

Equality impact assessment on our Business Plan and budget 2025-26

October 2025

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Introduction

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

Our mission 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 for each annual business plan.

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

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

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EDI evidence

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

- <u>law firm diversity data</u> that we collected from almost all law firms in summer 2023
- SRA thematic reviews, reports and research, research from the Legal <u>Services Board</u> (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 <u>outcomes for Black, Asian and minority</u> <u>ethnic candidates in professional assessments</u>, and <u>the overrepresentation of</u> those groups in our enforcement processes.

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Potential impacts for EDI from our workstreams for 2025-26

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

Theme one – Access to the legal services profession

In our 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 it is positive to see the level of access by international candidates sitting the SQE around the world.

The 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 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 provide 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 our work to improve career progression for women and solicitors from Black, Asian and minority ethnic backgrounds. This includes improving resources for law firms and we will be taking further steps to encourage firms to publish ethnicity pay gap reports. We are working towards the development of our EDI evaluation framework, which will help us identify other targeted actions.

It is also important that we understand the reasons for the overrepresentation of Black, Asian and minority ethnic solicitors in our enforcement work. We have committed to taking forward actions from our response to our research into the overrepresentation of Black, Asian and minority ethnic solicitors in regulatory reports.

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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 it will continue during 2025-26.

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

We will carry out further work to support the actions that we are taking to address differential outcomes in professional assessments. This will include learning more about initiatives that are effective in tackling barriers to fair and inclusive recruitment in law firms and collaborations between undergraduate law schools and law firms.

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. 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 undoubtably 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 Business Plan confirms that, during 2025-26, we will 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 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 progress here. This includes completing an independent audit of the navigation and usability of our website and implementing some changes. We will be considering resourcing for potential further changes in the longer term. While in the more immediate term, we will continue to make sure our development of the website focuses on user-centric design principles.

And taking forward our 'Voice of Customer' work which embeds consumer perspectives into our operational areas. These initiatives are important steps for

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making sure our services and support are as accessible as possible for our customers, in particular, those who have specific communication needs or preferences. In our Business Plan, we confirm that during 2025-26 we will continue our progress here and make further improvements. This will help us to continue aligning our customer service with the needs of diverse communities.

We are making progress in meeting our targets for ethnic diversity at senior levels in the organisation. We made a commitment to increase the proportion of Black, Asian and minority ethnic staff in our senior management team from 8% in 2021 to 16% in 2026. We are 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.

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Conclusion

The 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

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.

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