

# **Business Plan and Budget 2022/23: responses and feedback to our consultation**

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October 2022

## Background

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1. On 6 May 2022 we published our draft Business Plan and budget for November 2022 to October 2023, as part of a consultation process that ran until 17 June 2022. [The [2022-23 Business Plan](#) has now been published.]
2. Our consultation sought views from our stakeholders about the work we proposed to take forward during the third and final year of our [Corporate Strategy 2020-23](#), and in order to achieve our three strategic priorities. They are:
  - **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.
3. The consultation also set out proposals for allocating our budget across the different areas of activity, and proposals for the practising certificate fee and Compensation Fund contributions for 2022-23. We published an [equality impact assessment](#) for these fees as part of the consultation process.

## Who did we hear from?

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4. Our consultation process included a programme of stakeholder engagement, delivered across a number of channels. Over the course of the consultation we engaged with close to 15,000 people – our highest-ever engagement results for our Business Plan and budget consultation activity.
5. We received 12 written responses from our stakeholders, including the Law Society (TLS), the Legal Services Consumer Panel (LSCP), and the Association of Consumer Support Organisations (ACSO).
6. We held consultation engagement events and roundtable meetings with a diverse range of organisations and individuals, including:
  - groups representing consumers and vulnerable communities
  - members of the public in both Wales and England

- stakeholders from professional representative groups and specific areas of the legal service sector
  - people and organisations from the lawtech sector.
7. We also engaged with stakeholders through our social media channels during the consultation process. This included delivering an [interactive YouTube webinar](#) to explore our Business Plan proposals, and publishing polls and discussion points on our [Twitter](#) and [LinkedIn](#) channels.
8. We are grateful to everyone who participated in the consultation process, through any of the channels we made available. We have reviewed the feedback, ideas and suggestions we received from our stakeholders, and taken everything into account as part of our work to finalise our Business Plan and budget for 2022-23.
9. In the annexes to this report you can find more information about:
- the consultation respondents
  - our engagement events.

## Our comments and next steps

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10. Feedback on our Business Plan and our budget proposals for 2022-23 was generally positive from the range of organisations and individuals that we heard from. This included support for the workstreams and projects we proposed, and for specific areas of focus under the three strategic priority areas.
11. We heard ideas from our stakeholders and suggestions for areas of focus. This feedback is an essential part of our work to finalise our Business Plan, our budget, and our fees for 2022-23, and to the ways we aim to work and to progress our workstreams during that period.
12. We welcomed expressions of interest from stakeholders to continue their conversations with us, and to explore opportunities to collaborate and be active participants in some areas of our work. We were also grateful to hear calls for caution, or suggestions for alternative areas of focus.
13. In the remainder of this report we summarise and respond to some of the main areas of feedback we received during our consultation process.

## Comments and feedback for question one

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14. Our first question was:

**‘Do you have any views on our proposed activities and areas of focus for 2022-23 under objective one of our Corporate Strategy?’**

15. We asked stakeholders for their views on our proposed work activities under our first strategic objective - *‘setting and maintaining high standards for the profession and ourselves’* - as well as the resources we direct towards the delivery of those activities.
16. We heard general support from most consultation respondents about our proposals under strategic objective one, which accounts for the majority of our work and our resources. This included confirmation from the LSCP that it *“...believes that the SRA’s proposed activities for 2022-23 are precisely the right areas to focus on. We are in support of the activities listed under objective one of the Corporate Strategy.”*
17. TLS also expressed its support, confirming that *“We broadly support the proposed work under objective one of the SRA’s corporate strategy and are pleased to see a continued prioritisation of this objective with a large proportion of budget ... allocated to it.”* A number of individuals from the legal services sector responded to the consultation with further support, with their comments including that our proposed activities are *“...sensible and relevant..”*, and that *“...there is a good variety of objectives and current issues.”*
18. Some respondents commented on specific areas of work, including our Solicitors Qualifying Examination (SQE) workstream. TLS suggested we might build on our proposed assessment and monitoring activity to explore the SQE’s impacts across all socio-economic groups alongside the protected characteristics. ACSO agreed, stating *“...it is vital that the implications of the SQE route are monitored carefully, specifically in relation to the cost ... for aspiring solicitors, and also the proficiency of those qualifying via the SQE route as opposed to the various other paths to qualification which now exist.”*
19. Other areas receiving good levels of support included our proposed package of anti-money laundering (AML) activities, with AML being the most-selected priority area for us by participants in our Twitter poll. Further progression of our response to the Competition and Markets Authority’s recommendations for information transparency in the legal services sector was also well-supported, with the LSCP commending our work to date but calling for focus on ensuring ease of comparability between providers; TLS meanwhile offered to work closely with us to explore impacts of any potential changes to our Transparency Rules for smaller firms, and other communities within the solicitor market. Our proposals around public legal education were explored by participants in our technology and innovation roundtable, with observations including online shopping around for legal services becoming increasingly significant.

20. Some of our objective one proposals prompted questions from consultation respondents. They included proposals to develop the Police Station Accreditation Scheme around a statement of expected behaviours, with questions raised by the Criminal Law Solicitors' Association (CLSA) about the interplay with existing legislative requirements, and calls from TLS to explore possible overlap with its own Criminal Litigation Accreditation Scheme.
21. We also received feedback on our proposals to continue progressing our work on health and wellbeing in the legal service sector. ACSO expressed support, arguing that *"Poor health and wellbeing can result in low morale, higher sick leave and bad decision-making. Consumers will feel the knock-on effects of poor health and wellbeing in the profession by way of mistakes, errors of judgement and avoidable poor outcomes."* TLS suggested a number of considerations, alongside an offer to engage further with us, and in-house lawyers at our roundtable meeting referenced the importance of health and wellbeing in a sector that now has increased hybrid working.
22. We welcome all the feedback we received relating to our proposals under our first strategic objective. Underpinning much of the feedback was a desire from stakeholders to continue to be part of the conversation with us, so that issues can be identified, explored and responded to in collaboration with each other. We strongly agree, and we will continue to seek out and create new opportunities to work in partnership and alongside our stakeholders across all our workstreams during 2022-23. Feedback on specific projects has also been communicated to our project leads and factored into individual workstreams.

## Comments and feedback for question two

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23. Our second question was:

**'Do you have any views on our proposed activities and areas of focus for 2022-23 under objective two of our Corporate Strategy?'**

24. Our second strategic objective focuses on our work around technology and innovation. We were pleased to receive strong levels of support from many stakeholders for the detail of the activities we proposed to deliver in 2022-23 in our draft business plan. Technology and innovation was identified by 45% of respondents to our LinkedIn poll as the issue that they felt was likely to impact the legal services sector the most during 2022-23.
25. This included the reach and ambition of our proposed activities, and the tangible outcomes and positive impacts that they create towards access to justice. For example, ACSO confirmed it *"...agrees with the SRA that the proper use of IT within the legal services sector is a crucial component of the SRA's work to*

*improve access to justice*". Members of the public participating in our workshop with the charity Lifeshare generally agreed that technology that can help people to access legal help is a to be welcomed.

26. The LSCP was also positive, confirming that it welcomed "...*the proactive stance the SRA has adopted and acknowledge the collaborative attitude in which it has operated*".
27. The LSCP also flagged an absence of references to collaboration and engagement with consumer bodies under strategic objective two, while other stakeholders such as ACSO felt that we might usefully prioritise exploration of specific risks for consumers, such as people who experience digital exclusion, and communities who may be 'digital with assistance'.
28. Some feedback reiterated questions raised in previous Business Plan years about the rationale behind our focus on lawtech. We are continuing to improve our communication activities to explain the importance of this area of our work and the impacts it has – with one example being the launch of our '[Lawtech Insight](#)' newsletter.
29. Feedback on our proposed activities under this objective was gratefully received. As with objective one, we heard invitations from stakeholders to work closely with them as we deliver our technology and innovation workstreams during 2022-23, and we are committed to doing just that. We have amended some of the detail of our Business Plan 2022-23 to bring engagement with consumer groups explicitly into the scope of objective two; we will also continue to build our engagement activity on technology and innovation, to help make sure solicitors and their businesses can understand this area of our work, and get involved.

## Comments and feedback for question three

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30. Our third question was:

**'Do you have any views on our proposed activities and areas of focus for 2022-23 under objective three of our Corporate Strategy?'**

31. We asked stakeholders for views about our proposed approach towards anticipating and responding to change. In our draft Business Plan we explained how we intend to employ our research and analysis resources to identify emerging trends and changes within and around the sector, and to then respond to those changes. We also highlighted areas where we might potentially lead debates, or work in ways that bring together stakeholders to collaborate and collectively explore and respond to issues.

32. Feedback from consumer representative bodies was largely positive, with the LSCP welcoming our proposed segmentation activity. It commented that “...*the findings and intelligence from this work would be of immense benefit in shaping future areas of focus or priorities, not just for the SRA, but for the whole sector.*” Our proposals to explore unregulated legal service provision as part of our 2022-23 research programme were also welcomed.
33. We received good feedback about our proposed approach to horizon scanning. This included comments from TLS which called for us to be “...*brave in looking to longer horizons and considering the implication of possible futures in order to adequately plan and prepare the profession now for the profession of the future.*”
34. Some stakeholders commented on specific research projects. ACSO and a solicitor responding to the consultation expressed interest in our proposal to undertake analysis of the Professional Indemnity Insurance (PII) market, with ACSO also suggesting the legal expenses insurance (LEI) market as a further possible area of interest. TLS also confirmed its support for this project, while also welcoming our proposal to progress EDI-focused research projects.
35. Our proposals to prioritise debate and discussion on particular areas were generally well supported. Members of the public taking part in our focus groups felt this was an important area of our work. TLS particularly welcomed our proposed engagement around the Government’s ‘Benefits of Brexit’ paper.
36. We are grateful for the ideas and recommendations provided in response to our work under of third strategic objective. This feedback is being built into our projects and will help to inform the issues that we identify to explore and collaborate on, including our EDI workstreams, our Public Legal Education workstream, and our research and analysis programme.

## Comments and feedback for question four

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37. Our fourth question was:

**‘What do you think about our budget for 2022-23 and the proportion we propose to allocate to our work under each of the three objectives?’**

38. Stakeholders were invited to provide views on the proposed allocation of our budget across each of the three strategic objective areas. Stakeholders were broadly supportive of the allocation, and in particular our proposed apportion of the majority of our budget towards our first strategic objective.
39. This included feedback from members of the public across both England and Wales who participated in our focus groups. They agreed that our proposed distribution of our budget across the three strategic objective areas sounded right,

and supported our proposal to direct the majority of our budget towards our commitments under strategic objective one. This feedback helps us to finalise our budget and allocation for 2022-23.

## Comments and feedback for question five

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40. Our fifth question was:

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

41. Feedback on this question included suggestions for other funding models but little commentary on the SRA’s proposed proportion of the practising certificate fee. TLS confirmed that it would feed-back in due course on its members’ views of the overall cost of the practising certificate fee as part of its own consultation process on fees for 2022-23.

## Comments and feedback for question six

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42. Our sixth question was:

**‘Do you agree with the proposed Compensation Fund contribution level for individuals?’**

43. We received feedback on our proposed Compensation Fund contribution from some of the stakeholders taking part in the consultation process. This included support expressed by TLS for the proposed contribution amount. The LSCP felt that the proposed reduction in the contribution was not supported by sufficient detail about the rationale and drivers. It re-emphasised calls for data transparency on claims paid-out, and on the dispensation of the Fund. The CLSA suggested that we “...*consider where the greatest call for compensation comes from, adjust the figures for the firms involved, and streamline any training to the areas which show the greatest professional deficits.*”

44. The feedback we received here is helpful to us in finalising the Compensation Fund contribution for 2022-23, but also in identifying issues related to the Fund for us to pick up during future engagement work with our stakeholders.

## Comments and feedback for question seven

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45. Our seventh and final question was:



**‘Do you have any comments on the equality impact assessment? Do you have information that will help us to further build our understanding in relation to impacts on different groups of solicitors?’**

46. Our consultation had also included an equality impact assessment of our proposed fees. We received few substantive comments on this question. However TLS confirmed that it welcomed our equality impact assessment, and that it would engage further with us on this area.

## Annex one: consultation respondents

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<b>Publish the response with my/our name</b>	<b>Respondent type</b>
Association of Consumer Support Organisations	Representative professional group
Criminal Law Solicitors Association	Representative professional group
Legal Services Consumer Panel	Representative consumer group
The Law Society of England and Wales	The Law Society
Michael Hudson	Solicitor
Liam Lane	Trainee solicitor
Mark Menhennet	Solicitor
<b>Publish the response anonymously</b>	<b>Respondent type</b>
Anonymous	Law firm or other legal services provider
Anonymous	Individual
Anonymous	Individual
<b>Do not publish the response or my name</b>	<b>Respondent type</b>
Anonymous	Public body
Anonymous	Individual

## Annex two: our consultation events and engagement activities

Date	Description
16 May 2022	City of London Law Society symposium meeting
6 June 2022	Focus group with members of the public in England
8 June 2022	Focus group with members of the public in Wales
8 June 2022	'Meet the Board' session with Kent Law Society
8 June 2022	Solicitor Sole Practitioner Group quarterly meeting
14 June 2022	Focus group with people who have experienced homelessness / mental health issues, with Lifeshare charity
14 June 2022	Meeting with technology and innovation stakeholders
16 June 2022	Roundtable meeting with in-house lawyers
20 June 2022	Roundtable meeting with consumer bodies and charities
May and June 2022	<p>Engagement with organisations representing different communities and protected equality characteristics in the legal services sector, including:</p> <ul style="list-style-type: none"> <li>• Women in the Law</li> <li>• Association of Asian Women Lawyers</li> <li>• Hindu Lawyers Association</li> <li>• InterLaw Diversity Forum</li> <li>• Lesbian and Gay Lawyers Association</li> <li>• Lawyers with Disabilities Division</li> <li>• Black Solicitors Network</li> <li>• Society of Asian Lawyers</li> <li>• Association of Disabled Lawyers</li> <li>• Association of Women Solicitors</li> </ul>

