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Dear Chris

Increasing diversity and social mobility in the legal workforce

Thank you for your letter of 15 December 2010 and the consultation documents.

In your letter you requested supplementary information, alongside our consultation response, for your current consultation on collection of diversity data. I am pleased to set out our position regarding the various areas you highlighted.

1. **Assessment of current evidence base (qualitative and quantitative) about diversity of your regulated community across all eight diversity strands plus socio economic background**

As part of our consultation response we have highlighted the various ways in which we inform ourselves and our stakeholders about the diversity of the firms and individuals we regulate. You will be aware of the broad and extremely diverse nature of the solicitors' profession itself but of course we also regulate organisations and their employees providing legal services, and measuring with accuracy and achieving data integrity to get an accurate picture of diversity of our regulated community is not in itself a straightforward task.

We undertook a diversity census to update the diversity profile of the profession in 2009. We attempted to do this via an online approach which was cost effective and easy to access. Due to low numbers we followed up with a letter and paper exercise requiring individuals to complete the census. Despite a good level of pre-launch publicity, FAQ's and getting supporting statements from key equality practitioner groups and some firms, the response was disappointing. We are therefore mindful that the profession still has a

long way to go before it fully understands the importance of providing diversity information.

You ask for a summary of the data we currently hold, including details of the time series covered and frequency of collection; where the data is published; the strengths and weaknesses of existing data; and an assessment of gaps in data. I understand that this information has already been provided to your staff through the regulatory information review exercise the LSB had recently conducted.

In summary, the approach we use to gather information on the diversity strands from all those we regulate includes:-

- Data collection from each regulated individual through Practising Certificate/ registration renewals – we have provided the full set of information available to us through this process already to the LSB for 2010, and this is attached to our consultation response. Some of the gaps within this data, for example around categories such as religion or sexual orientation, reflect the difficulty of approaching the collection of data on some of the diversity strands. You will be aware that our renewals process and student registration processes are now managed via online facilities only and we would anticipate this to bring greater reliability and fullness of data provided to us during this process.
- Diversity census – we carried out this exercise last during 2009 and into 2010 and again a full assessment and summary of this work is set out in our consultation response. The results of our census are published on our website where we have also described some of the practicalities surrounding this type of exercise that can frustrate the collection of some of the information.
- Local analysis – through our management information systems we are able to look at the demographic categories associated with Practising Certificate holders at a particular entity – in this way, for example, we have been able to define a particular firm as a Black and Minority Ethnic firm (where 50% or more of the PC holders are of a particular ethnicity).

You may also be aware of the work of the Law Society's research team in publishing annual 'snapshot' reports detailing the demographic make-up, changes and trends over time to those solicitors (practising and non-practising) that we regulate.

We are committed to improving the ways in which we approach the collection of diversity data and on this point I think it fair to say that we are keen to understand, following the completion of the LSB's consultation, how the LSB wishes to progress with the Approved Regulators. We will always aim to collect and provide good quality and reliable information from our regulated community that is not over-burdensome on them or on ourselves in terms of storage and dissemination of that information. While we have limits to the resources available, we can expand on data collection and reporting as I would expect to be the case for all the Approved Regulators, and we will work with the LSB to improve diversity data collection across the legal services marketplace in England and Wales.

2. **Outline of how we propose to promote transparency at entity level, including where appropriate a detailed implementation plan. Highlight and explain any areas where what we propose departs from the approach set out in the consultation document**

Again our consultation paper describes some of our work to date in supporting those we regulate to take responsibility for diversity matters within their own commercial operations, and our outcomes-focused regulatory approach continues to require this by positioning the encouragement of diversity as a high-level principle sitting atop our new regulatory Handbook, to be published in April 2011. Many of the larger firms we regulate already carry out diversity monitoring and some also publish their monitoring results as set out in the BSN's annual diversity league table report. We recognise, however, that smaller firms may require support and guidance from their regulator and representative body to approach data collection exercises in the most appropriate way and through our supervision work the links we build with such firms will support us to approach issues like this with them.

Our approach, in essence, is to work with entities we regulate to ensure they are aware of the duty to collect data regarding their diversity make-up, and are then able to provide this to us, as their regulator, upon request. The collection of information on strands such as social mobility is, as you know, a slightly different ball-game in terms of definition and consistency of information and, again, I would emphasise we are looking to the LSB and the results of this consultation to help provide greater context and clarity to our data collection in this area in particular. We will be testing out what approach to adopt to get the best response at entity level. We are proposing to use the LSB's proposed questionnaire to undertake a pilot across a number of firms to assess what level of monitoring systems are in place in the various firms, what support and information would firms need to enable them to undertake the exercise and to understand the barriers that may result in a firm not being able to collect and/or publish this information

We are also mindful of our obligations as a public authority under the Equality Act which requires us to assess the impact of our policies and decisions in relation to the protected characteristics. To this end we need to continue to collect diversity information from the regulated community at an individual level so that we can demonstrate that our regulatory decisions are fair and proportionate. This means that we need to have a balanced approach in requiring the profession to provide us with diversity information twice, at individual and entity level and, at a time when the legal profession is faced with a huge amount of change and economic uncertainty.

3. **Explanation of the steps we already take to ensure that diversity initiatives are target based on the evidence and evaluated for their impact, and our future plans for improving the evaluation of initiatives**

Again, I would refer to our consultation response which highlights some of the work we have already undertaken, and continue to undertake, with regards to data collection from our regulated community. Our baseline comes from the diversity information year-on-year that we collect, and we are of course committed to meeting the requirements specified by the LSB following your consultation process. Under our outcomes-focused approach to regulation we will be better positioned to focus our resources at priority areas as required, and will be supported in doing so by robust and enhanced IT and reporting/data collection mechanisms to help us in doing so.

I hope this information provides you with greater context about our current position. I would reiterate that we are keen to work with the LSB in moving ahead and improving where we can to better achieve a full diversity profile of our regulated community.

I look forward to hearing your views regarding the conclusion of your consultation process.

Yours sincerely

A handwritten signature in purple ink, appearing to read 'M. Lalani'.

MEHRUNNISA LALANI
Director of Policy Inclusion