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**LEGAL SERVICES  
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27 March 2018

Dear Bob,

Following on from my letter of 13 March 2018, we have considered very carefully the submission made by the Justice Select Committee. You raised very important issues which we have taken into account in reaching our decision on the application from the Solicitors Regulation Authority (SRA). As I am sure you will also appreciate the rule approval process undertaken by the Legal Services Board (LSB) is not an assessment of whether or not we agree with proposals made by the SRA. It is an analysis of whether the statutory criteria set out in the Legal Services Act 2007 (the Act) have been met.

On this basis, on Monday the LSB approved the application from the SRA for regulatory arrangements relating to the Solicitors Qualifying Exam (SQE). I have attached a decision notice explaining our assessment of the application. This decision notice was published on our website today. It is important to stress that the introduction of the Solicitors Qualifying Exam (SQE) does not follow automatically from today's approval. The SRA will have to submit and the LSB will have to approve further rules change applications. Approval of this application does not mean any further rule changes will be approved. There will be a new and separate assessment of the rules needed to bring the SQE into effect. The SRA expects to apply to the LSB in 2019 for approval of these further rules, which will contain detail on its proposals for implementing the SQE.

Turing to your submission. In your letter of 8 March you raised concerns about the SRA seeking to remove the requirement for academic study of law and the potential impact that this could have on the reputation and international competitiveness of England and Wales

lawyers. With these concerns in mind, you requested that we delay our decision by six months.

The framework for the LSB's consideration of all approved regulator applications for changes to regulatory arrangements is set out in the Act. The Act gives the LSB an initial period of 28 days to make a decision on an application. This can be extended up to a maximum of 90 days. During our consideration of this application, the LSB issued two extension notices, resulting in the decision period being extended to the full 90 days permitted by statute. We have powers in certain circumstances to issue a warning notice and extend this period but they were not applicable in this case.

Concerns about removal of the requirement for academic study of law had been raised by a range of stakeholders, both through submissions to us during our assessment of the application and through responses to the SRA's public consultations. Following your letter, we undertook further analysis on this point, including requesting additional information from the SRA.

As set out above, under the Act, the LSB may refuse an application only if it is satisfied that one of the refusal criteria has been met. We assessed the arguments put forward for and against the changes and concluded that there was no evidence to suggest that a negative impact on the international competitiveness of the England and Wales legal profession is likely to result from the removal of the requirement for prescribed academic study of law. Any residual risk was not considered sufficient for this to be a ground for refusing the application, especially when balanced against the wider potential positive impacts on the regulatory objectives that the SRA is seeking through the changes.

We also considered that arrangements for education and training are just one (albeit very important) factor contributing to the international standing of the legal profession in England and Wales. As we noted in our response<sup>1</sup> to the Justice Select Committee's inquiry into the implications of EU exit for the justice system, undertaking necessary reforms will also support the international standing of the England and Wales legal

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<http://www.legalservicesboard.org.uk/what-we-do/responses-to-consultations/pdf/2016/20161201-Justice-Select-Committee-implications-of-Brexit-LSB-submission-final.pdf>

services sector, along with the stability and certainty of English law, the independence of the legal profession and the quality of decisions by our Courts.

Paragraphs 46 to 52 of the notice provide further detail on how this issue was considered during our assessment.

If you would find it helpful, we would be happy to meet with you to discuss the framework for our decision making, or our decision itself, in further detail.

Yours sincerely,

A handwritten signature in black ink that reads "Helen Phillips". The signature is written in a cursive, flowing style.

**Dr Helen Phillips**  
Interim Chair