



## Closed Consultation

### Business Plan and budget 2023-24

29 May 2023

- The consultation period ended on **21 June 2023**.
- You can [download the consultation paper \[#download\]](#) or read it below.

#### Next steps

- [Download analysis of responses to the consultation \[#download\]](#)
- [Download all consultation responses \[#download\]](#)

## About this consultation

### Our consultation process

We are seeking views on our draft Business Plan and budget for 2023-24.

The Business Plan will cover the first year of work under our Corporate Strategy for 2023-26. It describes our work plans and budget proposals for the 12 month period between November 2023 and October 2024.

This consultation runs from **10 May** until **21 June 2023**.

After the consultation closes we will collate and analyse responses. We will publish a final version of our Business Plan and budget in October 2023 alongside a summary of responses and feedback we receive.

### Setting the practising certificate fee and Compensation Fund contribution

Feedback from our consultation will be used as part of our joint work with the Law Society to set practising fees for 2023-24.

This fee covers our funding alongside the permitted purposes work of the Law Society. It also covers levies for the:

- Legal Services Board
- Solicitors Disciplinary Tribunal
- Legal Ombudsman
- the Financial Conduct Authority (Office for Professional Body Anti-Money Laundering Supervision)

Consultation feedback will also be used to finalise our proposals for the Compensation Fund contribution for 2023-24.



We will gather evidence through the consultation to inform our ongoing assessment of the equality impact of our fees and Business Plan for 2023-24.

[Open all \[#\]](#)

## **Foreword**

Our draft Business Plan and Budget for November 2023 to October 2024 covers what we are planning to do in the first year of the work needed to achieve our new strategic objectives for 2023 to 2026. Those objectives and the associated deliverables are set out in the Corporate Strategy, on which we are also consulting alongside this plan and budget.

Our new Strategy does, of course, build on the work we undertook to deliver our 2020-23 Corporate Strategy while looking ahead to the years to come. Many of the commitments we make in our draft forward Business Plan also reflect that continuing work.

The three-year period covered by our previous Strategy will be remembered as a time of significant change, not least because of the impact of the Covid-19 pandemic and the war in Europe. It has also been a time of change for us. We have, for example, introduced the Solicitors Qualifying Examination (SQE), settled the future of consumer protection for post six-year negligence claims by bringing the Solicitors Indemnity Fund in house, welcomed the increase in our powers to fine traditional firms and those who work in them up to £25,000, and sharpened further our focus on anti-money laundering and on Strategic Litigation against Public Participation - SLAPPs.

These themes around high professional standards will always be key for us and our Business Plan covers what we will be doing to develop and evaluate the SQE, to ensure continuing competence throughout solicitors' careers, and to improve the quality and timeliness of our enforcement work. We'll also be doing proactive work this year to 'get ahead of curve' by using our data and insights better, including for our anti-money laundering work.

We've made real strides in our innovation and technology work, and we will be doing more with small firms in this first year of our new Strategy, as well as delivering our Regulators Pioneer Fund project on dispute resolution technology solutions. I'm also looking forward to a full review of the impact and effectiveness of our current communications approach, and work on our own diversity, both of which are very much in line with our new values – proactive, inclusive, customer-focused and accountable.

As mentioned above, the landscape is always changing so it's timely for us to produce position statements about access to justice and ESG which will set out our analysis of the issues, the role of our regulation in relation to them and our regulatory expectations.



Finally, keeping our costs, and therefore the SRA-related part of the practising certificate fee, as low as possible has been a priority for us. We have absorbed inflation and driven efficiencies across the business while making improvements to our operations and taking on significant new responsibilities, for example in relation to anti-money laundering. However, we like everyone else, continue to face significant upward cost pressures which, even with our ongoing commitment to efficiency and cost-control, we can no longer absorb.

Therefore, after being able to keep it relatively stable over many years , we propose an increase to our part of the practising certificate fee. You will find further details on that in the budget section.

Please let us know what you think about any elements of our proposed work plans and budget for 2023-24.

I look forward to hearing your views.

**Paul Philip, Chief Executive**

## **Background**

We are the largest regulator of legal services in England and Wales, covering around 90% of the regulated market.

Our purpose is to protect the public by:

- making sure that solicitors meet high standards, and
- acting when risks are identified

## **Our work includes:**

- overseeing some 220,000 solicitors and 9,500 law firms
- setting and enforcing standards for those solicitors and firms
- acting if things go wrong and enforcing compliance against these standards
- overseeing education and training requirements necessary to practise as a solicitor
- improving experiences for the public, including their access to legal services.

We have taken into account equality, diversity and inclusion (EDI) in our draft Business Plan, considering EDI issues affecting the profession, members of the public using legal services and our responsibilities as a diverse and inclusive employer. These considerations have informed our proposed priorities for the draft Corporate Strategy 2023-26, and work we are proposing to take forward to meet those priorities.

## **Our business plan and budget 2023-24**



Our draft Business Plan and budget describes our work for the period 1 November 2023 to 31 October 2024. It represents the first year of work under our new three year Corporate Strategy, which runs between 2023-26.

In the draft plan we describe our proposed workstreams and activities, and the ways in which we aim to meet the priorities set out in our Corporate Strategy.

The plan also confirms our budget, how we are funded, and our proposed practising certificate fee and Compensation Fund contribution for 2023-24.

We will monitor progress in delivering the commitments in our Business Plan and meeting our budgetary commitments. We will report our progress publicly and update our Board with information about our performance measures and accountability information.

Throughout the Business Plan's 12 month period we will publish our quarterly performance reports. We report our performance and progress publicly in-line with our accountability statement – including through our Chair's blogs, SRA Board meeting papers and minutes, and our annual overview of our equality, diversity and inclusion (EDI) work .

## **Our mission**

Our mission for 2023-26 is enhancing confidence in legal services.

This is part of our incoming Corporate Strategy and will drive all that we do as the largest regulator in the UK's legal sector.

This includes assuring high standards and delivering increasingly proactive regulation that supports public and consumer confidence in legal services and secures access to justice.

That confidence is critical for people using legal services but also to support the reputation and success of the legal services market and businesses operating within it.

Our mission underpins the work we deliver through our Business Plan.

## **Our strategic priorities**

Our draft Corporate Strategy 2023-26 sets proposed strategic priorities. They will shape our work and confirm that we will:

1. Deliver high professional standards
2. Strengthen our risk based and proactive regulation
3. Support innovation and technology
4. Be an authoritative and inclusive organisation, meeting the needs of the public, consumers, those we regulate and our staff.

## What we plan to do

Our draft Business Plan and budget for 2023-24 describes proposed workstreams under our four strategic objectives from our draft Corporate Strategy 2023-26.

Under each we highlight key deliverables we have committed to achieve by the time the strategy ends in October 2026. We then list activity we propose to undertake in this Business Plan to move towards meeting those key deliverables.

### **Priority 1 - we will deliver high professional standards**

Our work under our first strategic priority is to deliver high professional standards. This means setting, upholding and promoting high professional standards for those we regulate, in a way that is fair, proportionate and robust.

Our [Standards and Regulations](https://upgrade.sra.org.uk/solicitors/standards-regulations/) [https://upgrade.sra.org.uk/solicitors/standards-regulations/] confirm our expectations and the mechanisms we use to ensure our standards are upheld, and the public is protected. This includes:

- monitoring and enforcing compliance with our professional standards
- setting and overseeing qualification and competence requirements for solicitors
- setting thresholds for solicitors and businesses to be authorised to provide legal services.

Our professional standards reflect core and fundamental [principles of ethical behaviour](https://upgrade.sra.org.uk/solicitors/standards-regulations/principles/) [https://upgrade.sra.org.uk/solicitors/standards-regulations/principles/]. However, we must evolve to make sure our regulation and the ways we apply it remain appropriate, and responsive to the market and wider environment. This includes making sure we keep pace with legislative change, emerging ethical issues and changing public expectations.

We need to understand the impact and effectiveness of our work, and, where necessary, take steps to adjust our approach. This includes identifying opportunities to evolve our regulatory requirements and mechanisms we use to support solicitors and law firms to meet our expectations.

We also take forward work to improve relevant areas of our operational activity. Our programme of continuous improvement drive this, alongside rolling programmes of evaluation and evidence-based policy development.

We are already in the process of implementing policy reform in a number of areas and during 2023-24 we will be monitoring impact including towards EDI considerations. This includes:



- our in-house operation and management of the Solicitors Indemnity Fund, including taking on new claims from October 2023
- our improved oversight of advocacy and police station assessments, including appointment of a single provider of the Higher Rights of Audience Assessment and work to ensure the robustness of the Police Station Representative Accreditation Scheme
- key post-consultation policy changes, including:
  - the recently reintroduced Keeping of the Roll exercise
  - our revised financial penalties regime
  - our publication approach for our decisions
  - new requirements around wellbeing in the workplace.

We are also continuing engagement with CILEX, following their approach to us to explore potential transfer of regulation of its members to the SRA. This is while retaining distinct identity as CILEX practitioners and qualification routes.

We propose to take forward in 2023-24 towards our Corporate Strategy's key deliverables for this strategic priority include:

- commissioning the first independent evaluation study of the Solicitors Qualifying Examination (SQE) to understand its impacts. As well as finalising work to deliver the entirety of the SQE in the Welsh language, and making candidate performance data available to inform aspiring solicitor choices
- publishing our annual report on the most significant risks for competence, with supporting work to understand levels of competence and regulatory responses to high risk areas
- consulting on improvements and potential additions to our transparency requirements to better support choice and comparison. And introducing mechanisms to underpin long-term engagement with legal services comparison sites
- delivering changes required by the Economic Crime and Corporate Transparency Bill (if enacted) and a potential new regulatory objective for economic crime
- publishing our research findings for discussion on the attainment gap for candidates from Black, Asian and minority and ethnic backgrounds in professional assessments. And on the overrepresentation of solicitors from those backgrounds in reports made to us and, subsequently, our enforcement process
- improving diversity data we hold for individuals and firms and developing a work programme to encourage large firms to tackle retention and progression. This is in particular for women and people from Black, Asian and minority and ethnic origin backgrounds.

## Question 1

**Do you have any views on our proposed work commitments for 2023/24 under our first strategic priority?**



## **Priority 2 - we will strengthen our risk based and proactive regulation**

Our second strategic priority is to strengthen our risk based and proactive regulation. This means delivering and supporting better regulation through proactive and risk based activity using robust evidence based on our data, insights and intelligence.

It will also enable us to act in targeted ways that deliver robust and proportionate interventions to maximise the impact we get from our available resources. This is while avoiding unnecessary 'blanket' interventions.

Risk-based, proactive work is driven by evidence and learning quickly from our data, insights and intelligence. This will help us to move at pace and to better identify challenges for different segments of our diverse user and provider base, taking into account EDI issues as appropriate.

Appropriate sharing of our data, our insights and our research conclusions also builds our influence towards broader public policy developments and debates.

Work we propose to take forward in 2023-24 towards our Corporate Strategy's key deliverables for this strategic priority include:

- developing a data strategy to build improved data quality and to maximise its benefits
- enhancing and expanding our data analysis capability, and our expertise in identifying opportunities for increased proactive monitoring
- expanding our capacity to deliver thematic activity to increase our ability to quickly review newly emerging risks
- extending our proactive approach to non-compliance with anti-money laundering requirements and financial sanctions. This is alongside enhanced data collection securing market-wide views of compliance and targeted inspections and desk-based reviews.

### **Question 2**

**Do you have any views on our proposed work commitments for 2023/24 under our second strategic priority?**

## **Priority 3 - we will support innovation and technology**

Our work under this strategic priority aims to make sure we support innovation and technology. This means that we will keep up to date with and actively support innovation and technology that improves the delivery of legal services and access to them, particularly for individuals and small businesses, as well as supporting small firms to use technology effectively.





We are building on foundations laid already under our current Corporate Strategy. This includes our successful delivery of UK Government Regulators' Pioneer Fund (RPF) access to justice projects. We have supported innovators through our SRA Innovate programme.

We have forged partnerships with lawtech providers, law firms, academic bodies, advice agencies, other regulators, professional bodies and other groups. These have facilitated new solutions entering the legal services market to help improve experiences for the public.

Technology is fast moving, and opportunities it creates in the legal services market can also drive new risks and challenges for regulation. As innovations emerge within and around the perimeters of the regulated legal services market, our work under strategic priority three will keep pace.

This includes building our capability to understand emerging technology and its potential impact, including on EDI issues and better understand the specific needs of small firms to deliver tailored support.

Work we propose to take forward in 2023-24 towards our Corporate Strategy's key deliverables for this strategic priority include:

- delivering a proof of concept to test demand and likely effectiveness of a new sandbox
- delivering our Regulators Pioneer Fund project on dispute resolution technology solutions
- expanding the profile of our national deprivation and legal services mapping tool
- working with small law firms and tech providers to map areas where resource and support are most needed, and delivering pilots focused on particular technologies and themes.

### **Question 3**

**Do you have any views on our proposed work commitments for 2023/24 under our third strategic priority?**

**Priority 4 - we will be an authoritative and inclusive organisation, meeting the needs of the public, consumers, those we regulate and our staff**

Our work under this strategic priority helps us to be an authoritative and inclusive organisation that meets the needs of public, consumers, those we regulate and our staff. This means that we place our customers at the heart of all we do, working as an authoritative, inclusive and responsive organisation.

This extends across our regulatory framework, including our frontline regulation, our customer-facing teams, and our engagement work with the





public.

We focus on delivering consistently strong customer service, prioritising initiatives that support our customers to access and use our services in an increasingly digital-first age.

We are also committed to support our members of staff to thrive and be valued in their roles, recognised for their achievements, and treated fairly.

We are well positioned to provide leadership and insight to the wider legal sector and to inform debate and influence public policy in important areas of public interest. Our public legal education work supports us to communicate directly with the public in different ways. This includes through our consumer-facing information on the 'Legal Choices' website, run jointly with the other legal regulators.

Our extensive rolling programme of engagement with solicitors, their businesses, and the people who work in them provides opportunities to discuss and inform. This includes access to justice issues, ethical conduct and behaviour in legal services, climate change considerations, and diversity and inclusivity.

It is also important to understand how we are perceived by the public, consumers, people we regulate and others. We will use a perception survey in 2023-24 to benchmark and measure our impact over our incoming Corporate Strategy's lifespan. This will contain:

- how we build confidence in legal services
- levels of trust and ease of interactions with us
- how authoritative, fair and proportionate we are seen to be.

Work we propose to take forward in 2023-24 towards our Corporate Strategy's key deliverables for this strategic priority include:

- commissioning a review of the impact and effectiveness of our current communications approach
- review how we communicate in Welsh and consider opportunities to expand our offering
- working to maximise the performance of our people, our processes, our technologies, our data, and to enhance customer experiences
- delivering our action plans to increase diversity in senior SRA roles, and maintaining our Stonewall Top 100 Employer status while exploring other relevant external schemes
- undertaking a large-scale perception survey to benchmark our position
- embedding our Continuous Improvement culture and further reducing the time taken to investigate complaints through improved investigation and enforcement processes
- producing regulatory position statements on access to justice and on regulatory expectations for Environmental Social and Governance considerations.

Our proposed activities under this objective are described in more detail in our draft Business Plan and Budget, which you can find in the consultation's annexes.

#### Question 4

**Do you have any views on our proposed work commitments for 2023/24 under our fourth strategic priority?**

#### **Our budget and our fees 2023-24**

Our draft Business Plan outlines our budget for 2023-24 and the proposed practising certificate fee.

Detailed information, including our considerations for setting our budget and fees, is included in the draft document.

The majority of our funding comes from practising fees paid by individual solicitors and by legal service businesses. We collect these fees each October.

Our budget for 2023-24 is as follows (with comparative figures from 2022-23):

| <b>SRA income summary 2023-24 Budget £000 2022-23 Budget £000</b> |               |               |
|---|---------------|---------------|
| Practising fees   | 67,600        | 60,500        |
| SQE income  | 13,982        | 12,711        |
| Regulatory income   | 3,561         | 3,411         |
| Compensation fund   | 12,142        | 10,134        |
| Interest income   | 555           | 555           |
| <b>Total</b>  | <b>97,841</b> | <b>87,311</b> |

#### Question 5

**Do you have any views about our budget for 2023/24?**

Our draft Business Plan confirms the element of the proposed practising certificate fee that will fund the SRA for 2023-24. This is expected to be £162, an increase from £151 in 2022-23.

#### Question 6

**Do you agree that the SRA proportion of the practising certificate fee is reasonable and appropriate?**

The draft Business Plan also confirms the Compensation Fund contribution for 2023-24. This is £30 for individuals in 2023-24, which is unchanged from 2022-23.

## Question 7

### **Do you agree with the Compensation Fund contribution for individuals for 2023-24?**

We monitor, identify and assess the impacts of our work against equality, diversity and inclusion considerations, and work to manage those impacts through our workstreams.

We know practising fees can impact different people in different ways. We assess the impacts of our fees and Compensation Fund contributions.

Our equality impact assessment of the practising certificate fee and Compensation Fund contribution proposals for 2023-24 is included in the consultation paper's annexes.

## Question 8

### **Do you have any comments on the equality impact assessment of our proposed fees for 2023-24 or EDI-related work commitments in our proposed draft Business Plan for 2023-24? Do you have information that will help us to further build our understanding in relation to impacts on different groups of solicitors?**

Read the [equality impact assessment on the practising certificate fee and compensation Fund contribution for 2023/2024](https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/equality-impact-assessment-on-the-practising-certificate-fee-and-compensation-fund-contribution-for-2023--2024.pdf) [<https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/equality-impact-assessment-on-the-practising-certificate-fee-and-compensation-fund-contribution-for-2023--2024.pdf>].

## **Consultation questions in full**

We are keen to hear your views on our draft Business Plan and budget 2023-24. These are the questions in full and in our online questionnaire:

1. **Do you have any views on our proposed work commitments for 2023-24 under our first strategic priority?**
2. **Do you have any views on our proposed work commitments for 2023-24 under our second strategic priority?**
3. **Do you have any views on our proposed work commitments for 2023-24 under our third strategic priority?**
4. **Do you have any views on our proposed work commitments for 2023-24 under our fourth strategic priority?**
5. **Do you have any views about our budget for 2023-24?**
6. **Do you agree that the SRA proportion of the practising certificate fee is reasonable and appropriate?**
7. **Do you agree with the Compensation Fund contribution for individuals for 2023-24?**
8. **Do you have any comments on the equality impact assessment of our proposed fees for 2023-24 or EDI-related**



**work commitments in our proposed draft Business Plan for 2023-24? Do you have information that will help us to further build our understanding in relation to impacts on different groups of solicitors?**

## Downloads

- [Draft - SRA Business Plan and budget 2023 - 2024 \(PDF 27 pages, 455KB\)](https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/sra-business-plan-and-budget-2023---2024.pdf)  
[<https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/sra-business-plan-and-budget-2023---2024.pdf>]
- [Equality impact assessment on the practising certificate fee and Compensation Fund contribution for 2023 - 2024 \(PDF 5 pages, 136KB\)](https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/equality-impact-assessment-on-the-practising-certificate-fee-and-compensation-fund-contribution-for-2023---2024.pdf)  
[<https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/equality-impact-assessment-on-the-practising-certificate-fee-and-compensation-fund-contribution-for-2023---2024.pdf>]
- [Summary of responses and feedback \(PDF 7 pages, 193KB\)](https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/business-plan-consultation-responses-and-feedback.pdf)  
[<https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/business-plan-consultation-responses-and-feedback.pdf>]
- [Responses to consultation - Business Plan and budget 2023-24 \(PDF 15 pages, 706KB\)](https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/business-plan-consultation-responses.pdf)  
[<https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/business-plan-consultation-responses.pdf>]
- [Final - SRA Business Plan and budget 2023 - 2024 \(PDF 27 pages, 370KB\)](https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/business-plan-2023-24-final.pdf)  
[<https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/business-plan-2023-24-final.pdf>]
- [Equality Impact Assessment for Corporate Strategy 23-26 and Business Plan 23-24 \(PDF 6 pages, 140KB\)](https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/equality-impact-assessment-for-corporate-strategy-23-26-and-business-plan-23-24.pdf)  
[<https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/equality-impact-assessment-for-corporate-strategy-23-26-and-business-plan-23-24.pdf>]
- [Workstream re-prioritisation \(PDF 4 pages, 156KB\)](https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/workstream-re-prioritisation.pdf)  
[<https://upgrade.sra.org.uk/globalassets/documents/sra/consultations/2023/workstream-re-prioritisation.pdf>]

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