



# **Draft equality impact assessment on our Business Plan and Budget 2024-25**

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## Introduction

This is a draft equality impact assessment of the proposed commitments we make in our draft Business Plan and Budget for 2024-25.

Our [Corporate Strategy](#) sets our mission for the three-year period between 1 November 2023 and 31 October 2026 – to drive confidence and trust in legal services. The Strategy includes four strategic priority areas, with key deliverables under each.

We published an overarching [equality impact assessment of our Corporate Strategy and the first year's business plan](#) and we are monitoring the impacts of the work set out in the Strategy for equality, diversity and inclusion (EDI) on an ongoing basis throughout its lifespan.

Our proposed Business Plan and Budget document describes workstreams we aim to deliver, alongside our budget and funding approach, for the second year of work under our Strategy (the 12-month period between 1 November 2024 to 31 October 2025).

We are undertaking public consultation on the draft document, and as part of this we are seeking feedback and views about potential impacts of our proposals on EDI. We have published a separate draft equality impact assessment on our proposed fees and Compensation Fund contribution for 2024-25.

## Evidence informing this assessment

We have taken into account a range of evidence about EDI in the legal sector, including:

- findings from our new [law firm diversity data](#) published in December 2023
- [thematic reviews, reports and research that we have carried out](#) and research from the Legal Services Board (LSB) and others, indicating more needs to be done to create an inclusive and fair culture within the legal services profession
- the knowledge and experience we have gained through the reports made to us about issues including sexual misconduct, bullying and harassment and discrimination
- our ongoing monitoring of EDI across key areas of our regulatory activity
- the learning from our ongoing EDI research on the outcomes for Black, Asian and minority ethnic candidates in professional assessments and the overrepresentation of these groups in our enforcement processes.

## **Potential impacts for EDI from our proposed workstreams for 2024-25**

To guide our work on EDI issues over the life of the Corporate Strategy we identified five key themes that support our four corporate priorities. In the remainder of this assessment, we review each theme in turn and consider the ongoing impact of the work identified in our draft Business Plan.

### **Access to the legal services profession**

We propose to continue our work to make the Solicitors Qualifying Examination (SQE) accessible to candidates in Welsh. We have been setting the foundations for this and in 2025 we are proposing to launch the Welsh language version. 29.5% of people in Wales can speak Welsh, with gradual increases in that number over time. It is important to secure access to the SQE for Welsh language speakers as for English language speakers.

Our proposals also include delivering the year-three evaluation of the SQE which will be commissioned before the end of the year. This will include consideration of EDI impacts across a range of characteristics and be informed by our ongoing monitoring of SQE outcomes. We will also take account of the insights from our research into the differential outcomes for Black, Asian and minority ethnic candidates in professional assessments. That research will be published shortly, and will be followed by an action plan that we will progress into next year, working closely with academic stakeholders and others.

### **Encouraging a fair and ethical workplace through proportionate and effective regulation**

One of our ongoing priorities is to secure fair and inclusive conditions within legal service workplaces. Legal service delivery can be fast-paced and demanding, but this does not mean unrealistic and / or unfair expectations should be made of law firm employees at any level. Research shows that some groups are more likely to experience harassment, discrimination or other disadvantages in workplaces, including Black, Asian and minority ethnic solicitors, women, disabled and LGBTQ+ solicitors and people from less privileged socio-economic backgrounds.

We strengthened our regulations in this area last year and updated our guidance on what we expect from law firms in the workplace environment. We will be reviewing the impact of this work in the forthcoming year and will take appropriate action to make sure the new rules are having the intended impact.

We will also continue to encourage diversity at senior levels in law firms, continuing our focus on retention and progression for women and people from Black, Asian and minority ethnic backgrounds. Evidence demonstrates the underrepresentation of these groups at senior levels in the largest law firms. For example, our latest [law firm diversity data](#) shows that the seniority gap for women in the legal services sector has narrowed slightly, but still remains. And we continue to see the proportion of partners from Black, Asian and minority ethnic groups is more than four times greater in one-partner firms compared to the largest law firms.

### **Building our evidence base on diversity in the profession**

Our Corporate Strategy confirms one of our key deliverables between 2023 and 2026 is to “use data and insights from our engagement with the legal services profession to evaluate progress in terms of EDI”.

Improving diversity data about firms and individuals is a central strand of this. Good quality, credible data allows us to monitor progress, and design evidence-based responses to persistent EDI issues. This year we will review the diversity questions we ask of regulated individuals on [mySRA](#) and next year we will focus on engagement with the profession to increase declaration rates. In terms of law firm diversity data, this year we have published an enhanced [data package and insights on the diversity of the legal profession](#) and next year will prepare for our next firm diversity data collection.

As well as improving diversity monitoring data, we will use the insight from the findings of our EDI research on differential outcomes in professional exams, and on overrepresentation in our enforcement processes for some groups. Evidence from this research will give us and other stakeholders a sound basis for taking forward actions to address these difficult and longstanding issues.

We will take forward our plans to introduce an evaluation framework for EDI into next year's business plan, to align with the LSB's revised timetable for publishing its policy statement on EDI.

### **Promoting access to justice**

The Legal Services Act 2007's regulatory objective to promote access to justice is reflected in our Corporate Strategy. During the first year of work under the Strategy we are finalising outcomes from our project to increase the use of technology-enabled dispute resolution tools, as alternatives to court, and the progression of these outcomes will continue through into our second year of activity.

We know that early dispute resolution may benefit people who otherwise experience significant personal problems, helping to mitigate against disadvantages that vulnerable people may face if their matter instead heads to the courts. We think this area of our work can bring positive benefits for members of the public from diverse communities to understand more about alternative resolution approaches, and how to access them when they experience legal needs. As we embed outcomes from this work during 2024-25 we will explore EDI insights as we encounter them.

Our key deliverables also include a commitment to publish a policy statement on access to justice. We will be working towards this deliverable during the final year of work under our Strategy.

### **Being an inclusive and responsible organisation for our customers and staff**

A core focus between 2023 and 2026 is to make it easier for our customers to use our services, and to access relevant, understandable information, tailored to their needs. We are undertaking a full review of the impact and effectiveness of our communications approach, and are committed to making sure different elements of our approach are consistent, meeting high standards, and ultimately are delivering the most relevant and important messages to diverse audiences.

During the first year of activity under our Corporate Strategy we are working towards the diversity targets we have set for SRA senior-level recruitment, and to reduce our workforce ethnicity and gender pay gaps. In 2024-25 we will continue to progress and evaluate our actions to increase diversity in SRA leadership roles and to close pay-gaps.

## **Regulatory fees and contributions**

As part of our annual Business Plan and budget consultation we undertake, and seek views on, an equality impact assessment on our proposed share of the practising certificate fee, and on our proposed Compensation Fund contribution. That assessment is available [here](#).

## **Ongoing monitoring and evaluation**

We will review, refresh and update this equality impact assessment periodically. This includes annually refreshing it at the outset of each 12-month period for our Business Plan and Budget. We will also assess impacts across the specific workstreams that are referred to in our Business Plan.

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