

Introduction



The SRA has embarked on a programme to transform the way it regulates

- Outcomes-focused regulation (OFR):
 - Achieving the right outcomes
- Alternative Business Structures:
 - ABS's (SRA preparing to license ABS's).

Timing

- License first ABS in second half 2011
- First phase implementation of OFR on same time line.

What does OFR mean?

- Regulation exists to achieve certain objectives or “outcomes”
- All regulatory activity should focus on whether or not firms are achieving those outcomes (but not prescribe in detail how) when dealing with:
 - Applications
 - On-going supervision
 - Enforcement
 - Discipline

What does OFR mean?

The SRA will:

- be risk based
- be evidence based
- be proportionate
- develop relationships with firms appropriate to the risk presented by the firm

Why?

Many drivers:-

- Legal Services Act and Alternate Business Structures
- Current changes in the way legal firms are delivering services (e.g. outsourcing)
- Smedley and Hunt Reports
- LSB vision for the regulation of legal services – a level playing field in terms of consumers
- Strong message from profession to SRA – a ‘level playing field’ in regulation between ABS and traditional law firms.

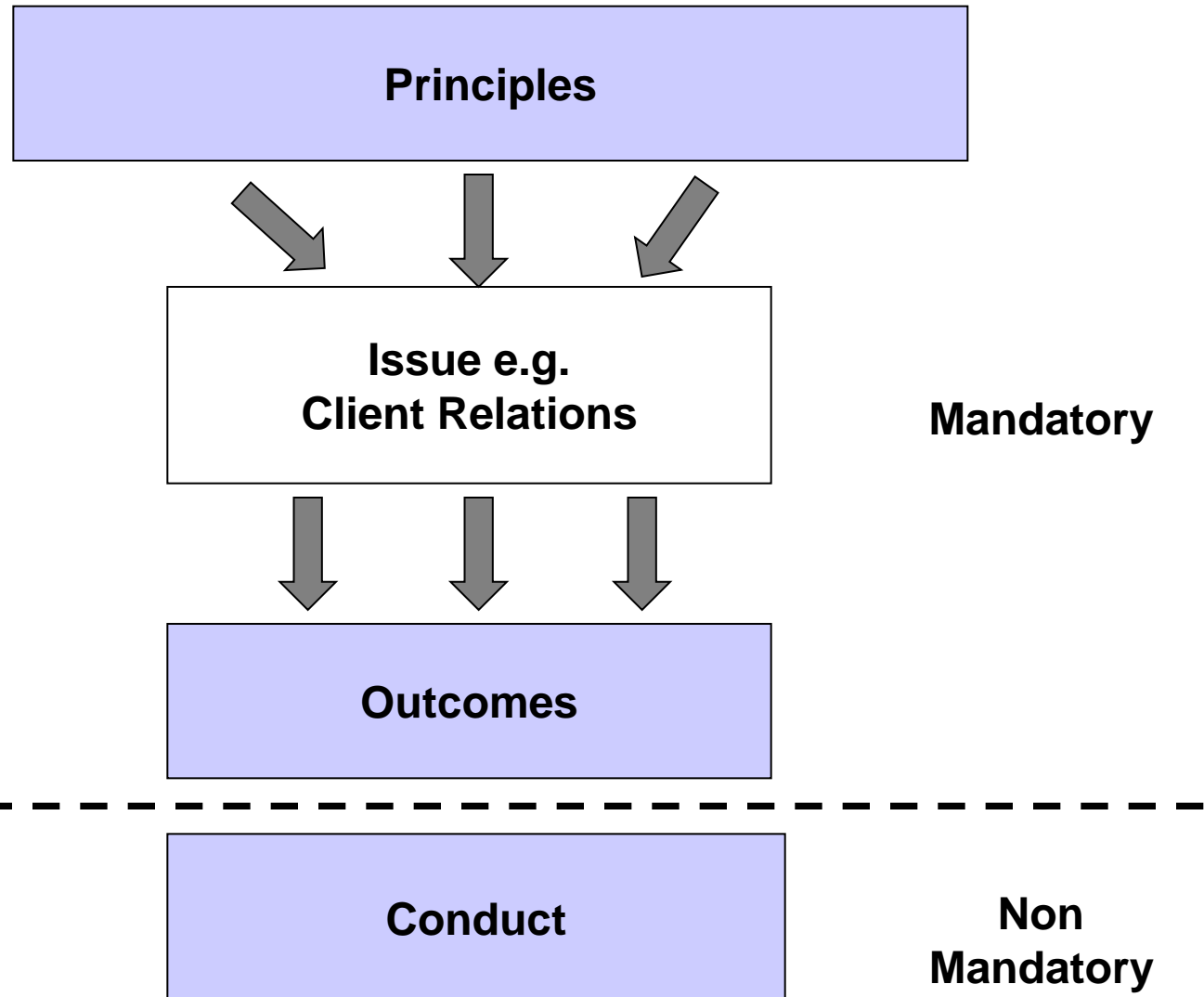
What will change?

OFR will transform:

- The way the SRA does business
- The relationship the profession has with the SRA
- The necessary skills and competencies of SRA staff
- The structure of the SRA

And will improve outcomes for clients and the public interest

Structure of code



Example – client relations



Principles:

- You must act in the best interests of each client
- You must provide a good standard of service to your clients

Outcomes:

- Clients receive services in a manner which at all times protects their interests, subject to the administration of justice
- Clients are in a position to make informed decisions about the services provided and the options available to them, including costs.

Conduct:

- How you **can** demonstrate compliance rather than how you must

Challenges

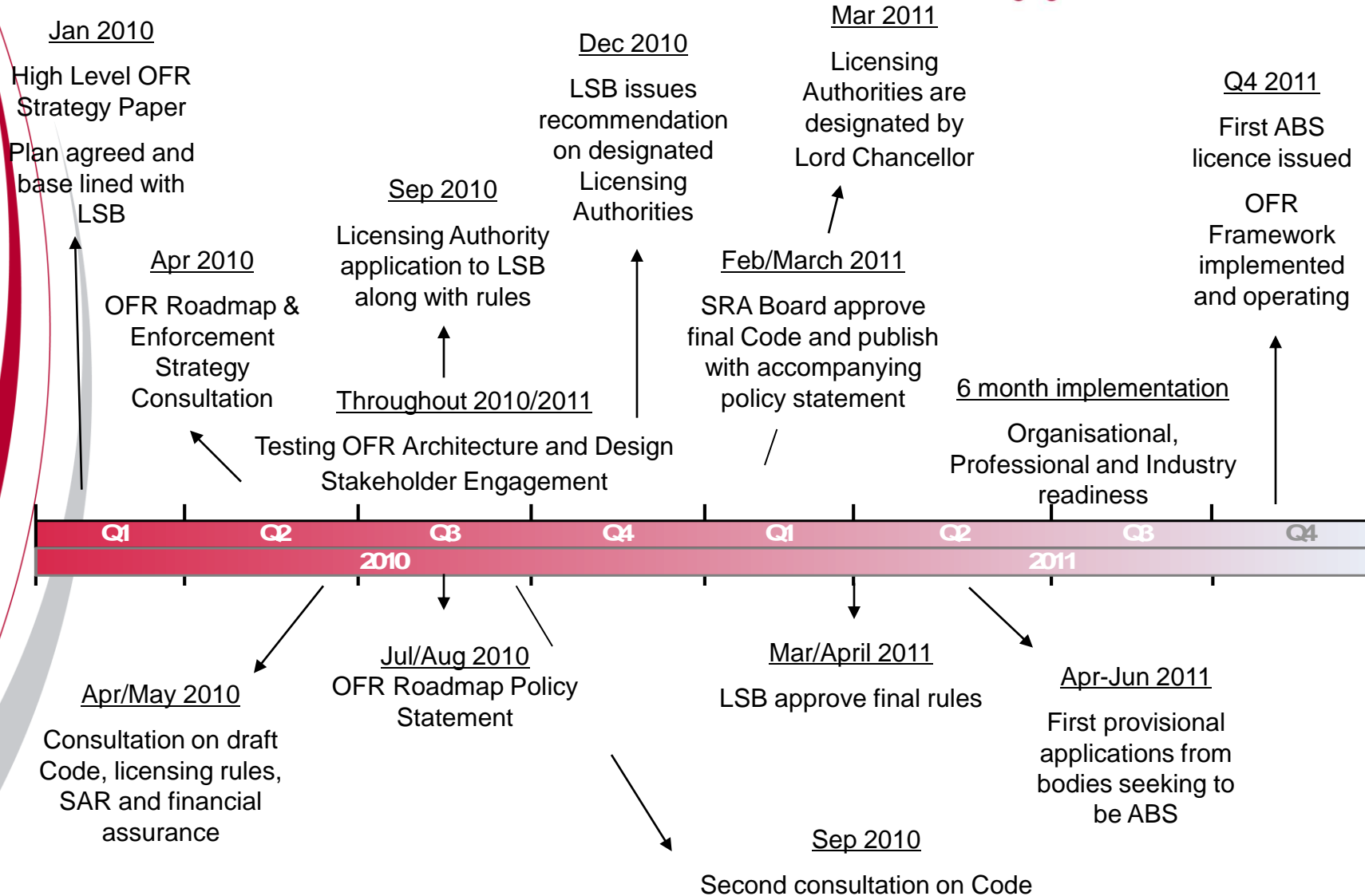
- Profession:
 - Will need to engage positively with how to deliver the outcomes
 - Will wish to have confidence that their approach to delivering the outcomes is fit for purpose
- SRA:
 - Culture
 - Skills and competencies
 - Structures
 - Systems
- Timetable:
 - 2011 is aggressive
 - OFR evolution not revolution

Meeting the challenges

- Communications and consultation strategy
- Education strategy for the profession
- April OFR roadmap including SRA's enforcement strategy
- April/May consultation on new Code
- Enabling Programme
- Recruitment
- Piloting



Timeline





Questions