

Business Plan 2020/21: Consultation

June 2020

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About this consultation

We are seeking views on our new Business Plan for 2020/21 which covers the first year of our new [Corporate Strategy](#) (2020–23).

This consultation runs from 8 June 2020 until 26 August 2020. It takes place, in part, alongside the Law Society Group consultation on the level of the practising certificate fees for 2020/21, which runs 8 June 2020 until 10 July 2020.¹ It would be helpful to have responses on the budget component prior to 10 July.

After our consultation closes, our next steps will be to collate and analyse all the responses. We will then publish a final version taking account of the views provided.

¹ The fees cover our funding, as well as the permitted purposes work of the Law Society and levies for the Legal Services Board, Solicitors Disciplinary Tribunal, Legal Ombudsman and the Officer for Professional Body Anti-money Laundering Supervision.

How to respond

Online questionnaire

Our online consultation questionnaire is a convenient, flexible way to respond. You can save a partial response online and complete it later. You can download a copy of your response before you submit it.

[Start your online response now.](#)

Reasonable adjustment requests and questions

We offer reasonable adjustments. [Read our policy to find out more.](#)

[Contact us](#) if you need to respond to this consultation using a different format or if you have any questions about the consultation.

Publishing responses

We will publish and attribute your response unless you request otherwise.

Foreword

We are seeking views about our Business Plan and budget for 2020/21, the first year of our new Corporate Strategy 2020–23. This is the first time we have done so and is part of our commitment to greater accountability and transparency. The response to the consultation will inform our future work and consideration of our proposed budget.

We are, of course, consulting against the backcloth of the Covid-19 pandemic. It will be some time before the implications of that for the users of legal services, the wider economy and the profession itself will be fully understood and you can see that reflected in the plan itself.

The proposed activities across our three strategic objectives are complementary and interlinked. We have also tried to set them in the context of our longer-term work to meet our objectives over the lifetime of the Corporate Strategy, and how we allocate our funding across the objectives. We have included our new principles for setting future Compensation Fund contribution levels.

We want to hear views from the public, the profession and from partner organisations. Please let us know what you think about our plans and budget.

I am looking forward to hearing from you.

Paul Philip, Chief Executive, Solicitors Regulation Authority

Background to consultation

We are the regulator of solicitors and law firms in England and Wales. We work to protect members of the public and support the rule of law and the administration of justice. We do this by overseeing all education and training requirements necessary to practise as a solicitor, licensing individuals and firms to practise, setting the standards of the profession and regulating and enforcing compliance against these standards.

We are the largest regulator of legal services in England and Wales, covering around 80% of the regulated market. We oversee some 200,000 solicitors and over 10,300 law firms.

Business Plan 2020/21

As part of our clear commitment to greater transparency and accountability, we are, for the first time, consulting on our draft Business Plan for the period 1 November 2020 to 31 October 2021, the initial year of our new Corporate Strategy 2020–23. The plan, which is attached at annex A, covers our activity, our budget and how we will allocate our resources. We have also included our principles for setting future Compensation Fund contribution levels.

We will report openly and publicly on our progress, including through the suite of performance measures and accountability information that we provide to our Board and publish on our website in our [Board area](#). Our reporting includes balanced scorecards, key performance indicators, financial reporting and appropriate assurance on progress against each workstream.

A changing legal landscape

Our new Corporate Strategy 2020–23 was published in March 2020. Since then, the Covid-19 pandemic has affected much of the legal services and wider economic landscape, and it will be some time before we all understand the full implications. We will work flexibly and responsively to deliver our strategy in the light of the impact of the pandemic on all parts of the community, including the vulnerable, and the profession itself.

It is against this backcloth that our new strategy must now sit, and one we need to respond to actively in its first year, as covered by this Business Plan. For example, recognition that the access to justice needs of the public, especially the vulnerable, need to be met in a variety of ways has been brought into sharp relief as all parts of the legal sector have worked to adjust to more online and virtual delivery.

Recognising the potential economic impact of both the Covid-19 pandemic and the UK exit from the EU, it is also key that we are as efficient as possible, while providing proper consumer protection and good customer service.

Our ambition

As we say in our new Corporate Strategy 2020–23, our ambition is to be a progressive and relevant regulator, able to anticipate and respond with agility to emerging opportunities and challenges for the legal sector in England and Wales. This will be built on the foundation of doing our core work well and delivering an excellent service.

Strategic priorities 2020–2023

The Corporate Strategy sets out our objectives, as below. We have woven work on improving access to justice into all three objectives. This is all the more important in the light of the potential impact of the Covid-19 pandemic.

Objective one – We will set and maintain high professional standards for solicitors and law firms as the public would expect and ensure we provide an equally high level of operational service.

Objective two – 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.

Objective three – We will continually build our understanding of emerging opportunities and challenges for the legal sector and our role in effectively regulating it.

Looking at the year ahead

Key areas of work

The year to come is an important one for us. In addition to our core work to set and maintain the high professional standards that we and the public expect, we have significant work ahead on key areas. These include:

- the introduction of the Solicitors Qualifying Examination (SQE)
- increasing our monitoring of anti-money laundering (AML) arrangements
- understanding the adoption of technology in the legal sector
- establishing an office in Wales
- playing our part in the UK-EU exit transition
- responding to the implications of the Covid-19 pandemic for the legal sector.

A distinct legal entity

The year ahead will also be the first full year for which the SRA operates as a distinct legal entity within the Law Society Group. The new arrangement will not only be more effective but create more transparency for the profession and the public about our roles and responsibilities.

What we plan to do

Our draft Business Plan sets out the key activities we are planning under each of the three objectives set out in our Corporate Strategy, and the proportion of our budget we propose allocating to this work. It also provides details of what work is planned for the year that will feed into further work over the lifetime of the strategy. The outline budget for the year is also set out in the Business Plan, which is attached at annex A. Finally, we have included our new principles for setting future Compensation Fund contribution levels.

Key points and our questions are set out below.

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.

In addition to our core work overseeing all education and training requirements necessary to practise as a solicitor, licensing individuals and firms to practise, setting the standards of the profession and regulating and enforcing compliance against these standards, we will undertake a range of targeted work programmes that support this key area of our work.

This includes continued focus on delivery of our new SQE, work on AML and solicitor competence. We also propose to work to evaluate our recent regulatory reforms (specifically our Standards and Regulations and Transparency Rules), to promote diversity in the profession, support the profession as the UK begins a new relationship with the EU, and establish a new presence in Wales.

Overall work under this objective requires around 92% of our overall budget.

Consultation question 1: Do you agree with the priorities for our work in 2020/21 towards meeting objective one of our Corporate Strategy?

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.

The first year is largely exploratory to increase our understanding of the use of technology in the legal sector and identify specific workstreams for the subsequent years. Since we identified this objective, the Covid-19 pandemic has brought the use of technology and innovative approaches into sharp relief as all parts of the legal sector have worked to adjust to more online and virtual delivery. Our research programme under this strand of our work will look closely at how Covid-19 has and will affect access to justice.

We will also develop specific initiatives to promote and develop the use of legal technology and innovation, including in partnership with others, and review how our SRA Innovation Space is working.

We anticipate allocating 4% of our overall budget to this part of our work in 2020/21.

Consultation question 2: Do you agree with the priorities for our work in 2020/21 towards meeting objective two of our Corporate Strategy?

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.

We anticipate allocating 4% of our overall budget to this strand of our work in this business year, which will enhance our in-house horizon scanning and intelligence gathering and improve understanding of consumer concerns and requirements and the regulatory implications.

In delivering this objective we will engage with our stakeholders and work closely to complement other voices in the sector and add value where there are challenges or shortfalls. As part of this work we will carry out specific work in relation to public legal education, immigration and asylum services, and in understanding patterns of attainment in education and training.

Consultation question 3: Do you agree with the priorities for our work in 2020/21 towards meeting objective three of our Corporate Strategy?

Our budget

We have included an outline of our budget for 2020/21 and how we allocate our funding across our work under the three objectives.

Consultation question 4: Do you agree with our anticipated budget for 2020/2021 and the proportion we allocate to our work under each of the three objectives?

Compensation Fund contribution level principles

The Compensation Fund is a discretionary fund of last resort, established some 70 years ago to protect the users of legal services. It supports public confidence in solicitor firms and the reputation of the profession.

It is important that we maintain the viability of the Compensation Fund to make sure it remains a key consumer protection for people accessing regulated legal services. This means that the fund must be sufficient to meet future demand while not imposing unnecessary financial burdens on the profession which funds it, the cost of which is ultimately passed onto consumers.

As part of our commitment to increased transparency and accountability, we are now consulting on the proposed principles that our Board will consider when setting the level of Compensation Fund contribution levels in the future.

Consultation question 5: Do you agree with the proposed principles for setting the levels of contributions to the Compensation Fund?

How we consult on our business planning and budget in future

This is the first time that we have consulted on our forward business planning and how we allocate our funding across our work. We are committed to consulting on this annually and want to do that in an accessible and useful way.

Consultation question 6: What information about our forward work and budget do you think we should provide in future consultations and how should we present it?

Our questions

We are keen to hear your views on our proposed Business Plan. Our questions are below.

1: Do you agree with the priorities for our work in 2020/21 towards meeting objective one of our Corporate Strategy 2020–23?

2: Do you agree with the priorities for our work in 2020/21 towards meeting objective two of our Corporate Strategy 2020–23?

3: Do you agree with the priorities for our work in 2020/21 towards meeting objective three of our Corporate Strategy 2020–23?

4. Do you agree with our anticipated budget for 2020/2021 and the proportion we allocate to our work under each of the three objectives?

5. Do you agree with the proposed principles for setting the levels of contributions to the Compensation Fund?

6. What information about our forward work and budget do you think we should provide in future consultations and how should we present it?