

SRA BOARD
5 December 2018



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Chief Executive's Report

Purpose

- 1 This report sets out progress against our strategic objectives and provides an update on operational performance.
 - Section 1: reports on our priorities and progress against the 2017/18 Business Plan.
 - Section 2: provides an update on operational performance.
 - Section 3: provides details on publication and engagement activity.

If you have any questions about this paper please contact: Paul Philip, Chief Executive, paul.philip@sra.org.uk, 0121 329 6940.

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Section 1: Priorities for 2017/18

- 2 This section provides an update to the Board on our key priorities, starting with an overview of any key developments, followed by an update against our 2017/18 Business Plan. This will be the final update against this Business Plan before we begin reporting against our 2018/19 Business Plan in my next report.

Practising certificate renewal exercise (PCRE)

- 3 The 2018 The PCRE project is on track. At the time of writing 35,777 renewal forms had been submitted compared to 35,313 in 2017. 97,360 practising certificates had been approved compared to 92,812 in 2017. During the PCRE period, the Contact Centre achieved all its KPIs with 90% of calls answered in 20 seconds and 84% of calls answered immediately. We are currently preparing to commence the revocation process for individuals who have not renewed will have their practising certificates.

Progress against our 2017/18 Business Plan

- 4 We are making good progress to achieve the objectives set in our 2017/18 Business Plan. Below I highlight key areas of development to note against each Business Plan objective.

<p>Objective 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</p>	<p>On track</p>
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- 5 We are on track to deliver this objective.

Solicitors Qualifying Examination (SQE)

- 6 The SQE introduction date of Autumn 2021, the indicative fee range of £3,000 - £4,500, and the revised structure of 3 x 120 question papers for the SQE 1 functioning knowledge test were all announced on 8 November, following the board's decision on 24 October. We announced it publicly at the Westminster Legal Policy Forum annual education and training update on 8 November, and we also wrote to course providers. We have also launched recruitment for the SQE 1 pilot that will run in March.

Career in Law launched

- 7 Ahead of the introduction of SQE, we want to help students and aspiring solicitors make informed decisions about their career. In November, we launched Career in Law on Facebook offering up-to-date SQE information, as well as facts on how to

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qualify under our current rules. Aimed at 16-25 year olds, this has been developed in partnership with young people and is designed for people to 'follow' and then regularly receive updates.

<p>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</p>	<p>On track</p>
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8 We are on track to deliver this objective.

Looking to the Future reforms

9 On 6 November, the Legal Services Board announced that it had decided to grant in full our application for approval of new regulatory arrangements to carry out our Looking to the Future reform programme. This includes: our principles and codes for solicitors; allowing solicitors to provide unreserved services from businesses which we do not regulate; and transitional arrangements for the introduction of the SQE. The announcement can be viewed at the following link:
https://www.legalservicesboard.org.uk/news_publications/LSB_news/PDF/2018/2_0181106_LSB_Approves_SRAs_Looking_To_The_Future_Rule_Change_Application.html.

<p>Objective 3: We will increase the availability of relevant and timely information to help people make informed choices in the legal services market</p>	<p>On track</p>
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10 We are on track to deliver this objective.

Price Transparency and Digital Badge

11 Our new transparency rules, requiring regulated firms to publish price and service information on their websites, will come into effect tomorrow (6 December). This is also the date by which firms must make information on their complaints procedures available online, and from which they will be able to download and begin using the new SRA digital badge. The digital badge will provide website visitors with personalised information confirming that a firm is regulated and outlining the protections this brings. The badge is expected to become a mandatory requirement during Spring 2019. More information can be found at the following link: <http://www.sra.org.uk/sra/news/press/price-transparency-digital-badge-confirmed.page>.

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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

On track

12 We are on track to deliver this objective.

Anti-Money Laundering – OPBAS fee rate consultation

13 In October, the Financial Conduct Authority published its consultation on the fees it is proposing to charge professional body AML supervisors to fund the Office for Professional Body Anti-Money Laundering Supervision (OPBAS). This follows the consultation on the framework of OPBAS fees earlier this year. The proposed fees are higher than we expected at £41.03 per supervised individual (as defined by the Money Laundering regulations). Responses have to be submitted by 14 December.

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

On track

Modernising IT Programme (MIT)

14 The programme is continuing to progress within budget.

Section 2: Operational Performance

KPIs

15 Below are the KPI results for October:

- 86% of conduct matters closed within 12 months of receipt against a target of 93%.
- 79% of Compensation Fund claims were closed within 12 months against a target of 90%.
- 95% of medium / high risk applications closed within 3 months in Firm Based Authorisation against a target of 90%.

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Section 3: External Developments, Publications and Engagement Activity

- 16 Our ongoing engagement programme with stakeholders continues. We held our biannual City of London Law Society symposium last month, updating firms on SQE.
- 17 We have made a [submission](#) to the Department for International Trade's consultation on post-Brexit trade with the USA, New Zealand, Australia and Trans-Pacific. We have also [provided evidence](#) at the request of the All-Party Parliamentary Group on Financial Crime and Scamming for their inquiry on vulnerable people and fraud and scams.
- 18 The Women and Equalities Select Committee have opened a new inquiry into the use of non-disclosure agreements in discrimination cases. We are planning on submitting evidence to the inquiry.
- 19 We have more than 1500 people registered to attend our Compliance Conference on 11 December. We have developed a bespoke conference app, which will facilitate engagement as part of the event.
- 20 We continue to meet with a number of groups to support our equality and diversity work. Board member David Heath and representatives from our staff networks attended the 24th Annual Asian Legal Awards and the UK Diversity Legal Awards dinner. Board members Barry Matthews and David Heath also supported us at the British Nigerian Law Forum dinner.

Author Paul Philip, Chief Executive
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