

**JUSTICE COMMITTEE****PROFESSIONAL LEGAL EDUCATION ROUNDTABLE****SUBMISSION FROM THE SOLICITORS REGULATION AUTHORITY****Access to qualification as a solicitor: the new Solicitors Qualifying Examination**

1. The Solicitors Regulation Authority is the regulator of solicitors and law firms in England and Wales, protecting consumers and supporting the rule of law and the administration of justice. The SRA oversees all education and training requirements necessary to practise as a solicitor, authorising individuals and firms to practise, setting the standards of the profession and regulating and enforcing compliance against these standards.
2. The Solicitors Regulation Authority (SRA) is undertaking a [policy reform programme](#) designed to better implement our regulatory purpose - namely to protect consumers and uphold the rule of law, whilst reducing unnecessary regulatory barriers and restrictions. Central to our reform programme is a review of our education and training requirements.
3. We are introducing a new national licencing exam for all intending solicitors, the Solicitors Qualifying Examination (SQE), to assess the competence of solicitors. All intending solicitors will take the SQE, no matter how they have trained. We will remove requirements for candidates to follow specified courses of study or pathways to admission. This will enable us to:
  - focus our regulatory effort on ensuring rigorous standards for admission as a solicitor;
  - ensure that the most talented candidates, from any background, can qualify as a solicitor, and
  - encourage the development of new pathways to qualification (such as apprenticeships) which are responsive to the changing legal services market and suit the different circumstances of individual candidates.

***Why are we changing the current system?***

4. High standards in the legal sector are crucial. It is our role to make sure both the public and employers can trust that those entering the profession are fit to practise. Our current approach, set out at Annex 1, means we cannot say with full confidence that qualifying solicitors are all assessed against consistent, high standards.<sup>1</sup> There are two problems with the current system; problems of assuring standards, and problems of access to qualification.

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<sup>1</sup> Currently, most candidates qualify through passing either a Qualifying Law Degree (QLD), or the one-year post-graduate conversion course, the Common Professional Examination (CPE). They then undertake vocational training through the Legal Practice Course (LPC) and a two-year period of recognised training, generally known as a training contract, prior to admission as a solicitor.

5. In terms of assuring standards, the current system:
- **is inconsistent** – there are different routes into the profession that assess competence in different ways. Professional assessments in the principal route to admission are set and marked by over 110 individual universities. We cannot be sure that standards across the different routes and between different universities are comparable. We have attempted to inject flexibility into training pathways by introducing a limited range of alternative pathways. But each has different assessments, taken at different times along the journey to admission;
  - **lacks transparency** – the Legal Practice Course (LPC) and Graduate Diploma in Law (GDL) pass rates range from 50 percent to 100 percent, and it is unclear why there is such a discrepancy. Because universities set and mark their own assessments, we do not publish pass rates to students; and
  - **is internationally out of step** – almost eight out of ten jurisdictions we assessed ask candidates to take an independent assessment.
6. In terms of access to qualifying as a solicitor, the current system:
- **creates (unintentional) barriers to access** – in attempting to ensure rigorous training, the current system is rigid and time-consuming, and lacks alternative options which may better suit the different life circumstances of a wider range of candidates;
  - **is costly** – qualifying can be expensive. The LPC can now cost over £16,000. We see few downward pressures on price. On the contrary, in a system which lacks transparency, price serves as a proxy for quality. Further, the elite law firms pay their students' CPE and LPC fees, at discounted rates – so they are effectively subsidised by students without funded training contracts. The many students who start the LPC without the offer of a training contract take the 'LPC gamble', paying up-front for the LPC. They may then struggle to find a training contract – the 'training contract bottleneck'. Some talented candidates are left stranded, while others are put off attempting to qualify in the first place.

***How will the SQE encourage a more diverse profession?***

7. The SQE will be a single, centrally set assessment which is offered independently of training providers. This means we can assure the profession, employers and the users of legal services that all qualifying solicitors, regardless of pathway or background, have met consistent, high standards.
8. There are many reasons for the under-representation of particular groups in the solicitors' profession. Many are society wide, and we cannot pretend that the introduction of the SQE will solve them all. However, we believe the SQE will help address the barriers created by the high cost of training and the limited availability of training contracts. We also believe that the new system will be more transparent and the availability of data about how the system is working will enable better evaluation

and more informed decision making. Research we commissioned from the Bridge Group in 2017 supports this conclusion.<sup>2</sup>

9. Annex 3 provides an overview of key data we hold about diversity and progression towards qualification as a solicitor.
10. We believe the SQE will significantly affect legal recruitment. Employers will have objective data with which to compare candidates. We will also publish data about SQE performance by training provider, so recruiters can target universities which do well, instead of relying on market reputation.
11. Because we will no longer specify the courses or qualifications solicitors must have, the SQE will encourage the development of a range of training options. But different routes can only work if there is a rigorous, independent check to make sure everyone meets the same high standard. An independent assessment will enhance confidence in the various routes into the profession and help challenge the current perception that some routes are more valid than others.
12. We are already aware that universities and other training providers are taking advantage of the new flexibilities to prepare a range of new training options. Some universities have signalled that they will include SQE preparation as part of their undergraduate law degree. Other universities will continue to offer academic-focused courses, and their students will need to do additional preparation for the SQE. How students do that is up to them. They may choose traditional classroom training, or online courses, or work based experience – or a mixture. But the SQE will create competitive pressures which drive up quality and drive down cost.
13. At the same time, new, different routes to qualification, such as apprenticeships, will help attract the best candidates from all backgrounds into the profession. Apprentices will be assessed in the same way as graduates. This underpins the attractiveness of the apprenticeship route both for employers and apprentices themselves. We explain the apprenticeship model in more detail below.
14. Our new approach will be more flexible about work experience required. Our new requirement for two years' 'qualifying work experience' will still be fulfilled by traditional training contracts, but it can also be met by a placement in industry as part of a sandwich degree, working as a paralegal or time spent in a student law clinic. This approach will, we believe, alleviate the 'training contract bottleneck'.
15. In summary, the SQE will benefit:
  - **the public** – who can trust that solicitors are meeting the same high standards; four out of five people we surveyed believe everyone should pass the same final examination.
  - **law firms** – who will have a better guarantee of standards and could benefit from a widening of the talent pool.

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<sup>2</sup> The Bridge Group, Introduction of the Solicitors Qualifying Examination: Monitoring and Maximising Diversity, March 2017 <http://www.sra.org.uk/documents/SRA/research/monitoring.pdf>

- **education providers** – who can clearly demonstrate, through a transparent comparable assessment, how effectively they are training their students. The best education providers will thrive.
- **would-be solicitors** – who can make choices, based on clear evidence, about how to train and which providers to choose. It will give the best candidates, from all backgrounds, a fair opportunity to qualify as a solicitor. The SQE will not only validate different routes into the profession, it will also remove the training contract bottle-neck.

### ***How will the SQE work?***

16. Our [Statement of Solicitor Competence](#) (the competence statement) sets out what solicitors need to be able to do to perform their role effectively and provides consumers of legal services with a clear indication of what they can expect from their solicitor. Accompanying the competence statement are a statement of the legal knowledge solicitors must have, and a threshold standard setting out the level to which the competences must be demonstrated at point of admission. The competence statement and its accompanying documents form the bedrock of what we will assess through the SQE.
17. To help stakeholders envisage what the assessment might look like, we have developed an initial design for the SQE. It is a two-stage assessment. Stage 1 primarily assesses functioning legal knowledge; stage 2 assesses practical legal skills. We provide more detail of what we will be assessing at Annex 2. We have explained the detail of how the SQE will work in a draft [Assessment Specification](#).
18. We will not run the SQE ourselves. Instead, we will appoint a single external assessment provider to run the SQE on our behalf. A procurement process to select an organisation is nearing its end, and we hope to be able to announce the chosen organisation shortly. Once appointed, the assessment organisation will test and pilot our initial design

### ***What about qualified lawyers who wish to become solicitors of England and Wales?***

19. Under the SQE we will have a consistent approach to recognising other legal qualifications. Where any qualified lawyer - whether from an EU jurisdiction or elsewhere - can demonstrate that their home qualification is equivalent in content and standard to the SQE, or part of it, they will be exempt from the relevant elements of the SQE. Work is currently underway on mapping the jurisdictions and qualifications that we currently recognise and developing a process for identifying equivalence with the SQE.
20. The SQE will eventually be available to take worldwide, meaning that people will be able to qualify as solicitors of England and Wales without being in the UK. This approach will also help spread and support the practice of English and Welsh law in the World.<sup>3</sup>

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<sup>3</sup> Under SQE all written tests will be available internationally from the start, and the oral skills tests over time. But many qualified lawyers will be exempt from the skills tests, so would be able to qualify as English and Welsh solicitors without coming to the UK. We are aware of international training providers who are preparing to offer SQE preparation courses overseas.

21. This approach also effectively “Brexit proofs” European rights of qualification and brings rights of third country nationals into line.

### ***Solicitor apprenticeships***

22. The apprenticeship leading to qualification as a solicitor, is one of a stable of three legal apprenticeships which are already available:
  - Level 3 Apprenticeship standard for a paralegal
  - Level 6 Apprenticeship standard leading to qualification as a Chartered Legal Executive
  - Level 7 Apprenticeship standard leading to qualification as a solicitor
23. The solicitor apprenticeship is mapped onto the SQE, so that the requirements for the apprenticeship correspond exactly to those for the SQE.
24. Our [Statement of Solicitor Competence](#) is the basis of the solicitor apprenticeship standard. The solicitor apprenticeship is set at level 7 (post-graduate level) and lasts 5 – 6 years. Apprentices will take SQE 1 when they are ready (probably after about 4 or 5 years), as an in-programme apprenticeship assessment. They will take SQE 2 as the end point assessment, within the last six months of their apprenticeship.
25. We changed our regulations in 2015 to permit candidates to qualify as solicitor through an apprenticeship. The first 25 solicitor apprenticeships started in September 2016. In September 2017, there were over 100 starts. Because we do not expect apprentices to be ready to take the SQE for 4 - 5 years after they have started their apprenticeship, they will be among the first to take the SQE in 2020 or 2021.
26. Further resources: [www.sra.org.uk/students/resources/solicitor-apprenticeship-qa.page](http://www.sra.org.uk/students/resources/solicitor-apprenticeship-qa.page); [www.lawsociety.org.uk/support-services/practice-management/apprenticeships](http://www.lawsociety.org.uk/support-services/practice-management/apprenticeships).

## Annex 1: Current Training Regulations

The SRA's Training Requirements (Regulation 2) set out the different routes to qualification as a solicitor:

- **Through the completion of specified academic and vocational stages of training, known as the LPC route.**  
 Individuals are currently required to demonstrate that they meet the standards for qualification through the achievement of a Qualifying Law Degree (QLD) (or the one-year post-graduate conversion course, the Common Professional Examination (CPE)) and the Legal Practice Course (LPC) and through the training they undertake through a two-year period of recognised training (PRT).
- **Through exemption from all or part of the academic or vocational stages through the process of equivalent means.**  
 If individuals can provide adequate and sufficient evidence that they have met the outcomes through different training or through workplace experience, they can apply to the SRA for an exemption from all or part of the specified academic or vocational stages of training.
- **Through a government approved apprenticeship**  
 Two Level 7 apprenticeships leading to qualification as solicitor were introduced in 2015 in England and Wales. These apprenticeships are based on the Statement of Solicitor competence and require individuals to pass a centralised assessment, to be delivered on behalf of the SRA by an assessment organisation, to qualify.
- **Through compliance with Qualified Lawyer Transfer Scheme (QLTS) Regulations**  
 Lawyers from other jurisdictions and barristers from England and Wales can qualify as a solicitor if they pass the QLTS centralised assessment, delivered by Kaplan on behalf of the SRA.

## New SQE admission requirements

In order to be admitted as a solicitor, candidates must:

- have passed the SQE to demonstrate they have the knowledge and skills set out in the competence statement
- have been awarded a degree or an equivalent qualification, or have gained equivalent experience
- have completed a period of qualifying legal work experience under the supervision of a solicitor or in an entity we regulate for at least two years (or full-time equivalent), and
- be of a satisfactory character and suitability.



**Annex 2: SQE design****SQE stage 1****Functioning Legal Knowledge Assessments**

- . Principles of Professional Conduct, Public and Administrative law and the legal systems of England and Wales
- . Dispute Resolution in Contract or Tort
- . Property Law and Practice
- . Business Law and Practice
- . Wills and the Administration of Estates and Trusts
- . Criminal Law and Practice

**Practical Legal Skills Assessment**

- . Legal Research
- . Writing Skills

**SQE stage 2****Practical Legal Skills Assessments**

- . Client Interviewing
- . Advocacy/Persuasive Oral Communication
- . Case and Matter Analysis - including Negotiation Planning
- . Legal Research and Written Advice
- . Legal Drafting

Assessed in the following contexts:

Criminal Practice; Dispute Resolution; Property; Wills and the Administration of Estates and Trusts; Commercial and Corporate Practice

## Annex 3: Access to qualification as a solicitor: the new Solicitors Qualifying Examination

### Background information about diversity and the attainment gap

#### Overall numbers of admissions to the solicitors' profession by route

The table below shows the numbers admitted as solicitors by their route to qualification between 1 September 2015 and 31 August 2016.<sup>4</sup>

Route	Number
LPC	5,519 (86%)
QLTS	551 (9%)
ILEX route	244 (4%)
QLTT	32 (less than 1%)
Other	45 (less than 1%)
<b>Total</b>	<b>6,391</b>

#### Legal Practice Course (LPC)

The LPC is the one-year vocational course for those wishing to become a solicitor. It can be taken full time over one year (or accelerated over six months) or part time over two years. Results and pass rates vary by protected characteristics and the disparity is evident for all course types.

A substantially higher proportion of women than men are currently entering legal education and training. Between 1 September 2015 and 31 August 2016, 63% of LPC students in this cohort were female and 37% were male.<sup>5</sup>

There is an attainment gap between white and Black, Asian and minority ethnic (BAME) students on the LPC – white students have a higher pass rate and higher scores. Key findings from our analysis of data from 2014<sup>6</sup> and 2016<sup>7</sup> is set out below.

- We also know that performance on the CPE and LPC differs widely by ethnicity. In 2016 (the last data we have) 74% of white candidates passed the CPE compared to 46% of Asian and 33% of black candidates. In the same year, 80% of white candidates passed the LPC compared to 52% of Asian and 40% of black students.
- In the study completed in 2014:
  - nearly half of all full time white students who took the LPC received a distinction, compared with only around 1 in 5 BAME students

<sup>4</sup> Regulation and Education. Authorisation and monitoring activity, September 2015-August 2016, <https://www.sra.org.uk/documents/SRA/research/authorisation-monitoring-2015-2016.pdf>

<sup>5</sup> See note 4 above.

<sup>6</sup> Baseline attainment data: legal education, training and post-qualification, report by the SRA 2015 <https://www.sra.org.uk/documents/SRA/research/baseline-attainment-data-report.pdf>

<sup>7</sup> See note 4 above.

- around 1 in 4 BAME students were referred for resits, compared with less than 1 in 10 white students
- when the BAME group is broken down further – it can be seen that black students do proportionately worse than Asian students, although both groups have lower results than white students
- BAME students are more likely to take the part time course than white students and the pass rate for the part time course is lower than the full-time courses.

In relation to disability:

- Our study in 2014 found that the pass rate for the full and part time courses is lower for students with disabilities than for those without.

In relation to gender:

- Over both years pass rates for the full time LPC are the same for women and for men.
- In the study done in 2014, we found that women are more likely to pass the part time course than men.
- In 2014 we found that women are more likely to get a distinction than men in both the full and part time courses.

### Period of recognised training

The final stage of the traditional qualification pathway is the requirement to complete a period of recognised training (PRT). Training will take place in a firm or organisation approved by us to take trainees and, if carried out on a full-time basis, will usually be for a period of two years. This is usually referred to as a training contract.

Our data on the ethnic origin of those undertaking PRTs is less comprehensive because for the period 2014/2015 some 77 percent of training contracts registered indicated ethnic background as 'unknown'. The breakdown by gender and ethnicity is set out below.<sup>8</sup>

Ethnicity	2014/15		2015/16	
	Asian	343	6%	228
Black	77	1.3%	47	0.8%
Chinese	21	0.4%	14	0.2%
Mixed	49	0.8%	42	0.7%
White	832	14%	451	8%
Other	24	0.4%	12	0.2%
Unknown	4494	77%	5115	87%
<b>Total</b>	<b>5831</b>	<b>Figures do not total 100% due to rounding</b>	<b>5909</b>	<b>Figures do not total 100% due to rounding</b>

<sup>8</sup> Regulation and Education. Authorisation and monitoring activity, September 2015-August 2016, <https://www.sra.org.uk/documents/SRA/research/authorisation-monitoring-2015-2016.pdf>

Gender	2014/15		2015/16	
	Female	3,669	63%	3,685
Male	2,162	37%	2,224	38%

To help us understand if there are disparities by protected characteristics among LPC graduates in getting a training contract, we can compare the diversity of training contract holders against that in the general population and those who passed the LPC in the same year. This is not a completely reliable 'conversion rate' because students do not necessarily pass the LPC and obtain a training contract in the same year.

We looked at the figures for 2013/14. The distribution by ethnic group and gender was relatively similar between students who passed the LPC and those obtaining a training contract, suggesting there is little disadvantage related to ethnicity or gender in terms of obtaining a training contract.<sup>9</sup>

### Diversity in the profession

Newly admitted solicitors are increasingly diverse. Data for the period 2014 to 2015<sup>10</sup> shows that:

- 61% of admissions were female
- From the sample of newly admitted solicitors for which ethnicity information was known (45% of all admissions), the proportion of BAME origin was 27%.

We collect diversity data from law firms every two years and our findings indicate differences in terms of career progression (measured by comparing the breakdown of partners with the breakdown of solicitors who have not made partnership).

In relation to gender:

- Women make up 48% of all lawyers in law firms and 47% of the UK workforce.
- Differences become more apparent when we look at seniority. In 2017 women make up 59% of non-partner solicitors compared to just 33% of partners (up from 31% in 2014). The difference is greater still in the largest firms (50 plus partners), where 29% of partners are female. There are small but welcome signs of progress in the largest firms, however, as the gap has narrowed over the past four years, with the proportion of female partners rising steadily from 25% in 2014 to 29% in 2017.
- There is a greater proportion of female lawyers in mid-size firms – women make up 54% of all lawyers in firms with six to nine partners and those with 10 to 50 partners. There is a smaller proportion of female lawyers in one partner firms (44%).

In relation to ethnicity:

- There has been an increase in the proportion of black, Asian and minority ethnic (BAME) lawyers working in law firms, now one in five lawyers. This is up 7%, from 14% in 2014 to 21% in 2017. In 2015, 11% of the UK workforce were BAME.
- This increase is largely due to the rise in Asian lawyers in the profession, up from 9% in 2014 to 14% in 2017.

<sup>9</sup> Baseline attainment data: legal education, training and post-qualification, report by the SRA 2015 <https://www.sra.org.uk/documents/SRA/research/baseline-attainment-data-report.pdf>

<sup>10</sup> From the TLS trends report March 2015 available at <http://www.lawsociety.org.uk/support-services/research-trends/annual-statistics-report-2016/>

- Black lawyers make up 3%, which has risen by 1% since 2014 and now reflects those in employment in the UK (3%).
- The proportion of Asian lawyers in law firms is 14% compared to 6% of the UK workforce. Asian lawyers make up two thirds of all BAME lawyers.
- Unlike the profile for women, there is very little difference by seniority among BAME lawyers, 21% of solicitors are BAME compared to 20% of partners.
- However, differences become apparent when we look at the breakdown of partners in firms by size. The largest firms (50 plus partners) have the lowest proportion of BAME partners - only 8% which has risen by 1% since 2014. This contrasts with one partner firms, where just over a third (34%) of partners are from a BAME background.