

SRA BOARD
3 December 2019

CLASSIFICATION – PUBLIC



This paper will be published

Increasing the openness of Board decision making

Purpose

- 1 This paper builds on previous discussion by the Board in seminar and workshop sessions in April and May and at its formal meeting in July. It sets out progress in, and proposals for, enhancing the transparency of Board decision making.

Recommendations

- 2 The Board is asked to:
 - (a) note the progress made in increasing the openness of Board decision making as set out at paragraphs 6 and 7
 - (b) agree the draft accountability statement at annex 1
 - (c) agreed the draft transparency statement at annex 2
 - (d) agree the draft decision-making framework at annex 3
 - (e) agree the draft initial balanced scorecard at annex 4.

If you have any questions about this paper please contact: Jane Malcolm, Director of External and Corporate Affairs, email: Jane.Malcolm@sra.org.uk, Tel: 01213296091.

Equality, Diversity and Inclusion considerations

Consideration	Paragraph nos
The approach taken is in line with our commitment to mainstreaming equality and diversity in all we do. As set out at paragraph 3, we want to provide information so that the public from all communities and all sectors of the profession can see that decisions are properly made.	3
Paragraph 14 sets out the continuing commitment to providing our webmaterial, including Board content, in as widely accessible formats and media as possible.	20

SRA BOARD
3 December 2019

CLASSIFICATION – PUBLIC



Increasing the openness of Board decision making

Background

- 3 Board members have held workshop discussions on how to increase the openness of Board decision making so that the public from all communities and all sectors of the profession can see that decisions are properly made. The Board approved a number of proposals at its formal Board meeting in July 2019.
- 4 The Board has considered how best to give our stakeholders confidence in its work by taking a 'back to basics' approach, recognising that transparent governance contributes to maintaining the confidence of the public we serve and the profession we regulate.
- 5 At its July meeting, the Board agreed to build on the suite of information we already publish – for example through our Annual Review, costs statement, Board papers, Risk Outlook, thematic reviews, research, scam alerts, firm diversity profile, Compensation Fund financial reports, and our contribution to the Group Annual report and financial statements – by enhancing our information on how the Board itself works.
- 6 The Board decided that we would:
 - a) improve information for people seeking detail on our Board meetings by producing fuller Board minutes
 - b) publish as many Board papers as possible
 - c) enhance and refresh our Board communications by, for instance, making use of social media to share real time reporting, posting blogs from our Chair following meetings and regularly sharing information on platforms such as LinkedIn.
- 7 We have now implemented these steps, for example we published five out of six of our October Board papers.
- 8 This paper focuses on what more we can do.

Discussion

Openness of Board decision making

- 9 At its July meeting, the Board decided that we should set out afresh the detail of how we are accountable to our stakeholders, including the public and the profession.
- 10 We have developed a full accountability statement that sets out where our powers derive from, to whom we are accountable, including the public and

SRA BOARD
3 December 2019



CLASSIFICATION – PUBLIC

profession, and how we discharge that accountability. The Statement, at annex 1, links to a wide range of our corporate documentation and specifies our formal oversight reporting.

- 11 We have also produced a new Board transparency statement, at annex 2, which describes: how we share information about the Board; how it works and makes decisions; our meeting papers; and what we can and cannot publish, and why. Once approved it will be published along with the accountability statement.
- 12 In order to help our stakeholders to see how our Board works, we propose publishing a Board decision-making framework setting out the factors the Board considers when making its decisions (annex 3). In building the framework we have looked at models from a range of sources, including the charity sector and academic boards. We plan to publish the framework as interactive web pages so that users can step through the types of areas Board considers, as well as an infographic flow chart.
- 13 The framework sets out the Board consideration of the issue and how it affects people and to what extent, what we can do to address the issue, what resources would be required and how that fits with other areas of our work.
- 14 Subject to Board approval, we will publish the accountability and transparency statements and the framework before the end of 2019. We will place these new resources on our Board pages on our website.
- 15 To make sure that information about our Board is as accessible as possible, we are revising our Board pages, engaging people with the work of our Board through video, blog and podcast content. The webpages will also include clear signposting to agendas and Board papers. Our new Board web presence will be in place by the end of this year.
- 16 The Board has also started to review its requirements for performance reporting, looking ahead to our new Corporate Strategy in 2020 and building on current reporting through the CEO's report to Board and topic specific papers, for example on our corporate complaints handling. Discussion in a workshop session in October identified a balanced scorecard as the preferred approach, along with risk management reporting and continued progress monitoring through the CEO report.
- 17 The scorecard would be one component in our suite of Board reporting. The suite includes:
 - Annual reporting on key areas of our work and against our strategic objectives, for example through a stakeholder perceptions survey.
 - Regular reporting against the delivery of our business plan.
 - Performance reporting through a balanced scorecard.
 - Exception, strategic and risk management reporting through the CEO report.

SRA BOARD
3 December 2019



CLASSIFICATION – PUBLIC

- Detailed financial reporting as required
- 18 We anticipate taking an iterative approach to developing our Board level scorecard, with the initial version at annex 4. This covers four key domains – external views, delivery, financial and internal perspectives and will be reported with narrative on each perspective, complementing strategic and exception reporting through the CEO report. We aim to introduce quarterly reporting to Board through the scorecard from early 2020. The Board scorecard will be published as part of our suite of Board papers.
- 19 We also plan to introduce a balanced scorecard for management use so that we have a coherent approach to reporting performance against our business plan and Strategy. Our final step is to make our corporate publications more accessible by moving away from complex hard copy publications such as our Annual Review towards targeted, more social media friendly, digital first publications.
- 20 We have established a new Editorial and Publications team to take this work forward and will apply this approach to all future publications with immediate effect. We will continue to provide key documents in Welsh and easy read, and to offer the facility to translate all our web-published material into a wide range of languages. We will also follow the Government's Service Standard and ensure that our website conforms with the World Wide Web Consortium's Web Content Accessibility Guidelines 2.1.

Recommendations: The Board is asked to:

- (a) **note the progress made in increasing the openness of Board decision making as set out at paragraph 6 and 7**
- (b) **agree the draft accountability statement at annex 1**
- (c) **agreed the draft transparency statement at annex 2**
- (d) **agree the draft decision-making framework at annex 3**
- (e) **agree the draft initial balanced scorecard at annex 4.**

Next steps

- 21 Subject to Board approval of these recommendations we will take steps to implement the further changes as quickly as possible.
- 22 We will keep our transparency arrangements under continuous review. As part of that, we are mindful that the Legal Services Board is undertaking a cross-regulator review of transparency and are looking forward to contributing and to learning from the outcome.

SRA BOARD
3 December 2019

CLASSIFICATION – PUBLIC



Supporting information

Links to the Corporate Strategy and/or Business Plan

- 23 The issues covered relate to the governance of the organisation and are therefore relevant to all five of our strategic objectives.

How the issues support the regulatory objectives and best regulatory practice

- 24 Our proposals support the transparent and accountable better regulation principles, and the regulatory objectives to protect and promote the public interest, and to protect and promote the interests of consumers.

Public/Consumer impact

- 25 The proposals focus on our accountability to all our stakeholders including the public we serve.

What engagement approach has been used to inform the work and what further communication and engagement is needed

- 26 We have engaged with the Legal Services Board and other legal regulators and will continue to do so.

What equality and diversity considerations relate to this issue?

- 27 The approach taken is in line with our commitment to mainstreaming equality and diversity in all we do. As set out at paragraph 3 we want to provide information so that the public from all communities and all sectors of the profession can see that decisions are properly made. We also set out, at paragraph 20, our continuing commitment to providing our webmaterial, including Board content, in as widely accessible formats and media as possible.

How the work will be evaluated

- 28 We will keep the approach to openness and transparency under review using techniques such as digital media metrics and feedback from stakeholders.

Author Jane Malcolm, Executive Director of External and Corporate Affairs

Contact Details Jane.Malcolm@sra.org.uk Tel: 07813 583432

Date 20 November 2019

Annexes

- Annex 1** Draft accountability statement
Annex 2 Draft transparency statement
Annex 3 Draft decision-making framework
Annex 4 Draft initial balanced scorecard