

SRA BOARD
8 December 2020



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This paper will be published

SRA Fourth Quarter Performance Report

Purpose

- 1 This paper provides the Board with an overview of the performance reports for the fourth quarter of 2019/20.

Recommendation

- 2 The Board is asked to:
 - a) note the content of the quarterly performance reports and the commentary provided.

If you have any questions about this paper please contact: Liz Rosser, Executive Director of Resources, liz.rosser@sra.org.uk.

Equality, Diversity and Inclusion considerations

Consideration	Paragraph
<i>The balanced scorecard and commentary include aspects of EDI within the agreed indicators, including the SRA's latest gender pay gap data.</i>	<i>Annex 3</i>
<i>Reporting on our work programme and our Strategic Risk Register also cover key areas of our EDI work.</i>	<i>Annex 2</i>

CLASSIFICATION - PUBLIC**SRA Fourth Quarter Performance Report****Introduction**

3 The Board is asked to consider four separate documents which together provide the Board with an update on performance at the end of October 2020. These are:

- Annex 1: Financial Performance Update
- Annex 2: Work Programme Update
- Annex 3: Balanced Scorecard
- Agenda item 8: Strategic Risk Register

Quarter Four 2019/20 performance update

4 We are continuing to manage the challenges of Covid-19 well and have had a number of successes during the fourth quarter. The delivery of the latest phase of our modernising IT programme and LSB approval of our SQE proposals represent significant milestones for the SRA. In recent weeks we have undertaken the annual Practising Certificate renewal exercise on a new IT platform, a major step forward for the organisation.

5 We will continue to see the impact of Covid-19 on performance for some time. As we move into a new financial and planning year, we will continue to take action to bring performance in line with expected levels.

6 Turning to the full year position, we have concluded the 2019/20 Business Plan with only one activity assigned an amber rating, a reduction from four ambers in the previous quarter. The activity is in relation to introducing a fee limit for solicitors and authorised firms carrying out claims' management activities relating to financial products and services. The reason that this is rated amber is explained in more detail in Annex 2. To ensure this progresses we are continuing to work closely with the FCA and other legal regulators to develop an evidence base for setting fee limits and developing proposals for consultation.

7 We have seen a large number of activities coming to fruition with some significant achievements; for example, over the course of the year we have:

- delivered the SRA Standards and Regulations and as part of this, the introduction of the mandatory clickable logo
- completed a series of Anti Money Laundering visits to a range of firms
- responded positively to the challenges presented by the Covid-19 pandemic, including gearing up all staff to be able to work from home and the introduction of a new telephony system for our Contacts Centre and Ethics helpline
- secured final LSB approval for the SQE.

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- 8 The financial update for the end of the financial year highlights that we are c.£0.9m underspent compared to our budget for the year. It should be noted that these figures are currently unaudited and therefore possibly subject to change. The Board will be updated on the final confirmed position once known.
- 9 As the Board is aware, this was a challenging year due to changing working practices required by Covid-19 restrictions and the uncertainties that this brought. There were concerns earlier in the year over reduced levels of income and general uncertainty over activity. In response to that we took positive steps in the latter part of the year to manage down expenditure, including curtailing certain activities. These actions helped mitigate the concerns and resulted in the in-year underspend. An update on the financial position of the Compensation Fund is also provided within annex 1, which demonstrates a favourable variance at this time in the year.

Balanced Scorecard for quarter four

- 10 In terms of the external measures:

Communication

- Sentiment of media coverage – In the last quarter, overall volumes of coverage were lower, as is usually the case over the August period, which taken with the reduction in neutral coverage largely caused by the both strongly positive and strongly negative coverage of the SQE decision, has changed the proportion of sentiment shown in the scorecard. Website traffic has significantly increased this quarter. We always see an upswing in website traffic in quarter four, as it is the period when solicitors prepare for and renew their practising certificates and firms renew their licences.
- Events - in light of the continuing Covid-19 constraints, we continue to expand our programme of webinars and online events. In this quarter we have run a range of webinars on topics including cybercrime, the SQE, our corporate strategy and exploring EDI topics. These webinars have attracted well over 2,000 views. In addition to this, our video/webinar content on Career in Law has attracted more than 10,000 views.
- Social media – has continued to increase which shows our material is relevant. We undertook a social media campaign in partnership with equality groups in the profession to highlight the importance of race equality.
- Customer feedback on our Contact Centre calls and emails – Despite the teething issues following the introduction of new IT and telephony, 86% of customers said they were satisfied with their call experience. Feedback on email correspondence has been less positive, potentially because emails were driven by customers unable to reach the Contact Centre.

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Delivery measures

- 11 We have continued to perform well across our delivery measures against the background of the constraints caused by the Covid-19 pandemic. We have also applied significant resources to support the implementation of our new Authorisation IT system, including the new PCRE system. The impact of the most recent national lockdown, along with the next stage of our IT programme in December is likely to have a further impact; although once again we have taken steps to prepare for this in order to limit the impact on our performance.
- Investigations and Supervision - The overall caseload has continued to fall over the last quarter, and we saw a slight improvement on our performance against the KPI, achieving 92% in quarter four. As previously reported, we expect the impact of delays due to Covid-19 related issues, experienced in the early part of the year, to persist until the end of quarter two 2020/21. We are continuing to monitor delays, particularly in light of the second national lockdown, and currently have 11 cases on hold due to Covid-19 related issues (down from 77 last quarter). We are also working to limit the impact on performance from the implementation of the next stage of our IT programme. We expect to lose up to five days caseworking time per Investigation Officer as they spend time setting up cases in the new system (in order to unlock the wider operational benefits that will follow).
 - Authorisation – Both Individual Based Authorisation and Firm Based Authorisation have continued to be impacted by the launch of our new Authorisation systems. We expect the impact to continue over the next few months but anticipate being back on target against the KPI by the end of quarter two 2020/21.
 - Compensation Fund work undertaken by the Client Protection team continues to go well, meeting or exceeding their KPIs during the quarter. This included effecting one of the largest interventions we have had to deal with as an organisation. We may see some impact on timeliness as we implement the next stage of our IT programme in quarter one 2020-21 and again, we are preparing for this.
 - Contact Centre – We saw continued underperformance against our Contact Centre KPI in quarter four due to the impact of the Covid-19 pandemic, the implementation of our new telephony system and the teething problems with the new IT systems. We have taken action to increase resource to deal with these issues, including seconding 25 staff members from other parts of the organisation into the Contact Centre for the PCRE window. We have, as a result, seen performance improve with 74% of calls answered within 60 seconds since the start of November and an average queue time of 87 seconds. Customer feedback on our calls has also continued to be positive, despite the teething issues, with 86% of customers surveyed confirming they have had a positive experience.

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- Complaint Handling - Our stage 1 and 2 complaint handling KPIs have fluctuated since the start of the pandemic due to a range of Covid-19-related issues but were met and exceeded for Q4 at 91% and 95%, respectively. We expect to meet this KPI in Q1 of 2020/21, but we have seen a rise in the number of complaints received related to customers experience during the early days of the PCRE window. We will keep a close watch on this. Please also note that, due to an administrative error, we previously misreported the Q2 KPI for stage 2 complaints as 93%. This has now been corrected and shows the correct figure, 89%.

Internal measures

- 12 Staff turnover over the last 12 months has fallen and in the last quarter it has decreased more significantly. We believe this to be the impact of the current pandemic. This is also mirrored with time lost to sickness during the pandemic, seeing a similar decrease. To ensure this is captured effectively we are continuing to encourage staff to log any absence.
- 13 The number of training hours continues to be high due to the roll-out of RegOps1 and its associated training requirements during this quarter. This is likely to continue with RegOps2.

Financial measures

- 14 The Financial section of the scorecard summarises the position for the full year. As mentioned in paragraph 9, the overall position is around £0.9m favourable to budget, while still being subject to audit confirmation.

Strategic Risk Register

- 15 The updated strategic risk register is discussed in greater detail under agenda item 8. And it should be noted that following review, the number of risks has reduced to five.
- 16 As referenced in the cover paper for the Strategic Risk Register, in September the Audit and Risk Committee (ARC) reviewed the proposed new strategic risks, arising from the work undertaken at the last Board risk workshop. Further changes were made to the proposed risks and it was agreed that they would be presented to the Board for approval at the meeting of ARC in November. During quarter four, there were no changes in the status of risks held in the Mid-tier Risk Register.

Conclusion

- 17 This marks the end of the 2019/20 business plan and three-year corporate strategy. We close the year with all but one of the activities being green. The objectives were not easy to achieve, particularly against the backdrop of Covid-19 and the implementation of significant IT projects. We have had to limit certain activity because of Covid-19, but we have been resilient and implemented new technology and ways of working to successfully achieve our outcomes. We are in a strong

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place moving into the new Corporate Strategy, and we are focusing on ensuring that we continue to bring operational performance in line with where it was pre-March 2020.

- 18 During the latter part of the year we took active steps to manage potential financial risks and curtailed activity, resulting in us delivering a surplus against the budget. This will help to provide a buffer against the risks identified within the 2020/21 budget, thus ensuring the budget provides for significant new activities included in the 2020-23 Corporate Strategy.

Recommendation: the Board is asked to note the content of the quarterly performance reports and the commentary provided.

Next steps

- 19 We will continue to report to the Board in full on our performance every quarter against the 2020/21 business plan.

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Annexes

Annex 1: Financial performance update

Annex 2: Work programme update

Annex 3: Balanced Scorecard

NB: Annex 1 of this paper will not be published because it contains information which is commercially sensitive