News from the Board

Reflection on our February Board meeting - Anna Bradley, SRA Chair

04 March 2025

It's only right I begin with the announcement we made last week [https://referral.sra.org.uk/news/news/press/sra-chief-executive-retire/] that Paul Philip will be retiring as our Chief Executive. I would like to thank him for the major contribution he has made, during almost 12 years at the helm. He will be a hard act to follow, but he feels it's the right time to retire and switch pace.

The timing is also good for an incoming Chief Executive. With so much change in the market, this is a fascinating and crucial time to be involved in the sector and the new Chief Executive will arrive in time to lead on our next strategy. If you think you have what it takes to help us drive confidence and trust in legal services, please do apply [https://www.saxbam.com/appointment/solicitors-regulation-authority1/] . [https://www.saxbam.com/appointment/solicitors-regulation-authority1/]

During the two days we had a wider range of discussions, including on anti-money laundering, financial penalties, and first tier complaints. But it is the Solicitors Qualifying Examination (SQE) and our next budget and business plan that I want to talk about here.

The SQE

We considered the third year of reporting on the SQE and met with our assessment provider, Kaplan. We were left feeling very positive: the assessment numbers are increasing fast; the booking arrangements have been transformed; and evidence shows that the administration at the assessment centres has hugely improved. The independent reviewer has confirmed the SQE is a fair and reliable assessment, which means everyone can have confidence that qualifying solicitors are meeting the same, high standard.

The SQE is a real asset for UK PLC. English and Welsh law is a key contributor to the economy. So the thousands of international candidates who have taken the exams, across more than 40 countries contributes to that success.

It has also enabled more affordable routes to qualification, including more potential to earn-as-you-learn when compared to the old LPC route. We are especially encouraged to see that solicitor apprentices are performing above average in the SQE.

There are now more than 3,000 solicitor apprentices, and the evidence shows they are generally younger, more likely to be working class, state-educated and not have had parents who went to university.

We want to see this trend continue so we are concerned that potential policy changes would mean levy funding could no longer be used to support solicitor apprentices. We have written to the Government to set out the benefits we have seen so far through solicitor apprenticeships. Given the importance of legal services to the economy and society, we are keen that the apprenticeship route to qualification can be supported.

On the theme of access, we will shortly be announcing the launch of a fund for the SQE that will mean the assessment fees are covered for some candidates from disadvantaged backgrounds. We will be inviting organisations, already running schemes that support aspiring solicitors, to make applications. The fund will be relatively modest, but we hope it will make a contribution to broadening access to the profession. The fund is made possible by the contract we have with Kaplan; who must put money into the fund in certain circumstances, for example the penalties they must pay if things go awry.

The business plan and budget

This month's Board was mostly in workshop mode, allowing us to focus on developing policy and reflect on the future. We had an early-stage discussion about our 2025/26 business plan and budget, which we will be consulting on in the spring. This illustrated the scale of the challenges.

This business plan will be for the final year of our current three-year strategy, but the legal sector – and the risks to the public – have shifted significantly since we laid out our plans for those three years. The issues are well rehearsed: for example, the rise in big firm failures resulting in our review of how client money is protected, a continuing increase in mergers and acquisitions, and the serious concerns we have around how the high-volume claims market is working.

We have to deliver business as usual, find the resource to address all of the newer issues and at the same time invest in the future by developing our capability and capacity to identify and respond to new and emerging risks. The proposals so far have been trimmed back several times and the Board examined them closely with a view to further change. Notwithstanding, it is clear that there will need to be an increase in the practising certificate fee. We are very conscious of the impact this will have on the profession and so the users of legal services, which is why we are determined to focus on the essential and continue to take measures to deliver efficiency and effectiveness, both in the short and longer term.

Looking at the longer term, we kept returning to the question of how the way we regulate might need to change once we have made the investment in new risk capability-based approaches. We noted that the number of complaints coming in to us is increasing considerably and wondered whether it is sustainable for us to continue to deal with these in the way we do at present. We also repeatedly referenced the conversations we had with a variety of partners from City law firms who joined us for dinner the previous evening. They were very clear about the need for us to make sure that regulation supports a thriving legal sector, able to continue to contribute to the growth of the economy. Balancing all these issues is not easy, but our next strategy will need to find a way.

The importance of consumer focus

Hearing from others is a key component of most of our Board strategy sessions; external insight and challenge is vital to sharpening our thinking. As well as engaging with City firms at dinner the evening before, Tom Hayhoe, Chair of the Legal Services Consumer Panel, also led a workshop discussion. We asked him for his top three priorities for the SRA and his wish list for the medium to longer term for the sector. We had an interesting discussion as a result and look forward to continued work with the Panel.