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This paper will be published

SRA Third Quarter Performance Report

Purpose

- 1 This paper provides the Board with an overview of the performance reports for the third quarter of 2019/20. It also includes the annual SRA 2019 Workforce EDI report.

Recommendation

- 2 The Board is asked to:
- a) note the content of the quarterly performance reports and the commentary provided
 - b) note and comment on the SRA 2019 Workforce EDI report at annex 4.

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 nos
We recognise the impact of Covid-19 pandemic on the wider sector and consumers from every community	Para 5
The balanced scorecard and commentary includes aspects of EDI within the agreed indicators, including the SRA's latest gender pay gap data.	Annex 3
Reporting on our work programme and our Strategic Risk Register also cover key areas of our EDI work.	Annex 2
Equality, Diversity and Inclusion considerations are prevalent throughout the SRA Workforce EDI report and supplementary annex.	Annex 4

SRA Third 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 July 2020. These are:
- Annex 1: Financial Performance Update
 - Annex 2: Work Programme Update
 - Annex 3: Balanced Scorecard
 - Agenda item 7: Strategic Risk Register
- 4 In addition, for this quarterly report, the annual SRA 2019 Workforce EDI Report is included and discussed at annex 4.

Quarter 3 2019/20 performance update

- 5 The ongoing implications and uncertainty around the Covid-19 outbreak on the SRA, the wider sector and consumers have continued to be felt in the third quarter. The impact of this can be seen in our financial update, work programme update and balanced scorecard and is also reflected in the updated strategic risk register.
- 6 During the period we have also experienced an impact on our performance from the roll-out of a new CRM system in our Authorisation Directorate and a new telephony system in our Contact Centre and Ethics Helpline. This has involved a huge amount of effort across the business, including the delivery, training and cut-over activities, to ensure a successful implementation. There has also been a period of bedding-in while initial teething issues have been resolved.
- 7 The financial update at the end of July explains that we are currently favourably within our financial forecast and budget. While there have been challenges on expenditure as a result of Covid-19, particularly around the additional IT spend following changes made to working arrangements and telephony systems, these have been offset by savings, such as reductions in staff travel. Concerns earlier in the year about reduced income and increased expenditure have been effectively managed and, following a further reforecast exercise carried out during August, we remain confident that income and expenditure will be managed within the overall budget for the year. 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.
- 8 As with the last quarter the majority of the activities in our work programme remain on track. Four objectives were marked as amber, three were a continuation from the last quarter, with one new addition which was activity 3.3, relating to compliance which is linked to issues arising from Covid-19. The next update will be the final quarter of the work programme and will show how the year has progressed. There were also a larger number of documented achievements last

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quarter with a number being derived out of the Covid-19 outbreak such as delivery of a cloud-based telephony system.

- 9 Our balanced scorecard demonstrates how the outbreak has impacted on our communications and also delivery against our operational KPIs.
- 10 In terms of the external measures:
- Sentiment of media coverage - while the actual volume of positive coverage has remained fairly consistent over the past three quarters, there has been a significant increase in the volume of neutral reporting linked to the impact of Covid-19. This has the effect of reducing the relative percentages of positive and negative coverage.
 - Website traffic has generally been higher than previous years, with the exception of Q3. Last year, communications around our new Standards and Regulations in Q3 contributed to an increase in traffic. We have also seen a drop in Q3 traffic this year when compared to Q2, partly due to a significant drop in visitors to our coronavirus content.
 - Events - in light of the fact that in-person events cannot take place, we continue to expand our programme of webinars and online events. This includes exploring new technologies and approaches that will help us to further engage with our stakeholders, including for our 2020 Compliance Officers Conference.
 - Social media -the increase in levels of social media engagement is, in part, due to replacing in-person events with online video broadcasts. We are, also, increasingly rolling out content and using social media channels as a direct engagement platform in relation to the Solicitors Qualifying Examination.
 - Website traffic to coronavirus content - visitor numbers to our online coronavirus support materials (Q&As, guidance and webinars) peaked in March/April, but have significantly reduced in recent months, as have the number of queries on coronavirus-related issues raised via our social media channels. This probably reflects the sector response to the initial impacts of Covid-19.
 - Customer feedback on our Contact Centre calls and emails – We implemented a new telephony service in June and went live with a new customer relationship management (CRM) system in July. We have maintained high levels of positive feedback from customers calling our Contact Centre, despite longer call waiting times. Feedback on email correspondence has been less positive in quarter 3 with a drop from 78% positive feedback to 60%. This has been primarily driven by the absence of a full telephony service during May and June, with the obvious frustrations for customers who have a preference for speaking to one of our team. Ongoing teething issues with both systems during the early period following implementation means that we are likely to see the underperformance continuing during Q4.

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Delivery measures

- Investigations and Supervision - the overall caseload position has continued to fall and we achieved 92% against our 95% KPI over the quarter. Continued delays, as a result of Covid-19 related issues, is the main driver for the under-performance and is something that we are continuing to monitor closely (as at the end of July we were tracking 77 cases identified as on hold due to Covid-19 related issues, down from 120 in quarter 2). We expect performance to improve as we move forward through the year but will continue to be impacted by delays earlier in the year as we report performance over the next 12 months.
- Authorisation – both Individual Based (IBA) and Firm Based Authorisation (FBA) have been impacted by Covid-19 related delays during the quarter (some applicants have delayed responding to our enquiries). Both areas have also been impacted by the preparation and launch of the new CRM system, which has involved a significant amount of pre-launch training and work to reduce WIP levels. We expect the situation to continue into the early part of quarter 4 as the team provide additional support to customers as they adopt the new system.
- Compensation Fund - claims to the Compensation Fund have continued to be processed within KPI with minimal impact from the Covid-19 crisis on the team.
- Contact Centre call handling – we have seen continued under performance against our Contact Centre call handling KPI. This has been driven by the need to train and deploy both a new telephony system, which went live in June and the new CRM system that went live in early July. Ongoing teething issues with both systems during the early period following implementation means that we are likely to see the underperformance continuing during Q4.

Internal measures

- 11 Staff turnover continued to decrease in the last quarter. Observations of the volatile recruitment market during Covid-19 indicate uncertainty and a possible desire to maintain existing job security amongst our staff. In addition, time lost to sickness continues to decrease and we are reminding staff to ensure all absence is logged on the system. Both the turnover and sickness continue to be below the external benchmark; however both external benchmarks are recorded less frequently and are probably not yet reflecting the impact of Covid-19. We are delivering all training virtually and the number of training hours has significantly increased with the roll out of RegOps1 and its associated training requirements during this quarter.

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Financial measures

- 12 The financial section of the scorecard summarises the position at the end of quarter three which, as mentioned in paragraph 7, is that the overall position at the end of July is £373k favourable compared to the forecast prepared during May and June. The increase in computing and digital costs associated with the move to homeworking because of Covid-19 has been offset by the reduction of £145k within associated staff costs.

Strategic Risk Register

- 13 The updated strategic risk register is discussed in greater detail under agenda item 7; however the total number of risks has remained unchanged at six.
- 14 As referenced in the cover paper for the Strategic Risk Register, the Executive has considered the appropriate oversight of those risks identified by the Board in the July workshop which were not considered appropriate for the SRR, including inclusion on the Mid-tier Risk Register, tracking via the balanced scorecard and other monitoring approaches. A robust monitoring process is in place to ensure that the Board is fully sighted on progress of these Mid-tier risks, where appropriate, including escalation to the SRR, monitoring through the balanced scorecard and reporting through, for example, the Chief Executive's report.

Conclusion

- 15 When considered together the performance reports demonstrate how we are effectively managing the changes brought about by the Covid-19 outbreak as well as the introduction of new technology (both in response to the Covid-19 pandemic as a part of our wider modernising IT work). As discussed previously, it will be some time before the full implications of the pandemic are properly understood and we will continue to monitor and address any further issues as they emerge.

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

- 16 The SRA 2019 Workforce EDI report is provided at annex 4 with a separate cover paper highlighting key issues.

Recommendation: the Board is asked to note and comment on the SRA 2019 Workforce EDI report at annex 4.

Next steps

- 17 We will continue to report to the Board in full on our performance every quarter.

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SRA BOARD
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Annexes

- Annex 1: Financial performance update**
- Annex 2: Work programme update**
- Annex 3: Balanced Scorecard**
- Annex 4: SRA 2019 Workforce EDI Report**

NB: Annex 1 of this paper will not be published because it contains information which is commercially sensitive. Annex 4 will not be published because it relates to emerging policy or strategy.