Annex 3 - SRA Business Plan 2024-25 update

Our Strategic Priorities

Strategic Priority 1 - We will deliver high professional standards.

Strategic Priority 2 - We will strengthen our risk based and proactive regulation.

Strategic Priority 3 - We will support innovation and technology.

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

Our business plan for 2024/25 is available on our website[1]. Annex 3a shows the business plan commitments within each priority.

Progress against commitments in our annual planned work programme

This is the second report against the business plan commitments in our 2024/25 business plan, which reflects the second year of the 2023-26 Corporate Strategy.

Annex 3a shows the RAG status of all the commitments under the four priorities. A summary of the status evaluation is as follows:

Status	Green	Amber	Red	Deliverable later in year	Total
Priority 1	8	1	1	1	**11**
Priority 2	5				**5**
Priority 3	3				**3**
Priority 4	7				**7**
Total	**23**	**1**	**1**	**1**	**26**

Relates to objective status based on progress to date:
Green (G) – means in line with expectation and overall delivery is expected;
Amber (A) – means generally in line although a challenge to maintain progress and deliver the overall objective;
Red (R) – means progress behind expectation and we will not succeed without direct action;
Blue (B) – means work to progress delivery of the objective is only achievable at a later point in the year.

We have one 'red' commitment from our 2024/25 business plan considered below.

We will continue to implement and embed improvements to our casework processes.
This was amber in the last Board report as it was noted that we have seen a significant increase in the volume of reports, which led to a material increase in reports to AERT and investigation cases.

This business year, the average number of investigation cases started per month has increased by 43%, from 165 to 236.

We are working hard to continue to implement and embed improvements and efficiencies to our case work processes. We have streamlined decision making and updated templates, guidance and work instructions. The improvements have had a positive impact with AERT increasing closures this business year by 15%, the investigation teams by 43%. However, the rate of the increase in reports means that case work in progress volumes continue to grow.

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[1] https://www.sra.org.uk/sra/corporate-strategy/business-plans/business-plan/business-plan-2023-24/

The amber commitment is considered below:

We will take forward our plans to introduce an EDI evaluation framework.
We are continuing to work closely with the LSB to ensure our theory of change aligns with the proposed LSB statement on EDI and have aligned the timing of this work with the LSB's plans which will take us beyond this financial year.

Incomplete commitments from our 2023/24 planned work programme

We had a red commitment at the end of our 2023/24 year and will continue to report on this in business plan update annexes in the manner below until it is achieved. We are not including this prior year commitment in the RAG reporting in Annex 3a below, which is intended to solely be on 2024/25 business plan commitments.

Make data about candidate performance available to help aspiring solicitors make informed choices about how they prepare for the assessment. We have not yet fulfilled our commitment to publish data linking SQE data about candidate outcomes with how they prepared for their assessments, due to issues with the quality of the data and the complexities of presenting it in a way that will be useful for candidates. We remain committed to providing information to help candidates navigate the SQE training market.

Achievements in this period

	Achievements	Impacts and Outcomes
Priority 1		
Consumer Protection Review	We completed a spot check exercise to test compliance with the requirements to submit accountants reports when these have qualified opinions. We identified a number of firms requiring investigation, for some of which we already had open cases. We have directly engaged with the remaining firms to bring them into compliance. This has included issuing letters of advice and warnings and initiating a forensic investigation.	The exercise has given us an understanding of levels of compliance in relation to the obligations to obtain an accountant's report and to return client money promptly upon matter closure (residual balances) The proactive regulatory work on the identified exceptions has led to an increase in compliance and is expected to lead to future improved compliance as a result of the regulatory actions.
Progress actions on differential outcomes in legal professional assessments and overrepresentation in our investigation processes and continue to encourage diversity at senior levels in law firms.	We continued engagement on the findings of our research, with events with representative groups such as the Sole Practitioners Group and Law Society networks. We introduced improvements to the recording of our assessment decisions, to more consistently set out the reasons for decisions to not open investigations on reports received. We updated and promoted our web based equality, diversity and inclusion (EDI) toolkit, publishing good practice on race equality, LGBTQ+ and disability inclusion. Our forum to share initiatives and research on how to address the causes of differential outcomes in legal professional assessments met for the first time.	The engagement with and focus on small firms is intended to support compliance. Our improvements to the assessment processes are intended to support fair, objective and evidence based decision making, and greater transparency and consistency in explaining our decisions to consumers. Raising awareness of good practice will encourage law firms to continue with their work to promote EDI.
Priority 2		
Data strategy	We developed our draft risk and data strategy with engagement from Board members. We developed a proof of concept for a SharePoint data migration and completed a tender exercise to select a partner to deliver this key project. We approved funding for developing a data catalogue. We issued a single pane view bring together existing information we hold on law firms to key staff which provides easier and faster access to the data we hold on firms.	The SharePoint migration will address the current problem of business-critical information on shared drives which are difficult to manage, access and analyse. The project to deliver the data catalogue will identify and upskill data owners and stewards and define associated processes. It will provide our people with the ability to easily find and view data that is of certified quality, and relevant to their needs. The dashboard enables easier access to core regulatory information on law firms, saving time and facilitating risk identification.

Data analysis including widening use of AI & machine-learning	We have developed a machine learning model to identify firms with unusual numbers of consumer complaints to the Legal Ombudsman.	This will enable us to take a more data-driven approach to identifying potential risks to our regulatory objectives, as the model helps us to control for factors such as firm size, areas of law, number of fee earners and other relevant factors.
Priority 3		
Support for small law firms to adopt technology	We published research looking at sole practitioners and small firms' use of technology, their views on innovation and the support that they would most value. We have also publicised the research including at our recent SRA Innovation roadshows in Birmingham and Leeds, as well as at a Legal Geek event for small law firms.	The research report provides valuable insights for law firms, technology providers and the wider sector to address barriers to adoption and support smaller firms. We will engage with stakeholders on the research findings to help highlight the steps that different players within the sector can take to support sole practitioners and small firms to innovate.
Priority 4		
Diversity in leadership	Currently 15.5% of our leadership population have an ethnic minority background. This is up from 8% in 2022. Our target in our published action plan is to have 16% in 2026.	The numbers in our leadership population are relatively small and so it is difficult to demonstrate cause and effect. However, this positive outcome is welcome given the actions we have taken in our ethnicity action plan. We will be a more attractive potential employer for prospective recruits at a time when we are looking to expand our workforce significantly.
Build on our stakeholder perception profiling	We have conducted extensive market testing on how legal professionals engage with our messaging on Anti Money Laundering (AML), including test variants across May, June & July SRA Updates. We have applied the learnings across our wider work. Focussing on core areas linked to our corporate strategy we have adopted a campaign-based approach across issues such as the SQE, AML and high-volume claims.	This campaign-based approach should drive greater engagement.
First-tier complaints	On 30 May, we published a consultation on first tier complaints, outlining proposals to change our requirements in this area. Proposals include requiring that complaints information must be provided at the end of a legal matter and to include the LSB's definition of a complaint in our glossary to make it clearer for firms what we expect them to consider as a complaint. We also propose to place expectations on firms to make complaints information clear, accessible and in a prominent place on their website, as we know this is not always clear from our thematic engagement work to review firms' websites.	We are actively involving different types of consumers, including people who we have evidence to show are less likely to complain and people who are digitally excluded (and less digitally confident) to ensure that we consider how our guidance can support better outcomes for a range of consumers.

Annex 3a

Priority one – We will 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.

Commitments	Current RAG rating
We will deliver the year-three evaluation of the SQE.	🟩
We will make both SQE components available in the Welsh language from January 2025.	🟩
We will deliver commitments from our annual assessment of continuing competence process including undertaking training record reviews and a thematic review focused on family law and landlord and tenant solicitors and firms, to understand whether and how solicitors meet their professional obligations to maintain competence.	🟩
We will build on the work we have already done to improve information available for consumers on legal services, focusing on how we can drive improved information around costs and how that interacts with quality indicators.	🟩
We will continue to lead work with other regulators to develop a cross-regulator portal that will help users, and potential users, of legal services to identify a suitable provider for their needs.	🟩
We will respond to the Legal Services Board's guidance around the new regulatory objective to promote the prevention and detection of economic crime, and to changes in money laundering regulations.	🟩
We will consider the outcome of the Treasury's consultation on the future of AML supervision.	🟦
We will progress actions arising from our research findings into differential outcomes in legal professional assessments and overrepresentation in our investigation processes and continue to encourage diversity at senior levels in law firms.	🟩
We will take forward our plans to introduce an EDI evaluation framework.	🟧 (was green)
We will progress relevant actions from the early stages of our Consumer Protection Review.	🟩
We will continue to implement and embed improvements to our casework processes.	🟥 (was amber)

Priority two – We will 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.

Activities	Current RAG rating
We will start to deliver our data strategy in light of reviews of data capability and maturity.	
We will undertake short term improvements to expand our use of data analysis, including the application of AI and machine-learning to additional areas.	
We will deliver our programme of proactive thematic reviews in key areas, including an AML review focused on source of funds, and a review on the roles of compliance officers.	
We will proactively respond to developments including new or amended money laundering regulations.	
We will undertake a data-based programme of proactive sanctions supervision, incorporating information received under our MoU with the Office of Financial Sanctions Implementation.	

Priority three – We will 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.

Activities	Current RAG rating
We will develop our regulatory approach to AI so that our regulated community, and consumers of legal services, can keep pace with risks driven by this rapidly evolving area.	
We will develop our support for small law firms to adopt technology, based on findings from our research.	
We will progress recommendations and outcomes from our Regulators Pioneer Fund project focused on exploring how online dispute resolution (ODR) can help tackle the unmet legal need of individuals, consumers and micro/small enterprises.	

Priority four – We will be an authoritative and inclusive organisation, meeting the needs of the 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.

Activities	Current RAG rating
We will extend our customer service plans and model into more operational areas, including our Client Protection team who – among other things – deal with interventions and compensation fund claims.	
We will progress our communications review to build on our stakeholder perceptions profiling work.	
We will continue to progress and evaluate our actions to increase diversity in SRA leadership roles and to close ethnicity and gender pay-gaps.	
We will develop and broaden understanding and knowledge within the SRA to grow and embed a culture of continuous improvement.	
We will continue to deliver on our internal ESG commitments, and work with key stakeholders on reducing our environmental impact.	
We will review and update our requirements for first-tier complaints.	
We will deliver the five year Transparency Rules evaluation.	