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*This paper will be published*

## **SRA First Quarter Performance Report**

### **Purpose**

- 1 This paper provides the Board with an overview of the performance report for the first quarter of 2020/21.

### **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](mailto:liz.rosser@sra.org.uk).**

### **Equality, Diversity and Inclusion considerations**

<b>Consideration</b>	<b>Paragraph</b>
The balanced scorecard and commentary include 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

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

3 The Board is asked to consider four separate documents which together provide an update on performance at the end of January 2021. These are:

- Annex 1: Financial Performance Update
- Annex 2: Work Programme Update
- Annex 3: Balanced Scorecard
- Agenda item 7: Strategic Risk Register

**Quarter one 2020/21 performance update**

- 4 This is the first quarter reporting against the delivery of the new Corporate Strategy as well as the 2020/21 Business Plan.
- 5 In quarter one we delivered the RegOps 2 Case Management System which was both on time and to budget. We also completed the decommissioning and exit of our data centre bringing about cost savings and lessening risk. During this period we also successfully hosted two of our largest events online.
- 6 We have been through a challenging past year as we have dealt with the impacts of the Covid-19 pandemic at the same time as significant transitions through delivery of our complex Modernising IT programme. We will continue to see the impact of these changes on performance for some time as we work hard to move organisational performance to a 'new normal'. We reported in the last performance update an aim to bring operational performance in line with where it was at the beginning of 2020, and we are pleased to report an improving position in quarter one. We expect this positive trajectory to continue as we move through the year.
- 7 There was one activity in the business plan that was marked as Red. This was 'We will look at how the planned second round of the Regulators' Pioneer Fund, which will provide £10m of funding subject to the outcome of the Government Spending Review, can contribute further to increasing access to justice.' The reason this is off-track is that external funding has been suspended which has meant that we are not able to progress at this time; further detail is provided in annex 2. Two activities have not yet been started as they are due to commence later on in the year.
- 8 One of the activities that has been carried across from last year's business plan is in relation to our Brexit activities that was reported as Amber during quarter 4 2019-20; this is now on track for quarter one.

**Balanced Scorecard for quarter one**

9 In terms of the external measures:

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Communication

- Media sentiment – Media sentiment in the first quarter includes an unusually high volume of negative coverage. This largely relates to a High Court decision that overturned an SDT order to fine a former Freshfields partner for failing to act with integrity in his relationship with a junior colleague. We consider that the judgment and the public debate raised important questions regarding our regulatory role, and published a statement accordingly.
- Web traffic – The first quarter of the legal year, which includes the festive season, always sees a decline in web traffic from the peak of the practising certificate renewals exercise in October. The overall trend in visits to the SRA website remains strongly positive.
- Events – We continue to expand our offering of webinars and other virtual events. The sharp increase in reach (to more than 30,000 views) is due to the fact our two largest events of the year took place in this quarter. These were our annual Compliance Officers Conference and Solicitors Qualifying Examination Conference. Together, they accounted for around two-thirds of all views in the quarter.
- Social media – Engagement with the SRA’s social media content in the first quarter followed a similar pattern to website visits. Post volume, reach and engagement peaked in the fourth quarter, with practising certificate renewals calls to action and lead-up communications accounting for much of the engagement with SRA posts.
- Customer satisfaction feedback on our calls and emails has remained below normal levels due to the ongoing issues that we have experienced with the Practising Certificate Renewal Exercise (PCRE) system. This is now improving for both calls and emails as the underlying issues have now been resolved and we expect to see our feedback results improve over the next quarter with normal satisfaction levels returning at the end of quarter two. We continue to maintain the Institute of Customer Service (ICS) accreditation in our Contact Centre and are due to be re-assessed in quarter three as part of the annual accreditation process.

Delivery measures

- 10 Performance against our delivery measures has remained relatively strong during quarter one despite the ongoing challenges of the Covid-19 Pandemic and the most recent national lockdown. We also experienced some disruption in December and January as we replaced our legacy IT systems across our key operational functions and implemented a new customer relationship management (CRM) system (RegOps 2).
  - Investigation and Supervision – performance over the last four quarters has remained relatively stable since the start of the Covid-19 Pandemic (when we saw a drop in performance) and in quarter one achieved 91% against our 12-

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month KPI (down from 92% in quarter 4). We expect the impact of delays caused by the Covid-19 Pandemic to persist over the next 12 months; however, we do expect to see an improving position as the initial impact of the Pandemic reduces and our new IT systems bed-in. In quarter 2 we are forecasting performance to improve to 93% against the 12-month KPI of 95%.

- Authorisation – We saw an improving position in our performance against our Authorisation KPIs in quarter one, with Firm based Authorisation meeting its target and Individual based Authorisation falling just short at 82% of the 90% target (up from 74% in quarter 4). Initial teething issues experienced with the new PCRE system earlier in the year and the knock-on impact of this is the main reason for the continued under performance and will persist until the end of quarter 2, as we reduce work in progress levels back to their normal levels.
- Contact Centre – Performance against our call answering KPI has improved over the last quarter with 75% of calls answered in 60 seconds (compared to 36% in quarter 4) and against a target of 70%. Initial teething issues with the new PCRE system were resolved by the end of quarter 4, allowing the Contact Centre to revert to normal service levels.
- Client Protection (referenced compensation fund on the balanced scorecard) – Our Client Protection function performed well during the quarter and managed the cut-over to the new CRM (Regus 2) with very little disruption to service.
- Complaint handling – We continued to handle service complaints within our stated KPIs at both stage 1 and stage 2. The volume of stage 1 complaints did, however, increase, because of the issues experienced with the new PCRE system. In the main these were fully resolved at stage 1 through focused activity to resolve blocked applications, and, as a result, we have not seen a corresponding rise in stage 2 complaints.

Internal measures

- 11 Staff turnover continues to decrease. Observations of the volatile recruitment market during Covid-19 continues to indicate uncertainty and a possible desire to maintain existing job security amongst our staff. In addition, time lost to sickness also continues to slightly decrease. The main reason for sickness is recorded as stress and we are continuing to promote well-being initiatives and other interventions such as our employee assistance and occupational health provisions. We have also seen an increase in staff testing positive with Covid-19. Since April 2020 and for the rest of the year, we saw an average of 21 days per month lost to staff off sick with Covid-19. In January 2021 this increased significantly with 139 days lost to staff off sick with Covid-19 in one month alone. We are monitoring this very closely. 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.

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- 12 The number of training hours continues to be high in November and December as expected due to the roll-out of our IT system, RegOps2. January saw a return to a normal level of training hours.
- 13 We are now in a position to report our gender pay gap as at 5 April 2020. The mean pay gap has decreased 0.5 per cent to 10.6 per cent whereas the median pay gap has increased two per cent to 8.8 per cent. This increase in the median is predominantly caused by a shift in percentage between male and female around the lower middle and upper middle quartiles. The data has caused the female median to shift to towards lower middle quartile more and the male median to move towards the upper middle quartile more and therefore creating a wider gap of 2%.

Financial measures

- 14 Income for the year is in excess of budget due to increased practising certificate fees. The budget assumed that we would see a reduction in practising solicitors due to the impact of the Covid-19 pandemic, though in practice we have not seen the expected reduction.
- 15 Expenditure is being managed within the agreed budget and there is no risk to the full year position.

Strategic Risk Register

- 16 The updated Strategic Risk Register is discussed in greater detail under agenda item 7. Since the review by the Board in December 2020 the number of risks remains unchanged at five.
- 17 As referenced in the cover paper for the Strategic Risk Register, on 2 March 2021 the Audit and Risk Committee (ARC) reviewed the latest update to the strategic risk register and agreed that the report would be presented to the Board for approval.

Conclusion

- 18 This quarter saw the continued improvement in our performance measures and some noticeable highlights against our activities in the business plan. As mentioned previously, we expect this positive trajectory to continue as we move through the year.

**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.*