

## **Draft equality impact assessment on our Business Plan and Budget 2025-26**

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May 2025

# Introduction

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This is a draft equality impact assessment of the proposed commitments we make in our draft Business Plan and budget for 2025-26.

Our [Corporate Strategy](#) confirms that our mission for the three-year period between 1 November 2023 and 31 October 2026 is to drive confidence and trust in legal services. The strategy has four strategic priority areas with key deliverables under each.

In 2023, we published an overarching [equality impact assessment of our Corporate Strategy](#). It underpins our approach for monitoring the impacts of our work for equality, diversity and inclusion (EDI), throughout the strategy's lifespan. We then undertake equality impact assessments every twelve months as we prepare each annual business plan.

Our draft Business Plan and budget document describes workstreams we aim to deliver, alongside our budget and funding approach, for the third and final year of work under our strategy. It covers the 12-month period between 1 November 2025 to 31 October 2026.

We are consulting on the draft document, and as part of this we are requesting feedback about the potential impacts of our workstream proposals for EDI. We have also published a separate draft equality impact assessment on our proposed fees and compensation fund contribution for 2025-26.

## EDI evidence

We take into account a range of evidence about EDI in the legal sector. This includes:

- [law firm diversity data](#) that we collected from almost all law firms in summer 2023
- [SRA thematic reviews, reports and research](#), as well as [research from the Legal Services Board](#) (LSB) and others, that consider where more needs to be done to secure an inclusive and fair culture across the legal service sector
- knowledge we gain from reports made to us about issues such as sexual misconduct, bullying and harassment and discrimination
- our ongoing monitoring of EDI across key areas of our regulatory activity
- action points from our research on [outcomes for Black, Asian and minority ethnic candidates in professional assessments](#), and [the overrepresentation of those groups in our enforcement processes](#).

## Potential impacts for EDI from our proposed workstreams for 2025-26

To guide our work on EDI issues over the three-year lifespan of our Corporate Strategy we refer to five key themes. Here, we review each theme in turn and consider potential EDI impacts of workstreams that we are proposing in our draft Business Plan and budget 2025-26.

### Theme one – Access to the legal services profession

In our draft Business Plan, we highlight the assurance provided by the Independent Reviewer that the Solicitors Qualifying Examination (SQE) assessments are fair and reliable. Positive EDI impacts are apparent in relation to social mobility and access to the profession. For example, solicitor apprentices are more likely than the wider SQE cohort to have

attended a state school, and to have parents in working class occupations and / or who didn't go to university, and they are continuing to perform well in the SQE. Candidates disclosing disabilities and/or having reasonable adjustments are also performing at least as well as the wider cohort. The SQE is now available in the Welsh language. And the level of access by international candidates sitting the SQE around the world is positive to see.

The draft Business Plan confirms our commitment to carry out a 'phase 4' evaluation of the SQE during its fifth year of operation, and we will give due consideration to EDI through that work. We also have ongoing collaborative work with partners to address causes of differential outcomes by ethnicity in legal professional assessments. This is in response to findings from our research and will help us address the causes, and the extent to which they are within our influence.

### **Theme two – Encouraging a fair and ethical workplace through proportionate and effective regulation**

We introduced new rules in 2023 that set duties for firms and individuals we regulate to treat others fairly and with respect, and to not bully, harass, or discriminate unfairly against others. We have provided guidance to support firms to create fair and inclusive workplaces within the legal services sector. We are continuing to oversee and take appropriate action when we see cases of bullying and harassment.

We are continuing with our work to improve progression for women and solicitors from Black, Asian and minority ethnic backgrounds. For example, through improved resources for law firms and will be taking further steps to encourage firms to publish ethnicity pay gap reports. We are developing our EDI evaluation framework, which will help us identify targeted actions to address work towards that key deliverable.

It is equally important to be assured that we understand the reasons for the overrepresentation of Black, Asian and minority ethnic solicitors in our enforcement work. And have committed to taking forward measures we have agreed in response to our overrepresentation research.

### **Theme three – Building our evidence base on diversity in the profession**

We continue to build strong and credible diversity data about law firms and the wider profession. It helps us identify evidence-based responses to persistent EDI issues and to then monitor and evaluate their impact. This work is business as usual for us and will continue through this business year.

We have already made tangible improvements to the diversity data we have about the profession. This includes publishing more nuanced data about [seniority in law firms](#) and providing insight into diversity in the [in-house population](#). We will continue to build on the diversity data we hold for individual solicitors.

To support the actions that we are taking to address the differential outcomes in professional assessments, we are proposing further work. This will be to learn more about initiatives that are effective in tackling barriers to fair and inclusive recruitment in law firms. This will complement the research findings and help us continue tackling the issues identified in the research as contributing to the differential outcomes.

### **Theme four – Promoting access to justice**

The Legal Services Act 2007's regulatory objective to promote access to justice is reflected in our Corporate Strategy, and we confirm in the strategy that 'Our ambition to drive

improvements in both EDI and access to justice underpins our measures of success, and our key deliverables, and will guide and shape all that we do’.

EDI considerations are central to delivering well-designed responses for promoting access to justice. One of our flagship projects between 2023 and 2026 has been delivering the Regulatory Pioneer Fund (RPF) 3 project with our partners. This explored how online dispute resolution can help tackle unmet legal needs of consumers and micro/small businesses.

The generative AI tool built through the RPF 3 project aims to build understanding of legal issues and potential routes to resolution, helping to address unmet legal need. Digital-led solutions are undoubtedly an important element of driving improvements in access to justice and can have significant reach across diverse communities that might otherwise be harder to reach. Our draft Business Plan confirms that, during 2025-26, we plan to continue collaborating and supporting others around technology and innovation. We think that this activity will position us well to continue exploring access to justice considerations, and potential further responses.

### **Theme five – Being an inclusive and responsible organisation for our customers and staff**

Our Corporate Strategy 2023-26 sets a core focus for us to make it easier for our customers to use our services. And to access relevant, understandable information that is informed by their needs. To do this we need to understand and meet the needs of the public and others from diverse communities who may need to contact or access information from us.

We have made strong progress here, including completing an independent audit of the navigation and usability of our website. And taking forward our ‘Voice of Customer’ work which embeds consumer perspectives into our operational areas. These initiatives are important steps for making sure our services and support are as accessible as possible for our customers, in particular, those who have communication needs or preferences. In our draft Business Plan, we confirm that during 2025-26 we plan to continue our progress here and to make further improvements. We anticipate this will help us to continue aligning our customer service with the needs of diverse communities.

We are also continuing to progress towards our diversity targets, including for senior level recruitment. We have improved the diversity of our senior management team from 8% in 2021 to 14.5% in 2024, nearing our target of 16% by 2026. We know that there remains more to do and we will be continuing this work during 2025-26.

### **Conclusion**

The draft Business Plan for 2025-26 will allow us to continue to make progress in relation to these EDI themes, at the same time as addressing the new challenges that have emerged over the life of the Corporate Strategy.

### **Ongoing monitoring and evaluation**

Following our consultation we will review, finalise and publish this equality impact assessment.

We will continue to monitor, assess and respond to EDI impacts across our workstreams throughout the twelve-month period covered by the Business Plan and budget for 2025-26.