

Diversity analysis

PROBATE DIVERSITY REPORT - 2019

Contents

FOREWORD	1
EXECUTIVE SUMMARY	2
INTRODUCTION	4
Background	4
Business imperative	4
Statutory obligations	4
SCOPE	5
General	5
How the data was collected	5
Comparisons with other data	5
Comparisons over time	6
Governance	6
Strategic intent	6
MARKET DYNAMICS	7
Firm size	7
Firm service profile	7
FIRM DYNAMICS	9
Qualification	9
Position within firm	10
PROTECTED CHARACTERISTICS	11
Age	11
Gender	12
Disability	13
Ethnic group	15
Faith	17
Sexual orientation	19
SOCIAL MOBILITY AND SOCIAL RESPONSIBILITY	20
Socio-economic background	20
Social mobility	22
Caring responsibilities	26
CONCLUSIONS	28
APPENDIX: ICAEW DIVERSITY INITIATIVES	29

Foreword



ICAEW is pleased to present this latest summary of diversity monitoring results for the firms we regulate for probate. This report is published by the ICAEW Probate Committee as part of its statutory obligation required under the Legal Services and Equality Acts and by ICAEW as a representative body with a strategic objective to encourage diversity. We hope this report is a catalyst for action.

While this is a regulatory requirement, there are many benefits to understanding the value of a diverse workforce. This document can also be used as a reference point for ICAEW probate licensed firms to benchmark their practices against, and to consider the broader diversity issues that might arise in their practices as a consequence. It can be used to help understand the profile of current teams, plan for future recruitment and identity opportunities.



This exercise was last performed in 2017 when it only secured a 67% return from firms. It is heartening to see an 87% return this time round; a total of 272 firms involving over 9,000 staff have responded. This in itself is an important metric that reflects the increased engagement of the firms in the exercise, and recognition that diversity has an important part to play in the development of their services. We are grateful to the firms and their staff who have contributed to this review despite some of the difficult areas of disclosure.

In our 2017 report, we set out a number of indicators reflecting where it was thought trends might develop. It has been difficult to compare these this time around because of the significant increase in firms reporting. Some comparison has been made of the firms that have reported under both cycles to see if there are any significant movements but at a reporting level these are not significant. What has improved is the rate of disclosure through much reduced 'prefer not to answer' ratios which perhaps are an indicator of the importance and relevance staff and firms give towards diversity monitoring.

ICAEW holds the strong view that staff should be 'themselves' and authentic at work as this helps quality and integrity in the delivery of legal services. The movement in metrics for the areas of care and disability, in particular, provide an evidence base for the initiatives being undertaken by ICAEW in these areas such as being a Disability Confident Committed Employer. They also enable firms to consider and develop their own policies around them.

ICAEW and the accountancy profession have service of the public and the public interest at the centre of its activities. We believe the development of its diversity and access to the profession agendas illustrated through this review will ensure it continues to be relevant and effective in meeting these goals.

Fiona Wilkinson
ICAEW President,
July 2019

Brian Yates
ICAEW Probate Committee,
July 2019

Executive summary

BACKGROUND

This report sets out the results of diversity monitoring by ICAEW firms licensed for the reserved legal service of probate as at 31 March 2019.

The data is intended to help practices identify new areas for growth in the delivery of their accountancy and legal services and to allow benchmarking with similar practices and the wider marketplace. This continues to build on the research undertaken in compiling the ICAEW leadership paper *Tomorrow's Practice*.¹

The data informs ICAEW and its stakeholders about the relevance of itself and its member firms to the wider population as equal opportunity employers and as a supplier of personal professional services to the UK public. It also meets a number of statutory and regulatory obligations that fall to ICAEW as a regulator under the Equality Act 2010 and the Legal Services Act 2007 (LSA07).

ICAEW regards the diversity objective in the LSA07 as covering type and shape of accounting/legal practice as well as the characteristics of those that work for it. The development of alternative business structures (ABSs) under Part 5 of the LSA07 are key aspects of this. ICAEW is the second largest licensor of ABSs and the nature and content of those firms form part of the review.

The returns of the firms have been aggregated and summarised into segmental information, and supplemented with information from the ICAEW annual return that probate licensed firms are required to submit annually to ICAEW. These results have been compared against the member firms as a whole and against data reported by the Solicitors Regulation Authority (SRA) and other national data.

Market and firm dynamics

The overall statistics about the shape of ICAEW probate licensed firms indicate that ABSs and multi-partner firms are currently the dominant participants, with only 32% operating as sole practitioners. While the introduction of ABSs was intended to encourage the development of a wider range of businesses, through which legally qualified individuals could practise, as yet only 2% of staff in ICAEW probate licensed firms are in fully legal roles.

Probate licensed firms differ from the wider population of ICAEW firms, typically having more principals and providing a different balance of services. These factors may influence the type of staff that they attract and hence their overall diversity profile.

Protected characteristics

ICAEW probate licensed firms display a younger staff profile than that seen for the SRA and the wider UK workplace, and are particularly more likely to employ those aged under 25.

They also have slightly higher representation of female staff than is seen nationally.

While the proportion of staff with a disability is similar to the SRA data, this group are under-represented in comparison to their incidence in the UK working population.

ICAEW probate licensed firms employ a lower proportion of ethnic minority staff than SRA firms, but the ICAEW figures reflect the overall UK workforce. However, those from a Black/African/Caribbean/Black British background are under-represented within ICAEW probate licensed firms (in comparison to UK Census data).

The proportion of staff in ICAEW probate licensed firms that are from a (non-Christian) specific faith is in line with the national average and SRA data.

The proportion of lesbian, gay or bisexual (LGB) staff in ICAEW probate licensed firms is the same as the national average, but is slightly lower than that seen for the SRA.

¹ icaew.com/tomorrowspractice

Social mobility and social responsibility

The socio-economic data suggests good accessibility to probate firms. Approaching half of those working for ICAEW probate practices did not attend university, and around a quarter were part of the first generation of their family to do so. Over three-quarters attended a UK state school, higher than the equivalent SRA figures.

In terms of social mobility, around 1 in 10 staff in ICAEW probate licensed firms are from a household that received income support, with a similar proportion receiving free school meals during their childhood.

Approaching 1 in 5 staff are the primary carer for a child, and 1 in 10 have wider caring responsibilities (eg, for family, friends or neighbours).

Introduction

BACKGROUND

1. Diversity is an attribute of our society that has become a business imperative. It has become clear that the mix of background, skills and capability gives rise to a fresher way of looking at things and servicing an increasingly diverse market. It covers the way we interact with our colleagues and staff as firms and employers and how we service the market as individuals and as groups of society.
2. ICAEW has always been aware of the importance of diversity in terms of engagement at the personal level, and the behaviours are intrinsic in the ethical standards of the profession.² The importance at a business level in how the market should be approached and supported has come increasingly to the fore in recent years through the social attitudes underpinned by the Equality Act 2010 and, at a practice level, the Legal Services Act 2007 (LSA07).
3. ICAEW is fully committed to the promotion of diversity, equality and inclusion in all areas of its work, both as an employer and as a regulator, as part of its role in serving the public interest.

BUSINESS IMPERATIVE

4. There is a business imperative around diversity which is becoming increasingly recognised. The reported information is intended to be a catalyst for firms strategically to consider:
 - the mix and ratios of their staff in the light of current trends and peer practices;
 - the profile of a firm's resources and how they play to the diversity of the customer base which they serve;
 - the diversity of insight and skills that is being brought into practices that can trigger innovation and expansion of market; and
 - the direction of resource and staff ratios within practices.

STATUTORY OBLIGATIONS

5. Under the Equality Act 2010, ICAEW is listed in Schedule 19 as one of the public bodies which is required to meet the Public Sector Equality Duty under section 149 of the Act. The Act refers to an obligation to have 'due regard' to the principles set out in section 149. As case law has emerged around what that looks like in practice, ICAEW has responded through the establishment of working groups to monitor progress against the duty. Key responses as a body have included:
 - all regulatory committees have lay parity in their membership;
 - the equality duty is included in all committee terms of reference;
 - a diversity advisory group advises the ICAEW Board and Council and the regulatory Probate Committee on diversity issues affecting the profession.
6. The LSA07 lists as one of the eight statutory objectives the 'promotion of diversity in the market'. In 2011 and 2016, the Legal Services Board (LSB) set out its understanding of how that objective should be applied across the regulated legal sector. As part of this assessment there is an expectation that the regulated bodies will monitor the development of diversity within the firms they regulate.
7. In August 2014, ICAEW became accredited as an approved regulator and licensing authority for the reserved legal service of probate. As a consequence, ICAEW is subject to the oversight of the LSB and has to comply with its direction.
8. ICAEW collects diversity monitoring data from its probate licensed firms on application. It has taken snapshots in 2015 and 2017 and has repeated this exercise in 2019. Some of the data relates to the protected characteristics under the Equality Act 2010 but other elements are simple business dynamics reflecting the mix of type of practice that serve our communities.

² In particular, ethical standard 150 governing behaviours towards colleagues and clients.

Scope

GENERAL

9. This report provides an overview of ICAEW probate licensed firms' diversity monitoring data as at 31 March 2019. The data has been collected pursuant to Probate Regulation 2.6(e).
10. The scope of the monitoring exercise has been confined to firms registered by ICAEW to carry out the reserved legal service of probate. At 31 March 2019 there were 312 firms accredited by ICAEW, of which 105 were authorised firms and 207 licensed as alternative business structures (ABSs).
11. ICAEW regulates over 12,000 firms in its regulatory areas of responsibility. Aside from probate licensed firms, there is not a regulatory obligation for ICAEW firms to carry out formal diversity monitoring of their partners and staff.
12. As at 14 May 2019, 272 firms with a total of over 9,000 staff had supplied data for aggregation. This represents 87% of the regulated probate firms, a notable increase from the 49% response rate at the time the 2017 report was prepared (this response rate increased to a total of 67% in 2017 after the deadline date).
13. Firms are required to publish the data on their websites in a format of their own choosing. They are also required to assure the anonymity of staff completing the survey. Firms that had not provided their data by 14 May 2019 have been asked to continue with the monitoring exercise and publish their data in order to underpin their commitment to the diversity principles set out in the LSA07.

HOW THE DATA WAS COLLECTED

14. The formal request for ICAEW probate licensed firms to provide diversity data was sent to the firms in October 2018 along with a template for the return to facilitate the reporting. The reporting date was set as at 31 March 2019 and firms were asked to submit their data by 30 April 2019. However, the analysis in this report is based on all responses received by 14 May 2019 so it includes a number of firms that missed the initial deadline.
15. The reporting template was developed based on best practice requirements in this area. Due regard has been made to the preferred template of the LSB as part of their 2011 guidelines, the approach of the SRA, the government guidelines on social mobility, and the recommendations of Stonewall with regard to orientation and gender identification.
16. It includes most of the protected characteristics set out in section 4 of the Equality Act 2010³ but excludes marriage and maternity which are considered not directly appropriate for monitoring in this exercise. The outcomes for these two characteristics are linked to caring responsibilities which are reported on. However further analysis on these two characteristics will be undertaken as part of the 2021 survey.
17. The data covers all employees including principals, qualified and non-qualified staff and support resources.
18. Additional data has been drawn from the ICAEW annual return which all ICAEW firms must complete each year. This has facilitated some analysis for all the 312 probate licensed firms and enabled comparisons to be made across the member firm profile as a whole. The annual returns are submitted on a rolling cycle basis with a twelfth of the firms sending returns each month. Consequently the data used is a rolling summary collated over the previous 12 months.

COMPARISONS WITH OTHER DATA

19. To benchmark the results and set context, comparison has been made, where available, to legal firms through statistics kindly shared by the SRA.
20. To provide the wider national context, analysis has also been drawn from data reported by the Organisation for Economic Co-operation and Development (OECD), the Office for National Statistics (ONS) and the Department for Work and Pensions (DWP). Reference is also made to other source information where relevant.

³ legislation.gov.uk/ukpga/2010/15/section/4

COMPARISONS OVER TIME

21. Where possible, reference has been made to the results from the 2017 diversity survey of ICAEW probate licensed firms.
22. However, at the time of analysis, the proportion of firms that submitted their data was significantly higher in 2019 (87% vs. 49% in 2017).
23. As such, the 2019 data provides a more representative and accurate measure of diversity and provides a more robust benchmark for measuring future developments in the market.
24. Where any notable changes since 2017 are observed, these are highlighted in the commentary. However, in some cases these are simply a function of the greater firm coverage achieved in 2019, rather than an indicator of genuine changes.
25. Accordingly, additional analysis has been undertaken on the sub-set of ICAEW probate licensed firms that participated in both years' surveys to provide a 'like for like' comparison. This has been referenced where necessary to clarify the nature of any changes.

GOVERNANCE

26. The initiative has been overseen by the ICAEW Probate Committee which has endorsed the approach taken. The ICAEW Regulatory Board (IRB) has also monitored the steps taken.

STRATEGIC INTENT

27. This report provides analysis against which future assessments will be used to assess the impacts of policy and the marketplace on the diversity and strategy of practice. In particular it will be used to monitor:
 - the development of ABSs and the mix and type of service being offered by these entities;
 - the changes in practice foreseen in *Tomorrow's Practice*, a strategy paper published by ICAEW in 2016, focusing particularly on types of work style, resource and new forms of service delivery;
 - movement in social mobility in terms of access to the profession;
 - the general profile of the profession to the marketplace; and
 - the impact of government policy on markets and related diversity factors.
28. This document can also be used as a reference point for ICAEW probate licensed firms to benchmark their practices against, and to consider the broader diversity issues that might arise in their practices as a consequence.

Market dynamics

29. The market dynamic data sets out the profile of ICAEW firms in terms of number of principals and their service offering.
30. This contextual data is drawn from information provided in firms' annual returns, rather than the diversity questionnaire.
31. Data is shown for both ICAEW probate licensed firms and all ICAEW firms.

FIRM SIZE

32. The size of a firm is an indication of the range of options available to consumers of legal and accounting services. A sole practitioner will tend to be niche in the services they offer, while a multi-partner small practice typically offers a wider range of service, be that also around niche industry or demographic expertise. Bigger practices are often able to provide more generic types of service, although niche areas may be a hallmark of their brand.

Figure 1: Firm size

Number of principals	ICAEW probate licensed firms	All ICAEW firms
1	32.1%	65.2%
2	21.2%	18.8%
3-5	26.9%	11.8%
6-10	12.8%	2.9%
11+	7.1%	1.3%

Source: ICAEW annual returns at 31 December 2018

33. As detailed in Figure 1, 65% of all ICAEW's firms operate as sole practitioners.
34. When ICAEW became accredited as an approved regulator and licensing authority for probate in August 2014, it was anticipated that sole practitioners and small firms would be the principal authorised firms. It was also anticipated that as most of their principals would be approved as authorised individuals, firms would be authorised rather than licensed as an ABS.
35. To date, ABSs and multi-partner firms are the dominant participants, with only 32% of ICAEW probate licensed firms operating as sole practitioners.
36. The size mix of ICAEW probate licensed firms is varied. This indicates a healthy market choice, as was intended by the legal services legislation and ICAEW's designation.

FIRM SERVICE PROFILE

37. Figure 2 details the service split of ICAEW probate licensed firms and all ICAEW firms, based on the aggregate proportion of turnover accounted for by each area.

Figure 2: Service profile

Service	ICAEW probate licensed firms	All ICAEW firms
Audit	14.0%	14.9%
Financial services	0.4%	0.8%
Tax	20.9%	13.0%
Accounting	52.4%	22.7%
Consultancy	3.5%	11.3%
Corporate finance	0.8%	1.6%
Forensic	0.2%	1.7%
Other	7.8%	34.0%

Source: ICAEW annual returns at 31 December 2018

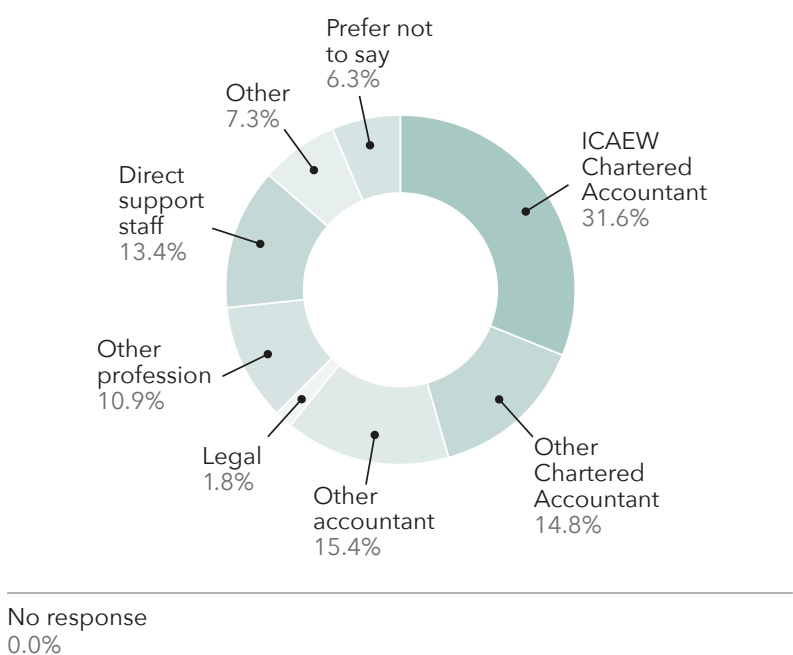
38. The probate licensing and ABS development are intended to provide a wider mix and choice to the consumer, especially as a one-stop shop, and therefore the firms are expected to have a greater ratio of tax work and other services to the individual than other practices which work more predominantly with the business sector.
39. This is evidenced in Figure 2; firms supplying probate services report that 21% of their revenues are derived from tax work, notably higher than for ICAEW firms as a whole (13%).
40. Probate licensed firms also report that a higher proportion of their turnover comes from accounting services (52% compared to 23% for all ICAEW firms).
41. In contrast, the wider population of ICAEW firms derive a comparatively higher proportion of their revenues from consultancy (11%) and other services (34%).

Firm dynamics

- 42. The firm dynamic data addresses the diversity of ICAEW probate licensed firms from the perspective of the skill base of their staff.
- 43. This data was collected through the 2019 ICAEW probate diversity survey.
- 44. Each individual was asked to identify both their professional qualification (eg, ICAEW Chartered Accountant, other chartered accountant) and their role (eg, partner, manager). Respondents were asked to tick all options that applied if they were dual-qualified and had a current practicing certificate from more than one approved regulator. As a result, the reported percentages in Figures 3 and 4 sum to more than 100%.

QUALIFICATION

Figure 3: Responses to 'Please indicate which category of role best describes your position in the firm?'⁴



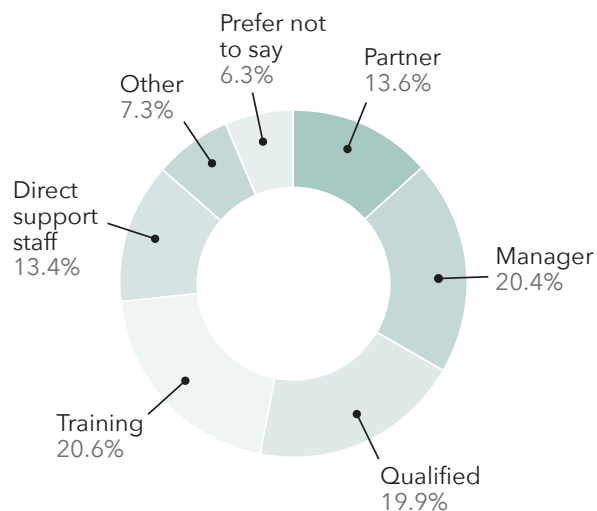
Source: ICAEW probate diversity questionnaire 2019

- 45. Overall, 62% of the staff employed by ICAEW probate licensed firms categorise themselves as working in accountancy roles. This is consistent with the market dynamics data noted above which showed that 52% of these firms' revenues is derived from accountancy services.
- 46. However, only 32% of ICAEW probate licensed firm staff are members of ICAEW, equating to just over half of those working in accountancy roles. A further 15% are chartered accountants who are not ICAEW members, and 15% are other (non-chartered) accountants.
- 47. While the introduction of ABSs was intended to encourage the development of a wider range of businesses through which legally qualified individuals could practise, as yet only 2% of staff in ICAEW probate licensed firms are in legal roles. This is consistent with the results of the 2017 diversity survey.

⁴ Further clarification was provided as follows: 'If you are an authorised person for the purposes of the Legal Services 2007 (ie, you hold a practising certificate issued by one of the approved regulators), a responsible individual under the Companies Act 2006 or a licensed insolvency practitioner under the Insolvency Act 1986, please indicate your professional qualification(s) and role.

POSITION WITHIN FIRM

Figure 4: Responses to 'Please indicate which category of role best describes your position in the firm?'



No response
0.0%

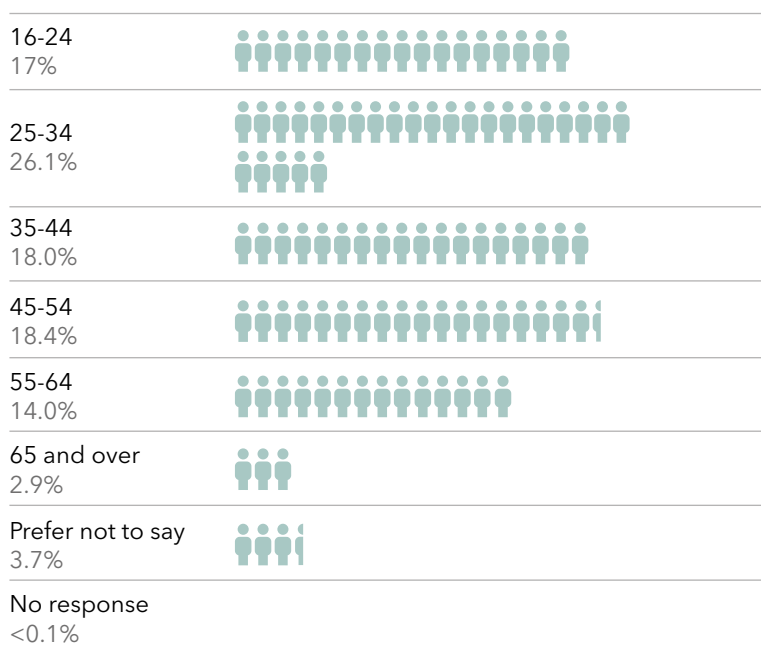
Source: ICAEW probate diversity questionnaire 2019

48. The ICAEW probate diversity survey data shows that 14% of staff are partners, giving a ratio of 1 partner to every 6.5 staff in other positions.
49. In comparison, SRA diversity data shows a ratio of 1 partner to every 5.5 other staff.
50. Among ICAEW probate licensed firms, 13% of staff work in direct support roles. Comparable SRA data is not available for direct support staff (or the other positions) as the response categories differed from those used in the ICAEW survey due to different grading structures.

Protected characteristics

AGE

Figure 5: Responses to 'From the list of age bands below, please indicate the category that includes your current age?'



	ICAEW probate	SRA	UK workplace
16-24	17.0%	9.1%	12.0%
25-34	26.1%	29.5%	23.2%
35-44	18.0%	22.9%	21.7%
45-54	18.4%	20.3%	24.0%
55-64	14.0%	11.8%	15.4%
65 and over	2.9%	2.7%	3.6%
Prefer not to say	3.7%	3.2%	–
No response	<0.1%	0.5%	–

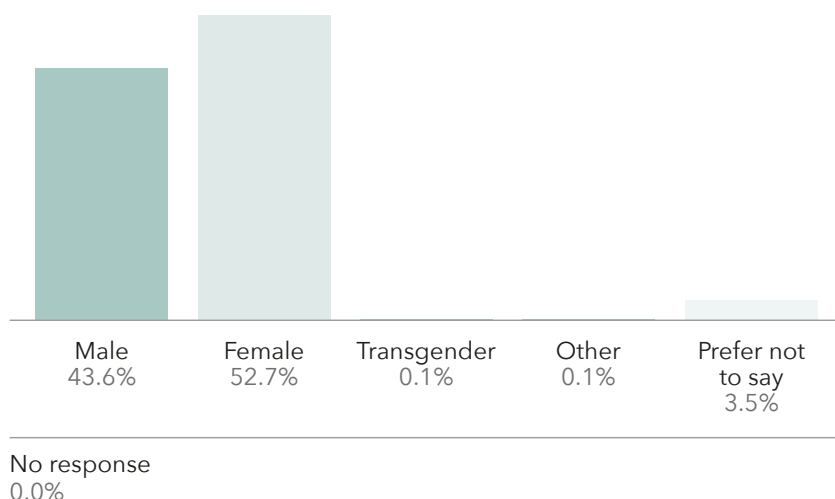
Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017, OECD statistics 2017⁵

- The age profile of staff in ICAEW probate licensed firms is broadly similar to both that of SRA firms and the UK workplace overall. However, ICAEW probate licensed firms employ a higher proportion of young staff aged under 25 (17%, compared to 9% for SRA and 12% nationally).
- The proportion of staff in ICAEW probate licensed firms aged 16-24 has risen since 2017 (from 14% to 17%). This increase holds true when the analysis is based just on those firms that took part in both years, indicating that there has been a genuine shift in this area.

⁵ stats.oecd.org/Index.aspx?DataSetCode=LFS_SEXAGE_I_R

GENDER

Figure 6: Responses to 'What is your gender?'



	ICAEW probate	SRA	UK workplace
Male	43.6%	33.3%	53.0%
Female	52.7%	62.4%	47.0%
Transgender	0.1%	–	–
Other	0.1%	0.1%	–
Prefer not to say	3.5%	2.3%	–
No response	0.0%	1.9%	–

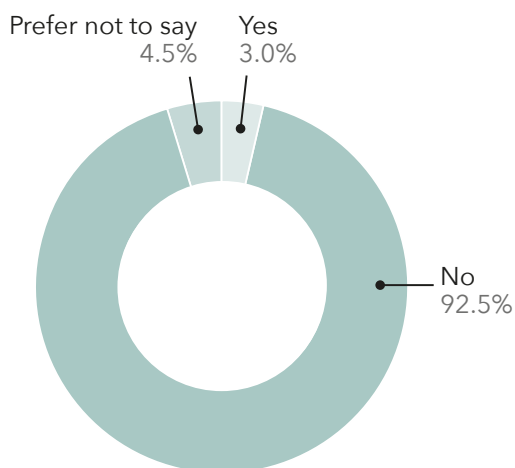
Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017, OECD statistics 2017⁶

53. Just over half (53%) of ICAEW probate licensed firm staff are female, with 44% male, 0.1% identifying as transgender and 0.1% classifying themselves as another gender.
54. Around 4% of survey respondents preferred not to reveal their gender. This may suggest that some of those identifying as transgender or other were not comfortable disclosing this information or it could be due to respondents feeling that gender was an inappropriate or irrelevant measure.
55. In comparison with the national data, ICAEW probate licensed firms employ a greater proportion of females (53% vs, 47% of all UK workers). It should be noted that the available OECD data only provides the split of male and female workers and does not cover transgender or other.
56. In contrast the SRA data shows a less equal gender split than ICAEW probate licensed firms, with 62% female and 33% male.

⁶ stats.oecd.org/Index.aspx?DataSetCode=LFS_SEXAGE_I_R

DISABILITY

Figure 7: Responses to 'Do you consider yourself to have a disability according to the definition in the Equality Act?'



No response
0.0%

	ICAEW probate	SRA	UK working age
Yes	3.0%	3.1%	18%
No	92.5%	86.3%	82%
Prefer not to say	4.5%	3.9%	–
No response	0.0%	6.7%	–

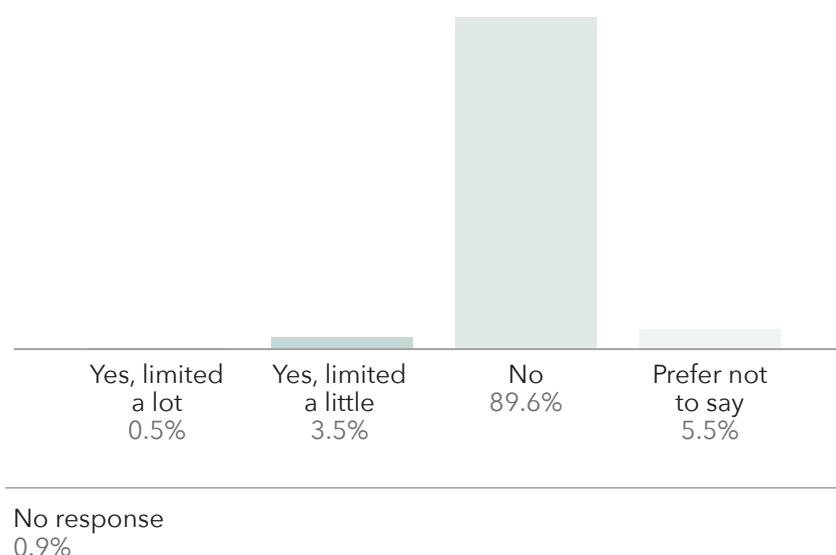
Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017, DWP family resources survey 2017/18⁷

- 57. Research from the Department for Work & Pensions shows that 18% of UK working age adults have a disability, as defined by the Equality Act. The Papworth Trust⁸ reports that the employment rate among this group is 49%, compared with 81% for those without a disability. As such, the overall proportion of current UK workers that have a disability is estimated at c.12%.
- 58. The ICAEW diversity data shows that those with disabilities appear to be under-represented in probate licensed firms, accounting for just 3% of all staff. However, around 5% chose not to answer this question.
- 59. The ICAEW figures are very similar to those reported by the SRA when it comes to the proportion with a disability.

⁷ gov.uk/government/statistics/family-resources-survey-financial-year-2017/18

⁸ papworthtrust.org.uk/about-us/publications/papworth-trust-disability-facts-and-figures-2018.pdf

Figure 8: Responses to 'Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?'



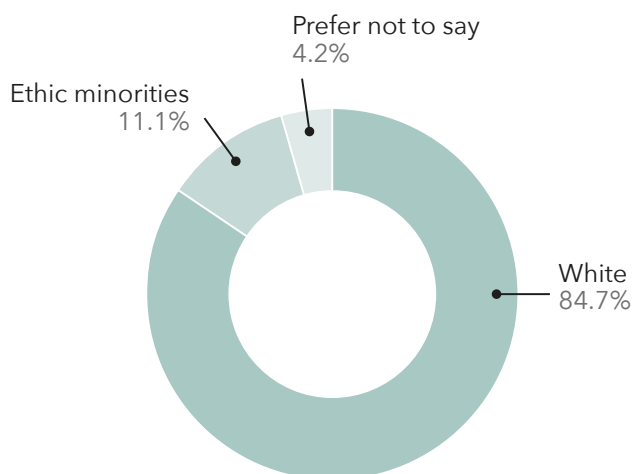
	ICAEW probate	SRA
Yes, limited a lot	0.5%	0.7%
Yes, limited a little	3.5%	3.5%
No	89.6%	77.2%
Prefer not to say	5.5%	4.3%
No response	0.9%	14.3%

Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017

60. Around 4% of ICAEW probate licensed firm staff consider their day-to-day activities to be limited by a long-term health problem or disability. Typically, they feel they are limited 'a little'. A further 6% preferred not to say.
61. The SRA figures show a similar proportion of staff limited by a health problem or disability. While the proportion indicating that they are not limited is lower than for ICAEW, a significant minority (14%) of SRA respondents did not answer this question.
62. In the 2017 report two key developments were identified which may change these ratios in the medium to longer term. One is the series of initiatives being pursued by ICAEW to secure better access to the profession. The second is the move to the virtual office where staff begin to work more from home. This will ultimately require a modification in approach to monitoring practices.

ETHNIC GROUP

Figure 9: Responses to 'What is your ethnic group?'



No response
0.0%

	ICAEW probate	SRA	UK working age
White	84.7%	77.6%	87.9%
Ethnic minorities	11.1%	13.8%	12.0%
Prefer not to say	4.2%	4.2%	–
No response	0.0%	4.3%	0.1%

Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017, ONS labour force survey 2019⁹

63. The majority (85%) of staff in ICAEW probate licensed firms are white, with 11% from an ethnic minority group.
64. The ethnic minority proportion is similar to the national picture (11% vs. 12%), and the slight difference may be due to 4% of ICAEW respondents preferring not to reveal their ethnic group.
65. However, the SRA data shows a comparatively richer ethnic mix, with 14% of staff coming from an ethnic minority group.
66. The proportion of staff in ICAEW probate licensed firms that are from an ethnic minority group appears to have increased since the 2017 diversity survey (from 9% to 11%). However, this is likely to be a function of the greater number of firms that took part in 2019. When compared on a like-for-like basis (ie, just those looking at those firms that took part in both years) the ethnic minority proportion has not increased. As such, the 2019 data is considered a more robust indicator.

⁹ ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusbyethnicgroupa09

67. Figure 10 provides a more detailed breakdown of the specific ethnic minority groups.

Figure 10: Ethnic minorities

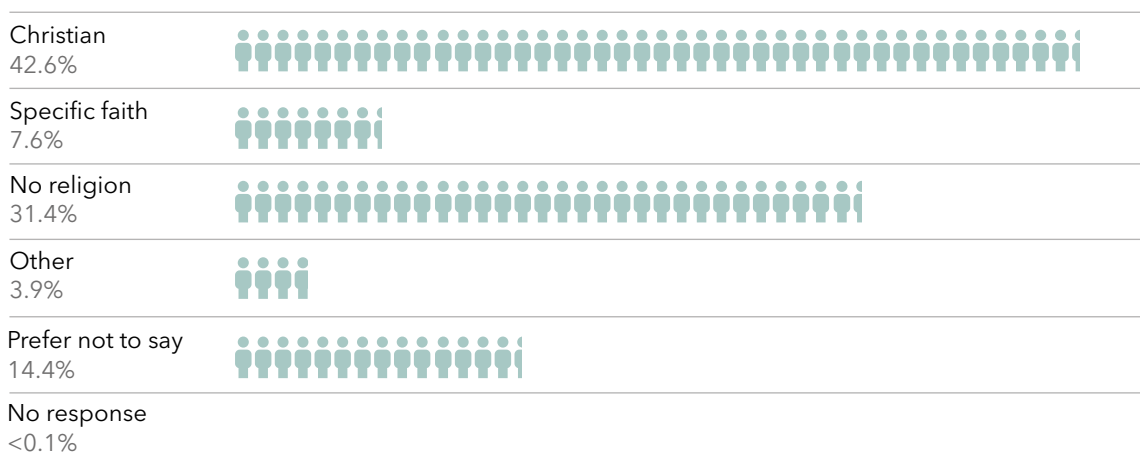
	ICAEW probate	SRA
Asian/Asian British	7.6%	8.5%
Mixed/multiple	1.7%	2.2%
Black/African/Caribbean/Black British	1.2%	2.4%
Arab	0.1%	0.2%
Other	0.5%	0.6%

Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017

68. Asian/Asian British is the most prevalent ethnic group for both ICAEW probate licensed firms and SRA (8% and 9% respectively).
69. While there is no current national data available for these specific categorisations, the 2011 Census reported that 3% of the UK population were from a Black/African/Caribbean/Black British background. It therefore appears that this ethnic group is under-represented within ICAEW probate licensed firms (1%).
70. There has been no change since 2017 in the proportion of staff from a Black/African/Caribbean/Black British background.
71. The low ratio of Afro-Caribbean engagement in the accountancy profession has been a source of concern to ICAEW. A series of student recruitment initiatives are in place which aim to secure a better balance of representation.

FAITH

Figure 11: Responses to 'What is your religion or belief?'



	ICAEW probate	SRA	National
Christian	42.6%	42.2%	50.8%
Specific faith	7.6%	9.0%	8.2%
No religion	31.4%	30.5%	39.5%
Other	3.9%	2.1%	1.5%
Prefer not to say	14.4%	9.9%	–
No response	<0.1%	6.3%	–

Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017, ONS annual population survey 2018¹⁰

72. Overall, 43% of staff in ICAEW probate licensed firms identify as Christian and 8% are of another specific faith.
73. The specific faith proportions are broadly similar across ICAEW, SRA and nationally (8-9%).
74. While the national figures are higher for Christianity (51%), this may be linked to the comparatively large proportions of ICAEW and SRA respondents that either preferred not to say or did not answer the question (14% and 16% respectively).
75. In the 2017 ICAEW diversity survey, there was no option for 'No religion'. This was added in 2019 and selected by a third (31%) of respondents, resulting in a reduction in the proportions for 'Other' (from 14% to 4%) and 'Prefer not to say' (from 36% to 14%).
76. On the face of it, the proportion of staff in ICAEW probate licensed firms of a specific faith appears to have increased since 2017 (from 6% to 8%). However, this difference is not evident when comparing results from those firms that took part in both surveys, so is likely to simply be a reflection of the greater coverage in 2019.

¹⁰ ons.gov.uk/peoplepopulationandcommunity/culturalidentity/religion/adhocs/009830religionbylocalauthoritygreatbritain2011to2018

77. Figure 12 provides a more detailed breakdown of specific faiths.

Figure 12: Specific faith

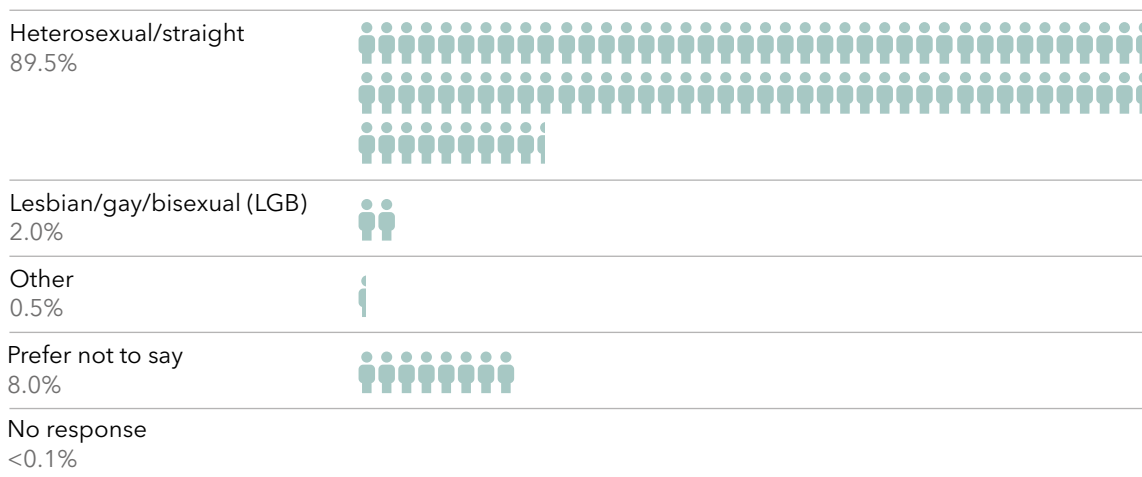
	ICAEW probate	SRA	National
Hindu	2.7%	1.6%	1.5%
Muslim	2.1%	4.2%	5.3%
Jewish	1.5%	1.4%	0.5%
Sikh	0.8%	1.2%	0.6%
Buddhist	0.5%	0.5%	0.3%

Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017, ONS annual population survey 2018

78. ICAEW probate licensed firms have greater representation of Hindus among their staff than the SRA and the wider UK population.
79. Muslims make up 5% of the UK population and 4% of SRA staff, but only 2% of staff in ICAEW probate licensed firms.
80. The stronger representation within SRA firms may mean that these firms are better placed to service this sector of the community and expand into areas such as Islamic Finance.

SEXUAL ORIENTATION

Figure 13: Responses to 'What is your sexual orientation?'



	ICAEW probate	SRA	National
Heterosexual/straight	89.5%	83.5%	93.2%
Lesbian/gay/bisexual (LGB)	2.0%	3.0%	2.0%
Other	0.5%	0.3%	0.6%
Prefer not to say	8.0%	7.1%	4.1%
No response	<0.1%	6.0%	–

Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017, ONS annual population survey 2017¹¹

81. The majority of staff in ICAEW probate licensed firms (90%) classify themselves as heterosexual/straight, with 2% identifying as lesbian, gay or bisexual (LGB). The LGB proportion is in line with the national data (2%) but slightly lower than that seen for SRA (3%).
82. A 2018 survey by Stonewall¹² found that 35% of lesbian, gay, bisexual or transgender (LGBT) staff had hidden this fact at work for fear of discrimination. This may indicate the proportion of LGB staff is higher than reported in this diversity survey and some of the 'Prefer not to say' respondents may fall into this category.
83. Experience in other sectors has shown that as organisations become more openly supportive of LGBT staff, the ratio of staff prepared to be open about themselves increases. ICAEW's initiatives such as an LGBTQ+¹³ staff group and a diversity advisory group are examples of moves to improve confidence with ICAEW staff. See appendix: ICAEW diversity initiatives for further details.

¹¹ ons.gov.uk/peoplepopulationandcommunity/culturalidentity/sexuality/bulletins/sexualidentityuk/2017

¹² stonewall.org/system/files/lgbt_in_britain_work_report.pdf

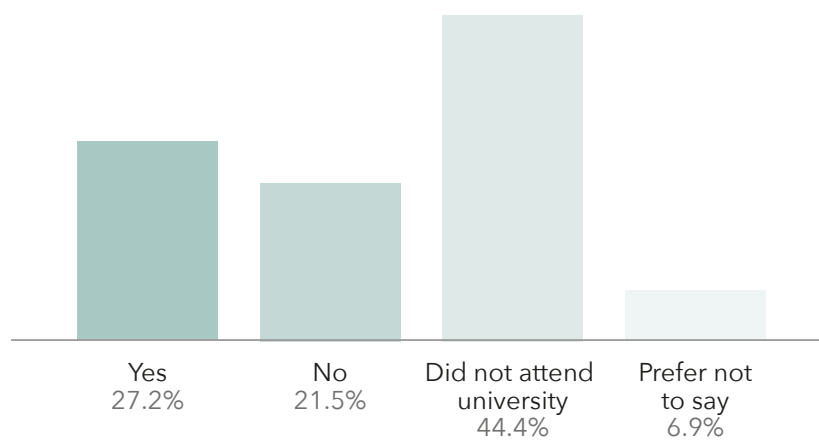
¹³ Lesbian, gay, bisexual, transgender, queer or questioning and other sexual identities

Social mobility and social responsibility

SOCIO-ECONOMIC BACKGROUND

84. Socio-economic background has been measured through two separate analyses; firstly on the basis of university education, and secondly on type of secondary education.

Figure 14: Responses to 'If you went to university (to study a BA, BSc course or higher), were you part of the first generation of your family to do so?'



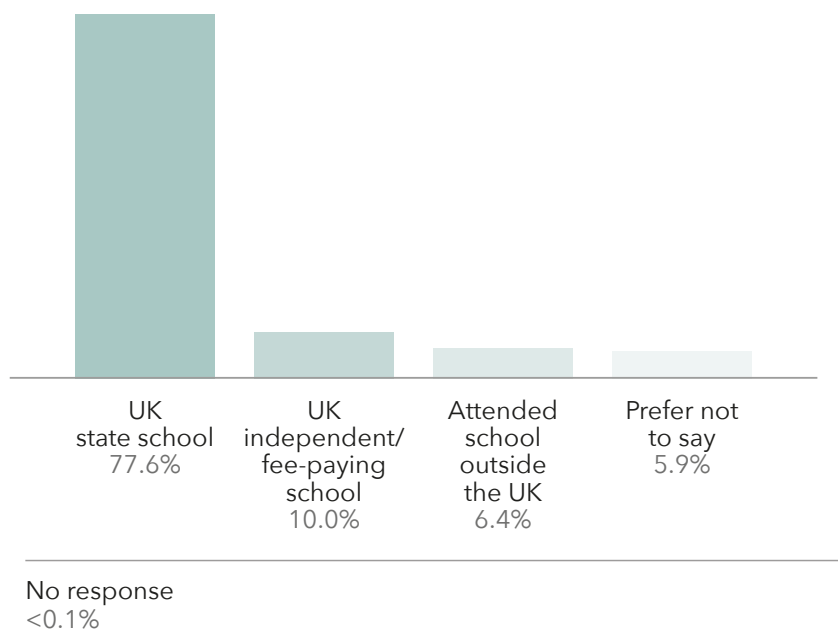
No response
<0.1%

	ICAEW probate	SRA
Yes	27.2%	29.8%
No	21.5%	29.3%
Did not attend university	44.4%	25.6%
Prefer not to say	6.9%	6.6%
No response	<0.1%	8.6%

Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017

- 85. More than a quarter (27%) of ICAEW probate licensed firm staff were part of the first generation of their family to attend university.
- 86. A further 22% attended but were not the first generation of their family to do so, and 44% did not attend university.
- 87. The proportion not attending university is notably higher than that seen for the SRA (44% vs. 26%). This is possibly because the medium-sized practices that predominate in the ICAEW list of probate licensed firms draw on a mixture of graduates and school leavers for their student intake.

Figure 15: Responses to 'Did you mainly attend a state or fee-paying school between the ages of 11 and 18?'



	ICAEW probate	SRA
UK state school	77.6%	65.8%
UK independent/fee-paying school	10.0%	13.1%
Attended school outside UK	6.4%	7.2%
Prefer not to say	5.9%	6.4%
No response	<0.1%	7.5%

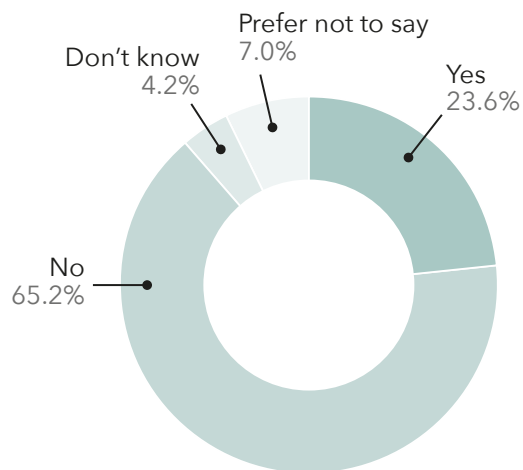
Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017

- 88. Over three-quarters (78%) of staff in ICAEW probate licensed firms attended a UK state school, a higher proportion than seen for the SRA (66%).
- 89. One in ten ICAEW respondents attended a UK independent or fee-paying school, compared with 13% for SRA staff.
- 90. The current social mobility programmes of both the SRA and ICAEW are likely to increase the state school ratios in the medium term, but this is likely to be a slow process of change.

SOCIAL MOBILITY

91. Social mobility has been measured through questions on whether parents/guardians completed a degree, qualification levels, household income support and free school meals. These questions were based on recommendations in the Social Mobility Toolkit 2012.¹⁴
92. There is no readily available comparative data, so all results relate solely to ICAEW probate licensed firms.

Figure 16: Responses to 'Did your parent(s) or guardian(s) complete a degree course or equivalent?'



No response
0.0%

Source: ICAEW probate diversity questionnaire 2019

93. Almost a quarter (24%) of staff in ICAEW probate licensed firms reported that their parent or guardian completed a degree course or equivalent.
94. This question is similar to one of those asked for socio-economic background (see Figure 14) but asked at a parental level rather than from a family history perspective.
95. As expected, the responses are very consistent, with 24% indicating that a parent/guardian completed a degree and 22% reporting that they were not part of the first generation of their family to attend university.

¹⁴ Issued by Spada in 2012 under the sponsorship of the LSB, General Medical Council, the Chartered Insurance Institute and the British Dental Association.

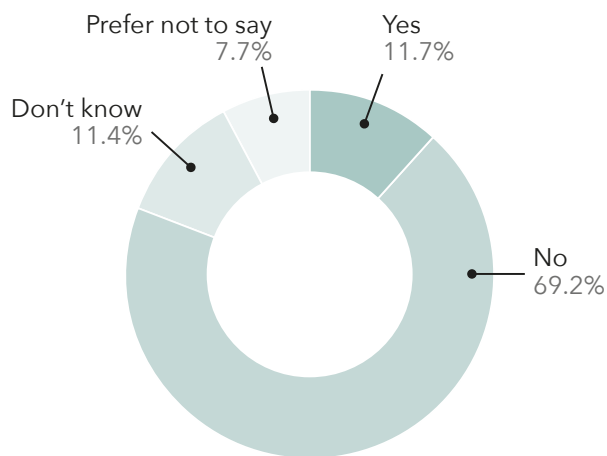
Figure 17: Responses to 'Which of these is your highest level of qualifications?'

	ICAEW probate
Professional qualifications (eg, teaching, nursing, accountancy)	40.1%
Undergraduate degree (eg, BA, BSc)	18.0%
2+ A levels/VCEs, 4+ AS levels, Higher School Certificate, Progression/Advanced Diploma	9.2%
5+ O levels (passes)/CSEs (grade 1)/GCSEs (grades A*-C), School Certificate, 1 A level/2-3	5.2%
1-4 O levels/CSEs/GCSEs (any grades), Entry Level, Foundation Diploma	4.0%
Master's degree (eg, MA, MSc)	3.7%
NVQ Level 3, Advanced GNVQ, City and Guilds Advanced Craft, ONC, OND, BTEC National	3.0%
NVQ Level 4-5, HNC, HND, RSA Higher Diploma, BTEC Higher Level	2.3%
Diploma	1.4%
NVQ Level 2, Intermediate GNVQ, City and Guilds Craft, BTEC First/General Diploma, RSA	1.4%
Other vocational/work-related qualifications	1.3%
Non-UK qualifications	0.8%
AS levels/VCEs, Higher Diploma	0.8%
Apprenticeship	0.6%
RSA Advanced Diploma	0.4%
Doctorate degree (eg, PhD)	0.3%
NVQ Level 1, Foundation GNVQ, Basic Skills	0.1%
No qualifications	0.3%
Prefer not to say	7.3%
No response	0.0%

Source: ICAEW probate diversity questionnaire 2019

96. When asked to detail their highest qualification, staff in ICAEW probate licensed firms provided a diverse range of responses including GCSEs, A levels, NVQs, degrees and professional qualifications. This reflects the wide variety of routes into the profession.
97. The most common qualification was a professional one (including accountancy), with 40% attaining this as their highest qualification.
98. A further 18% indicated that their highest qualification was an undergraduate degree, with 9% mentioning A levels (or equivalent).

Figure 18: Responses to 'Did your household receive income support at any point during your school years?'

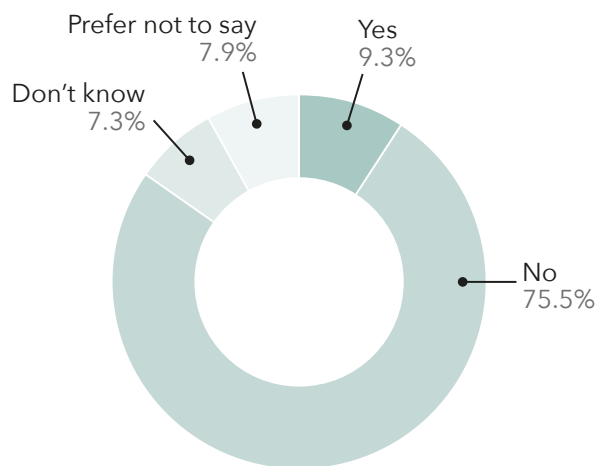


No response
0.1%

Source: ICAEW probate diversity questionnaire 2019

99. Overall, 12% of ICAEW probate licensed firm staff indicated that their household had received income support during their school years.
100. However, a further 11% were unsure and 8% preferred not to reveal this. Comparing on a like-for-like basis between those firms that participated in both 2017 and 2019, the proportion of 'Prefer not to say' answers has decreased from 10% in 2017 to 7% in 2019.
101. The proportion that stated they did receive income support has risen since the 2017 diversity survey (from 7% to 12%). This increase is also evident on a like-for-like basis. Of the firms that participated in both the 2017 and 2019 surveys, the proportion that stated they did receive income support was 6% in 2017 and 9% in 2019.

Figure 19: Responses to 'Did you receive free school meals at any point during your school years?'



No response
0.1%

Source: ICAEW probate diversity questionnaire 2019

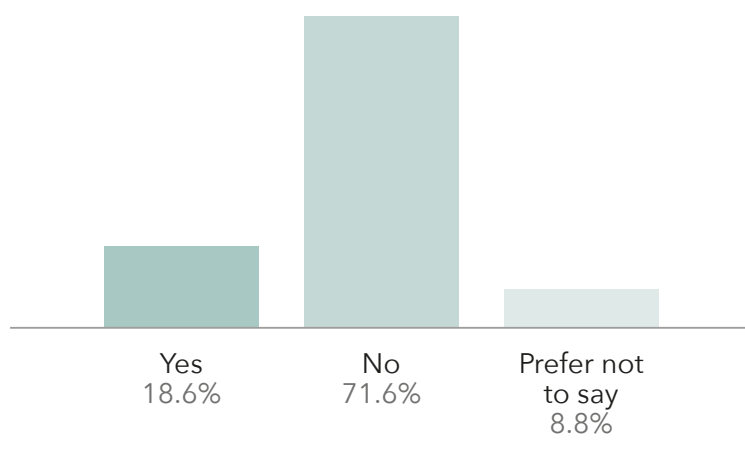
102. A broadly similar pattern was seen when it came to receiving free school meals during childhood, with this applying to 9% of staff in ICAEW probate licensed firms.
103. This proportion has increased since 2017 (from 7% to 9%), but this is linked to a fall in the number of respondents who preferred not to say (from 10% to 8%).

CARING RESPONSIBILITIES

104. The ICAEW probate diversity questionnaire included two questions to understand the degree to which staff had external caring responsibilities that might necessitate flexibility in their working hours/arrangements.

105. The first question related to being the primary carer for a child, and the second related to wider caring responsibilities.

Figure 20: Responses to 'Are you a primary carer for a child or children under the age of 18?'



No response
1.0%

	ICAEW probate	SRA
Yes	18.6%	22.9%
No	71.6%	61.6%
Prefer not to say	8.8%	4.2%
No response	1.0%	11.3%

Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017

106. Approaching one in five (19%) staff in ICAEW probate licensed firms are the primary carer for a child.

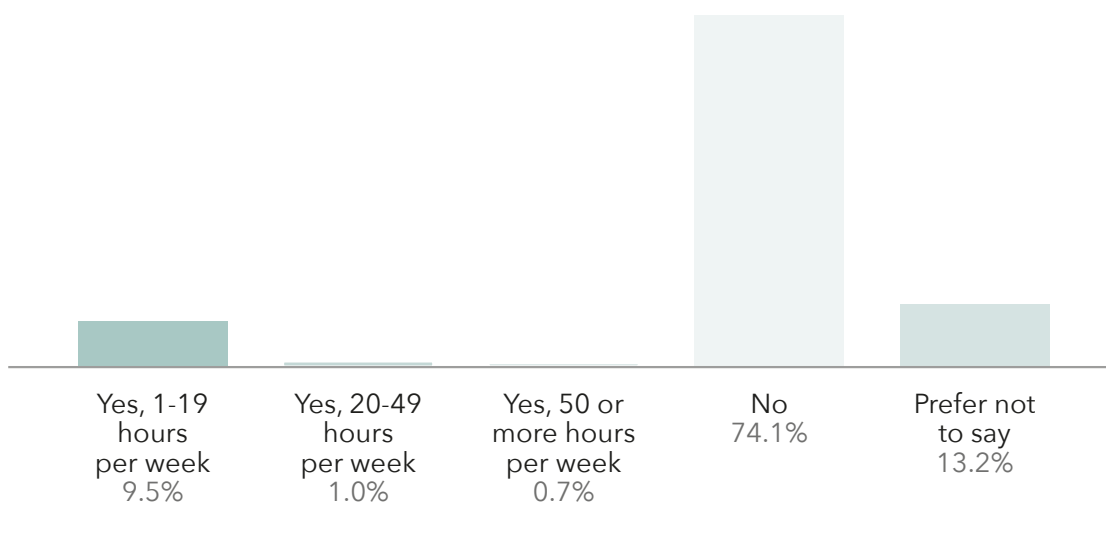
107. This is an increase from the 15% seen in 2017, but the proportion stating that they are not a primary carer has also risen (from 59% to 72%).

108. Both of these changes over time are driven by a notable reduction in the number of 'Prefer not to say' responses (from 26% to 9%), so should not be interpreted as a genuine shift in the staff diversity profile.

109. As seen on the social mobility measures, the fall in the proportion that preferred not to reveal their caring responsibilities may suggest that staff in ICAEW probate licensed firms are now more willing to share this information.

- 110. The SRA data shows a higher proportion of staff with primary caring responsibilities (23% vs. 19%). While the levels of 'Prefer not to say' and 'No response' varied across the ICAEW and SRA samples, this difference is still evident when the analysis is based solely on those providing a 'Yes' or 'No' response.
- 111. The role and opportunities for women in accountancy, particularly around early years of childcare, are currently under review as part of ICAEW's Back to the Workplace Programme initiative. The opportunities for homeworking along the lines foreseen in *Tomorrow's Practice* paper may result in considerable changes in the work/life balance in the coming years. Separately this also has an impact on the regulatory risk and the methods applied by ICAEW in the monitoring of firms affected.

Figure 21: Responses to 'Do you look after or give any help to or support any family members, friends, neighbours or others because of either: long-term physical or mental ill-health/disability; or problems related to old-age?'



No response
1.4%

	ICAEW probate	SRA
Yes, 1-19 hours per week	9.5%	5.7%
Yes, 20-49 hours per week	1.0%	0.7%
Yes, 50 or more hours per week	0.7%	0.7%
No	74.1%	75.1%
Prefer not to say	13.2%	5.2%
No response	1.4%	12.7%

Source: ICAEW probate diversity questionnaire 2019, SRA raw firm diversity data 2017

- 112. Overall, 11% of staff in ICAEW probate licensed firms reported that they look after someone with long-term physical or mental ill-health disability or problems relating to old age. Typically, this involves less than 20 hours of their time per week.

113. This is an increase on the 9% reported in 2017, but again is linked to a decrease in the proportion that preferred not to say (from 28% to 13%).
114. Whereas SRA staff were more likely to be the primary carer for a child (Figure 20), staff in ICAEW probate licensed firms were more likely to have other caring responsibilities (11% vs. 7%).
115. While there appears to be greater openness about this metric, the ratio preferring not to say remains one of concern. Staff affected by caring responsibilities may be under additional stress impacting their work output. Employers should be able to identify and moderate this risk by having clear and effective policies that would enable such employees to be more open about this challenge. ICAEW for their part do provide employee helplines through CABA which offers independent advice in this area.

Conclusions

116. The 2017 survey found that there are good foundations for diversity already prevailing in the ICAEW probate licensed firms surveyed, though there remain areas for development. As expected, little has changed since this point with the 2019 results largely consistent with those seen in 2017. This illustrates that improved diversity is a long-term process and significant changes are unlikely to occur over a two-year time period. Future diversity monitoring and reporting will allow better identification of genuine trends in the probate market.
117. Overall, the findings position probate firms positively in the marketing of legal services to a wider consumer market that is sought by the LSB and the Legal Services Consumer Panel.
118. There are areas for ICAEW probate licensed firms where an improved diversity balance would be desirable. In particular, those with a disability and those from an ethnic minority group are currently under-represented in comparison with the overall UK workforce.
119. The initiatives already underway to address some of these areas are set out in the appendix. The full data set provides a solid platform from which to measure progress and assess the impact of these and any further initiatives put in place to address areas of vulnerability.

Appendix: ICAEW diversity initiatives

BASE

BASE is ICAEW's National Business and Accounting competition for students in school or college aged 16-17. A unique and exciting experience, students are able to engage in business challenges that enable them to develop key employability skills and understand what it's like to be an ICAEW Chartered Accountant.

ICAEW 100

A competition searching to find the brightest students who have the potential to be the next generation of business leaders.

Access Accountancy

Access Accountancy is a collaboration of more than 25 professional services firms dedicated to improving access to the accountancy profession in the UK. The programme was established in 2014 with the ambition to promote diversity across all levels of the sector in the face of overwhelming evidence showing that applicants from lower socio-economic backgrounds are less likely to be hired. Also provides work experience to school students from specific socio-economic backgrounds.

Disability Confident Mark

ICAEW has signed up to the Disability Confident Mark and has pledged to provide work experience to those with disabilities.

Exam access arrangements

Development of bespoke examination and training arrangements for those with a disability.

Sponsorship of events with the National Black Women's Network

Diversity Advisory Group (DAG)

DAG acts as an advisory group to the ICAEW Board. It identifies emerging diversity, inclusion and equality issues and draws them to the attention of the appropriate part of ICAEW for consideration and action.

Diversity Community

A community of ICAEW members and non-members with an interest in improving diversity within the profession.

Women in Finance Charter

ICAEW is a signatory to HM Treasury's Women in Finance Charter, which commits organisations to build a more balanced and fair industry. Firms that sign up to the Charter pledge to support the progression of women into senior roles in the financial services sector.

Women in Finance Community

A new community to support women that work in finance.

Gender Pay Gap Report

ICAEW is required to report on its current gender pay gap and how it will reduce the gap.

Stonewall Equality Index

Liaison with Stonewall and participator in Stonewall Workplace Index.

Diversity in the Profession

ICAEW commissioned research into diversity in the profession.

LGBTQ+ and the Professions Dinner

ICAEW is a member of this Group as a facilitator and contributor to its work. It promotes and supports LGBT networks within ICAEW and firms with guest speakers from government and the third sector.

LGBTQ+ Staff Group

An internal staff group to discuss LGBTQ+ issues and workforce issues.

Diversity and Employers/High Fliers Research

Annual research on our student diversity intake.

ICAEW recruitment policy for staff**[icaew.com/diversity](https://www.icaew.com/diversity)**

Diversity web page to support firms and provide resources and guidance on diversity in the profession.

MK Foundation

ICAEW works in partnership with the Community Foundation. As philanthropy adviser and facilitator, the Community Foundation operates through a 46-strong organisational network across the UK, connecting donors with local voluntary and community groups, and is in the top 5 of UK grant givers; distributing and managing £71m during 2016.

Tech She Can Initiative

ICAEW support this PwC initiative to get more women working in technology roles.

ICAEW Corporate Governance Publication - Diversity on Boards

A technical publication on increasing diversity on Boards.

Legal Services Regulators' EDI forum

ICAEW has chaired this forum which discusses diversity and inclusion with guest speakers from government and the third sector.

Diversity and inclusion in the workplace

Resources and tools to support companies in ensuring they have a diverse workforce.

Accountancy Uncovered: Student recruitment events

Events for school leavers, parents and teachers to discover how a career in chartered accountancy is more than you'd imagine.

Women in Leadership

Supports women working across practice, industry and public sectors who are aiming for senior management, partner or board roles.

Support for the WECAN Pledge

Calling for greater action by the EU institutions to promote gender parity in the next legislative term.

ICAEW Back to the Workplace Programme

ICAEW support and resources for those returning to work.

ICAEW Career Breakers Community

An ICAEW community to support career breakers.

CABA - the charity supporting chartered accountants' wellbeing

CABA provides support, information and resources for members of the ICAEW community to enable individuals to promote their own wellbeing.

Apprenticeships/non-graduate routes to become an ICAEW Chartered Accountant**ICAEW Foundation**

Provides bursaries for students to study accountancy-related subjects at university and for access to professional training in Africa and Cambodia.

Social Mobility Fund

ICAEW hosts the Social Mobility Foundation's annual University and Careers Fair.

ICAEW Outstanding Achievement Award

An award recognising the achievement and the diversity of the profession.

Challenge Ten/Changing Futures Bursary Programme

Provides bursaries through UK universities for talented students from financially disadvantaged backgrounds wishing to study for an accountancy or finance related degree at university.

ICAEW CFAB

An internationally recognised certificate that teaches essential knowledge in business, finance and accounting. No previous qualifications required which allows direct entry from school and progression to the ACA.

ICAEW's regulatory role is distinct from its representative role. Managed by our Professional Standards department, we protect the reputation of ICAEW, our members and the chartered accountancy profession. We ensure our students, members and firms act with integrity and are competent. Our role is to:

- authorise our members and firms to undertake work regulated by law: audit, local audit, investment business, insolvency work, and probate;
- monitor firms and insolvency practitioners to ensure they undertake work correctly and to the highest standards;
- investigate complaints and hold members and firms accountable where they fall short of standards;
- lobby and comment on proposed changes to the law and regulation affecting our stakeholders; and
- provide guidance, advice and award-winning training films to ensure our stakeholders comply with laws, regulations and professional standards.

There are over 1.8m chartered accountants and students around the world – talented, ethical and committed professionals who use their expertise to ensure we have a successful and sustainable future.

Over 180,000 of these are ICAEW Chartered Accountants and students. We train, develop and support each one of them so that they have the knowledge and values to help build local and global economies that are sustainable, accountable and fair.

We've been at the heart of the accountancy profession since we were founded in 1880 to ensure trust in business. We share our knowledge and insight with governments, regulators and business leaders worldwide as we believe accountancy is a force for positive economic change across the world.

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