

SRA Work Programme 2019-20 Quarter Three Update

Our Strategic Objectives

Strategic Objectives 1 - We will set and apply consistently high professional standards for the individuals and firms we regulate and make sure they are appropriate to meet the challenges of today and the future.

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

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

Strategic Objective 4 - We will make sure that our regulatory arrangements work as effectively as possible for the public, businesses, solicitors and firms in the context of constitutional developments within the UK and any new relationship with the EU.

Strategic Objective 5 - We will work better together, and with others, to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions.

Our work programme for 2019/20 is available on our website [here](#) ¹

Annex 1 shows the activities within each objective.

Progress² against activities in our annual planned work programme

	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5
1	●	●	●	●	●
2	●	●	●	●	●
3	●	●	●	●	●
4	●	●	●	●	●
5	●	●	●	●	●
6	●	●	●	●	●
7	●	●	●	●	●

Note: The background represents the status in the previous quarter and the circle the status in the current quarter

² Relates to objective status based on progress to date: Red (R) – progress behind expectation and will not succeed without direct action; Amber (A) – generally in line although challenge to maintain progress and deliver overall objective; Green (G) – in line with expectation and overall delivery is expected; Black (B) – in line with planned delivery schedule work not yet started

In quarter two there were four activities rated as amber, the number has stayed the same for period three but there has been a change, with one new activity marked as amber and one changing to green. These activities are detailed below.

¹ <https://www.sra.org.uk/globalassets/documents/sra/strategy/sra-work-programme-2019-20.pdf?version=4ac1fb>

Exceptions: Updates on Amber and Red activities

Activity 3.3

We will monitor compliance with our transparency requirements and address issues where we do not consider firms are being transparent enough. We will also share best practice to encourage improvement in the information provided.

Rationale for rating

Amber risk to due impact of to Covid-19, this has resulted in a delay in some of the web sweep activity both in terms of new web sweeps and following up with firms who were found to have low level of non-compliance from previous web sweeps. This was part of our acknowledging that firms would be rightly focusing on adapting to lockdown and therefore we limited our compliance enforcement work to the most serious issues including taking action against totally non-compliant firms. We have picked up this work programme again and are therefore transitioning to a green rating.

Update and corrective action

We have now re-commenced work to assess levels of compliance in this area. This has included a survey of 470 firms that we undertook in July. Early indications suggest that compliance levels are improving but there remains a small minority that have either not responded to our enquiries or have not provided sufficient assurance. We will be following up these issues over the coming weeks and will make further referrals into our disciplinary procedures if required. We will also be writing to further cohorts of firms over the next four months to assess ongoing levels of compliance.

We are currently undertaking a one year evaluation of the impact of our transparency rules – this includes looking at how firms are complying and highlighting where firms have implemented the requirements in a way that has particularly benefited consumers and/ or their business. We will share best practice that we find with the profession.

Activity 4.4

We will continue to work closely with government to manage and monitor the impact of the UK's exit from the EU and consider regulatory change or communication activity if necessary. We will continue to engage with EU regulators and affected parts of the regulated community

Rationale for rating

We are continuing to work closely with Government and the Law Society's International Office, to understand and influence the debate around future trade negotiations and mutual recognition and market access for the legal sector. We will continue to do so during the period to the end of the transitional period (end of December 2020) and beyond.

Update and corrective action

We have prepared for the likelihood of "non-negotiated" deal arrangements, post December 2020. Regulatory framework and operations are in place to ensure smooth transition and open access with appropriate safeguards in place to protect minimum regulatory standards. We have communications with the regulated community and guidance in place. This will be updated closer to the end of the transitional period

We are prepared for what we know but there remains uncertainty around Government asks for mutual recognition agreements going forward.

Activity 4.5

We will introduce a fee limit for solicitors and authorised firms carrying out claims management activities relating to financial products and services. We will develop regulatory arrangements that implement this. This is so that people who want to make claims about, for example, mis-sold financial services, get a good service.

Rationale for rating

We do not currently have robust data on which to model the type and level of restriction that we might impose. We do not routinely hold data which allows us to identify the firms to carry out this work. We have surveyed a sample of firms but this has provided limited helpful data. We have been working closely with the Financial Conduct Authority who have the same statutory requirement. They have also reported difficulty obtaining quality data and have raised issues with their ability to share with us as originally planned. The Ministry of Justice (MoJ) previously consulted on setting a fee restriction for this work but did not proceed under threat of judicial review. The MoJ are unable to supply us with details of their data and analysis.

Update and corrective action

We are still in the research and analysis phase. We continue to explore alternative options for getting helpful data and/or modelling with input from providers of these services and consumers. We are also considering the feasibility of alternative options for setting a restriction and assessing impacts. We have kept the relevant Government departments (HM Treasury and MoJ) sighted on progress and issues. There is not a set deadline for introducing the fee limitation nor at this point pressure from Government.

Activity 5.3

Building on steps taken in early 2019, we will continue to implement changes to support good governance and improve the transparency of the work of our Board, ensuring that stakeholders can place confidence in what we do. That will include more information on how our Board works and a review of how we report our performance against our work programme.

Rationale for rating

There were four Board meetings held in Q3 (on 11 May, 2 June, 22 June and 14 July) and we published 90% of the papers from these.

The LSB's grading in relation to the regulatory outcome on accountability to stakeholders and transparency of the Board has changed from *not met – action required* in early December (prior to consideration of the changes outlined above) to *not-met action being taken*'.

Update and corrective action

We have continued to build on the extensive changes introduced in December 2019. An updated version of the scorecard was considered by the Board in June and it reviewed and agreed that it was content with the information being provided at its July meeting.

We have published an increasing proportion of Board papers with an improvement in the LSB's rating in this area. The reporting review and decision taken by the Board at its meeting in July should further address this point.

Update on changes since previous quarter's report:

The above outlines those objectives rated as amber with the addition of 4.4 which was green last quarter. The following objective has moved from amber to green for the reasons outlined:

Objective 3.4 relates to our Legal Choices website, the amber rating last quarter referenced the funding gap due to the BSB's withdrawal and governance challenges. Quarter three has seen a number of positive outcomes, the joint regulators have decided to make good the funding shortfall. As a result, Legal Choices has achieved its three-year target of 2-3 million visits well ahead of schedule, recording more than 2.2 million website visits in the period from November 2017 to July 2020.

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Achievements in the last period

	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5
Achievements	<ul style="list-style-type: none"> • Guidance Pipeline now provides a central record of all guidance that is in development. • Commissioned IRN Research (http://www.irn-research.com/) to conduct external research with consumers, firms, and key stakeholders. Research is currently 'in field'. 	<ul style="list-style-type: none"> • After two significant consultations on the Compensation Fund, we have reached a position that finds the balance between consumer protection and future viability of the Fund. • The Legal Access Challenge was a success and has bolstered our view that legal technology can help people to more easily access legal services. • We published our final Legal Access Challenge report – the response from stakeholders included a positive mention by the Lord Chancellor in a conference speech. • For the first time we directly engaged non commercial organisations in the NFR/PC fees consultation. 	<ul style="list-style-type: none"> • Legal Choices has achieved its three-year target of 2-3 million visits well ahead of schedule, recording more than 2.2 million website visits in the period from November 2017 to July 2020. • We have transformed our events programme into virtual events, with a positive response. 97% of people who viewed the webinars said they would watch a future webinar, and 80% rated the webinars as good or extremely good. 	<ul style="list-style-type: none"> • Three issues of the ICLR.net e-newsletter were delivered, generating more than 500 click-throughs. • Nearly 4,000 people used the ICLR.net site in the 12 months to 31 July 2020, up 16% from the previous period. 	<ul style="list-style-type: none"> • Despite Covid-19 requiring the MIT project teams to work remotely, momentum, deliverables, and outcomes of MIT have been maintained. Including delivery of a telephony system to facilitate remote working; and the RegOps1 CRM go-live. • Virtual/Team working capabilities enhanced by the adoption of enterprise MS Teams • People Strategy 2020-23 drafted and presented to SMT July 2020 • Decommissioning of HR Shared Services successfully completed 31/07/2020. • All our environmental targets (energy, paper, travel, waste) are being met with spare mainly due to the offices being closed • Environmental Internal audits were up to date at the end of June.

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Impacts and Outcomes	<ul style="list-style-type: none"> Guidance on our website remains relevant and up to date in accordance with our aims for the new Standards and Regulations. The one-year evaluation will provide a baseline for our reform programme that we will continue to measure over a five-year period. It will also show any immediate effects of the Better Information reforms. 	<ul style="list-style-type: none"> Clarity provided to the profession on the future application of the Fund. We have received endorsement from our project from BEIS and wider works – including the World Economic Forum, who are featuring as one of their international “playbooks” of agile regulatory techniques. Our dedicated engagement on coronavirus has resulted in more than 120,000 visits to our dedicated coronavirus section. We have kept the site up to date in light of queries from the profession and discussion with the Law Society. 	<ul style="list-style-type: none"> Phase 2 of the digital marketing campaign has confirmed that Legal Choices has a viable customer offer and can attract significant traffic volumes, potentially sufficient to influence market outcomes via consumer behaviour, at a relatively low cost. We continue to be able to engage with the profession and the public through events and will retain a virtual events capability for the future. 	<ul style="list-style-type: none"> UK-based users accounted for just 11% of all visits to ICLR.net; users in the United States, Norway, China, Canada and Japan accounted for more than two-thirds of visits. Page views were up 5% from the previous 12-month period. 	<ul style="list-style-type: none"> Delivery of the new CRM for Authorisation is a significant milestone in the MIT programme. This allows us to move away from one of our outdated legacy IT systems and forms the basis for the wider rollout of the CRM under RegOps2, on track for target delivery in December. Delivery of a Cloud-based telephony system allowed us to deliver a call centre service remotely, a significant step forward for our customer service. People Strategy sets out our ambitions and approach to underpin delivery of the new corporate strategy TLS now delivering their own HR provision and SRA HR solely focused on SRA staff from August onwards. Our audit work towards maintaining the ISO Environmental standard and our achievement of the KPI targets helps to demonstrate our commitment to environmental sustainability.
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Annex 2

Annex 1 – Objectives

Strategic Objective One - We will set and apply consistently high professional standards for the individuals and firms we regulate and make sure they are appropriate to meet the challenges of today and the future.	
1.1	We will deliver the final parts of our new SRA Standards and Regulations. Building on our work to date, this will ensure a focus on high professional standards, moving away from lots of unnecessary rules. These rules add costs and get in the way of offering affordable, accessible legal services that meet people's needs. We will implement and embed the new Standards and Regulations in November 2019. We will make sure that we have the systems, processes, knowledge and trained staff to support this and to provide a good level of service for all our stakeholders, including those who are distressed or vulnerable.
1.2	We will continue our work with Kaplan (our chosen assessment organisation) and stakeholders to develop the SQE, ahead of its introduction in autumn 2021. The SQE will ensure all that all aspiring solicitors meet the same high standards at point of entry into the profession, regardless of which route they have chosen, ensuring public confidence and improving diversity. To support the introduction of the SQE, we will put in place SQE transitional arrangements and we will continue to manage the quality assurance system for the qualifications we currently regulate.
1.3	Money laundering is how criminals use the profits from some of the worst crimes in society, for example, drug trafficking, people trafficking and arms dealing (which often affect the most vulnerable in society). This is why we take our duties as an anti-money laundering supervisor very seriously. We will support firms to comply with anti-money laundering regulations and further strengthen our approach as a supervisory body, including through visits to firms to understand, document and feedback on relevant processes and procedures. We will make sure that we, and the profession, are prepared for the implementation of the Fifth Money Laundering Directive, which will introduce additional requirements. We will do that through ongoing dialogue with the Office for Professional Body Anti-Money Laundering Supervision, partnering with others to raise awareness and revising our own processes where we need to.
1.4	We went out to consultation in summer 2019 on assuring advocacy standards. We proposed changes to Higher Rights of Audience arrangements and the provision of resources to help solicitors and to support reporting about advocacy standards. Subject to the outcome of that consultation, we will take steps to support the quality of advocacy to make sure that every community has confidence in these key services.
1.5	We will seek to understand the impact of our policy reforms for the public, the legal market and the profession, further developing our evaluation programme. As part of our strong commitment to mainstreaming Equality Diversity and Inclusion (EDI) throughout all our work, our evaluation approach will include an assessment of the EDI implications for both the public and the profession.
1.6	We will publish diversity data about the solicitors' profession, including the results of the 2019 firm diversity data collection exercise. This is so that we and the profession can see what is going well and where more needs to be done. We will further develop our data collection to make sure it is up to date and in line with best practice.
1.7	We will also continue to promote the diversity in the profession, so that it reflects, and is familiar to, the communities it serves. This will include building on the success of the LGBTQ+ mentoring pilot, supporting small firms, and running awareness campaigns on issues including disability awareness and wellness in the workplace.

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<p>Strategic Objective Two - We will make sure our regulatory requirements are proportionate, providing solicitors and firms the flexibility to innovate and better meet the needs of members of the public and businesses, while maintaining appropriate levels of public protection.</p>	
2.1	<p>We will continue to review consumer financial protection arrangements (professional indemnity insurance and the Compensation Fund). We will implement reform where appropriate to make sure they are fit for purpose and provide the right levels of protection when things go wrong. We will seek approval from the Legal Services Board for our proposed changes during the year.</p>
2.2	<p>We will maintain a regulatory approach that encourages positive innovation, while making sure we manage any potential risks for the users of legal services from every community. This will include delivery of our Legal Access Challenge, which is funded through the Regulators' Pioneer Fund, innovation roadshows and developing targeted support on aspects of legal technology. We will also work with other organisations as we develop our thinking on the implications of technology for the sector and on our regulation, collaborating where appropriate as we look ahead to our new Corporate Strategy.</p>
2.3	<p>We will also develop our SRA Innovate 'sand box' further, so that it can support firms to try new ways of working in a safe and managed environment that ensures public protection. And we will build up our own in-house capability and expertise on legal technology. This is so that we are ready to deliver the commitment in our new Corporate Strategy to promote legal technology and innovation, which offers the potential to increase access to justice.</p>
2.4	<p>As part of keeping everyone up to date on how to maintain the standards we expect, we will continue to publish warning notices and information on risks in the legal sector. For example, solicitor involvement in the dubious investment schemes that take money from so many vulnerable people.</p>
2.5	<p>We will continue to deliver a co-ordinated programme of communication and meaningful engagement across all external channels. This will allow us to increase understanding and support all our stakeholders to shape our work and to benefit from any changes we introduce.</p>
2.6	<p>To make sure we are keeping up to date with people's experiences and expectations, we will also do more to enhance our understanding of the needs of consumers. We will commission targeted research, monitor the findings of wider research and reach out directly to consumers to listen to their needs.</p>
2.7	<p>In order to maintain public and professional confidence in our work to set and enforce standards, we will keep our procedures under review and ensure we have effective oversight of the quality and consistency of regulatory decision making across the business.</p>

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Strategic Objective 3 - We will increase the availability of relevant and timely information to help people make informed choices in the legal services market.	
3.1	We will continue our work to support people to identify legal need and find the services that will support them. We want to address the barriers that prevent people getting the help they need when they need it, and we know that the lack of useful information is part of the problem. Our Transparency Rules came into force in December 2018 and we will continue to work to embed our requirements throughout the profession. Under these Rules, the firms we regulate have to publish a range of information, including on price and service detail, if they offer services in specified legal areas.
3.2	We will introduce a mandatory clickable logo as part of the introduction of our Standards and Regulations on 25 November 2019. The logo is designed to help the public find out what consumer protections are in place when they use a regulated provider.
3.3	We will monitor compliance with our transparency requirements and address issues where we do not consider firms are being transparent enough. We will also share best practice to encourage improvement in the information provided.
3.4	We will continue to develop Legal Choices, the consumer-facing website and social media presence that we manage on behalf of the legal regulators. We will be introducing new products that will help people to identify whether they have a legal need and help them to get support. We will promote the new services as widely as possible with the public and small businesses. Our products should also help organisations that support people in difficulty who may not have online access. We will include a service designed in partnership with these groups to assist their advisers and staff to access relevant information on legal services for the people they work with.
3.5	We will deliver a coordinated and effective programme of events, helping the public, the profession and other stakeholders engage with and influence our work and to understand our regulatory approach and use our services. We will also provide dedicated events that support firms, especially small firms, to comply with regulation, including on anti-money laundering. The programme will include a series of public engagement events, specific diversity events, the Compliance Officers Conference 2020, an annual SQE conference and small firm events.
3.6	We will launch a Solicitors Register of all regulated firms and individuals as part of the move to our new Standards and Regulations. This will enable the users of legal services to find basic information about solicitors and their practice. We will develop and enhance this throughout the year.

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Strategic Objective 4 - We will make sure that our regulatory arrangements work as effectively as possible for the public, businesses, solicitors and firms in the context of constitutional developments within the UK and any new relationship with the EU.	
4.1	The political and legal environment within which we and those we regulate work is changing rapidly. We will seek to make sure that the regulatory arrangements within the UK and across national boundaries work well, making it as easy as possible for firms to operate and support businesses and the public.
4.2	We will also horizon scan and do more to work with others to respond effectively to opportunities and challenges brought about by ongoing changes of all types, including societal and technological. This will be a key theme in our future Strategy.
4.3	We will develop a wider and deeper approach to capturing and reporting the views of our stakeholders, so that our Board and others can readily access their feedback. To do this, we will build on the success of our virtual reference communities, programmes of focus groups and digital outreach to make sure we are engaging with voices across all our stakeholders in order to understand the nuances of different groups' positions.
4.4	We will continue to work closely with government to manage and monitor the impact of the UK's exit from the EU and consider regulatory change or communication activity if necessary. We will continue to engage with EU regulators and affected parts of the regulated community
4.5	We will introduce a fee limit for solicitors and authorised firms carrying out claims management activities relating to financial products and services. We will develop regulatory arrangements that implement this. This is so that people who want to make claims about, for example, mis-sold financial services, get a good service.
4.6	We will review our international work, including ensuring that the International Conference of Legal Regulators website supports the benefits of collaborative working across different jurisdictions.
4.7	We will continue our dialogue with the Welsh Government and others as we work to ensure that our regulation meets the needs of the users of legal services in Wales. As part of the development of the SQE, we will explore the provision of SQE in Welsh.

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Strategic Objective 5 - We will work better together and with others to improve our overall effectiveness, our responsiveness and the delivery of our regulatory functions.	
5.1	We seek to continually improve our performance across all areas of the business. We will work to ensure our structures and processes are effective and efficient to deliver the best service and ensure value for money.
5.2	And we will work with the Institute of Customer Service to enhance the experience of all those who use our services, laying the foundations for this component of our 2020–23 Strategy.
5.3	Building on steps taken in early 2019, we will continue to implement changes to support good governance and improve the transparency of the work of our Board, ensuring that stakeholders can place confidence in what we do. That will include more information on how our Board works and a review of how we report our performance against our work programme.
5.4	We will complete the implementation of our Modernising IT work to improve our core technology, support our wider regulatory objectives and deliver a high-quality customer experience.
5.5	We will ensure our processes and procedures that deliver strong environmental management outcomes are reviewed to support the reaccreditation of the organisation with ISO 14001.
5.6	We will develop and implement a strategy for Information Governance and Security, risk and business continuity. This –encompasses ISO 270001 alignment, an enhanced assurance framework, refreshed risk management, and GDPR compliance.
5.7	We will develop and start to implement our new People Strategy. This will ensure our approach to pay and reward, recognition, leadership and management and training and development delivers the people and culture we need to support our objectives and align with our values. And we will continue to develop and deliver high-quality staff communications through a range of channels, maximising the benefits of our new digital workplace tools, refreshing our values and supporting a truly inclusive workplace.