

**TO:** Posts  
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**SUBJECT:** Looking to the Future  
**DATE:** June 22, 2017

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## **SRA to go ahead with regulatory reform**

After almost nine months since the end of the consultation period, the SRA has published its long-awaited response to its *'Looking to the future: flexibility and public protection'* consultation. Not altogether an unreasonable timeline given that the SRA engaged with around 11,000 individuals, firms and other organisations before reaching the position set out in the response document <https://www.sra.org.uk/sra/policy/future/looking-future.page>.

Despite receiving “*robust challenge*” from The Law Society and others to its proposal for substantially overhauling the way in which solicitors are regulated, the SRA also received considerable endorsement, most notably from the Competition and Markets Authority. It has announced that it will now press ahead with implementation of its proposal which will allow solicitors who hold practising certificates to provide legal services through firms that are not themselves regulated (*alternative legal service providers (ALSPs)*).  
<http://www.aurelia.uk/?p=234>

Fundamental change to the regulation of legal services in the UK is underway. This consultation and its outcome may not be the start, and almost certainly will not be the end, but however you look at it, a ‘Big Bang’ of some sort - is taking place.

The upshot is both a threat and an opportunity for providers of legal services in the UK. The challenge is to serve better that part of the market for legal services populated by businesses and other consumers deterred from instructing firms by their costly and inward-facing apparatus, while maintaining appropriate standards of integrity. Most solicitors’ firms will adapt in some way, although it remains to be seen whether their direction of travel will be defensive or progressive as independent ALSPs proliferate (which seems certain). For the time being, many firms are likely to continue a ‘wait and see’ approach.

### **Implementation**

We will have to wait until at least the end of 2018 before the changes are implemented. This is because, although the SRA has already published its proposed new ‘Code of Conduct for

Solicitors' that will apply both to those practising outside regulated firms as well as within them<sup>1</sup>, it still has to consult on proposed changes to the rest of its Handbook. These will include new authorisation and practising requirements, which will remove the constraints that currently limit the ability of solicitors providing legal services to the public outside of firms regulated by the SRA.<sup>2</sup>

As an *alternative legal services provider*, Aurelia Advisory welcomes the changes that will allow it to provide a full range of *non-reserved legal services* to businesses through qualified, practising solicitors.

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<sup>1</sup> The Code for Individuals is designed to ensure that solicitors, whether or not practising within a regulated firm, maintain standards and behaviour “*that have to be at the heart of the legal profession*”. There will be a separate Code of Conduct for regulated firms.

<sup>2</sup> The current rules already allow solicitors to practice outside of SRA regulated firms in prescribed circumstances. These include acting as in-house counsel.