

## SRA Work Programme 2019-20 Quarter Two Update

### Our Strategic Objectives

*Strategic Objectives 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.

*Strategic 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.

*Strategic Objective 3* - We will increase the availability of relevant and timely information to help people make informed choices in the legal services market.

*Strategic 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.

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

Our work programme for 2018/19 is available on our website [here](#)<sup>1</sup>

### Progress<sup>2</sup> against activities in our annual planned work programme

|   | Objective 1 | Objective 2 | Objective 3 | Objective 4 | Objective 5 |
|---|-------------|-------------|-------------|-------------|-------------|
| 1 |             |             |             |             |             |
| 2 |             |             |             |             |             |
| 3 |             |             |             |             |             |
| 4 |             |             |             |             |             |
| 5 |             |             |             |             |             |
| 6 |             |             |             |             |             |
| 7 |             |             |             |             |             |

*Note: The background represents the status in the previous quarter and the circle the status in the current quarter*

<sup>2</sup> Relates to objective status based on progress to date: Red (R) – progress behind expectation and will not succeed without direct action; Amber (A) – generally in line although challenge to maintain progress and deliver overall objective; Green (G) – in line with expectation and overall delivery is expected; Black (B) – in line with planned delivery schedule work not yet started

<sup>1</sup> <https://www.sra.org.uk/globalassets/documents/sra/strategy/sra-work-programme-2019-20.pdf?version=4ac1fb>

## **Exceptions: Updates on Amber and Red activities**

### **Activity 3.3**

We will monitor compliance with our transparency requirements and address issues where we do not consider firms are being transparent enough. We will also share best practice to encourage improvement in the information provided.

#### **Rationale for rating**

Amber risk to due impact of to Covid-19

#### **Update and corrective action**

Our enforcement work has been impacted by Covid-19. We completed our second web sweep of 600 firms in December 2019 and have been following up with firms that fall short of our requirements. In the light of the pandemic, we have temporarily paused this work in recognition that many firms need to adapt to working remotely and, what for many is a material downturn in business.

We are starting formal regulatory action against 16 firms who remain non-compliant from our earlier engagement and we are sending letters of guidance to 21 firms we consider now to be sufficiently compliant.

#### **Update and corrective action**

We have written to circa 400 firms advising them that we have temporarily paused our timetable for checking website compliance, advising that their website will be revisited in due course and encouraging them to ensure that their website meets our requirements so as to avoid future enforcement action

### **Activity 3.4**

We will continue to develop Legal Choices, the consumer-facing website and social media presence that we manage on behalf of the legal regulators. We will be introducing new products that will help people to identify whether they have a legal need and help them to get support. We will promote the new services as widely as possible with the public and small businesses. Our products should also help organisations that support people in difficulty who may not have online access. We will include a service designed in partnership with these groups to assist their advisers and staff to access relevant information on legal services for the people they work with.

#### **Rationale for rating**

The BSB's withdrawal in September 2019 from participation in the Legal Choices venture left a significant gap in funding for 2019-2020. This and related governance challenges were recently drawn to the attention of the LSB, which considered whether to take control of Legal Choices but decided that it was a matter for the joint regulators.

#### **Update and corrective action**

Phase 1 of a digital marketing campaign to promote two of four flagship content products was delivered during Q2. Work continued to secure agreement among all regulators on data - processing arrangements that will underpin a product that allows users to search the disciplinary decisions of all participating regulators from a single search interface.

Discussions on making up the funding shortfall caused by the BSB withdrawal, and the future funding and work programme have continued, with the regulators affirming their in principle commitment to the project.

### Activity 4.5

We will introduce a fee limit for solicitors and authorised firms carrying out claims management activities relating to financial products and services. We will develop regulatory arrangements that implement this. This is so that people who want to make claims about, for example, mis-sold financial services, get a good service.

#### **Rationale for rating**

We do not routinely hold data which allows us to identify the firms to carry out this work. We have surveyed a sample of firms but this has provided limited helpful data. We have been working closely with the FCA who have the same statutory requirement. They have also reported difficulty obtaining quality data and have raised issues with their ability to share with us as originally planned. Ministry of Justice previously consulted on setting a fee restriction but are unable to supply us with details of their data and analysis.

#### **Update and corrective action**

We are still in the research and analysis phase. We continue to explore alternative options for getting helpful data and / or modelling with input from providers of these services and consumers. We are also considering the feasibility of alternative options for setting a restriction and assessing impacts. We have kept the relevant Government departments (HMT and MoJ) sighted on progress and issues. There is not a set deadline for introducing the fee limitation not at this point pressure from Government.

### Activity 5.3

Building on steps taken in early 2019, we will continue to implement changes to support good governance and improve the transparency of the work of our Board, ensuring that stakeholders can place confidence in what we do. That will include more information on how our Board works and a review of how we report our performance against our work programme.

#### **Rationale for rating**

The LSB's grading in relation to the regulatory outcome on accountability to stakeholders and transparency of the Board has changed from *not met – action required* in early December (prior to consideration of the changes outlined above) to *not-met action being taken*. The LSB has said that it cannot consider this area as 'met' given the ongoing work with the Board to develop our approach to performance reporting through the balanced scorecard.

#### **Update and corrective action**

We have continued to build on the extensive changes introduced in December 2019, both to our website, with its new Our Board section (which includes a new accountability statement, transparency statement and decision making framework as well as regular updates in Board member activity) and our work in publishing more of the information which our Board uses to make its decisions.

There were three Board meetings held in Q2 (on 21 January and 3 March and 24 March) and we published 86% of the papers from these. At the March meeting we also presented the Board with a first version of a new balanced scorecard, which was subsequently published, to give the Board and ultimately stakeholders a wider range of information on the organisation's performance. An updated version of the scorecard will be considered by the Board in June.

## Achievements in the last period

|                     | Objective 1   | Objective 2  | Objective 3  | Objective 4  | Objective 5  |
|---------------------|---|--|--|--|--|
| <b>Achievements</b> | <p>The results from our latest firm diversity data survey were published in March 2020 representing information from more than 186,000 people working in over 9,500 firms We updated the firm diversity data tool which allows firms to interrogate the data across the profession and compare the diversity of their staff with that of similar firms.</p> <p>We had to cancel planned events as a result of Covid-19, and have instead delivered a series of virtual events, including some on health and wellbeing and supporting firms during the pandemic.</p> | <p>We created a dedicated SRA website resource providing support and information in relation to the impacts of Covid-19 for the profession, training organisations and the public. In its first two weeks our content generated more than 60,000 website visits, in addition to 500 direct social media engagements.</p> <p>Awarded two winners of the Legal Access Challenge. The challenge has helped the development to access to justice focused tech solutions, which are particularly relevant for helping access in lockdown.</p> <p>We have played a key role in the development of the Law tech nation sandbox that was announced this month, being run by TechNation with government funding. We will be a member of the Steering Group going forward.</p> <p>We launched two technical consultations – one on immigration rules and one on principles for qualifying lawyers.</p> | <p>Phase 1 of the Legal Choices digital marketing strategy brought more than 800,000 visits to the website in Q2, using a combination of social media marketing, digital display advertising and search marketing, at an average cost of 7 pence per click.</p> <p>Around 4,000 people used the International Conference of Legal Regulators website in the 12 months to 30 Apr 2020, up 30% from the previous period.</p> | <p>Corporate Strategy consultation secured 17 responses and 500 people engaged face to face</p> <p>Board formally agreed the establishment of an office in Wales</p> | <p>Key milestones met in the retention project.</p> <p>We were audited for our ISO 14001 accreditation in February and maintained our accreditation.</p> <p>The targets to reduce energy, paper and travel are all reducing year on year</p> |

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| <p><b>Impacts and Outcomes</b></p> | <p>We published our report about disability inclusion in March 2020. We provided resources to support firms to do more to support their disabled staff.</p> <p>New approvals process for beneficial owners, officers and managers in relation to anti-money laundering regulation.</p> | <p>PII – We are working with insurers and others to manage COVID-19 impacts on renewals and monitoring wider developments in the market,</p> |  | <p>SQE roundtable postponed due to Covid-19, but good progress made with previous meetings.</p> <p>We continue to engage with Government on post EU developments.</p> | <p>The following records have been deleted:</p> <ul style="list-style-type: none"> <li>- 5 million emails</li> <li>- 13,000 records in Ethics database</li> <li>- 53,000 Doxis records,</li> </ul> <p>Continuous improvement in environmental sustainability.</p> |
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