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1 July 2021

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NB: This annex includes redactions in line with respondents' preferences.

Summary of responses by question

Feedback on consultation question one – market segmentation

- 1 As highlighted earlier, we won support for our aim to increasingly segment the legal services market. The Law Society welcomed our proposed approach, arguing that it should be “...a central part of the regulatory decision-making process...”. ACSO said that segmentation of the market enables the targeting of regulatory protection for consumers who are exposed to different types of risks when interacting with legal services. While giving greater visibility to the impacts of different regulatory interventions.
- 2 Cardiff and District Law Society supported the proposals around segmentation on the basis that it allows better targeting of regulation. It emphasised its view that segmentation should apply to considering the proportionality of regulation on different parts of the profession based on compliance resources as well as risk. Moreover, the segmentation should be used to target compliance supports at the firms which need help the most.
- 3 Similarly, we heard during our roundtable event with in-house lawyers a call for a more segmented approach to guidance and our information resources. We hope to get further insight about the support needs of different segments of the profession through the Standards and Regulations one-year evaluation research, that is currently in the field.
- 4 The lawtech community similarly highlighted that segmentation was important as the issues, opportunities and impacts of and for technology across different segments of legal services and consumer needs were very different. There were also calls for us to target our activity on segments where we can have most impact and will complement, not duplicate, activity by others in this space, or to fill an identified unmet need. They welcomed that our Oxford University research on the adoption of technology would take a segmentation approach. They also said that the greater segmentation in the data that we publish, such as information about our regulated community, the more useful it will be for innovators.
- 5 During our engagement work with groups that represent different communities within the solicitor profession we heard specific examples of how issues and experiences differ, underlining the importance of segmentation and being agile to understand, and respond to, the ways in which different communities of lawyers work and provide legal services.
- 6 Another example emerged from discussion with stakeholders from the law centre community, which pointed towards segmentation being helpful to identify specific risks to access to justice – such as emerging ‘advice deserts’, digital exclusion, or accessibility problems experienced by rural communities – and to then understand what our position and response might be towards those risks.

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Feedback on consultation question two – our proposed work activities under strategic objective one

- 7 We asked stakeholders for their views on our proposed work activities under our first strategic objective - '*setting and maintaining high standards for the profession and ourselves*'. Overall, there was support for the proposed work programme, with different stakeholders focusing on specific areas for more detailed comment and suggestions.
- 8 This objective was seen as of high importance by consumers. We held a focus group with members of the public from across England and Wales, where we asked participants at the outset to rank the priorities that they felt should occupy a legal regulator's time. The function that was identified by the participants as being most important was '*Setting the rules for solicitors and taking action against those who break them*'. The second function rated most important was '*Making sure that solicitors have the right knowledge and skills throughout their career.*'
- 9 We heard feedback from many stakeholders about our proposed education and training priorities and activities for 2021-22. The Law Society and members of the profession acknowledged the good work done so far, engaging with the profession, aspiring solicitors and educational institutes. There were calls to continue this engagement, with communication targeted at different segments of those impacted.
- 10 During our roundtable meeting with in-house lawyers, we also heard enthusiasm for the incoming Solicitors Qualifying Examination (SQE) and how it may impact new and aspiring solicitors. This was accompanied also by calls to publicise the SQE more widely, and to also prioritise support for existing members of the profession to continue their own development and to, for example, embrace and benefit equally from emerging technology.
- 11 Through our engagement with EDI groups, there was support for the SQE evaluation and monitoring activity described in the draft Business Plan, with suggestions being made to consider the impacts specifically for smaller and mid-sized firms, and some concern expressed around the accessibility of the SQE for overseas students. The Law Society recommend we focus on clear, effective messaging for overseas students, foreign lawyers and Bar Associations about the SQE.
- 12 We received suggestions from different stakeholders relating to our proposed review of continuing competence. There were comments across consumer groups, the profession and the lawtech community that we should consider whether there will increasingly be a need for solicitors to be able to operate different types of technology in an increasingly digital first sector. In-house lawyers expressed concern that there may be limited education and training opportunities to allow older solicitors to adapt to changing ways of practice.
- 13 The Law Society suggested that our review of our forthcoming publication policy for regulatory decisions could include a focus on how we can use the information to educate to help solicitors avoid the mistakes of others.

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- 14 The Law Society welcomed our approach to advocacy standards and for having listened to stakeholders during consultation. The Legal Services Consumer Panel called for further action to improve advocacy quality¹. [REDACTED]
- 15 The Law Society and Cardiff and District Law Society commented on our proposed evaluation programme for major reforms. Both welcomed our commitment to independent evaluation as being essential to the credibility of reforms and allowing us to understand whether our objectives have been met and make any policy corrections if needed. The Law Society highlighted that Covid-19 has happened since the introduction of our Standards and Regulations, which may distort the evaluation, and suggested that we should consider impacts across different segments of consumers and the profession. The evaluation design takes these points into account.
- 16 Cardiff and District Law Society note the positive work we are undertaking in relation to the Welsh language. They have said that they would be keen to hear more about our proposed activity in Wales and our newly established presence in the country. The Law Society too welcomes our focus on Wales and our collaboration with local organisations, for example with Swansea University Business School.

Feedback on consultation question three – our proposed work activities under strategic objective two

- 17 We have provided some detail about views expressed in relation to this objective in the main paper, given its prominence in many of the responses, discussions and focus groups.
- 18 As referenced above, feedback from the workshop with lawtech providers, innovators and academics demonstrated strong levels of support for our focus, and for the detail of the activities we had proposed for delivery in 2021-22 in our draft business plan. This was backed up through our LinkedIn polls, and when we asked stakeholders to rank the greatest impacts for the legal sector next year, technology and innovation came out on top.
- 19 The formal responses from professional representative bodies were similarly supportive. The Law Society welcomed our proposed work activities around technology and innovation. It praised our collaborative approach to understanding legal services innovation and recognise this is a shared area between our organisations. It emphasised support for our quality indicators pilot approach, as well as our University of Oxford research. Common to others that we engaged with, the Law Society was keen that we dedicate resource to activity that will help smaller firms adopt and adapt to new technology and to focus on supporting compliance technology.

¹ We have not yet received the LSCP's full response but have been provided headlines

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- 20 Cardiff and District Law Society made clear that it thought that Objective Two should be our number one priority. Its comments included “we don't think that we can underestimate the importance of moving the legal sector into the same means of online interaction, which has previously been done successfully by the banking, insurance and retail sectors”. Its response included helpful suggestions about how we might shape some of our proposed activity in practice to benefit its members and the public equally.
- 21 ACSO endorsed our focus on technology, concluding that law firms failing to invest in this regard were likely to struggle to compete as consumer expectations and demand for online services continue to evolve. It asked that we continue engaging with it, and more widely in taking forward work in this area.
- 22 LEO said that it was supportive of the innovation work outlined throughout the Business Plan. LEO observed that the pandemic had shown the need for more digital and innovative ways of working. It expressed an interest in unbundling and other ways of supporting different ways of working. LEO also offered to share learning on Artificial Intelligence projects it is taking forward such as robotic processing and document summarisation tools.
- 23 We were pleased to hear enthusiasm and interest in this area of our work through many of our consumer focus groups and roundtables. During our engagement work with members of the public we heard views that the pandemic had shifted many consumer behaviours and created an increased tolerance, and increased appetite for some, to use new technology solutions when finding and accessing legal services. As set out in the main paper, some vulnerable consumers with non-mainstream needs saw that technology could play a key role in helping them access the services they need, either directly or helping to signpost to specialist services.
- 24 However, there was also some caution and wariness expressed around possible dominance of technological solutions at the expense of other options and recognition that digital solutions can also exclude specific groups. There was a view that choice is important, and it would be important for us to help build trust in technology services and help consumers and use newer options. This would be best done in collaboration with the third sector.
- 25 Our growing engagement with lawtech providers has helped us understand what this segment of innovators want from us to support adoption of responsible innovation and technology. We have set out details of some of the suggestions in the main paper. We also heard specific suggestions that we should consider whether we could offer some sort of accreditation for platforms and services to help reassure law firms customer. Or, as more realistic alternative, providing checklists that help to reassure firms they are doing the right things in choosing the technology that they use.

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Feedback on consultation question four – our proposed work activities under strategic objective three

- 26 Our fourth consultation question asked stakeholders to provide feedback on our proposed approach towards anticipating and responding to change. We explained how we intend to employ our research and analysis resources to identify emerging trends and changes within and around the sector, and to then respond to those changes. We highlighted some potential areas where we may lead policy debates, act as an authoritative commentator and bring together different organisations to collectively wrestle with issues that are beyond our remit to address on our own.
- 27 We heard from stakeholders about some of the big issues, from their perspective. EDI was highlighted as a particularly significant issue that should warrant the SRA's ongoing exploration.
- 28 Some members of the public in our consumer focus group argued similarly that EDI must be a high priority for the SRA, in terms of making sure that future generations of solicitors are diverse and reflective of the communities they serve. Our proposed EDI research was welcomed. The Law Society also welcomed our moves to improve our data sets. In EDI discussions there was often calls for a greater level of granularity in data collection. This must of course be balanced with the burden placed on respondents and the risk overload may lead to less responses at all.
- 29 Through our engagement activities we also heard about specific concerns and issues from different communities, with one example raised by disability groups being perceptions that disabled people are not well represented in the legal services professions and that we should speak out about disability issues within recruitment and retention.
- 30 Several respondents who responded to this question in detail, welcomed our proposals to be evidence based and collaborative. There was a view that areas of focus in year should be driven by emerging evidence and issues, so cannot be static. Our approach to horizon scanning was welcomed with Amplified Global saying that our activity would be particularly powerful if undertaken along with subject matter experts, highlighting the Civil Aviation Authority's Horizon Scanning Group. We might look to enhance our Expert Panel who provide views on broad economic, market, consumer and regulatory developments to consider horizon scanning in this way.
- 31 Our work on improving transparency of information for consumers was highlighted across several responses including the Law Society, LEO, ACSO and Cardiff and District Law Society. Getting this right was also brought up in the public and consumer sessions. Our combination of leading collaborative pilots on quality indicators to learn by doing, carrying out research including our one year evaluation of the Transparency Rules and sharing all finding open source has been highlighted as a positive development under Objective Three. A solicitor firm suggested we stop work on transparency as they consider it a burden on firms that has limited benefit for consumers.

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- 32 We received several detailed suggestions about issues to consider as we move forward based on the evidence we gather, which we will consider. This includes a suggestion from our neurodiversity session that Digital Comparison Tools (DCTs) providing information about specialist services that they need would be of great benefit. LEO has suggested that we work together with other regulators to try and align how data is contextualised. It also expressed support for Legal Choices and the planned publication of its decisions on the website.
- 33 As set out in the main paper, we also received a recommendation to include an additional focus on immigration within our Public Legal Education programme.
- 34 Both the Law Society and in-house lawyers, at their roundtable, highlighted the growing importance of climate change as a global issue for all sectors and all their regulators. It was suggested that we collaborate with the Law Society on identifying what, if any, response is needed from us.

Feedback on consultation question five – our proposed budget allocation

- 35 We asked stakeholders for any views about our intended allocation of our budget across each of the three strategic objective areas.
- 36 While we heard no specific concerns, our efforts to keep fees down and to reduce them where possible was supported. A law centre in Wales told us that a reduction or exemption in the fees might have a positive impact in improving conditions for solicitors to work within the voluntary sector, and in encouraging more solicitors to work in social welfare law. Cardiff and District Law Society also suggested that we may look at reducing costs for solicitors in short-term financial difficulties.
- 37 During our consumer focus group, some participants expressed an interest in knowing more about how we are funded. Although we are clear in our public messaging about the ways in which regulation is funded in the legal services sector, we might usefully consider other opportunities to communicate this information to members of the public during 2021-22 through our public legal education workstream.
- 38 The prioritisation exercise referred to earlier from our focus group with members of the public showed a clear expectation from consumers that our top priorities should be setting the rules, enforcing them, and making sure solicitors have the right knowledge and experience. Our proposed budget for 2021-22 allocates 92% of our budget for strategic objective 1 priorities, which indicates our budget allocation is in-line with public expectations.
- 39 The Law Society suggested an increased level of resource be allocated towards our 'technology and innovation' objective and related activities. [REDACTED]
[REDACTED]
[REDACTED]
- 40 One member of the public focused their response on saying, with little detail, that we should be better at regulating the profession and should spend more money to do so.

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Feedback on consultation question six – our initial equality impact assessments

- 41 For the first time we consulted on two initial equality impact assessments that explored the potential impacts of our proposed practising certificate fee and Compensation Fund contribution for 2021-22 across the protected characteristics.
- 42 In its response the Law Society welcomed continued collaboration with the SRA on EDI during 2021-22, and on the assessment of equality impacts in relation to practising fees. We did not receive any objection to the impacts that we identified or further information about potential impacts.
- 43 Cardiff and District Law Society emphasised that the existing practising certificate framework contributed to making sure that costs were fairly split across the profession.

Feedback on consultation question seven – our proposed practising certificate fee for 2021/22

- 44 We heard feedback from legal service professionals and representative bodies on the proposed practising certificate fee. The Law Society confirmed that it would report back to the SRA regarding the views of its members on the overall cost of the practising certificate fee. One solicitor agreed that the proposed fee is proportionate and reasonable in their formal response, while another felt it remains too high, and a local law society welcomed the decision not to increase the fee.

Feedback on consultation question eight – our proposed compensation fund contribution level

- 45 We got support from the Law Society and Cardiff and District Law Society for the proposed £10 reduction in the Compensation Fund contribution for individual solicitors.