

Equality impact assessment on our Corporate Strategy 2023-2026, and our Business Plan and budget 2023-24

October 2023

Equality impact assessment

Introduction

We set out four strategic priorities for our Corporate Strategy, identifying key deliverables for each one.

We continue to mainstream equality, diversity and inclusion (EDI) into everything we do, and for this reason our Corporate Strategy includes activities and deliverables in relation to EDI as they arise across all four priorities.

This is an overview of our approach to equality, diversity and inclusion (EDI) in our Corporate Strategy for 2023-26 and Business Plan and budget for 2023-24.

Overview of the evidence that has informed this assessment

Existing evidence on EDI in the profession

In shaping the EDI activities and deliverables referenced in our Corporate Strategy, we took into account a range of existing evidence about EDI in the legal sector and built on the work we have been doing in the current strategy. This includes:

- the findings from our [firm diversity data tool](#), which among other things, highlights the lack of progression for women and Black, Asian and minority ethnic solicitors in senior roles, in particular in the largest law firms
- [thematic reviews, reports and research that we have carried out](#), and research from [the Law Society](#), the [Legal Services Board](#) and others, highlighting there is more to do to create an inclusive culture and ensure fair treatment for all within the profession
- the knowledge and experience we have gained through the reports of misconduct made to us about sexual misconduct, bullying and harassment and discrimination
- our ongoing monitoring of diversity across key areas of our activity, and early findings from our ongoing EDI research in particular on the [outcomes for Black, Asian and minority ethnic candidates professional assessments](#) and the [overrepresentation of these groups in our enforcement processes](#).

Consultation feedback

In the consultations on both the Corporate Strategy and our Business Plan, we asked specific questions around the potential impacts of our proposals on EDI and carried out a programme of stakeholder engagement with diverse communities and stakeholders from the profession. This involved roundtable meetings with solicitors, consumer groups and others, including one with representative bodies focused on our proposed EDI work.

Feedback from these consultations is set out separately for the Business Plan and for the Corporate Strategy. In summary, there was broad agreement for the EDI work we proposed in our Corporate Strategy, with interest from the Law Society and others to work collaboratively on the work highlighted in our Business Plan for 2023/24 which we welcome. Diversity groups from the profession highlighted that whilst there was progress, it was slow and there was more work to do across all areas of diversity

in the profession. And there was a call from the Legal Services Consumer Panel for greater clarity about what we are seeking to achieve through our EDI work and for a more robust approach to evaluating our progress.

The potential impact on EDI of our Corporate Strategy

We have considered the available evidence and feedback received from our consultation. There is further work we need to do to fully understand the EDI impact for the work identified in our Corporate Strategy. This will take place as we progress the work identified in the deliverables for each priority. We will carry out or update the equality impact assessment work we have done on these areas as appropriate.

Over the life of the Corporate Strategy, we will be adopting a theory of change model for EDI and evaluating our progress in delivering this against appropriate criteria. We have already committed to introducing this evaluation framework, and to work with the Legal Services Board and other legal regulators in developing this. This will provide greater transparency about our EDI work and a more robust approach to its evaluation, a commitment we share with the other legal regulators. We will keep this under review given the [LSB's intention to publish a statutory policy statement on EDI](#) before the end of 2023. This will allow us to adapt our approach to align with the wider objectives to be set by the LSB across the regulated legal sector.

We also recognise the submissions from various diversity groups in our consultation, that there are important issues to address across many strands of diversity. In addition to retention and progression for Black, Asian and minority ethnic groups and women, we will consider what more we can do to address barriers for disabled solicitors, people from less privileged backgrounds and to make sure that the profession is inclusive for solicitors from an LGBTQ+ background. We will identify and act on any issues identified through our equality impact assessment of the work identified in our Corporate Strategy. And find opportunities to work collaboratively with the Law Society and others in line with our shared regulatory objective to encourage a diverse legal profession.

This will involve gathering further evidence, improving the data we have, and considering the findings from the EDI research we have commissioned. We will also review and take on board the findings from our most recent collection of diversity data from law firms, once available.

To provide an overview of the EDI work we are proposing over the life of the Corporate Strategy, we identified five key themes. These themes support our four corporate priorities and were set out in our consultation document. We will develop our thinking around these themes and use this to define the EDI objectives and actions that will be set out in our theory of change model.

More about these themes and the work identified in our Corporate Strategy is set out below. And we have highlighted some of the benefits that we anticipate from the work highlighted for the first year of this strategy as set out in the Business Plan.

Access to the legal services profession

This encompasses the work we are doing on the SQE to deliver assessments, including in Welsh, which are valid, reliable and fair. And our plans to publish statistical data about the SQE outcomes, broken down by diversity characteristics. This monitoring data will inform our evaluation of the SQE, alongside the findings from our research about the differential outcomes in professional assessments.

In the first year of the Corporate Strategy, the benefits to EDI of work under this theme will include:

- insight from our published research on differential outcomes for Black, Asian and minority ethnic candidates of professional assessment to inform a plan of action
- the provision of all SQE assessments in Welsh
- published data about candidate performance broken down by diversity characteristics to inform candidate choices.

Encouraging a fair and ethical workplace through proportionate and effective regulation

Research has established that some groups are more likely to suffer discrimination, harassment or other disadvantage in the workplace. This includes Black, Asian and minority ethnic solicitors, women, disabled and LGBTQ+ solicitors and people from less privileged socio-economic backgrounds. We will monitor reports we receive and evaluate the impact of our new regulatory requirement to treat colleagues fairly.

We will consider appropriate interventions which help to address the barriers to career progression for some groups, in particular in larger firms, and monitor the impact through our evaluation framework. The priority will be to address the barriers to progression for women and people from Black, Asian and minority ethnic backgrounds, as evidence demonstrates their underrepresentation at senior levels for these groups. But as we take this work forward, we will be considering the impact across all diversity characteristics.

In the first year of the Corporate Strategy, the benefits to EDI of work under this theme will include:

- embedding our new rules about treating people fairly and starting to monitor their impact
- a programme of work in place to improve progression for women and solicitors from a Black, Asian and minority ethnic background.

Building our evidence base on diversity in the profession

This covers the strategy we are proposing to develop and improve the quality of our data and to maximise the benefits we get from it. This includes the work we need to do to improve the diversity data we have about firms and individuals, so that we and others can use it to monitor progress on diversity in the profession.

It also covers the issues we identify through our research on differential outcomes in professional exams and overrepresentation in our enforcement processes. This will enable us and others to take an evidence-based approach to these two longstanding and challenging issues.

In the first year of the Corporate Strategy, the benefits to EDI of work under this theme will include:

- a plan in place to improve the collection of individual diversity data on mySRA
- published firm diversity data with new insight into diversity at the most senior levels

- insight from our published research on the overrepresentation of Black, Asian and minority ethnic candidates in our enforcement processes to inform a plan of action.

Promoting access to justice

We will further explore how our work on innovation and technology (in particular with small firms) could promote access to justice by finding new ways to improve the delivery of legal services, in particular for individuals and small businesses.

Our work to expand the profile of our national deprivation and legal services mapping tool may be another aspect of our digital approach, and that may help us consider gaps in access to justice.

In the first year of the Corporate Strategy, the benefits to EDI of work under this theme will include:

- a map of the specific areas where more resources and support are most needed and deliver pilots focused on particular technologies and themes
- an expanded national deprivation and legal services mapping tool
- Introducing an access to justice regulatory position statement.

Being an inclusive and responsible organisation for our customers and staff employer

Our work to make it easier for our customers to use our services and to access relevant, understandable information, tailored to their needs will involve a full review of the impact and effectiveness of our current communications approach. We will take account of EDI in this work and consider how we might expand our offering in Welsh.

We will continue to monitor the impact of our work to meet the diversity targets we have set for senior level recruitment and to reduce our ethnicity and gender pay gaps.

In the first year of the Corporate Strategy, the benefits to EDI of this work under this theme will include:

- conducting a full review of the impact and effectiveness of our current communications approach, including making sure that our communications are inclusive and take account of the diversity of the profession and the public it serves
- reviewing how we communicate in Welsh and considering opportunities to expand our offering
- delivering our action plan to increase diversity in senior SRA roles and reducing our gender and ethnicity pay gaps
- maintaining our status as a Stonewall Top 100 Employer introducing a regulatory position statement on Environmental, Social and Governance considerations.

Overall conclusions on the impact of our strategy and business plan

There is an evidential basis for the EDI work we have set out under each of the four strategic priorities. These are the areas that we will focus on during the life of the corporate strategy and deliver in accordance with our annual business plans.

Feedback from our consultations indicated broad agreement with these priorities and the EDI work that underpins them. We note the additional suggestions made by those we spoke to, there is more we can do to EDI across all characteristics. We will keep this under review and identify opportunities to do more to advance equality for all protected characteristics in line with our public sector equality duties.

Our theory of change model for EDI will help to clarify what we are trying to achieve with our EDI work. We believe this will be more effective than adding a separate EDI objective or priority to the Corporate Strategy, because EDI considerations run through all four of the priorities.

As we work through the deliverables identified in our business plans through the life of the strategy, we will assess the equality impact of that work as appropriate.

Regulatory fees and contributions

As part of our Business Plan and budget consultation we published an equality impact assessment on our proposed share of the practising certificate fee for 2023-24, as well as our proposed Compensation Fund contribution. The assessment is available [here](#).

Ongoing monitoring and evaluation

We will review, refresh and update this equality impact assessment periodically, including annually at each 12-month period for our Business Plan and budget.