

CLASSIFICATION – PUBLIC

This paper will be published

Chief Executive's Report

Purpose

- 1 This report provides an update to the Board on our priorities and any key developments that it needs to be aware of. It also provides information on important external developments and our engagement activity with key stakeholders.

Recommendations

- 2 The Board is asked:
 - a) to consider the Chief Executive's report
 - b) to agree the package of performance reporting information for publication.

If you have any questions about this paper please contact: Paul Philip, Chief Executive, paul.philip@sra.org.uk, 0121 329 6940.

Chief Executive's Report

Update against priorities/key developments

Compensation Fund rules consultation

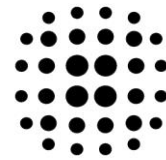
- 3 On 19 January 2020, we launched our 12-week consultation on changes to the Compensation Fund rules. This includes proposals that would lead to greater clarity on when grants are made and proposals to further protect the long-term sustainability of the Fund moving forwards. The consultation can be found [here](#) and will run to 21 April 2020.

Anti-money laundering (AML) update

- 4 In late 2019 we wrote out to all the firms we supervise under the money laundering regulations to require them to declare to us that they had a compliant firm-wide risk assessment in place. This is an area in which we have identified high levels of non-compliance through our thematic work. We wrote to the firms' COLPs giving them six weeks to make the declaration online, and subsequently sent three reminders to those who had not complied. When the exercise closed on 31 January 2020, a number of firms had still not responded.
- 5 We are in the process of considering next steps but we must assume that our approach will include enforcement action.

Transparency Rules compliance

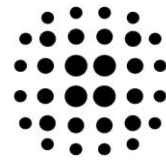
- 6 Our Transparency Rules came into force in December 2018. They require firms to publish price and service information if they publish, as part of their usual business, the availability of any of the specified services. They also require all firms with a website to publish details of their complaints procedure.
- 7 Last year, we carried out an initial web sweep of random firm websites and identified a number of issues with non-compliance. We followed up this work with emails reminding firms of their obligations to comply and also warning them that we would undertake a further web check and consider enforcement action if the situation was not rectified.
- 8 We have since completed further web sweeps and significant non-compliance with the Rules persists. We have been completing follow-up work with these firms and preparing for enforcement action. This work has resource implications and we expect the pressure on resources to continue into next year as we complete further web sweeps and follow-up with enforcement work, with potential implications for next year's budget.

**SRA BOARD**
3 March 2020**CLASSIFICATION – PUBLIC****Registered European Lawyers**

- 9 A Registered European Lawyer (REL) is a lawyer registered with the SRA who has been authorised to practise in another European state. In order to apply to be a REL, an applicant is required to submit an online application to the SRA and provide a certificate of attestation that is no more than three months old from their home member state. Clearly, this process will come to an end once the transition period for the UK to leave the EU at the end of the year expires.
- 10 In January 2020, we identified that there had been an increase in REL applications received from applicants who had submitted a certificate of attestation from the Bucharest Bar Association dated 27 November 2019. Given the large volume of applications received, and the concerns raised regarding the similarities of each of the applications, we contacted the Bucharest Bar Association to validate the authenticity of the certificates of attestations. They confirmed that none of the individuals who had applied to us to be registered as a REL were members of the Bucharest Bar Association, nor in any other member bar of the National Union of Bars in Romania.
- 11 An audit was completed to identify all applications submitted to us from Romania. Of those applications that had already been approved, notices of our intention to withdraw registration as a REL were sent to all individuals on 27 January 2020. Immediate conditions were applied to the individuals to prevent them from carrying out reserved legal activities and to gain approval from the SRA should they wish to be employed by an authorised body or a sole practitioner, become a sole practitioner or freelancer. Refusal notices were sent to the applicants who had applied but had not been registered as a REL.
- 12 We have taken immediate steps to tighten our controls for registering RELs. All certificates of attestation are now validated with the home jurisdiction to ensure that the individual is registered and is an appropriately qualified lawyer. To ensure that there are no other individuals registered who are not eligible to be practising as a REL, we have contacted the home member states of all RELs registered with us. This is to validate that they are registered and eligible to practise using their home member state qualification but it is too early to give a profile of responses.

Solicitors Qualifying Examination (SQE)

- 13 We have updated our SQE resources by [publishing a full briefing document](#) summarising the development of the SQE and updating on progress. The briefing was promoted through our new SQE Bulletin and has been translated into Welsh.
- 14 We have met Kaplan to review the first full year of the operation of the SQE assessment contract. Kaplan has satisfactorily completed all relevant contractual milestones and deliverables due within the period. SQE costs incurred in period were broadly as anticipated and within the candidate fee estimate of £3,000 to £4,500 published in November 2018. The Board will be asked to make decisions later in the year about final assessment design, on the basis of which the exact candidate fee will be calculated.

**SRA BOARD**
3 March 2020**CLASSIFICATION – PUBLIC*****Freelancer applications***

- 15 As of 11 February 2020, we had 57 solicitors registered as freelancers on our Solicitors Register. This means that they are able to deliver services to the public on the basis of their own practising certificate without having to also be authorised as a firm – a recognised sole practice. Of these 16 have indicated that they will be taking on reserved legal activities and have the adequate and appropriate insurance needed to do so. 41 have indicated that they will be doing only unreserved work.

Solicitors Register

- 16 As part of the development of our [Solicitors Register](#), we have now decommissioned our well used Law Firm Search facility. The Register provides the same information in an accessible way and we want to make sure both the profession and the public can find what they need in as straightforward a way as possible.

Legal Choices website

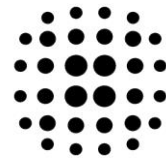
- 17 As part of our joint venture (with other legal services regulators), we have developed four flagship information products for consumers and SMEs and released beta versions of three of them in 2019. We launched a digital marketing campaign in February 2020, promoting the Legal Choices website and two of the new products – a plain English law dictionary and a chatbot for people at risk of no-fault eviction. The campaign aims to attract at least 1.7 million visits to the site over a nine-month period.

Executive Director of Strategy and Innovation

- 18 Tracy Vegro, our new Executive Director of Strategy and Innovation, will join the organisation on 9 March 2020. She will be responsible for developing the organisation's strategic perspective and in particular our policy and research work, with a focus on supporting the delivery of innovation and technology in the legal sector.

Stonewall Workplace Equality Index

- 19 We have been making applications to be assessed against the Stonewall Workplace Equality Index (WEI) for the last three years. It is a benchmarking tool used by employers to assess their achievements and progress on Lesbian Gay Bisexual and Trans (LGBT) equality in the workplace.
- 20 The [2020 WEI results](#) have now been announced and we have been placed in the top 100, at number 93, an improvement of 30 places on last year. The result recognises all of the work we have done to make the SRA a welcoming, diverse and inclusive organisation.

**SRA BOARD**
3 March 2020**CLASSIFICATION – PUBLIC*****Quarterly performance reporting***

- 21 Attached at annexes 1-3 are our draft quarterly updates on our performance: an update against the work programme; the financial performance update; and a balanced scorecard. We will present some slides at the meeting to explain the package and once the Board has agreed we will publish the scorecard and work programme update.

Recommendation: The Board is asked to agree the package of performance reporting information for publication.

Modernising IT Programme (MIT)

- 22 An update on MIT is attached at annex 4.

Coronavirus Business Resilience Planning

- 23 We have developed a three-tiered plan which will trigger various actions if the spread of the coronavirus increases and the threat changes, tier one of which is currently in operation. At the time of writing we were taking various steps, including closely monitoring government advice, promoting best practice around hygiene, collaborating with other organisations to check their responses and assessing IT requirements should we need to invoke significant home working.
- 24 We have developed plans (which are under continual review) to support tiers two and three so the business could continue with the least possible disruption and staff are appropriately supported should the situation escalate.

External Developments and Engagement Activity***Legal Services Board (LSB)***

- 25 We wrote to Matthew Hill, LSB Chief Executive, on 6 February 2020, providing a further update on the two areas of our work that were considered *Not met* in the LSB's assessment in late 2019 (transparency of decision-making and performance and advocacy standards). On 11 February, the LSB [published a consultation](#) on its regulatory performance framework and proposed regulatory independence monitoring moving forwards. The consultation closes on 3 April 2020.
- 26 On 21 January 2020, the LSB [issued a call for evidence](#) on how legal regulators ensure the professionals they regulate remain competent throughout their careers. They have asked to meet us as part of their evidence gathering process and we will be submitting evidence in due course.
- 27 The results of the largest ever survey of legal needs in England and Wales, jointly commissioned by the LSB and The Law Society, has been [published](#). Unmet legal need and public legal education so individuals understand how they can access justice are key themes reported from the survey.

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Stakeholder Engagement

- 28 Our ongoing engagement programme with stakeholders continues. We have met a number of politicians, including Lord Thomas (the former Chair of the Commission on Justice for Wales) and the Welsh Government's Counsel General, Jeremy Miles AM, to discuss relevant issues in Wales. As part of our work in Wales, we have also had discussions with the Welsh Language Commissioner, Aled Roberts, and his team. I also met Conservative MP Kevin Hollinrake in his capacity as Chair of the all-party group for fair banking, and we took part in a roundtable discussion in Parliament organised by the Industry and Parliament Trust on apprenticeships.
- 29 We spoke at the Legal Cheek Conference on the SQE in Manchester in January. The conference included a presentation by three solicitor-apprentices who would not have been able to embark on a career as a solicitor without the apprenticeship scheme.
- 30 We have also had our regular quarterly meeting with the City of London Law Society and we hosted a delegation from the Devon and Somerset, Kent, Newcastle and Surrey Law Societies, together forming the County Societies Group, at the Cube.
- 31 We worked with Nesta to deliver a Legal Access Challenge entrant event on 6 February 2020, supporting applicants to showcase their ideas and proposals by pitching to an expert panel. At the well-attended event, hosted by Hogan Lovells, delegates fed back that the flexibility brought in by our Standards and Regulations was welcome.

Author Paul Philip, Chief Executive
Date 13 February 2020

Annexes:

Annex 1 Update against the work programme
Annex 2 Financial performance update
Annex 3 Balanced scorecard
Annex 4 Modernising IT Programme update

NB: Annexes 2 and 4 will not be published because they contain information which is commercially sensitive