

Our ref: SRA/R&E.JB.jw  
Your ref:



The Cube  
199 Wharfside Street  
Birmingham B1 1RN

DX: 720293 BIRMINGHAM 47  
UK 0370 606 2555  
Int + 44 (0)121 329 6800  
F + 44 (0)121 616 1999  
[www.sra.org.uk](http://www.sra.org.uk)

Amy Clowrey  
Chair, Junior Lawyers Division  
Email: [juniorlawyers@lawsociety.org.uk](mailto:juniorlawyers@lawsociety.org.uk)

13 May 2019

Dear Amy

**Deregulation of training contracts / JLD resilience and wellbeing survey results 2019 / minimum salary for trainee solicitors**

Thank you for your letter of 26 April 2019. Your letter raises three connected subjects, to which I will respond in turn.

**Training contracts**

You ask us to reconsider our approach to regulating training contracts, particularly in relation to the SQE.

Since 2014, we are no longer party to contracts of employment between firms and trainees. All contracts of employment between firms and trainees, and behaviour at work, are regulated by employment and equality laws.

We share your concerns about any cases where a toxic work culture exists in which junior lawyers, or any other staff, are exploited in breach of our rules. We do take regulatory action in such cases, and we will continue to do so. Principle 8 of the current Handbook makes clear that firms must run their businesses with proper governance. Our Code of Conduct for Firms, coming into force in November this year, states that firms we regulate must not “unfairly discriminate by allowing...personal views to affect...professional relationships...” and must not “abuse [their] position by taking unfair advantage of clients or others.” (SRA Code of Conduct for Firms, 1.1 and 1.2).

We believe that our regulatory approach, the new Code of Conduct for Firms, our new [Enforcement strategy](#) and the resources we provide through [your health, your career](#), will help reduce unhealthy cultures in law firms. It is right that the benefits of this approach will apply to solicitors and trainee solicitors as well as other employees, including paralegals, apprentices and administrative staff.

Once the SQE is introduced, as you know, aspiring solicitors will be able to qualify through two years Qualifying Work Experience, which may be a formal training contract, or working as an apprentice or paralegal. We have worked closely with the JLD in formulating this approach which we hope will help address the current training contract bottleneck.

We have a very clear standard for the knowledge and skills that would-be solicitors must have the opportunity to develop through their period of Qualifying Work Experience – our [Statement of solicitor competence](#). And, as you also know, we intend to compile and publish data (while ensuring the anonymity of candidates) about training providers' performance in relation to the SQE assessments. This will create a more transparent and accountable training market.

The new structure does not differentiate between trainee solicitors and others working in legal services. Both types of employment may count as Qualifying Work Experience. We could not justify treating someone who was working as a paralegal with the intention to qualify as a solicitor differently to someone doing the same work who did not have that ambition. The approach I set out above will continue to apply. All employees of law firms may be victims of an unhealthy work culture – not only those who are seeking to qualify as solicitors. And we will take action in appropriate cases.

#### **JLD resilience and wellbeing survey results 2019**

Thank you for your attached copy of the survey results, and for highlighting key points from the survey in your letter. We will consider the results of the survey carefully, and I also look forward to reading your updated best practice guidance for employers in supporting resilience and wellbeing in the workplace.

I have already set out some of the support we provide to individuals employed in the firms we regulate. In addition, we have our professional ethics advice service, we offer bespoke help for small firms, and support and guidance for those we are investigating. We will continue to review and enhance our support for those we regulate who need our help. The regulatory support we provide complements the support available from organisations such as the Junior Lawyers Division, the Law Society and LawCare.

#### **Minimum salary for trainee solicitors**

I note the points in your letter regarding the SRA's removal of the minimum salary requirement in 2014. Law firms' employees are now all protected by national wage requirements. When SQE is introduced, solicitors will be able to qualify through a broader range of work experience. Some of these may be training roles; others, for example paralegal positions, may not. It would not be appropriate for us to extend minimum salary requirements into wider categories of employment. It would also be wrong to impose additional salary requirements for one type of Qualifying Work Experience and not others.

We have deliberately defined Qualifying Work Experience broadly. It can include working in a student law clinic, or on a pro bono basis in a legal advice centre. This type of experience is valuable both to students and to members of the public who benefit from the service. Mandating a minimum salary for Qualifying Work Experience

would not result in students being paid for working in a student law clinic. But it would mean that it could not count towards admission as a solicitor, and would remove the incentive which we have introduced.

In accordance with commitments we made when we decided to remove the minimum salary, we carried out an impact assessment of the change in 2017, which you refer to in your letter. The research recognised that its findings may be due to a range of factors, not just the removal of the minimum salary. But it found that while some training contract salaries are now lower, more training contracts are being offered. The research also found that when deciding how many trainees to take on and what to pay them, firms take a number of factors into account, and it is unlikely that the removal of the minimum salary, in isolation, has impacted significantly on firms' decisions about whether to start taking on trainees or to take on more trainees or their salary levels. The analysis suggests that the salary of trainees is likely to be determined more by the characteristics and practices of firms, and that our policy change has not led to employers regularly paying the legal minimum salary.

Overall, the removal of the minimum salary should be understood in the broader context of the changes we are making to how we regulate professional legal education and training. SQE will give candidates greater choice about how they learn and train. Standards will be protected through a single consistent assessment of competence. This new approach will better meet the needs of both consumers of legal services, and people from a diverse variety of backgrounds who seek to qualify as a solicitor. We hope it will address the training contract bottleneck and introduce more cost-effective ways to qualify. This will help to foster an independent, strong, diverse and effective legal profession.

Yours sincerely



Julie Brannan  
Director of Education and Training  
**Solicitors Regulation Authority**