensure that the professional contributions to the fund are as manageable as possible for those we regulate
- The SRA will collect the contributions to the fund in a way that is manageable for those we regulate
- The SRA will be transparent about the fund monies and their management

Paul Philip, SRA Chief Executive, said: "We have to maintain the viability of the Compensation Fund so that it can continue to provide protection for consumers and support public confidence in solicitor firms and the reputation of the profession.

"As part of our commitment to increased transparency and accountability, we are now consulting on the proposed principles that our Board will consider when setting the level of Compensation Fund contribution levels in the future."

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