

# SRA Business Plan

## November 2015 to October 2016

Published 2 December 2015

### Introduction and summary

1.1 The SRA regulates the conduct of solicitors and law firms to protect consumers and to support the rule of law and the administration of justice.

1.2 This Business Plan sets out our programme of work for the period 1 November 2015 to 31 October 2016 (the Board's financial year runs from November to October).

1.3 The plan is set in the context of our [Corporate Strategy 2014/15 to 2016/17](https://www.sra.org.uk/sra/corporate-strategy/) [https://www.sra.org.uk/sra/corporate-strategy/], published in November 2014, and provides greater detail on the activities we will undertake, and the resources we will use in 2015/16 to progress the delivery of that strategy.

1.4 The strategy sets four objectives for delivery over the three year period it covers. These are to:

- reform our regulation to enable growth and innovation in the market and to strike the right balance between reducing regulatory burdens and ensuring consumer protection;
- work with solicitors and firms to raise standards and uphold core professional principles;
- improve our operational performance and make fair and justifiable decisions promptly, effectively and efficiently; and
- work with our stakeholders to improve the quality of our services and their experience when using them.

1.5 In this Business Plan we have set out details of the activities we will undertake in 2015/16 which will contribute towards the achievement of each of these objectives over the period covered by the Corporate Strategy. Our work in 2015/16 will build on the programmes delivered in 2014/15 and continue to:

- improve our regulatory approach so that it is more proportionate and targeted, works better for consumers and those we regulate in the increasingly diverse legal services market and which imposes a reduced burden on those we regulate; and
- improve our performance in delivering our regulatory remit: improving operational effectiveness, being more transparent about our service standards and performance against them, delivering a



better customer experience for all those who interact with us and improving efficiency.

1.6 In November 2014 we also published our [Equality, Diversity and Inclusion \(ED&I\) Strategy](https://www.sra.org.uk/sra/equality-diversity/) [https://www.sra.org.uk/sra/equality-diversity/] to set out, in a single document the work we will be undertaking in this area. The strategy covers our work to:

- focus on creating a more diverse organisation and the way in which we work together;
- focus on the way we operate, our rules and the decisions we make, the impact that has on those we regulate, and helping firms and individuals to understand and comply with our requirements; and
- focus on working with those we regulate to support them in achieving a more diverse and inclusive profession.

1.7 It is important that we set out all of our work in this area in a single document. We do this in the ED&I Strategy. However, our work on this issue is not separate to the broader programmes of activity we set out in this plan. To be effective, and to deliver the change we are determined to achieve, we consider ED&I as integral to everything we do and everything we are developing and implementing. Within this plan we highlight a number of areas where we consider that the wider changes we are delivering will also have a specific impact in delivering our ED&I Strategy.

1.8 We will publish information about our performance in delivering this plan in our annual reports.

## Strategic Objective One

**We will reform our regulation to enable growth and innovation in the market and to strike the right balance between reducing regulatory burdens and ensuring consumer protection**

2.1 Our most significant work programmes in 2015/16 will focus on two main areas of regulatory reform:

- identifying and removing, or reducing, structural regulatory barriers to innovation and growth; and
- reducing regulatory burdens which are not proportionate or do not provide essential regulatory protections which cannot be achieved through more targeted and proportionate measures

2.2 In 2014/15 we made changes to our regulatory arrangements to remove unnecessary barriers to the entry of multi-disciplinary (MDP) alternative business structures (ABS) to the market; amended our "separate business rule" to remove unnecessary restrictions and provide more proportionate requirements to ensure consumer protection; and



removed regulatory restrictions which unnecessarily limited the range of activities which may be delivered by traditionally structured and owned solicitors' practices.

2.3 As well as being framed by our corporate objectives, this programme was supported by the publication, in May 2014, of a Policy Statement, "Approach to Regulation and its Reform". In order to support the next phase of our reform programme we will publish an [updated version of the Policy Statement](https://www.sra.org.uk/sra/policy/regulation-reform/) [https://www.sra.org.uk/sra/policy/regulation-reform/] at the beginning of 2015/16.

2.4 In 2015/16 we will progress a review and reform of the [SRA Handbook](https://www.sra.org.uk/solicitors/handbooktemp/welcome1ab/) [https://www.sra.org.uk/solicitors/handbooktemp/welcome1ab/]. This will both take account of the reforms already made to our regulatory arrangements and also focus on the [SRA Principles](https://www.sra.org.uk/solicitors/handbook/handbookprinciples/) [https://www.sra.org.uk/solicitors/handbook/handbookprinciples/] and [Code of Conduct](https://www.sra.org.uk/solicitors/handbook/code/content/) [https://www.sra.org.uk/solicitors/handbook/code/content/] and the [SRA Practice Framework Rules](https://www.sra.org.uk/solicitors/handbook/practising/content/) [https://www.sra.org.uk/solicitors/handbook/practising/content/]. In considering the latter, we will particularly focus on the regulatory approach for solicitors working in non-SRA regulated entities.

2.5 Our aim will be to ensure that our expectations of those that we regulate are clear and proportionate and that the diversity of practice in the modern legal market is properly reflected and accommodated. In addition we will be seeking to make the regulatory arrangements shorter and simpler in order to assist those we regulate to comply.

2.6 As a part of this reform programme we will also continue to progress our work on the holding of client money and the [SRA Accounts Rules](https://www.sra.org.uk/solicitors/handbook/accountsrules/content/) [https://www.sra.org.uk/solicitors/handbook/accountsrules/content/] and on the arrangements for ensuring client financial protection through our compensation arrangements and requirements for indemnity insurance.

2.7 During 2015/16 we will also review the way in which the cost of regulation is reflected in the annual fee collection exercise, including the split in fees charged to individuals (the practicing certificate fee) and firms (the turnover based entity fee). Additionally we will review other charges including authorisation charges to ensure these are cost reflective, proportionate and fair.

2.8 In 2014/15 we undertook a significant programme of activity with the Financial Conduct Authority in order to identify a proportionate and effective approach to the regulation of consumer credit activities undertaken by solicitors. We will implement the outcomes of that work which was approved by the SRA Board in September 2015.

2.9 Working with other regulators on the Joint Advocacy Group we will progress with the implementation of Quality Assurance Scheme for Advocates (QASA) and consider what other elements of criminal practice



need reform in the light of evidence covering police station accreditation, higher rights of audience and the treatment of vulnerable witnesses.

2.10 We have made significant reforms to our regulation since 2010 in order to liberalise the market for legal services and to introduce more proportionate and targeted regulation. As set out above, there is more for us to deliver within the current statutory framework for legal services regulation. In addition, throughout 2015/16 we will continue to work with the Legal Services Board, Ministry of Justice and other regulators to identify options for reform and work to progress their development.

## **Strategic Objective Two**

**We will work with solicitors and firms to raise standards and uphold core professional principles**

### **Training for Tomorrow**

3.1 In 2015/16 our most significant area of focus will continue to be the progress of our work under the [Training for Tomorrow](https://www.sra.org.uk/sra/policy/solicitors-qualifying-examination/1) [\[https://www.sra.org.uk/sra/policy/solicitors-qualifying-examination/1\]](https://www.sra.org.uk/sra/policy/solicitors-qualifying-examination/1) programme. This programme is modernising the system for training and assessing solicitors. It will ensure that it is fit for the current and future challenges posed by modern society and consumer needs and by the needs of a rapidly developing and changing legal services market.

3.2 We will continue to work with the profession to encourage a more diverse range of pathways to the education, training and experience necessary to develop future entrants to the profession. In particular we will work closely with firms and with government to enable the introduction of apprenticeships as a pathway to future qualification.

3.3 Throughout 2016 we will further develop options for assessing individuals against the new competence requirements and other criteria for entry to the profession. We expect to consult on proposals at the end of 2015 and then build on this again in summer 2016.

3.4 With effect from 1 November 2016 we will require all solicitors to move to the new approach to continuing professional development. This will mean that they must ensure they remain competent and up to date so as to deliver a proper standard of service to their clients.

### **Focusing our regulatory activity**

3.5 In section 4 we set out the next steps in the long term plan commenced in 2014 to improve our performance. Our core operational focus is the consistent delivery of justifiable and proportionate regulatory decisions. As a part of that work we will be implementing clearer criteria and guidance to help our decision-makers assess, in a more consistent



way, the thousands of issues that are referred to us each year. This will aid the consistency of our approach and the allocation of resources to ensure that we are addressing the most serious matters.

3.6 In September 2015 we launched the '[A Question of Trust](https://www.sra.org.uk/sra/consultations/consultation-listing/question-trust/)' [<https://www.sra.org.uk/sra/consultations/consultation-listing/question-trust/>], engagement and consultation programme, aimed at gathering views from the profession and the public on what they perceive as serious behaviour by solicitors and what they think should happen when a solicitor falls short of our standards. The full programme will be running through the autumn and winter 2015.

3.7 We will learn from the practical application of these criteria and through engagement with those we regulate, the public and other stakeholders will evolve and improve them over time.

3.8 We will continue to work with the profession to help firms improve their diversity and to create a more inclusive profession where there are equal opportunities to develop and progress. In early 2015 we published an online tool for firms to enable them to compare their diversity with similar firms (for example, in terms of size and location) together with information about the steps they might consider implementing to improve their diversity. In 2015/16 we will be updating that tool with refreshed data collected during 2015.

3.9 We will continue to review, update and publish our [Risk Outlook](https://www.sra.org.uk/archive/risk/outlook/risk-outlook-2020-21/) [<https://www.sra.org.uk/archive/risk/outlook/risk-outlook-2020-21/>] and other risk materials to engage with the profession about our regulatory approach and to support individuals and firms to identify and manage the risks to their own firms and practice.

3.10 We will undertake a range of research over the next year, and will work with other regulators, the [Consumer Panel](http://www.fs-cp.org.uk) [<http://www.fs-cp.org.uk>] and the [Legal Ombudsman](http://www.legalombudsman.org.uk) [<http://www.legalombudsman.org.uk>] to ensure that we collaborate where appropriate. Our primary focus with research is to support our understanding of issues that might undermine the rule of law or consumers' safe use of legal service. We will be focusing on areas of the legal market with an increased likelihood of consumer vulnerability. This will include publishing research related to asylum legal services, and new work in other areas such as personal injury and criminal practice. We will also undertake analysis to support our regulatory reform programme including impact assessments for review of the SRA Handbook, reforming professional indemnity insurance and modernising our approach to assuring rigorous and consistent standards for newly qualified solicitors.

## Strategic Objective Three



**We will improve our operational performance and make justifiable decisions promptly, effectively and efficiently.**

4.1 In 2015/16 we will continue making significant changes to the way in which we deliver our operational activities through the implementation of new processes, information systems and supporting guidance and criteria. These changes will be delivered alongside a major programme of change with staff across the organisation to improve our ways of working, our leadership and management capabilities and to create a stronger focus on delivering high levels of performance.

4.2 We will support these changes with further improvements to our operational management and control environment, including strengthening internal resource and improving processes for the quality assurance of our decision making. We will develop and embed our significantly enhanced quality assurance process, with additional resource, throughout 2015/16.

4.3 Successfully implementing this major operational transformation programme is central to our work to deliver against our ED&I strategy. It will improve the justifiability and consistency of our regulatory decision-making and provide us with the information we need to help identify any causes of disproportionate outcomes for BAME solicitors which arise from inconsistent or unjustifiable regulatory decisions. It will also enable us to be more open and transparent about our decisions and their impact on those we regulate.

4.4 In 2014/15 we developed and refined our KPIs, providing a more comprehensive range of measures of performance in our core operational functions, including indicators which enable monitoring and reporting on the whole lifecycle of cases. We will further develop our KPIs in 2015/16 to monitor our performance as we implement new systems and processes.

4.5 In order to improve the efficiency of our processes and our information management, new information systems are being developed in order to replace the current inadequate and fragile systems. At the centre of these new systems is a new Customer Relationship Management (CRM) system which will replace our core regulatory system. Our aim is to implement this new system in 2016.

4.6 We will continue to complement and support our significant investment in improved processes and information systems with an extensive programme of work to develop and embed a high performance culture within the organisation and to develop leadership, and technical capabilities at all levels.

4.7 In 2014/15 we undertook a review, together with the [Law Society](http://www.lawsociety.org.uk) [http://www.lawsociety.org.uk], of the shared service functions within the Law Society group which support both the SRA and the Society. The review



recommended the transfer of responsibility for shared service functions in order to bring them closer to the SRA and Society and enable improvements in service delivery and efficiency. In 2015/16 we will implement the outcome of that review.

## **Strategic Objective Four**

**We will work with our stakeholders to improve the quality of our services and their experience when using them.**

5.1 The major changes we will be implementing to improve our operational performance, as set out in Section 3 above, are also fundamental to our ability to improve the quality of our services and the experience of those using them. We are determined to improve our performance, through enhanced systems, better leadership and training and a consistent focus on customer service to improve our delivery to all, including members of the public and those we regulate.

5.2 We will undertake our annual perception survey of, an exercise to gather and understand stakeholder perceptions of the SRA, which we started last year.

5.3 In 2014/15 we began a programme of roadshows, events and engagement with the profession, seeking their input into the development of our regulatory approach and raising awareness of our work. We will continue with these events throughout the 2015/16 year. This will complement our enhanced programme of work with consumer groups and the public.

5.4 In late 2014 we started to work on changing the way we communicate with the public and those we regulate, ensuring that our language and tone is accessible and relevant to the audience and the subject matter. We will implement these changes into all our communications in 2015/16.

5.5 During 2015/16 we will further develop our social media channels, helping us to reach stakeholders in the way that suits them best alongside improvements to the [Legal Choices](http://www.legalchoices.org.uk) [\[http://www.legalchoices.org.uk\]](http://www.legalchoices.org.uk) website. We have already started this work to ensure that we understand and help small business and individual consumers to choose and use legal services wisely and safely.

5.6 We will continue to work with the profession to help firms improve their diversity and to create a more inclusive profession where there are equal opportunities to develop and progress.

## **Annex 1**

### **Our core service standards**

We monitor and manage our performance against an extensive range of performance indicators and milestones to ensure that we deliver a good service and meet the commitments we have made in this plan. These are reported to our Board at its regular meetings.

<b>Business Area</b>	<b>KPI</b>	<b>Explanation</b>
<b>Contact Centre</b>	70% of calls to be answered in 60 seconds	The Contact Centre is the primary entry point to the SRA for telephone calls and emails
<b>Authorisation</b>	<b>Individuals</b> 90% of low risk applications in 30 days 90% of medium/high risk applications in 3 months	The Authorisation team consider applications from individuals (e.g. to be admitted as a solicitor) and firms (e.g. to be authorised as a recognised body).
	<b>Firms</b> 90% of low risk applications in 30 days 90% of medium/high risk applications in 3 months	
	80% of high risk assessments completed in 2 days 100% of high risk assessments completed in 5 days 60% of high risk events files concluded in 6 months (cumulative)	
<b>Assessment and Supervision</b>	90% of same day "walk in" cases allocated in 1 working day 90% of urgent "walk in" cases started no later than 3 working days	Assessment and Supervision deals with issues reported to us about individuals and firms we regulate. These reports are assessed and then, where necessary, assigned to supervisors to investigate. For serious matters further specialist investigation may be commissioned from our Intelligence and Investigation team.
<b>Intelligence and Investigation</b>		The most urgent investigation cases (e.g. where we believe client money is at immediate risk, are allocated speedily for attendance at the firm's office by an investigator).

<b>Client Protection</b>	<p>100% of interventions effected within 2 working days</p> <p>80% of Compensation Fund applications closed within 12 months</p> <p>100% of expected recovery amount</p>	<p>Our Client Protection team undertakes interventions into firms where there are grounds to suspect dishonesty or clients are at immediate risk. It also manages applications to the Compensation Fund from clients.</p>
<b>Legal and Enforcement</b>	<p>90% of TRI matters issued within agreed KPIs (monthly)</p>	<p>Our Enforcement team deals with serious conduct matters in respect of both individuals and firms. The most serious issues are prosecuted by us before the Solicitors Disciplinary Tribunal.</p>
<b>Complaints</b>	<p>90% of Stage 1 complaints considered and responded to in 10 working days</p> <p>90% of stage 2 complaints considered and responded to in 20 working days</p>	<p>These indicators apply to complaints made to us about our own service or performance. Stage 1 complaints are managed in the relevant business unit. Complaints which are unresolved at that stage pass to Stage 2, where they are considered by a central team.</p>
<b>External Affairs</b>	<p>75% of media coverage has positive sentiment and/or includes our key messages</p> <p>25% of people using a solicitor visit SRA website</p>	<p>Our External Communications team is responsible for ensuring high quality communications and engagement with the profession, the media, the public and other key stakeholders.</p>
<b>Lifecycle</b>	<p>90% of conduct closures within 12 months of receipt (cumulative)</p> <p>Average days from assessment to SDT proceedings issued</p>	<p>These indicators are designed to increase transparency about the overall time that it takes us to assess, investigate and address issues referred to us.</p>

## Annex 2

### Resources

The majority of the funding we receive to deliver regulation comes from the annual practising certificate and entity fees which we collect in October each year. The balance to meet our budget requirement, above the sum collected through practising fees, comes from, for example, regulatory fees paid for specific activities (e.g. fees on the authorisation of new entities), cost recoveries and the Compensation Fund, which meets the cost of administering the Fund and of interventions. In Table One we have set out details of how our 2015/16 budget (our financial year runs from 1 November to 31 October) for our directly controlled costs will be funded compared to 2014/15.

**Table One**

<b>SRA income summary</b>	<b>2015/16 budget (£000,000s)</b>	<b>2014/15 budget (£000,000s)</b>
<b>Individual and entity practising fees</b>	30.9	30.9
<b>Regulatory fees (applications, etc)</b>	2.9	3.3
<b>Recoveries (cost orders, etc)</b>	1.8	2.0
<b>Compensation Fund</b>	8.5	11.3
<b>Total SRA income</b>	<b>44.1</b>	<b>47.5</b>

This income meets our directly controlled budget. Our support services (such as information systems, finance, human resources, etc) are provided to us by the Group's shared services function. In Table Two, below, we have set out our budget for 2015/16, including those elements in respect of the shared services we receive.

**Table Two**

<b>SRA expenditure summary</b>	<b>2015/16 budget (£000,000s)</b>	<b>2014/15 budget (£000,000s)</b>
<b>SRA directly managed budget (excluding the cost of interventions)</b>	37.6	38.2
<b>SRA directly managed budget for interventions costs</b>	6.5	9.3
<b>SRA cost of shared services</b>	27.8	27.0
<b>Total</b>	<b>71.9</b>	<b>74.5</b>

A break down of the our major areas of expenditure within our 2015/16 budget (excluding the cost of shared services) is set out in Table Three.

**Table Three**

<b>SRA expenditure break down</b>	<b>2015/16 budget (£000,000s)</b>	<b>2014/15 budget (£000,000s)</b>
<b>Staff expenditure</b>	27.2	28.1
<b>Interventions costs</b>	6.5	9.3
<b>External disciplinary and enforcement legal costs</b>	3.8	3.4
<b>R-View Programme costs</b>	0.0	0.9
<b>Other expenditure</b>	6.6	5.8
<b>Total</b>	<b>44.1</b>	<b>47.5</b>