

# Business Plan and budget (November 2021 to October 2022)

25 October 2021

## Foreword

Our Business Plan and budget sets out our planned work and budget allocation for November 2021 to October 2022, the second year of our [Corporate Strategy for 2020-23](https://sra/corporate-strategy/).

We have consulted in full on our annual planning and budget, and our Business Plan confirms the practising certificate fee and Compensation Fund contribution for 2021/22.

For us all, the last 12 months have of course been dominated by the Covid-19 pandemic. It will take some time before the full implications of the pandemic for the users of legal services, the sector and the wider economy are properly understood and that will be reflected throughout our work for the year ahead.

Recent months have also seen us undertaking significant collaborative work in relation to the UK exit from the EU, and that too will continue in future. The Solicitors Qualifying Examination was introduced in September 2021 and the first candidates will be sitting the first assessment later this year – marking a step change in how people enter the profession.

We have laid the foundations of our future work on lawtech with substantial research by the University of Oxford into the use of technology in the legal sector and our involvement in the Lawtech UK Sandbox programme. Further research is in hand as we look at the complex issues underpinning the overrepresentation of Black, Asian and minority ethnic solicitors in our enforcement work, as well as the attainment gap in professional assessments. As we said we would, we have also been evaluating the major reforms of recent years with a report showing the positive impacts of our transparency rules. This will continue to feed into our response to the Competition and Markets Authority's recommendations for the legal services sector.

Many of these areas feature in our plans for 2021/22, along with our commitment to improving how we ourselves work. That will build on the much-needed new IT systems we have introduced and the changes we are already making to our workplace, in the light of our experience of remote working during the pandemic.

It will be a busy year, as we also drive forward key priorities around quality assurance, standards of advocacy, continuing competence, anti-money laundering, our work in Wales and better information for consumers.

As we take forward our work, we must be mindful that issues, and our responses to them, will necessarily be different across different segments of the market. This may include different types of law, different types of legal practice, different types and size of provider and different end users of legal services.

Segmentation will help us make the difficult decisions about where and how we target our resources and activities to best meet our Regulatory Objectives. This will be particularly important in big, broad areas such as access to justice, public legal education, equality and diversity, and technology and innovation.

**Paul Philip**  
**Chief Executive**

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## [Introduction](#)

**Who we are**



1. We are the largest regulator of legal services in England and Wales. Our work includes
  - overseeing more than 206,000 solicitors
  - authorising more than 10,100 law firms
  - setting the standards and behaviours for those solicitors and firms
  - taking action when things go wrong
  - improving access to legal services.

### **Our Corporate Strategy 2020-23**

2. Our [Corporate Strategy](#) [sra/corporate-strategy/] sets out our strategic priorities, three specific objectives, and indicative activities and outcomes that we anticipate achieving by the end of October 2023. Our priority areas are:
  - setting and maintaining high standards for the profession and ourselves
  - technology and innovation
  - anticipating and responding to change.

### **What we aim to do**

3. We want to work in ways that improve access to justice for the public from every community across England and Wales, with equality, diversity and inclusion (EDI) at the heart of our work. These aims are woven into:
  - our strategic objectives
  - activities we commit to in this Business Plan
  - the approach we take towards regulation.
4. We are also committed to developing and progressing activities that support us in better understanding emerging opportunities, challenges and trends within the legal services sector in England and Wales. We want to use that understanding to design and deliver the best possible regulatory responses. During 2020 and into 2021 we adapted what we do and how we do it in the light of the impact of the Covid-19 pandemic. We will continue to monitor the implications for the legal sector, users of legal services and our own work.
5. To achieve our aims, we develop business activities that are:
  - Anticipatory: pro-actively looking at tomorrow's opportunities and challenges as well as today's.
  - Evidence and intelligence driven: to help us anticipate and understand the future and make proportionate, objective, justifiable interventions.
  - Responsive: looking to take advantage of opportunities and address challenges.
  - Collaborative: working with partners from inside and outside the sector to build strong relationships and target resources, share ideas and mainstream inclusive ways of working.
  - Agile: evolving our regulation and operating flexibly to support positive innovation and respond to emerging challenges.
  - Authoritative: contributing to policy debates and calling out issues that may not be in our gift to resolve.

### **Business Plan and budget 2021-22**

6. Our Business Plan sets out:
  - The work we will take forward during the second year of our Corporate Strategy, from 1 November 2021 to 31 October 2022.
  - Our budget, and the ways we will use it to deliver our work objectives and meet our three strategic objectives.
7. Our work is described in this plan as activities under each of our three strategic objectives. The strategic objectives are complementary and designed to interlink with each other, and so are our work activities.
8. For the purposes of this Business Plan, we set out each work activity under the most appropriate single strategic objective.

### **How we track and report our progress**



9. We monitor the delivery of our work programmes, including the ways that they are being taken forward, and the progress we are making towards meeting our objectives.
10. This helps us to make sure that we have the right people and the right resources in place for different areas of work, and that we can stay on track to achieve the actions we commit to in our Business Plan.
11. Our [Board](#) [sra/how-we-work/our-board/board-members/] regularly reviews our progress, using information on our work programmes from across the organisation, our key performance indicators, and our budget and expenditure.
12. The Board section of our website sets out our [Accountability statement](#) [sra/how-we-work/our-board/accountability-statement/] and details of what we publish, along with other information including our Chair's [blogs](#) [sra/how-we-work/our-board/news-from-the-board/], and [Board meeting papers](#) [sra/how-we-work/our-board/public-meetings/archive/].

### Acting fairly and managing the impacts of our work

13. We use equality impact assessments, research programmes, and stakeholder engagement to help us to understand and monitor EDI considerations within our work activities. We look at all the protected characteristics, as well as socio-economic factors, and are working to improve our data so that we can increase understanding of intersectionality.
14. Our '[Five year review of our equality, diversity and inclusion work](#) [sra/research-publications/promote-equality-five-year-summary/]' report is an example of the approach we take to communicate our assessment of impacts to our stakeholders. It also shows the measures we take to manage those impacts and any progress that has been made. This transparency is critical and helps us to make sure that we behave fairly with our customers and our stakeholders. And that we take the best possible actions to meet the needs of people from diverse backgrounds and different communities.
15. We have also carried out equality impact assessments of the practising certificate fee and of the Compensation Fund contribution, which we will review annually. These assessments explore the impacts that our fees may have across the profession as a whole, and for different segments, and support our work to regulate in a way that is fair and inclusive.

### Our budget for 2021-22

16. Most of our day-to-day expenditure is on our operational work. This includes:
  - authorising individuals and firms to practise
  - investigating and enforcing compliance against the standards we set
  - handling claims on the Compensation Fund.
17. We are funded primarily from practising fee income collected from solicitors and law firms. Income is also gained from our regulatory activities in different ways, such as authorising firms to provide legal services.
18. The practising fee income is also used to fund certain Law Society activities, alongside levies for the Solicitors Disciplinary Tribunal, the Legal Services Board, the Financial Conduct Authority (Officer for Professional Body Anti-Money Laundering Supervision), and the Legal Ombudsman.
19. Information about our budget for 2021-22 is set out in the final section of our Business Plan. We also indicate throughout the plan the percentage amounts that we intend to allocate to each of our three strategic objective areas. The chart below shows how budgeted expenditure is split among our functions.
20. The SRA and the Law Society each consult our stakeholders about our respective funding requirements, and we then determine the individual practising certificate fee. We have undertaken an initial impact assessment for the practising fee framework and will continue to develop this with further information we receive about different groups of solicitors. We will operate broadly the same total budget in 2021/22 as in 2020/22.
21. More information on how we work can also be found in our [annual reporting](#) [sra/how-we-work/archive/reports/2018-19-review/], and in the [Law Society Group Annual Report and Financial Statements](#) [https://www.lawsociety.org.uk/about-us/business-review-and-annual-report/].

## **Objective one - setting and maintaining high standards for the profession and ourselves**

**We will set and maintain high professional standards for solicitors and law firms as the public would expect and make sure we provide an equally high level of operational service.**

25. The core regulatory work that takes place under our first strategic objective includes:
  - setting the standards for firms and individuals that we regulate
  - enforcing compliance with those standards
  - overseeing the education and training requirements necessary to become a solicitor in England and Wales and maintain competence post-admission
  - authorising individuals and firms to practise.
26. Our workstreams under strategic objective one are drawn from many of our regulatory functions and teams and are much broader than 'business as usual'.
27. We will be working to achieve and promote consistently high standards across our regulatory framework, and to embed those standards into the delivery of legal services to consumers by legal service professionals and businesses that we regulate.
28. We also work hard under this strategic objective to embed high standards within our own operations, as both a regulator but also as an employer. We focus on continuous improvement within our projects and our workstreams, underpinned by a commitment to evolve and learn so that we continue to meet the challenges we face. We also strive to support our people to feel valued, included, and motivated to deliver high quality services and experiences for our customers.
29. During 2021/22 we will launch new projects and initiatives under this strategic objective. We will continue to progress work that may have started, or that was already in train in 2020-21, much of which was against the backdrop of the Covid-19 pandemic. In the remainder of this section of our Business Plan and budget we describe these work activities.

### **Solicitors Qualifying Examination**

30. The Solicitors Qualifying Examination (SQE) was introduced on 1 September 2021 as a single assessment for aspiring solicitors. The first assessments will run in November 2021 (SQE1) and April 2022 (SQE2).
31. The SQE marks an entirely new era for qualifying as a solicitor of England and Wales. Our post-introduction work will include:
  - quality assuring the assessment
  - monitoring and evaluating the impact of the SQE (including in relation to candidate performance by protected characteristics)
  - putting mechanisms in place to share this work with stakeholders.
32. We will also continue to quality assure qualifications under the old system, including the qualifying law degree and the Legal Practice Course, during the transition period during which they can still be provided.
33. Between November 2021 and October 2022, we will:
  - launch a 10-year monitoring and evaluation programme for the SQE
  - quality assure the first SQE assessments
  - continue to develop processes for SQE data sharing so that we can communicate transparently with our stakeholders
  - continue to reach out to aspiring solicitors from every background, law firms and training providers to publicise and provide information about the SQE
  - monitor the implementation of the SQE across the SRA's operational teams to make sure our regulatory approaches are being applied consistently
  - survey and work closely with firms and candidates to understand and respond to any impacts of qualifying work experience
  - continue to review and assure standards for other courses and assessments
  - further progress our work to provide the SQE in the Welsh language.

### **Continuing competence**



34. The SQE's introduction signals a new chapter for routes into the legal profession and the standards that need to be met at the start of each solicitor's career. The ongoing competence of solicitors as they continue through their careers, and the behaviours they must demonstrate, are also important.
35. We have made significant improvements to our ongoing competence regime in the last few years. In 2020-21 we started thinking again about the mechanisms that we use to assure the ongoing competence of solicitors. This included working alongside the Legal Services Board (LSB) as it focuses on this key area. We are now considering opportunities to further improve our approach, including:
  - how we identify poor practice and areas of increased risk to consumers
  - what we can do to provide further support to those we regulate to help them maintain their competence
  - whether we need more regulatory tools to respond to poor practice and protect consumers where there is increased risk of harm.
36. Our work here will continue between November 2021 and October 2022. One possible outcome may be a longer-term strategic review of continuing competence requirements to help inform and enhance our regulatory approach.

### Advocacy standards

37. Advocacy and the standards of representation provided by solicitors to members of the public within the criminal and civil justice system continues to be a high priority for us. The Covid-19 pandemic brought with it sharp focus on the criminal justice system and we will continue to monitor the longer term implications in this area, including the provision of remote advice or representation.
38. Over the past few years we have worked with stakeholders to increase our understanding of the realities and challenges of criminal and civil law practice, and the regulatory mechanisms that are best employed to maintain the standards we and the public expect. We will continue to engage with stakeholders and the public to identify risks and issues with criminal and civil advocacy and practice.
39. We have delivered the programme of work we set out in our 2020 consultation '[Assuring advocacy standards](#) [[/sra/consultations/consultation-listing/advocacy/1](#)']'. In addition, and working with the Bar Standards Board and CILEx Regulation, we also introduced clear standards for solicitors working in the Coroners Court. This positions us well to continue our work to assure advocacy standards through into 2021 and 2022 where we will consider how standards and regulatory approaches here might evolve.
40. We are also continuing to review our regulation of the [Police Station Representatives Accreditation Scheme](#) [[/solicitors/resources-archived/continuing-competence/cpd/accreditation/police-station-representative-accreditation-scheme/1](#)]. We are reviewing current quality assurance arrangements with a view to continuing this work through into 2022 and progressing any changes that we conclude may be required.
41. Between November 2021 and October 2022, we will:
  - explore how we can make sure that assessment of the Higher Rights of Audience qualification is consistent and robust
  - evaluate our audit of sample training records of solicitors working in youth courts to identify potential actions and next steps
  - carry out a random sample of the training records of solicitors working in the Magistrates and Higher Courts
  - develop competences to outline the standard of advocacy we expect from solicitors practising in the youth court, and update our existing youth court resources
  - continue to provide resources to help support solicitors practising advocacy, including situations involving vulnerable clients
  - develop resources to help members of the public understand what good advocacy looks like, and about the role of their advocate
  - continue our work to enhance the Police Station Representatives Accreditation Scheme, including acting on any recommendations of the new Chief External Examiner.

### Our Standards and Regulations



42. We introduced our Standards and Regulations in 2019 following a full review of our regulatory approach and rules. The Standards and Regulations bring together the full range of SRA regulatory requirements, including our revised Principles and codes of conduct, and rules for solicitors and firms such as our Transparency and Compensation Fund rules.
43. The Standards and Regulations set our regulatory expectations for solicitors, law firms, and people that work in them. It is important that we understand the ways that they are working in practical terms, and the impacts that they are having, including any EDI considerations.
44. To achieve this, we review and evaluate our regulatory arrangements on an ongoing basis to explore their effectiveness and to identify opportunities we may have to improve these. This includes the impacts on different consumer and provider segments and demographics, such as whether they have facilitated improved choice about how and where people can access legal services.
45. Since 2019 we have already completed initial evaluations of some of our rules, such as the '[Year One evaluation of the SRA Transparency Rules \(/sra/how-we-work/archive/reports/better-information-legal-services-market/1\)](#)'. This evaluation work will continue into our 2021/22 work programme, and we will publish our findings and engage with our stakeholders as we progress.
46. Between November 2021 and October 2022, we will:
  - start a 'Year Three' evaluation process for the SRA Transparency Rules to identify their impacts and understand their effectiveness in the legal services market
  - gather data on alterations made to the SRA Compensation Fund rules to monitor their impact
  - review the impacts of the Standards and Regulations, including EDI impacts, identified through the one-year evaluation and take forward any necessary actions.

### **International recognition and lawyer transferability**

47. Like most professional service sectors, the UK's exit from the EU in January 2021 gave rise to new considerations for legal regulators. For us, this included:
  - working to understand the practical implications for qualification rights
  - making sure there was a smooth transition
  - making sure our regulatory framework supports the continuity of business and trading arrangements within the legal services sector.
48. We will continue to work closely with stakeholders, including the UK government, EU, international regulators and professional associations in other jurisdictions, to understand what more needs to be done. In particular we will monitor the impacts of the [Trade and Cooperation Agreement](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/948119/EU-UK_Trade_and_Cooperation_Agreement_24.12.2020.pdf) introduced following the UK exit implementation period. We will then look at any further regulatory considerations that may emerge regarding the mutual recognition of professional qualifications within global legal services markets.
49. Between November 2021 and October 2022, we will continue to work closely with stakeholders regarding the recognition of professional qualifications between different jurisdictions. This is to make sure that our regulatory responses remain effective.

### **Anti-money laundering**

50. Money laundering continues to be one of the biggest risks in the legal services sector. Accordingly, our anti-money laundering (AML) focus remains a high priority, and we work hard to meet our legislative requirements and to play our part in tackling financial crime.
51. This is reflected in the reach and ambition of our rolling programme of AML visits to law firms. We have reviewed the programme and it will expand further during 2021 and 2022.
52. Our dedicated AML team delivers this, and we engage closely with law firms to review the effectiveness of their AML policies and controls they are applying. Our guidance and





resources for solicitors and law firms are also kept under continual review and updated as legislation evolves.

53. However, there is more to do to make sure we respond quickly and adapt to new developments, and in continuing to improve our regulatory response towards financial crime. We will be transparent about our findings, with information about our AML activities published and communicated to the Office of Professional Body Anti-Money Laundering Supervision, HM Treasury, and our wider stakeholders.
54. Between November 2021 and October 2022, we will:
  - complete and publish findings from a thematic review of the role of money laundering officers in law firms, in order to build our understanding of these roles and the effectiveness of our requirements.
  - publish an annual report about the delivery of our AML supervisor responsibilities that provides information about our approach to our stakeholders.
  - expand our programme of AML visits to firms and engage with all firms about the extent to which they are in the scope of AML regulations. This is to make sure we continue to develop our knowledge and response to regulatory approaches in the legal services sector.
  - improve our AML resources, including webinars and updated guidance if there are legislative changes, to support solicitors and law firms to understand their duties and how best to meet them.

### **Equality, diversity and inclusion**

55. Our work to promote diversity in the legal profession will remain high priority during 2021 and 2022. We work closely with our stakeholders and with representative groups to progress this work. These relationships help us to monitor and respond to equality, diversity and inclusion (EDI) impacts of societal changes, but also the impacts of developments such as the SQE.
56. However, access to diversity data on protected characteristics and socio-economic status across the individuals we regulate is also vital. Our improved IT infrastructure gives us better opportunities to improve the quality of diversity data provided to us by solicitors. This in turn provides us with a clearer take on EDI considerations within the legal profession including social mobility, and workplace diversity.
57. In 2020 and into 2021 we have continued our analysis of demographics of solicitors in our enforcement processes. We have seen the longstanding pattern of overrepresentation of Black, Asian and minority ethnic people that is shared widely across regulators and sectors. We are undertaking independent research into the factors driving the picture we are seeing in reports made to and investigated by us.
58. Between November 2021 and October 2022, we will:
  - publish our analysis of law firm diversity data and of the EDI impacts of the SRA's operational work. This will include the use of our regulatory powers to tackle discrimination in the legal profession, to support engagement with our stakeholders about the actions we are taking and the impacts those actions are having
  - review and improve our equality impact assessment publications to make sure we are transparent with our stakeholders
  - continue our workstreams arising from our '[Upholding Professional Standards](https://sra.gov.uk/how-we-work/archive/reports/2018-19-review/upholding-professional-standards-supporting-report/) [\[/sra/how-we-work/archive/reports/2018-19-review/upholding-professional-standards-supporting-report/\]](https://sra.gov.uk/how-we-work/archive/reports/2018-19-review/upholding-professional-standards-supporting-report/) report, progressing the actions on diversity including independent research into the overrepresentation of Black, Asian and minority ethnic solicitors in reports made to us and in our enforcement processes
  - promote EDI through new resources, including on areas such as exploring career access and progression to support solicitors and law firms to improve their knowledge and their approaches in this area.

### **Compliance and enforcement**

59. The [SRA enforcement strategy \[/sra/corporate-strategy/sra-enforcement-strategy/\]](https://sra.gov.uk/corporate-strategy/sra-enforcement-strategy/) sets the parameters for our investigation and disciplinary activities, and enforcement action that we may need to take in different circumstances. It is important that solicitors from all communities, law firms, and members of the public can understand how we work. And



that we deliver our enforcement functions as transparently as possible to make sure this is the case.

60. It is also important that we consider the ways in which our enforcement decisions and actions take shape, and that we understand the impacts they have for our stakeholders. Our strategy supports us to tailor our enforcement approach to different situations and to determine the most suitable course of action. We are committed to making sure we are fair and transparent in reaching those determinations.
61. Quality assurance mechanisms support the practical delivery of our enforcement strategy, and during 2021 and 2022 we will continue to use these. Alongside this are other tools, such as external audits, to evaluate and report back on the quality of our decisions and the ways in which we handle cases. We will also set up a new internal Quality Assurance team, independent of our operational work, to help assure the standards and consistency of our enforcement decision making.
62. Alongside this work we will also review other elements of our approach towards enforcement, including our regulatory fines.
63. Between November 2021 and October 2022, we will:
  - review our publication policy for disciplinary findings to make sure we understand and respond effectively to the impacts of our approach to publication, that it meets modern best practice and public expectations
  - evaluate our approach to using our fining powers and the bandings we follow for setting disciplinary fines so that we can identify opportunities for our approach to evolve
  - review and consider opportunities to improve compliance and enforcement approaches for the SRA Transparency Rules, so that consumers can access the information they need from firms about their services
  - establish an internal Quality Assurance team, independent from our operational teams, to support continual improvement across SRA workstreams.

### **Our work in Wales**

64. We are committed to continuing the work we started in the first year of our Corporate Strategy for 2020-23 to develop our presence in Wales. We have built strong stakeholder relationships in Wales and we will be continuing to strengthen the engagement approaches and channels we use.
65. Our work to increase the use of the Welsh language also continues. Many of our key publications are bilingual and are made available as standard in Welsh, such as our Upholding Professional Standards report.
66. Between November 2021 and October 2022, we will:
  - build on the establishment of our new presence in Wales, to continue strengthening our stakeholder relationships and further developing our profile
  - continue to identify and deliver Welsh language requirements within the SQE and other SRA-led projects to make sure we are meeting our commitment to using the Welsh language.

### **Our people, our customers, and our resources**

67. Like so many organisations the Covid-19 pandemic brought many challenges to our doors throughout 2020 and into 2021. We worked hard to support our colleagues, and to mainstream remote working and digital tools so that people needing to contact and engage with us could continue to do so.
68. Our new IT positioned us well to achieve this through:
  - improvements to our core technology
  - modernised case management systems
  - new software that has bought solutions and improved ways of working to our operational teams.
69. Improved IT also helps us to improve customer service across our organisation, and this will continue to be a priority for us during 2021 and 2022. Members of the public, solicitors, law firm representatives and other regulators are just some of the groups that become our customers in different ways. As well as making improvements to our website we will consider other ways to use technology to improve customer experiences.





70. Our work and effectiveness depend on our people. During 2021 and 2022 we will be working in different ways to make sure they that our people continue to feel valued and are in the best possible position to contribute to the SRA's corporate objectives.
71. Between November 2021 and October 2022, we will:
  - develop our working environment and workplace culture so that we are agile and are promoting a good work/life balance for our people
  - demonstrate efficient and effective use of our resources within a culture of continuous improvement so that we continue to provide strong customer service experiences
  - deliver a strategic approach to our resourcing to ensure we get the most from our people, processes, technologies, data and information
  - simplify and take a digital-first, user friendly approach towards corporate reporting, and publishing information and regulatory data for our customers
  - further improve our website's navigation and accessibility following user engagement and testing with different communities to make sure we can meet the diverse needs and requirements of our stakeholders
  - enhance our Solicitors Register, and work with stakeholders to improve the accessibility of information about lawyers for the public, so that important regulatory information is easily available.

### **Public legal education and information for consumers**

72. In the first year of our Corporate Strategy for 2020-23 we explored opportunities to make further progress with public legal education initiatives. The surge in demand for online information about lawyers and legal services has been spurred on by the pandemic. This makes it more important than ever that this information is authoritative and trustworthy while also being accessible to members of the public including through digital-led formats.
73. In this context, we will continue to enhance and improve our successful [Legal Choices consumer website](https://www.legalchoices.org.uk/) [https://www.legalchoices.org.uk/], which we run in partnership with other legal regulators, demonstrates this. Through this we provide information about lawyers, their services, and the choices available to members of the public, and demand remains consistently high for this type of information. We also provide information and practical advice for the public about solicitors and legal services through our website.
74. However, we know that digital solutions are only one part of the story. Therefore, we are exploring digital exclusion considerations so that we can identify potential non-digital public legal education initiatives.
75. We will maintain and develop our face-to-face engagement with consumer groups and frontline advice agencies, to help key information pieces get to consumers through their networks. This includes working with charities and other stakeholders to explore different ways to provide information about lawyers and legal services to harder-to-reach communities.
76. We will use research and opinion pieces from stakeholders to inform our public legal education activities. This will help make sure that we are able to segment and focus on delivering solutions targeted at different needs and that reach people in different ways, and that are accessible to different communities. The Competition and Market Authority's (CMA) report and recommendations will be an important reference point.
77. Between November 2021 and October 2022, we will:
  - pursue collaboration opportunities with charities, consumer groups and others to continue building our understanding of their needs and the communities that they represent, and tailor our public legal education work accordingly
  - consider new opportunities to work towards the CMA's recommendations, in particular helping people to use information about firms and solicitors to make good choices about the services they use
  - continue to deliver high quality information through the [Legal Choices](https://www.legalchoices.org.uk/) [https://www.legalchoices.org.uk/] website and improve its delivery through further development of the website's products, so that members of the public can easily find and interact with information they may need about lawyers and legal issues
  - look at where we can provide more information for the public on key areas including immigration, advocacy and how technology can support access to legal services.



## Our budget for objective one

78. Most of our resources are allocated towards our work under strategic objective one.
79. We expect to allocate around 92% of our total budget towards this in 2021/2022.

## Objective two - technology and innovation

### **We will actively support the adoption of legal technology, and other innovation, that helps to meet the needs of the public, business community, regulated entities and the economy.**

80. Our Corporate Strategy sets out our aim of building our understanding of and our impact on innovation and technology in the legal services sector. We think that technology and innovation in all its forms plays, and will continue to play, a major role in shaping how legal services are provided by solicitors and firms. And how they are accessed and experienced by consumers of different types. This is an important factor in deciding how we will work to improve access to justice and to promote competition in the provision of legal services.
81. Since the publication of our 2020-21 Business Plan the world has of course continued to be impacted by Covid-19. This has meant digital tools and solutions have been embraced widely across most industries in some way or other. In legal services we have seen courts and the judiciary adopt online hearings and virtual courtrooms in many areas. Alongside this, law firms and lawyers are interacting increasingly with consumers through video calls, instant messaging and website chat services.
82. However, change, the ability to adapt to it and its impact varies across different market segments. This might include different areas of law, types of legal activity, types of legal practice, types and size of provider and different end users of legal services. We aim to use research and partnership working, including at a regional level, to understand how we can best target our resources to support positive developments and help to address negative developments.
83. Our first year of work under this objective of our Corporate Strategy was purposely exploratory. This was designed to help us build our evidence base and understanding, while placing markers by which we can monitor new developments and the progressive impacts of technology over time.
84. In 2021/22 we will be continuing to look at how digital solutions, processes and innovation are impacting on different parts of the legal services market, including the interplay between new technology and how people and businesses can access justice. We will build on our [research with the University of Oxford \[sra/how-we-work/archive/reports/technology-innovation-in-legal-services/\]](#), looking at the changing use and adoption of legal technology across different segments of provider and end user.
85. Strong stakeholder relationships and collaboration are central to our success here. We will widely share the findings of our research and invite discussion about them. We will be working to strengthen existing relationships, as well as developing new ones. We will also build links with organisations who support those who may face digital exclusion, or not have the skills to be able to benefit from new technology in legal services.
86. We will evolve our research and lawtech partnerships to see where we can develop specific initiatives that promote and develop the use of legal technology and innovation. This will include improving on what we have done already, such as reviewing our [SRA Innovate \[solicitors/resources-archived/sra-innovate/\]](#) programme, as we explore how we can continue to build our role and our impact in this area.
87. In 2021-2022 we will take forward targeted projects to help us to achieve our ambitions under our second strategic objective. We describe these in the remainder of this section of our Business Plan.

## **Collaboration and partnership working**

88. Our technology and innovation work to date has helped us to forge solid working relationships within and outside the legal services market, including technology providers and regulators from other sectors. Our work in delivering the Legal Access Challenge in 2019-20 allowed us to build our knowledge of lawtech companies and innovators, while developing working relationships with them that have continued far



- beyond the conclusion of the Challenge. For example, we are a founding member of the [Lawtech Sandbox \[https://technation.io/\]](https://technation.io/) - a role that will continue into 2021/22.
89. Our partnerships extend internationally, including through the International Conference of Legal Regulators, and its 'net [<https://iclr.net/>]' website that we manage. These are rich in terms of the insights they help us to access and the opportunities for collaborative working that they allow us to explore.
  90. We also work alongside government bodies and other organisations to shape our role in this area, and as new developments emerge, such as our engagement work with the Department for Business, Energy, and Industrial Strategy on its roadmap towards a new UK digital economy and identifying activities we can take forward ourselves or through partnerships as part of that. We will develop these relationships in 2021/22. We are also looking forward to building new relationships and working on new opportunities through our participation in the [Agile Nations forum \[https://www.gov.uk/government/publications/agile-nations-charter/agile-nations-charter-accessible-webpage-version\]](https://www.gov.uk/government/publications/agile-nations-charter/agile-nations-charter-accessible-webpage-version).
  91. We continue to work closely with different types of firms as they investigate using new technology and innovative approaches to legal service delivery and regulatory compliance. And we will work closely with stakeholders from academic communities to explore new opportunities for trialling technology approaches within the legal services sector. This is as well as working with different types of consumers and their representatives to keep our knowledge of how different communities access services up to date. This will remain a core focus of our work during 2021/2022, which will include our pilot project focused on unbundled legal services.
  92. Between November 2021 and October 2022, we will:
    - continue to develop our working relationships with stakeholders through the Lawtech UK Sandbox, the Agile Nations forum, and other initiatives, so that we positively influence and have impact in the lawtech sector
    - work closely with government stakeholders to identify whole-system collaboration opportunities and to best target our support of the delivery of technology and innovation initiatives within the legal services sector
    - build our relationships with innovation labs and business schools at a regional level to explore and trial new approaches towards technology and innovation that helps to meet the needs of the public, business community, regulated entities and the economy
    - maintain and develop relationships with digital comparison tool providers operating in the legal services market to support the emergence of new ways for consumers to be empowered during interactions with legal service providers.

### **Supporting lawtech and evolving our profile and our ways of working**

93. Growing our understanding of innovation, and our collaboration with lawtech communities, has positioned us well to introduce a renewed focus next year on opportunities to improve our own initiatives.
94. We will seek out and explore opportunities that may be available in this space. This includes using funding from our latest successful bid to the Regulators' Pioneer Fund (RPF) to address regional inequalities in access to justice by exploring and demonstrating the feasibility of new lawtech solutions. This work will build on the success of our Legal Access Challenge, delivered from RPF funding, and the technology solutions introduced by the Challenge's two winners, which strive to benefit specific vulnerable communities, and demonstrates clearly why this remains relevant for us.
95. However, there is much more that we think we can, and should, be doing in this area to improve our own projects and initiatives. Making improvements to our Innovation Space is just one example, and by doing so we can in turn continue providing opportunities for firms and lawtech stakeholders to work with us and to drive innovative approaches across the legal services sector. This will include a particular focus on supporting smaller firms.
96. We think there is more to do to leverage technology to respond and help to better address unmet legal need across England and Wales, and in ways that help to reach diverse communities through digital solutions. And to identify any areas where a growing reliance on technology maybe having a negative impact on the rule of law, administration of justice and certain groups of end users.
97. During November 2021 and October 2022, we will:



- continue to develop and promote our improved SRA Innovation Space. This is so legal services providers (firms, solicitors and new providers) are well supported to innovate safely and to test out new approaches, while we build our understanding of new technology and corresponding regulatory issues
- develop a programme of new 'proof of concept' activity and collaborative actions to continue to maximise our impact on responsible technology and innovation
- use our RPF funding to explore opportunities for us to support lawtech to be used in new ways to help members of the public and diverse communities more easily access legal support as well as to make sure that legal services can continue to be made available in new ways and that innovation continues to benefit consumers.

### **Addressing regulatory barriers and managing risks**

98. Our evaluation processes allow us to understand the impacts of our Standards and Regulations and other areas of our regulatory framework. Added to this, we can also see the barriers that firms and solicitors may face in achieving regulatory compliance, or otherwise fulfilling their duties. We can also explore how we could mitigate regulatory challenges, or how innovative approaches might help achieve compliance in new ways.
99. One example here is cybersecurity, which is particularly relevant in terms of the ways that law firms hold client money and confidential client data securely. We know that insurers providing cover for this risk can increase premiums, and in turn pass costs onto the users of legal services. However, it is also true that technology can help firms to manage the ways in which they respond to this risk.
100. We continue to work to understand more about the ways in which technology in this area can be harnessed and employed to help bolster cybersecurity, and to prevent cyberattacks and fraud, and we will continue this work, and explore other areas of regulatory risk where technology might help.
101. Between November 2021 and October 2022, we will work to understand and address regulatory barriers and support legal services providers to understand technology that can help. This is so providers can continue to improve the accessibility and delivery of their services for consumers.

### **Our budget for objective two**

102. We expect to allocate around 4% of our total budget towards our work under objective two in 2021/2022 and we anticipate increasing expenditure on this in years to come.

### **Objective three - anticipating and responding to change**

#### **We will continually build our understanding of emerging opportunities and challenges for the users of legal services, the legal sector and our role in effectively regulating it.**

103. The legal sector, like other professional services sectors, evolves and changes continually. Sometimes those changes are rapid and far-reaching, such as the Covid-19 pandemic accelerating the use of digital service delivery across much of the market. But they can also be incremental and require careful monitoring and evaluation to understand the impact on the market itself, the firms and lawyers within it, and consumers who access it.
104. Our [Risk Outlook](#) [[/archive/risk/outlook/risk-outlook-2020-21/](#)] draws together much of our analysis work into one place, as a resource for firms and other stakeholders alike to understand the risks at play and how these are emerging and being responded to. As a regulator, we have a clear role in supporting consumer protection and speaking up to influence others about risks where it is necessary to do so.
105. Under this third and final strategic objective we work to engage closely with our stakeholders, to lead debates with them and other commentators, and to identify and champion solutions or collective responses to risks and issues as they arise.
106. In 2021/22 we will be taking forward targeted projects to help us to achieve our ambitions under our third strategic objective. We describe these in the remainder of this section of our Business Plan.

## Research and analysis

107. Our regulatory framework is informed by intelligence and data that derives from the wider world, and that helps us to build our appreciation of the impacts of social, political, economic, international and environmental pressures. We use horizon scanning, intelligence gathering techniques, stakeholder engagement and research to help build up this picture and remain alert and responsive to risks that emerge and are articulated during that work.
108. We share data and publish reports that communicate our assessment of risks and emerging issues, often deriving from consumer research that helps to crystallise the pinch points that are being experienced by members of the public when they access and use legal services. We commission research to help us achieve this, and we monitor the findings of research undertaken by others.
109. Segmentation will be central to our approach to evidence gathering as legal systems, consumer needs, service delivery and market conditions are different, and will develop differently for different groups. This approach will help us target our work and target the different tools that we might utilise to address regulatory issues.
110. Between November 2021 and October 2022, we will:
  - deliver a strategically focused research programme that makes sure we are continually building our knowledge of the legal services sector through the lens of its different types of consumers and providers and using this to improve our regulation.
  - embed our new in-house horizon scanning and intelligence gathering activity to enhance our datasets and information resources and continue to improve the tools we have to strengthen our assessment of, and act on, the changing risks across the legal services market and beyond.
  - continue to work with our external research partners and reference group to develop our diversity research programme so we remain alert to the impacts of our work, and to the experiences of consumers, solicitors and firms from diverse communities, and are able to develop appropriate responses to those impacts.
  - continue our analysis of and progression of actions responding to attainment gaps in professional assessments, and the over representation of people from Black, Asian and minority ethnic communities within our enforcement processes.
  - explore opportunities to map different areas of the legal services market to support the identification of changes to consumer experiences. This will help to make sure we can direct our resources appropriately to support consumers in different ways at the point of need. This will also help us to understand how the Covid-19 pandemic has impacted on both consumers and law firms of different so we can target our work and resources.

## Leading debates and speaking up

111. We work closely with other regulators, operators in the legal profession and representative bodies, members of the public, government agencies and many other stakeholder communities. This involves sharing data, exploring partnership opportunities, and developing solutions that we think might usefully influence others to take action.
112. Relevant issues can emerge quickly, and we want to be agile in responding quickly. We also aim to do this in ways that are likely to lead to genuinely helpful and impactful progress and positive changes.
113. Sometimes this might take the form of traditional consultation responses or participating in calls for evidence. It also includes:
  - hosting or speaking at conferences
  - using our convening power to initiate or drive discussions on key issues
  - engaging with consumer champions or regulators from other sectors
  - joining online thinktanks within the academic communities.
114. We will build on the successes of our online events by enhancing our face-to-face events with more virtual engagement on an on-going basis. We expect this to help extend our reach and increase the accessibility of key resources. Engagement events will include our well-established Compliance Officers Conference on 23 November 2021 - the largest free compliance event in the legal sector - alongside our innovation-





themed events and our annual SQE conference. We expect subjects to be diverse and broad-ranging, and going into 2022, we'll continue to lead and contribute to thought leadership, engagement, and debate in regard to:

- Access to justice - with areas of focus including the changing immigration and asylum system, the further progression of information transparency and remedies relating to legal service quality, and the changing access to justice picture across different market segments and different types of people and businesses.
- Environmental, social and governance considerations - including the legal services sector's response to climate and environmental change.
- The post-pandemic legal landscape - with areas of focus including the response of the legal sector to changing legal needs and expectations of consumers, regulatory responses to cybercrime and cyber security, education and training matters, and the needs of different parts of the profession following the removal of furlough.

115. Between November 2021 and October 2022, we will:

- continue to develop strategic partnerships to maximise the impact of our thought leadership in the challenges that face the legal sector, using our convening power to help to make sure issues are explored with stakeholders and responded to collaboratively.
- identify opportunities to host - and take part - in events that facilitate discussion on strategic issues in the legal sector and beyond, while building new cross-sector relationships so that we can bring a range of subjects to the table for debate with our stakeholders.
- explore new ways to provide our perspectives and lead debates with other regulators so that we maximise opportunities to work in partnership to address cross-cutting issues.
- monitor developments and emerging trends that impact consumers and the information they rely on in the legal services market, so that we can contribute towards helping consumers access the support and information they need about legal services when they most need it.

### **Our budget for objective three**

116. We expect to allocate around 4% of our total budget towards our work under objective three in 2021/22 and we anticipate increasing expenditure on this in years to come.

### **Our budget 2021/22**

117. We will keep our budget and expenditure under close review during this business plan period.

118. Most of the funding we receive comes from fees paid by solicitors and firms. We collect these practising fees every October.

119. The remainder of our income is from other sources, including:

- fees paid for specific activities, such as applying to set up a new firm
- recovering costs when we conclude a disciplinary case
- the compensation fund, as the fund covers the cost of managing the fund itself and any interventions into firms.

120. We identify a net funding requirement with the Law Society (following separate consultation on our own budgets). We also undertake equality impact assessments of the practising certificate fee and the compensation fund fee. This includes analysing data about:

- the protected characteristics, as defined in the Equality Act 2010, of solicitors
- the diversity profile of law firms
- how this data correlates with fees paid during practising certificate renewals.

121. Table one below sets out our 2021/22 funding (our financial year runs from 1 November to 31 October) compared with 2020/21.

### **Table one**

**SRA income summary**

**2021/22 2020/21 Budget**



	<b>Budget</b>	<b>£000</b>
	<b>£000</b>	
Practising fees	56,800	54,800
Investment income	152	152
Regulatory fees (eg payments for applications)	3,037	3,037
Recoveries (eg cost orders)	1,500	1,500
Compensation Fund	10,150	10,046
<b>Total</b>	<b>71,639</b>	<b>69,535</b>

122. Table two below breaks down how we will spend our money in 2021/22.

123. The budget for projects in 2020/21 includes further enhancements to our regulatory systems as we move into a programme of continuous improvement, following the delivery of our 'Modernising IT' programme.

124. 'Other' costs include non-staff IT spend, consultancy, Board and committee costs, external advisers, including adjudicators and examiners, research, engagement activity and staff travel.

### Table two

<b>SRA expenditure summary</b>	<b>2021/22</b>	<b>2020/21 Budget</b>
	<b>Budget</b>	<b>£000</b>
	<b>£000</b>	
Staff expenditure	36,592	35,715
Intervention costs	6,665	6,665
External disciplinary and enforcement legal costs	3,619	3,619
Property costs and group overheads	5,024	4,673
Projects	5,125	5,725
Other	14,614	13,138
<b>Total</b>	<b>71,639</b>	<b>69,535</b>

### Individual practising certificate fee

125. Since 2017-18 the individual practising certificate fee has remained unchanged at £278. The SRA proportion of the individual practising certificate fee has remained between £147 and £151 since 2017-18. The remainder of the £278 practising certificate fee funds the work of other organisations (referred to earlier in our introduction).

126. For 2021/22 the individual practising certificate fee is £266, a reduction of £12 from last year.

127. Our fees are approved by the Legal Services Board, [see more information about them](https://sra/news/press/2021-press-releases/pc-fees-comp-fund-2021/)

### Compensation fund fee

128. The compensation fund contribution for individuals is £40 in 2021/22, reducing from £50 in 2020/21.

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