

**SRA BOARD**  
17 September 2024

**CLASSIFICATION – PUBLIC**



*This paper will be published*

**SRA Business Plan and Budget for 1 November 2024 to 31 October 2025**

<b>Reason for paper</b>	<p>This paper summarises:</p> <ul style="list-style-type: none"> <li>• consultation feedback and how it will be addressed in the draft Business Plan and Budget for 2024-25</li> <li>• additional areas of work identified post-consultation</li> <li>• next steps and publication.</li> </ul>
<b>Recommendations</b>	<p>The Board is asked to:</p> <ul style="list-style-type: none"> <li>• approve the final Business Plan and Budget 2024-25 for publication.</li> </ul>
<b>Previous Board and committee consideration</b>	<p>At its meeting on 14 May 2024, the Board approved a draft Business Plan and Budget for 2024-25 for consultation.</p> <p>At its meeting on 25 June 2024, the Board considered initial summaries of feedback from the consultation process.</p> <p>At its meeting on 9 July 2024, the Board approved the determinations of the individual practising certificate fees, entity turnover based fees, and Compensation Fund contributions for 2024-25.</p>
<b>Next steps</b>	<p>We will:</p> <ul style="list-style-type: none"> <li>• publish the Business Plan and Budget 2024-25, consultation feedback report, and associated equality impact assessments during October 2024</li> <li>• scope and plan additional areas of work to be undertaken.</li> </ul>

**If you have any questions about this paper, please contact: Aileen Armstrong, Executive Director – Strategy, Innovation and External Affairs**  
[aileen.armstrong@sra.org.uk](mailto:aileen.armstrong@sra.org.uk)

**SRA BOARD**  
17 September 2024

**CLASSIFICATION – PUBLIC**



## **SRA Business Plan and Budget for 1 November 2024 to 31 October 2025**

### **Summary**

- 1 We have considered all responses to our consultation and our engagement activity and have prepared a final Business Plan and Budget for 2024-25 for the Board to consider.
- 2 Once approved, our Business Plan and Budget for 2024-25 will be published alongside:
  - a consultation feedback report, and a summary report of all responses received
  - an equality impact assessment (EIA) of practising fees and Compensation Fund contributions
  - an EIA of our business plan workstreams.

### **Background**

- 3 Our consultation on our draft Business Plan and Budget 2024-25 ran between 28 May and 2 July 2024, and we sought feedback about our proposed workplans and activities. Feedback on the individual practising certificate fees, entity turnover based fees, and Compensation Fund contributions for 2024-25 was considered by the Board on 25 June 2024. And the Board approved these determinations at its meeting on 9 July 2024. These determinations are subject to approval by the Legal Services Board (LSB).

### **Stakeholder feedback on the draft Business Plan and Budget**

- 4 We received a range of feedback about our proposals through a number of channels, including consultation responses from:
  - 12 solicitors and four law firms
  - a technology provider
  - the Association of Personal Injury Lawyers (APIL)
  - the Association of Consumer Support Organisations (ACSO)
  - the Legal Services Consumer Panel (LSCP)
  - the Law Society (TLS)
- 5 During the consultation period, we also carried out a range of engagement activity to raise awareness of our consultation and get further feedback. This included producing a webinar, hosting events and roundtables with legal professionals and consumer groups, and engaging with the public through social media posts and polls.

**SRA BOARD**  
17 September 2024



**CLASSIFICATION – PUBLIC**

- 6 Consultation feedback was generally supportive for our workstream proposals, projects and commitments for 2024-25. There was support for our core activities focusing on high standards, and positive feedback on our plans to evaluate the SQE, progress our data strategy, our work to tackle anti-money laundering, and work to support smaller firms with technology. TLS and the ACSO both responded in detail and made helpful suggestions. This included offers from TLS to work collaboratively with us in specific areas, such as our technology and innovation workstreams, and the ACSO expressing strong support for our proposals to strengthen our customer service.
- 7 Members of the public taking part in our social media polls ranked public protection as the top area for us to focus. Our workstreams under our first strategic priority area align well with that ranking – including our commitment to progress our Consumer Protection Review.
- 8 Some areas of our proposed workstreams were less well supported, including where stakeholders felt they lacked persuasive detail. The LSCP raised concerns about the substance and presentation of our workstreams and whether they adequately meet consumer needs – particularly on consumer information requirements, first-tier complaints, and access to justice. It called for us to do more to meet the needs of consumers and industry expectations.
- 9 On the issue of Equality, Diversity and Inclusion (EDI), TLS welcomed the publication of research into differential outcomes. One respondent felt that our work might increasingly build in perspectives on different cultural backgrounds alongside consideration of the protected characteristics. The ACSO meanwhile supported our proposed focus on reducing ethnicity and gender pay gaps within the SRA.
- 10 There was little substantive feedback on the detail of our draft EIAs.

**Response to the consultation and wider engagement**

- 11 We have reviewed the Business Plan in light of the consultation feedback and wider engagement, including our recent stakeholder perceptions survey conducted by Thinks Insight (initial findings were shared at our July Board meeting, with final findings due to be published in October). We have identified that there is an opportunity to be clearer about how we are putting consumers at the heart of our work and to land more clearly how our whole work programme delivers our strategic objectives.
- 12 In response to consultation feedback, we have amended the Business Plan by:
  - Providing further detail on the Consumer Protection Review, to clearly outline how work under our strategic priorities explicitly protects consumers' interests.

**SRA BOARD**  
17 September 2024



**CLASSIFICATION – PUBLIC**

- Highlighting links to work which has already been completed and relationships with work going forward, such as the second annual competency assessment, new competency guidance and resources for solicitors, and the research on differential outcomes in legal professional assessments.
  - Referencing work that is underway, but wasn't originally highlighted in the business plan, such as the work we are already doing with other regulators to develop a cross-regulator digital portal of regulated legal professionals that will help consumers to identify a suitable provider for their needs.
  - Making the outcomes of particular workstreams clearer, including making more explicit the aim of some of our work under the innovation and technology priority in improving access to justice, and how we intend to move towards improving EDI outcomes, through facilitating cross-sector collaboration, in terms of building on the insights from our key EDI research projects on enforcement and differential outcomes in legal professional assessments.
  - We have also included more detail on our continuous improvement work around investigation and enforcement. This includes a further focus on quality and assurance, and better identification of wider risks to consumers.
- 13 We shared in July the initial findings from Thinks' stakeholder perception research, setting out the main drivers of confidence and trust in legal services, and where stakeholders think we have a key role. It showed that alongside high professional standards and qualifications and training, transparent cost structures are one of the most important drivers for stakeholders, including consumers and small businesses. This feedback was not only about comparing costs, but also confidence in receiving clear information on costs when engaging a firm. Ease of access to other relevant information was not seen to be as important - or as relevant to the SRA's role - as transparency around costs. However, it was still important, and we know through a range of research, that markets work better for consumers when they have access to good information on both cost and quality. We will therefore continue to consider the interaction of quality information alongside further considering cost transparency.
- 14 On transparent cost structures, we have already done work to promote greater law firm transparency around prices and other consumer information. In the last year we had paused further work in this area, as we had to prioritise key areas such as our consumer protection review and other emerging issues. However, given the findings of this research, combined with consultation feedback from the LSCP, and ongoing engagement with the Legal Services Board, we have

**SRA BOARD**  
17 September 2024



**CLASSIFICATION – PUBLIC**

revisited our plans for work in this important area. The Business Plan now specifies that we will carry out further research to inform our next steps and develop our position on how we improve the information available for consumers, being particularly mindful of how we can drive improved information around costs and how that interacts with quality indicators. This could include reviewing and revising specified formats for information provision, and whether our rules around cost transparency could be extended to other areas of the law.

### **Emerging areas of work in the coming business year**

- 15 In addition to the areas highlighted above, which have been amended in response to the Business Plan consultation, there are further emerging issues that could impact trust and confidence in legal services and require further consideration to make sure we are regulating effectively.
- 16 For instance, we have identified specific areas of risk through our Consumer Protection Review, and we may also be seeing increasing risks to the public in relation to bulk claims legal work.
- 17 We have reflected these issues in the final Business Plan. These include:
  - developing our approach to identifying risk and our data strategy, by improving our data capability to support horizon scanning and risk identification
  - developing a Risk Intelligence Framework to ensure we share intelligence internally in the most efficient and effective way
  - scoping a strategic approach to developing a long-term framework on bulk claims litigation, as high-profile cases involving the collapse of firms in this space have seen consumers experience significant detriment.

This work will enable us to more effectively spot emerging issues and high-risk firms or types of firms.

- 18 We have amended the Business Plan to include initial work to progress these areas, highlighting that we are scoping out a range of additional work to address new and emerging issues in the sector, including work to respond to shifting risks around bulk claims work, and also to improve our risk and data management processes so that we can better protect the public. These are long term projects, that will be carried out over several years, but we are keen to emphasise that given the importance of this work we don't want to delay. As we scope out the work, we will identify the resources needed and consider options for how we progress, which could include identifying efficiencies, reprioritising or using reserves as appropriate. We will bring this back to the Board once our thinking has evolved.

**SRA BOARD**  
17 September 2024

**CLASSIFICATION – PUBLIC**



**Budget**

- 19 Further details on income and expenditure for 2024-25 are set out within the Business plan and budget document. This shows total expected income and expenditure of £157.3m for the year. Since the consultation we have worked up the detailed income and expenditure budgets within this envelope. As further information has become available over the subsequent months we have adjusted where necessary. The key movements are set out in annex 4 for the Board to note.

**Attachments**

- 20 The post-consultation version of the Business Plan and Budget for 2024-25, showing all amendments made as track-changes, is attached at annex 1.
- 21 The post-consultation versions of the EIAs are attached at annex 2.
- 22 Our consultation feedback report is attached at annex 3.
- 23 The outcome of detailed budgeting work is attached at annex 4.

**Recommendation: the Board is asked to approve the final Business Plan and Budget 2024-25 for publication.**

**Next steps**

- 24 We will publish the Business Plan and Budget for 2024-25 (if approved), alongside the consultation feedback report, consultation responses we received, and the EIAs, during October 2024.
- 25 We will further scope projects and plans to address the emerging areas of further work.

**SRA BOARD**  
17 September 2024

**CLASSIFICATION – PUBLIC**



### **Supporting information**

#### **Links to the Corporate Strategy and/or Business Plan and impact on strategic and mid-tier risks**

- 26 This paper describes our post-consultation position and approach for finalising and publishing our Business Plan 2024-25, and confirms its connection points to the SRA's Corporate Strategy 2023-26.

#### **How the issues support the regulatory objectives and best regulatory practice**

- 27 The Business Plan and budget confirm our workstreams and commitments. They have been developed in ways that support us to meet the Legal Services Act 2007's regulatory objectives, and to achieve consistency with the Better Regulation principles.

#### **Public/Consumer impact**

- 28 Our Business Plan commitments aim to improve consumer experiences and assure strong protections in the legal services sector – including circumstances when members of the public are our customers.

#### **What engagement approach has been used to inform the work and what further communication and engagement is needed?**

- 29 A draft version of our Business Plan and budget was published for public consultation. A feedback report is attached in the paper's annexes. We will continue to engage with stakeholders regarding feedback they provided during this process.
- 30 Where feedback is relevant to particular workstreams, it will be provided to the applicable teams to ensure that it is considered and incorporated into their workstreams and policy development processes, and informs future consultation and engagement activities. For example, stakeholder views on the Compensation Fund and distributional impacts of contributions will be considered through the Consumer Protection Review policy programme, and feedback on changes to the SQE will be fed back to the relevant operational teams.
- 31 There will be further consultation processes undertaken as part of ongoing programmes of work, including the Consumer Protection Review.

#### **What equality and diversity considerations relate to this issue?**

- 32 Equality, diversity and inclusion are central to our business activities, and our workstreams describe a number of projects and initiatives targeted in this area.

**SRA BOARD**  
17 September 2024



**CLASSIFICATION – PUBLIC**

We have consulted on, and now finalised, equality impact assessments of our workstreams and our fees. Detailed EIAs are attached at annex 2.

**How the work will be evaluated**

- 33 Our Business Plan and the workstreams we commit to are subject to ongoing monitoring and evaluation activity. We will report our progress to the SRA Board regularly throughout the Business Plan's 12-month lifespan.

**Annexes**

- |                |  |
|----------------|--|
| <b>Annex 1</b> | <b>Business Plan and Budget 2024-25 document</b> |
| <b>Annex 2</b> | <b>Equality impact assessments</b>               |
| <b>Annex 3</b> | <b>Consultation feedback report</b>              |
| <b>Annex 4</b> | <b>Outcome of detailed budgeting work</b>        |

*NB: Annex 1 (the business plan) will be published separately at the same time as these papers. Annex 4 will not be published because it includes discussion of risk that might be exacerbated by publication*