

Closed Consultation

Business plan and budget 2024-25

2 July 2024

- The consultation period ended on **2 July 2024**.
- Watch our webinar on [your views on our priorities for the year ahead](https://beta.sra.org.uk/sra/news/events/on-demand-events/views-priorities-24/) [<https://beta.sra.org.uk/sra/news/events/on-demand-events/views-priorities-24/>].
- You can [download the consultation paper](#) [[#download](#)] or read it below.

Next steps

- [Download analysis of responses to the consultation](#) [[#download](#)]
- [Download all consultation responses](#) [[#download](#)]

About this consultation

Our consultation process

We are seeking views on our draft Business Plan and budget for 2024-25.

Our proposed workstreams

The Business Plan will cover our second year of work under our Corporate Strategy for 2023-26. It describes our proposed work plans and budget for the 12-month period between November 2024 and October 2025.

Our work proposals align with the key deliverables that are set out in our Corporate Strategy.

Practising fees and Compensation Fund contributions

Feedback from our consultation will be used to set practising fees for 2024-25, that are payable by regulated individuals and organisations.

Practising fees fund the SRA's regulatory requirements, alongside:

- permitted purposes work of the Law Society
- levies that are payable for the:
 - Legal Services Board
 - Solicitors Disciplinary Tribunal
 - Legal Ombudsman
 - the Financial Conduct Authority (Office for Professional Body Anti-Money Laundering Supervision).

Consultation feedback will also be used to finalise our proposals for the Compensation Fund contributions for 2024-25.

We assess the impact of our fees, Compensation Fund contributions and Business Plan, including for equality, diversity and inclusion considerations. Through this consultation process we are also seeking feedback on this area.

[Open all](#) [<#>]

[About us](#)

Our core purpose is to protect the public. We do this by:

- ensuring that solicitors, legal service businesses and their employees meet high standards
- acting when risks are identified.

With some 200,000 solicitors and around 9,000 law firms covered by our regulatory framework we oversee around 90% of the overall regulated legal service market. This makes us the largest regulator of legal services in England and Wales. Our role includes:

- setting the standards required from solicitors and firms
- acting if things go wrong, and enforcing compliance with our standards
- overseeing education, training and ongoing competency requirements that are necessary to practise as a solicitor
- working to improve experiences and outcomes for the public, including their access to regulated legal services.

As we deliver these duties we strive to work fairly and openly. We consider equality, diversity and inclusion (EDI) impacts for solicitors, their business and their employees, and for members of the public that use legal services. We also prioritise our responsibilities as a diverse and inclusive employer.

[Our draft Business Plan and budget 2024-25](#)

Our strategic priorities

Our mission for 2023-26 is driving confidence and trust in legal services.

This is the cornerstone of our [Corporate Strategy](https://beta.sra.org.uk/sra/corporate-strategy/) and it informs everything that we are doing and aiming towards by 2026.

Our Strategy sets four strategic priorities that shape our work, and that support us to achieve our mission. The priorities are that we will:

- deliver high professional standards
- strengthen our risk based and proactive regulation
- support innovation and technology
- be an authoritative and inclusive organisation, meeting the needs of the public, consumers, those we regulate and our staff.

EDI considerations and steps to secure good access to justice are built into each priority area. Under each we describe what success will look like by the end of three-year period, as well as key deliverables that we aim to take forward during the Strategy's lifespan.

Our workplans and resources for 2024-25

The draft Business Plan and Budget sets out proposals for our workstreams, use of resources and practising fees during the second year of our Corporate Strategy - to run between 1 November 2024 and 31 October 2025. It describes:

- our workplan proposals under the key deliverables of our Corporate Strategy
- our draft budget for 2024-25
- proposed practising fees and the required Compensation Fund contributions.

Tracking and reporting progress

We track and review our progress in meeting workstream and budgetary commitments. We also monitor the use of our resources to make sure we remain on-target to achieve our strategic priorities by 2026. As new issues emerge we review the prioritisation of our workstreams to make sure we are responding to the most important risks, and are making the best use of our available resources.

During each 12-month business year the SRA Board tracks and reviews our progress, including our key performance indicators and our Business Plan commitments. We report our progress publicly, in-line with our [accountability statement](https://beta.sra.org.uk/sra/how-we-work/our-board/accountability-statement/#:~:text=Accountability%20is%20about%20taking%20responsibility,it%20to%20stakeholders%20and%20others). This includes publishing updates about our progress through the SRA Chair's blogs, our Board's meeting papers and minutes, and other channels.

[Your feedback](#)

Our draft Business Plan and Budget for 2024-25 can be found in annex one. It describes proposed workstreams under our four strategic objectives from our draft Corporate Strategy 2023-26.

In the remainder of this consultation we set out the key deliverables we aim to achieve by October 2026, under each of the four strategic priority areas. We then list our proposed work plans for

each key deliverable.

We also set out our budget proposals, including our proposals for practising fees in 2024-25. Finally, and the required Compensation Fund contributions for 2024-25.

There are questions set out for all of these areas, and also on our assessment of EDI impacts. We would like to hear your thoughts on any of these areas.

Priority one - we will deliver high professional standards

Our first strategic priority focuses on high standards of professional behaviour. This includes setting and upholding those standards with all individuals and organisations that we regulate.

As part of our work here we make sure that our expectations are fair and proportionate to the legal sector's risks. However, they are also robust in securing the best possible protections for consumers, and setting the necessary conditions for members of the public to access and use regulated legal services with confidence.

Our [Standards and Regulations](https://beta.sra.org.uk/solicitors/standards-regulations/1) and our Principles are the starting point for our work here – much of which takes place through our frontline regulation. This includes:

- monitoring and enforcing compliance with professional standards
- setting and applying standards for solicitors and businesses to be authorised to provide regulated legal services
- setting and overseeing requirements for qualification, and for the career-long competence of solicitors and others working in law firms.

We work to make sure our frontline regulatory functions are agile and subject to continuous improvement. In this way we make sure they keep step with the challenges of regulating an ever-changing market, and are targeted in the best possible ways to ensure our standards are upheld.

Many of our work programmes support this, including some underway that we anticipate will continue through into 2025. They include continuation of:

- our Consumer Protection Review and its exploration of regulatory approaches to reduce the risk of consumer harm, as well as ensuring that we have the right arrangements in place to protect consumers where failures do occur
- steps to further strengthen our engagement with solicitors working in-house to ensure the right standards are met in this important area of the legal service sector
- our exploration and responses to persistent EDI issues, including within professional examinations and our enforcement activities
- our work to improve our approach to enforcement, including our use of financial penalties.

During 2024-25 we are proposing that, to continue working towards our Corporate Strategy's key deliverables for this strategic priority, we will:

- deliver the year-three evaluation of the Solicitors Qualifying Examination (SQE)
- make the SQE available in the Welsh language from January 2025
- deliver commitments from our annual assessment of continuing competence process, including undertaking training record reviews and a thematic review to understand whether and how solicitors meet their professional obligations to maintain competence
- 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
- consider the outcome of HM Treasury's present consultation on the future of anti-money laundering supervision
- progress our work on equality, diversity and inclusion (EDI), including progressing action plans arising from our research findings; we will also continue to encourage diversity at senior levels in law firms
- take forward our plans to introduce an EDI evaluation framework
- progress outcomes from our Consumer Protection Review, and evaluate key areas of frontline regulation to drive further improvements in quality and timeliness across our operational functions
- continue to implement and embed improvements to our casework processes.

Question 1

Do you have any comments on our proposed work commitments for 2024-25 under our first strategic priority?

Priority two – we will strengthen our risk based and proactive regulation

Our work under this second strategic priority area centres around delivering better regulation by taking proactive, risk-based action – and making decisions to act that are informed by the best available data insights, and credible intelligence.

The legal services sector, and the people and businesses that operate within it, evolve continuously. To safeguard members of the public from risks that shift and transform, and to make certain we are actively meeting the Legal Services Act's regulatory objectives and other duties we are tasked with, proactive regulation enables us to keep pace and deliver our regulatory response in the most effective ways.

Proactive regulation, driven by our understanding of risk, also positions us to target our resources to maximise impact. This is an important step-change from unnecessary 'blanket' or overly prescriptive interventions with all law firms. Under our second strategic priority we aim to move increasingly towards approaches that consider risks in specific areas of legal services or business models, and which in-turn allow us to maximise the impacts of our available resource.

We understand that risk-based, proactive work needs credible, accurate and real-time evidence, driven by high quality data. This involves making the right data available to the right people at the right time and with the right analytical tools, while combining with longer-term horizon scanning to give us the richest possible understanding of risk and opportunity.

A core focus of our Corporate Strategy is around securing tangible improvements in our data and the ways in which we analyse and deploy it – including joining up with our horizon scanning as part of our work to influence public policy development and legal sector debate.

Our Corporate Strategy set out key deliverables for this second priority area, and we are already making good progress towards these. In the first year of our Strategy this has included:

- strengthening our capacity for undertaking thematic reviews across different areas of the sector, including with law firms in the asylum services market
- enhancing our data science capacity and capability to improve our view of risk through machine learning and other analytical activities
- publishing an enhanced [data package and insights on the diversity of the legal profession](https://beta.sra.org.uk/sra/equality-diversity/diversity-profession/diverse-legal-profession/) [https://beta.sra.org.uk/sra/equality-diversity/diversity-profession/diverse-legal-profession/]
- starting development work on a new data strategy for the SRA
- launching and progressing initial stages of our consumer protection review which is exploring opportunities for SRA regulation to be increasingly proactive and responsive to changing risks in the legal services sector.

During 2024-25 we are proposing that, to continue working towards our Corporate Strategy's key deliverables for this strategic priority, we will:

- start to deliver our data strategy in light of reviews of data capability and maturity
- undertake further short-term improvements to expand our use of data analysis, including the application of AI and machine-learning to additional areas
- deliver our programme of proactive thematic reviews in key areas, including on AML issues
- proactively respond to emerging issues and developments including new or amended money laundering regulations
- undertake a data-based programme of proactive sanctions supervision, incorporating information received under our [MoU with the Office of Financial Sanctions Implementation](https://beta.sra.org.uk/globalassets/documents/sra/mou/mou-sra-ofsi.pdf?version=492fbb) [https://beta.sra.org.uk/globalassets/documents/sra/mou/mou-sra-ofsi.pdf?version=492fbb].

Question 2

Do you have any comments on our proposed work commitments for 2024-25 under our second strategic priority?

Priority three – we will support innovation and technology

Under our third strategic priority we support innovation and technology that improves the delivery of legal services and access to them. A big part of our work here is to keep pace with an ever-changing landscape, while looking ahead to future challenges and how we may need to respond.

This is essential to make sure the SRA's core regulatory requirements, and the Legal Services Act's objectives, are not at odds with or jeopardised by emerging practices, lawtech, or new ways of operating legal service businesses.

In particular we are interested in understanding how technology and innovation can build better experiences for consumers when they use legal services, or need to access them. Our work with small and medium-sized law firms is important here, to ensure they can benefit from technology advancements and in so doing can benefit their clients. More broadly we think there are important advantages afforded by some areas of technology for vulnerable consumers who rely on legal services at different life stages, and who have specific requirements to enable them to use those services successfully.

Our workstreams to date include delivery of access to justice projects from two separate rounds of UK Government's Regulators' Pioneer Fund (RPF) funding, and a third that we are currently delivering. Through these projects we have championed consumer interests by setting important technological legacies. During the first year of work under our Corporate Strategy we are also prioritising work around AI, and understanding its regulatory implications, so that we can continue building credible regulatory responses during the second year.

Our SRA Innovate programme and other initiatives have helped us to build strong, credible, two-way relationships with law firms, technology providers, academics, other regulators and many other groups. New solutions have successfully entered the legal services sector around these relationships, and we continue to proactively engage with stakeholders to explore how our regulated community can use technology for the benefit of the public.

The pace of change here means we are continually working to improve our capability and understanding of emerging technology. This means taking a holistic view - from understanding how technology is developed, how widely it is used and its potential impacts for legal service delivery and access to justice. We monitor technological developments and their existing or potential application by different providers through our horizon scanning work - a critical component of our approach, to make sure we have good sight of how things are changing within and outside the legal services market.

During 2024-25 we are proposing that, to continue working towards our Corporate Strategy's key deliverables for this strategic priority, 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
- develop our support for small law firms to adopt technology, based on findings from our research
- progress recommendations and outcomes from our Regulators' Pioneer Fund project to increase the use of technology-enabled dispute resolution.

Question 3

Do you have any comments on our proposed work commitments for 2024-25 under our third strategic priority?

[Priority four - We will be an authoritative and inclusive organisation, meeting the needs of the public, consumers, those we regulate and our staff](#)

Our fourth and final strategic priority confirms our ambition to be authoritative and inclusive, and in so doing to meet the needs of the public, consumers, those we regulate and our workforce.

As a regulator we understand that our definition of customer needs to be broad, and inclusive of anyone that has a need to interact with us. We have evolved our ways of working in recent years to place our customers at the centre-point of our processes and our services, and to mainstream a clear focus on delivering consistently high levels of customer service. This includes all areas of our organisation and within our regulatory framework, such as our front-line regulatory teams, and our customer-facing teams. We also work to make sure our services are accessible through a range of channels and formats, and are reflective of the digital age.

Through our events programme we seek out new ways to engage with our customers and wider audiences, using both face-to-face and digital approaches as we do so. Our offerings for members of the public, including our digital resources, and frontline information provided by our contact

centre, are accessed by thousands of people every year. Similarly, we are proud to have championed the consumer-facing 'Legal Choices' website, run jointly with other legal regulators, which is also accessed routinely by many thousands of people.

Our rolling programme of engagement with solicitors, their businesses, and the people who work in them is another important feature of our work under this area of our Corporate Strategy. We tackle many different issues and areas of interest through our engagement work and horizon scanning activities, providing leadership, insight and opportunities for debate across the legal sector.

We are also committed to supporting all of our staff members to thrive in their roles, and to be comfortable and supported whether working from their homes or in one of our office environments. The diversity of our workforce is reflected through our employee networks, and our employee recognition programme makes sure achievements are celebrated.

During 2024-25 we are proposing that, to continue working towards our Corporate Strategy's key deliverables for this strategic priority, 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
- progress our communications review to build on our perceptions profiling work,
- continue to progress and evaluate our actions to increase diversity in SRA leadership roles and to closing ethnicity and gender pay-gaps
- develop broadening understanding and knowledge within the SRA to grow and embed a continuous improvement culture
- continue to deliver on our internal Environmental, Social and Governance (ESG) commitments, and work with key stakeholders on reducing our environmental impact.

Question 4

Do you have any comments on our proposed work commitments for 2024-25 under our fourth strategic priority?

[Our budget and our fees in 2024-25](#)

Our draft Business Plan outlines our budget and fees for 2024-25. Detailed information, including our considerations in setting our budget and fees, is included in the full draft Business Plan and Budget document.

The majority of our funding comes from practising fees that are paid by individual solicitors and legal service businesses, and that are collected each October.

Our budget

Our budget for 2024-25 is as follows (with comparative figures from 2023-24).

SRA income summary 2024-25 Budget £000	2023-24 Budget £000	
Practising fees	70,175	67,600
SQE income	66,040	30,335
Regulatory income	3,987	3,687
Compensation Fund	15,456	14,618
Interest income	1,660	1,860
Total	157,318	118,100

Question 5

Do you have any comments about our budget for 2024-25?

SRA portion of the practising certificate fee

Each year we require a portion from each individual practising certificate fee paid by regulated individuals, to fund our work. This represents 40% of our overall funding requirement, with the remaining 60% charged to SRA-regulated firms based on their turnover.

The individual practising certificate fee for each financial year, and the portion that we require from that fee, is calculated from existing numbers of practising solicitors. The fee and our requirements are considered and approved by the Legal Services Board.

In 2024-25 we require £162 from each individual practising certificate fee.

This amount is unchanged from 2023-24. The trajectory over time of the SRA's required portion of the practising certificate fee is as follows.

Practising year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
SRA portion of practising certificate fee	£147	£147	£151	£145	£151	£162	£162

Question 6

Do you agree that the SRA's required portion of the practising certificate fee is reasonable and appropriate?

Compensation Fund contributions

Contributions to the SRA Compensation Fund are paid annually by all practising solicitors (except those working for the Crown Prosecution Service), and by all SRA-regulated law firms that hold client money.

Exceptional levels of intervention costs and compensation fund claims over the previous financial year have reduced the reserves of the Fund, requiring the increase in contributions this year. We carried out 65 interventions during 2022/23, more than double the number in the previous year. This included two very significant interventions in November 2022 and October 2023 which brought significant costs and payments to former clients of the firms.

The Compensation Fund contribution level is set by [reference to the principles](https://beta.sra.org.uk/mysra/fees/compensation-fund-contribution-level-principles/) [\(https://beta.sra.org.uk/mysra/fees/compensation-fund-contribution-level-principles/\)](https://beta.sra.org.uk/mysra/fees/compensation-fund-contribution-level-principles/) under which we operate the fund. In particular we need to deliver principle one (the overriding principle) on maintaining the viability of the fund, while also being mindful of principle two on ensuring contributions are as manageable as possible.

We have worked to reduce the impact of the increased costs and payments on contributions as far as possible. This has included tight budgetary control of costs, detailed scenario planning and modelling of impacts, and the negotiation of a banking facility in the event of a further large intervention. Through this we intend to build reserves to a sustainable level over two to three years rather than through a larger initial call on contributions. The increase in fees this year will, however, ensure the viability of the Fund while we carry out the wide-ranging consumer protection review that will consider future options for the Fund.

Individual contribution

The required Compensation Fund contribution from each individual is £90 for 2024-25.

SRA-regulated firm contribution

The required Compensation Fund contribution from SRA-regulated law firms that hold client money is £2,220 in 2024-25.

The trajectory over time of Compensation Fund contributions is as follows.

Practising year	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
Individual contribution	£90	£60	£50	£40	£30	£30	£90
Firm contribution	£1,680	£1,150	£950	£760	£690	£660	£2,220

Question 7

Do you agree with the Compensation Fund contributions for 2024-25?

Equality impact assessments

We monitor, identify and assess the impacts of our work against equality, diversity and inclusion considerations, and then work to manage those impacts through our workstreams.

We know practising fees can impact different people in different ways. We assess the impacts of our fees and Compensation Fund contributions.

Our equality impact assessment of the practising certificate fee and Compensation Fund contribution proposals for 2024-25 is in annex three.

Our equality impact assessment of our proposed EDI-related Business Plan commitments for 2024-25 is in annex four.

Question 8

Do you have any comments on the equality impact assessments of our proposed fees for 2024-25, or EDI-related work commitments in our proposed draft Business Plan for 2024-25?

Do you have information that will help us to further build our understanding in relation to impacts on different groups of solicitors?

[Consultation questions](#)

We are keen to hear your views on our draft Business Plan and budget 2024-25.

The consultation on the practising certificate fee and compensation fund contribution is open for your feedback until midday on Monday 24 June 2024. Those who wish to respond to this part of the consultation therefore have until 24 June to answer questions 5, 6 and 7, as well as the part of question 8 dealing with the equality impact assessment of our proposed fees.

The consultation on the business plan is open until Tuesday 2 July 2024. Those who wish to respond on this part of the consultation therefore have until 2 July to answer questions 1, 2, 3, 4, and the part of question 8 dealing with the equality impact assessment of our business plan.

These are the consultation questions in full. They are also in our online questionnaire.

- 1. Do you have any comments on our proposed work commitments for 2024-25 under our first strategic priority?**
- 2. Do you have any comments on our proposed work commitments for 2024-25 under our second strategic priority?**
- 3. Do you have any comments on our proposed work commitments for 2024-25 under our third strategic priority?**
- 4. Do you have any comments on our proposed work commitments for 2024-25 under our fourth strategic priority?**
- 5. Do you have any comments about our budget for 2024-25? (Question is now closed)**
- 6. Do you agree that the SRA's required portion of the practising certificate fee is reasonable and appropriate? (Question is now closed)**
- 7. Do you agree with the Compensation Fund contributions for 2024-25? (Question is now closed)**
- 8. Do you have any comments on the equality impact assessments of our proposed fees for 2024-25, or EDI-related work commitments in our proposed draft Business Plan for 2024-25? Do you have information that will help us to further build our understanding in relation to impacts on different groups of solicitors?**

Downloads

- [Consultation - Business Plan and budget 2024-25 \(PDF 18 pages, 245KB\)](https://beta.sra.org.uk/globalassets/documents/sra/consultations/2024/business-plan-and-budget-2024-25-consultation.pdf)
[<https://beta.sra.org.uk/globalassets/documents/sra/consultations/2024/business-plan-and-budget-2024-25-consultation.pdf>]
- [Consultation annex 1 - Draft Business Plan and Budget 2024-2025 \(PDF 28 pages, 471KB\)](https://beta.sra.org.uk/globalassets/documents/sra/consultations/2024/consultation-annex-one---draft-business-plan-and-budget-2024-2025.pdf)
[<https://beta.sra.org.uk/globalassets/documents/sra/consultations/2024/consultation-annex-one---draft-business-plan-and-budget-2024-2025.pdf>]



- [Consultation annex 2 - Draft equality impact assessment on our Business Plan and Budget 2024-25 \(PDF 5 pages, 143KB\)](https://beta.sra.org.uk/globalassets/documents/sra/consultations/2024/annex-2--draft-equality-impact-assessment-on-our-business-plan-and-budget-2024-25.pdf)
[<https://beta.sra.org.uk/globalassets/documents/sra/consultations/2024/annex-2--draft-equality-impact-assessment-on-our-business-plan-and-budget-2024-25.pdf>]
- [Consultation annex 4 - EIA PC and Comp Fund Fee 2024-25 \(PDF 7 pages, 191KB\)](https://beta.sra.org.uk/globalassets/documents/sra/consultations/2024/consultation-annex-four---eia-pc-and-comp-fund-fee-2024-25.pdf)
[<https://beta.sra.org.uk/globalassets/documents/sra/consultations/2024/consultation-annex-four---eia-pc-and-comp-fund-fee-2024-25.pdf>]
- [Final Business Plan and budget \(November 2024 to October 2025\)](https://beta.sra.org.uk/sra/corporate-strategy/business-plans/business-plan/business-plan-2024-25/)
[<https://beta.sra.org.uk/sra/corporate-strategy/business-plans/business-plan/business-plan-2024-25/>]
- [Summary of responses and feedback \(PDF 14 pages, 238KB\)](https://beta.sra.org.uk/globalassets/documents/sra/board-meetings/2024/september/annex-3---consultation-feedback-report-on-business-plan-2024-25.pdf)
[<https://beta.sra.org.uk/globalassets/documents/sra/board-meetings/2024/september/annex-3---consultation-feedback-report-on-business-plan-2024-25.pdf>]
- [Consultation responses - Business plan and budget 2024-25 \(PDF 44 pages, 898KB\)](https://beta.sra.org.uk/globalassets/documents/sra/consultations/2024/consultation-responses---business-plan-and-budget-2024-25.pdf)
[<https://beta.sra.org.uk/globalassets/documents/sra/consultations/2024/consultation-responses---business-plan-and-budget-2024-25.pdf>]

[Back to closed consultations](https://beta.sra.org.uk/sra/consultations/consultations-closed/) [<https://beta.sra.org.uk/sra/consultations/consultations-closed/>]