

## Closed Consultation

### Corporate Strategy 2020-2023

20 March 2020

- [Download the consultation paper \[#download\]](#) or read it below [\[#heading\\_d176\]](#)
- The deadline for submission of responses was **23 January 2020**.
- The information that appears below is for reference purposes only.

#### Next steps

- [Download responses and feedback to the consultation \[#download\]](#)
- [Download all consultation responses \[#download\]](#)

#### Foreword

Our ambition is to be a progressive and relevant regulator; able to anticipate and respond with agility to emerging opportunities and challenges for the legal sector in England and Wales.

We will continue to promote the Regulatory Objectives set out in the Legal Services Act 2007. And we will be guided by the better regulation principles that say our regulation should be proportionate, accountable, consistent, targeted and transparent.

Over the last 12 years we have built a robust regulatory regime for solicitors and law firms in England and Wales. We have put into practice our public interest commitment to modernise the way the legal sector works. We have done this by taking steps to increase competition while maintaining proper consumer protections so that law firms and solicitors can meet the expectations of both consumers and wider society. This means people being able to access high quality, affordable legal services.

We have more to do to embed our reforms, to evaluate their impact and to take any further steps needed. But it is time to look more widely and to consider what the next few years may hold.

Traditionally regulators are seen as being behind the curve, trying to adapt their regulatory model to a changing world. At a time of uncertainty on so many fronts, it is important that we act to get ahead of the curve. That means being intelligence led, collaborative and having an authoritative voice about emerging issues.

In setting our strategic objectives, we have considered what the challenges and opportunities are that may emerge in our sector of the



regulated market and more widely. Growing social, political, economic and environmental uncertainty are likely to bring new challenges to the rule of law and access to justice. Technology has the potential to completely transform the way solicitors and law firms work and how legal services are delivered. This presents real opportunities. It also raises questions about who and what should be regulated and how best to protect consumers.

Legal services underpin economic and social transactions of all different kinds spanning different sectors and regulatory jurisdictions. And with innovation and technology increasingly cutting across traditional boundaries, working with partners will be essential for regulation to be effective and consistent.

Given the environment in which we operate and likely future changes, we have decided to focus our efforts on these three complementary priority areas:

- **Embedding high standards for ourselves and the profession:** implementing, evaluating and evolving our reforms and regulatory model.
- **Technology and innovation:** supporting the development and adoption of technology and other innovation so that opportunities and new ideas can flourish.
- **Anticipating and responding to change:** building our understanding of emerging opportunities and challenges so we can effectively respond to them.

We will embed our ongoing commitment to promoting access to justice across our work in all of these areas.

Our strategic priorities are set at a high level. To provide more certainty we will consult on and publish an annual work programme setting out the detail of the steps we will take to achieve our priorities.

Thank you for your continued interest in our work. We know that collaboration will be key for us setting and delivering on the right strategy to take us into the next decade. We will work with a range of stakeholders including the public and the profession – directly and through the Law Society and other representative bodies. We encourage anybody with an interest in legal services or regulation to let us know your views.

**Anna Bradley**

**Chair, Solicitors Regulation Authority**

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[Introduction](#)

We are the regulator of solicitors and law firms in England and Wales. We work to protect members of the public and support the rule of law and the administration of justice. We do this by overseeing all education and training requirements necessary to practise as a solicitor, licensing individuals and firms to practise, setting the standards of the profession and regulating and enforcing compliance against these standards.

We are the largest regulator of legal services in England and Wales, covering around 80% of the regulated market. We oversee some 196,000 solicitors and more than 10,300 law firms.

## **Our ambition**

Our ambition is to be a progressive and relevant regulator, able to anticipate and respond with agility to emerging opportunities and challenges for the legal sector in England and Wales.

This will be built on the foundation of doing our core work well and delivering excellent service.

## **How we will work**

To meet our ambition, we will be:

- Anticipatory: pro-actively looking at tomorrow's opportunities and challenges as well as today's.
- Evidence and intelligence driven: to help us anticipate and understand the future and make proportionate, objective, justifiable interventions.
- Responsive: looking to take advantage of opportunities and address challenges.
- Collaborative: working with partners from inside and outside the sector to target resources, share ideas and mainstream inclusive ways of working.
- Agile: evolving our regulation and operating flexibly to support positive innovation and respond to emerging challenges.
- Authoritative: contributing to policy debates and calling out issues that are not in our gift to resolve.

## **What are our proposed strategic priorities for 2020-2023?**

**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.

## **How did we decide**

We worked with our Board, external experts and staff, as well as drawing on research and analysis. We looked at what is happening in the legal sector and the wider environment which could affect how and what we regulate. We identified key areas, all of which link closely to each other:

- Changing domestic politics and international relationships impacting on public policy and trade, affecting the priorities for public expenditure and the issues people face.
- Economic changes that will create opportunities for some and challenges for others, impacting on access to justice.
- Social changes as people consume services in different ways, communities become more diverse and public and professional expectations of each other and service provision change.
- Technology and data-driven innovation disrupting the way that legal services are delivered and how the legal system operates.
- Environmental change demanding different ways of living and working, increasingly affecting the economy, international politics and social tensions.

The underlying themes are uncertainty and change across politics, the economy, society and the environment.

We went on to look at how we can respond, as a public interest regulator, to the changing environment.

At a time of uncertainty, people need to be able to place their trust in the rule of law and the administration of justice. High professional standards for entry to the profession and throughout practice are fundamental to that trust and must remain a priority for us. Therefore, this is the focus of our first objective. And trust in the regulator is also key, so we must set and meet high standards for ourselves too, maintaining an impartial and fair approach to our regulation.

We could leave managing the changes and challenges that technology will bring to others or we can choose to embrace and shape those changes. We have chosen the latter path – and have set ourselves a second objective of actively supporting the development and adoption of the responsible use of legal technology. We think that this can help to increase access to justice, to integrate the ethical standards we expect into new ways of delivering services and to ensure proper public protections. It will also put us in the best position to be able call out emerging boundary issues, working with partners to address them where this is possible.

Finally, we have decided that we need to be pro-active in anticipating and responding to the changing environment and how it may impact on the legal sector and our role in effectively regulating it. The boundaries between professions, between sectors and between jurisdictions continue to blur and as a result the way services are delivered, who delivers them and how they are bought are all changing. This presents potential gaps and overlaps in protections. The rate of change makes it increasingly difficult for the regulatory framework laid down by the Legal Services Act to remain relevant.

One option would be for us to restrict ourselves to adapting our regulation as much as possible from within the existing framework. Another approach is to work across boundaries, in partnership with a range of regulators. We can try and deliver appropriate consumer protection between us, through co-operation and collaboration. This is our preferred option, but even this approach will not be fully effective if the regulatory framework remains static as the world moves on around it. We have therefore decided that we should also do more to identify the current framework's limitations and speaking out where change is needed; this is our third objective.

Importantly, we know that although the rule of law is fundamental to every part of our society and economy, there are particularly significant issues with access to justice; many people cannot access the services they need to exercise their rights. For this reason, improving access to justice will be an area of special focus across all three of our new corporate objectives. Our recent reform programme was designed to create a regulatory environment that helps to improve access, and our Legal Access Challenge is focused on using technology to help people get the services they need. Under the first two of our new objectives we will continue this work. However, there are many other factors more significant than our regulation, that impact on the ability of people from every community to access services. We have therefore decided that, we should use the evidence, information and insight we gain as a regulator to add our unique voice to the wider policy debate on access to justice issues as part of our third new objective.

### **Objective one - setting and maintaining high standards for the profession and ourselves**

We will set and maintain high professional standards for solicitors and law firms as the public would expect and make sure we provide an equally high level of operational service.

#### **Outcome for this objective**

By 2023 our new Solicitors Qualifying Examination will have been introduced, and we will be seeing a positive impact from our consumer information work, our Standards and Regulations and our enforcement

strategy. In addition, we will have further improved our reputation for effectiveness, efficiency and excellent service.

## **Context**

### **High professional standards for those we regulate**

The professional standards at the heart of every solicitor's practice are key to delivering on our objectives. We must find the right balance between appropriately high standards and creating opportunity for competition and innovation that supports increased access to justice. Getting this right is central to establishing public confidence in:

- the rule of law and administration of justice
- consumer protection
- the reputation, status, viability and diversity of the profession
- access to legal services.

The standards we set in the public interest are the standards the public, other professionals and society itself expect. Enforcing those standards is core regulatory work. Consumer protection depends on a rigorous process for admission to the profession, effective monitoring and robust action when our standards are not met.

We are concluding our long-term programme of work to refocus our regulation on high professional standards that those we regulate must meet, while being less prescriptive. And making it easier for solicitors to offer and people to access services in new ways.

We will monitor and evaluate the impact of our reform programme. We must make sure that our regulatory arrangements continue to be nimble, promoting the rule of law and access to high quality and affordable legal services. While being proportionate, targeted and risk based – relieving providers of legal services of unnecessary burdens that add cost and reduce flexibility.

We will continue to monitor data on diversity within the profession and work with it and others to help to improved diversity, particularly at senior levels. This can contribute towards successful businesses and help drive trust and confidence in the legal system.

### **High standards for ourselves**

For those individuals and businesses who use our services, we must ensure their customer service experience is excellent. We must ensure we deliver value for money through the efficiency and effectiveness of our processes. This also means being transparent about and accountable for our decision making. Taken together, this will underpin confidence in

legal services regulation. That confidence is a key part of the legal system and the administration of justice.

There will be times where we must respond to new and unforeseen external developments. This may lead to added costs for us and therefore, for the profession and ultimately the public. For example, there has rightly been a strong national and international focus on preventing money laundering in response to identified risks. This has increasingly become a priority area for us and one in which we robustly scrutinise those we regulate. We have taken on a range of new responsibilities as a result of on-going legislative developments. And we are subject to the oversight of the new Office for Professional Body Anti-Money Laundering Supervision (OPBAS). This important work has led to increased resource costs at the SRA, as well as increased direct costs to the profession through the OPBAS levy.

## **Collaboration and engagement**

We will work with professional and representative bodies, as well as engaging directly with those we regulate. We will work in partnership with other regulators and ombudsmen to make sure that the public are properly protected and that our approach is proportionate. We will work with consumer groups and charities to make sure we understand what people, including vulnerable groups, need and to help them to help the people they work with get the most out of legal services. And we will learn from others and from those who use our services, so we can improve how we work. We will include all these groups and others in the evaluation of our reforms.

### **How we will achieve our aims:**

- Changing the way people enter the profession to provide a modern, robust assessment for all aspiring solicitors, and monitoring the impact on the shape and diversity of the legal workforce of the future.
- Embedding our new SRA Standards and Regulations, better information work and enforcement strategy, monitoring the impact to ensure that they are delivering their intended outcomes; making further improvements where this is shown to be needed.
- Monitoring diversity data and working with others to encourage continual improvement.
- Developing our regulation of money laundering and financial crime in response to identified risks.
- Making sure that a commitment to excellent operational service and a positive customer experience is at the heart of all we do.
- Continually improving the effectiveness and efficiency of the way that we work and embracing technology where appropriate.

## **Objective two - technology and innovation**



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.

### **Outcome for this objective**

By 2023 we will have supported the development and responsible adoption of legal technology that can lead to greater efficiency and new types of services delivered in new ways to the benefit of consumers and law firms. This will include technology that improves access to legal services for people from all communities, including the vulnerable, and small businesses. We will have improved our knowledge and understanding of developing technologies and how they may impact on the way that legal services are delivered and used. We will have grasped the opportunities presented by wider innovation. And we will have improved our capacity and capability to identify and address emerging risks.

### **Context**

Technology has the potential to change the face of the legal service sector. This could bring both benefit and risk. As by far the largest regulator of the legal sector in England and Wales, we can play a pivotal role in supporting responsible innovation and the effective use of technology, both within firms and in the provision of services to consumers.

Failure to grasp the opportunity that technology presents would not only be a missed opportunity domestically. It may also undermine the reputation and competitiveness of English and Welsh law.

We have already made sure that our regulation is not placing unnecessary barriers to those wishing to use technology or deliver service in new ways. While being clear that consumer protection and other obligations remain the responsibility of solicitors and firms we regulate. We have operated [SRA Innovate \[https://higher-rights.sra.org.uk/solicitors/resources-archived/sra-innovate/\]](https://higher-rights.sra.org.uk/solicitors/resources-archived/sra-innovate/) since 2016 to support solicitors and firms wishing to innovate. This ranges from tailored guidance to waiving rules in controlled conditions. We have also developed the Legal Access Challenge, an initiative funded by the Government's Regulator Pioneer Fund. The Challenge brings together potential collaborators with an interest in developing technology driven legal solutions that increase access to justice for people and small businesses. It also provides a package of support, including financial support, to help bring promising ideas to fruition.

As innovative ways of delivering services develop and the use of emerging technologies increases, we need to do more to consider:





- the types of technological products and services being developed
- how they will be used in our sector and more broadly
- whether this has implications for consumer protection and the way we regulate
- where there may be gaps or overlaps with other regulatory regimes.

Data driven technology may present particular challenges for regulation and regulators given:

- its reliance on accessing high quality data
- new ethical considerations
- the challenges in explaining how algorithms reach a particular conclusion
- how problems can quickly impact many users.

Innovation is of course broader than simply technology. Our SRA Innovate programme shows that there is real interest from legal services providers in exploring new models, processes and new ways of providing services. Many of the same considerations will apply to our regulatory approach to non-technological innovations.

## **Collaboration and engagement**

We will find new ways to draw in expert views on developing innovation and technology. This will include developing ways to learn from the experience of users and consumers, including people with protected characteristics and from different communities. We will work with tech providers looking to develop legal products and services, building networks and connecting them to expert support and investors. We will engage with Government on developments in digital legal processes and work together to leverage resources. We will also look to engage beyond this sector and jurisdiction. Working with solicitors and law firms on innovative approaches to offering services will be important.

### **How we will achieve our aims:**

- Building our understanding of technology, its impact on the legal services sector, the benefits and risks for the users of legal services and its implications for our regulation.
- Monitoring developments in the regulation of technology across all sectors, learning from the experience of others and collaborating/partnering where appropriate.
- Being an active member of the Better Regulation Executive's Regulator Forum, Innovation Network and other appropriate groups.
- Building our understanding of the unmet needs of users, including the most vulnerable, and working with providers and innovators to help to address these needs.
- Working through SRA Innovate and more widely to support innovative approaches to providing legal services, including

technological developments.

### **Objective three - anticipating and responding to change**

We will continually build our understanding of emerging opportunities and challenges for the users of legal services, the legal sector and our role in effectively regulating it.

#### **Outcome for this objective**

By 2023 we will have a deeper understanding of emerging political, economic, social and environmental as well as technological opportunities and challenges for the users of legal services, the legal sector and for our regulation. We will have correctly anticipated some emerging risks and have established effective partnerships to respond.

We will be an authoritative commentator on and a valued voice in policy debates around regulation, access to legal services and the wider consumer protection landscape.

We will know that we are making a positive impact on how consumers and the public feel they are being served by legal service providers.

#### **Context**

Legal services underpin a wide range of consumer services, for example financial, housing and health. We are already seeing concerns about legal sector involvement in dubious investment schemes and money laundering, as well as issues with leasehold purchases and the use of non-disclosure agreements in employment disputes.

New business models, new legal and regulatory requirements, social and demographic change and the blurring of professional and jurisdictional boundaries will all test consumer understanding and regulation further.

We need to anticipate and address emerging problems as swiftly and effectively as possible. This means actively horizon scanning and building our evidence base, using all the sources of intelligence available to us including discussion with consumers, charities and third sector groups, the profession, other regulators and government. We will then work across sectors and jurisdictions, in partnership with a range of regulators, to ensure public protection. We must accommodate and adapt to the changing environment and speak up when there are shortfalls or challenges to delivery within existing frameworks.

We know that as we write this many people cannot access the services they need to exercise their rights. Costly and complex processes in many areas of law, limited public legal education, reduced access to legal aid

and patchy legal services in many communities are all pressing issues, particularly for people who are vulnerable.

Our reform programme is designed to increase access to justice. Through our evaluation we will understand the impact that we have had and where we can still improve. Where more needs to be done that is beyond our remit, we should be an authoritative commentator, in line with the regulatory objectives we have a duty to promote.

Finally, we will need to understand and respond to the potential impact of changing international relationships and constitutional arrangements. This will involve working across national and international boundaries to do what we can to make sure that regulation supports the effectiveness of our legal economy.

### **Collaboration and engagement**

We will work with charities, support networks and legal advice agencies helping people in areas where there is unmet legal need, and we will explore different ways to capture the views of users and providers of legal services. We will work with the bodies representing the profession to promote new ways of working and to support solicitors to take advantage of the opportunities they provide.

And we will work with regulators and agencies across multiple sectors to make sure that people using key services are protected and can trust both solicitors and regulation. We will engage with other regulators including across other sectors and jurisdictions to learn from their experience, share views and look at where change may be needed.

#### **How we will achieve our aims:**

- Actively horizon scanning to build our understanding of the implications of social, political, economic and environmental pressures.
- Keeping abreast of developments in regulation across the legal and other sectors, including internationally.
- Deepening our understanding of consumer concerns and requirements.
- Working with regulators and agencies across key sectors to identify and address public protection and access challenges, working in partnership to find solutions.
- Developing our position as an authoritative commentator in line with the regulatory objectives we have a duty to promote.
- Raising public awareness of legal services and how to use them.

### **[Consultation questions](#)**

We are keen to hear your views on our proposed Corporate Strategy. Our questions are below.

1. Do you have any comments on the key factors in the legal services market and wider environment that we have identified in the Corporate Strategy? Are there any additional factors we should consider?
2. Do you agree with our proposed new strategic objectives? If not, what should our key priorities be over the next three years?
3. Do you have any comments on our proposed way of achieving each objective (as set out under each objective in “How we will achieve our aims”)?
4. What specific areas of focus would you like to see us develop under each objective?
5. Have we missed anything significant or included anything that we shouldn't be focusing on?

## **Downloadable documents**

- [Responses and feedback to our consultation \(PDF 19 pages, 239KB\)](https://higher-rights.sra.org.uk/globalassets/documents/sra/consultations/corporate-strategy-2020-response/?version=494da8) [https://higher-rights.sra.org.uk/globalassets/documents/sra/consultations/corporate-strategy-2020-response/?version=494da8]
- [Consultation responses \(PDF 55 pages, 811KB\)](https://higher-rights.sra.org.uk/globalassets/documents/sra/consultations/corporate-strategy-consultation-responses/?version=4951be) [https://higher-rights.sra.org.uk/globalassets/documents/sra/consultations/corporate-strategy-consultation-responses/?version=4951be]
- [Corporate Strategy 2020-2023 consultation \(PDF 19 pages, 242KB\)](https://higher-rights.sra.org.uk/globalassets/documents/sra/consultations/corporate-strategy-2020-2023-consultation.pdf) [https://higher-rights.sra.org.uk/globalassets/documents/sra/consultations/corporate-strategy-2020-2023-consultation.pdf]

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