

SRA BOARD
7 December 2021

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This paper will be published

Continuous Improvement Update

Purpose

- 1 This paper provides an update on the newly established Continuous Improvement programme and associated activity to deliver improvements in how we work and our customer service, efficiencies and better value for money; as well as updating on progress towards achieving previously agreed targets.

Recommendations

- 2 The Board is asked to note:
 - (a) the update on the Continuous Improvement programme
 - (b) progress achieved against targets
 - (c) the Value for Money activities delivered as part of managing our budget.

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
EDI will be considered as part of individual review and proposal progressed	28

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Continuous Improvement Update

Background

- 3 The Board has previously discussed our work to achieve value for money and efficiencies. In March this year, we outlined plans for introducing a Continuous Improvement programme and specific targets to build on achievements delivered so far, including the benefits associated with the Modernising IT (MIT) programme. At the April Board meeting this year, there was a further discussion on the targets in relation to agreeing the net funding requirements.
- 4 The Continuous Improvement programme has now been formally established with the aim of identifying and implementing opportunities to increase our efficiency and effectiveness so that we can improve service levels and customer and staff experiences and/or reduce our net funding requirement, and/or undertake new activities without increasing costs.

Discussion

Agreed Targets

- 5 Good progress has been made with the targets discussed at the March Board meeting and confirmed at the April Board meeting, with the 2021/22 target achieved and opportunities already identified for the 22/23 target.
- 6 As part of the approval of the net funding requirement in April we identified expected efficiencies to be delivered during 2021-2024. This included reductions following the completion of the MIT programme and the implementation of the Continuous Improvement Programme. These expectations are reflected in the table below.

Year	Target	Status	Progress
2021/22	£1.02m: - £600k reduction in project budget - £420k derived from MIT benefits	Achieved	Project budget already reduced by £600k - £420k achieved (plus additional £120K carried forward against 2022/23 target) through administrative efficiencies and printing costs
2022/23	£1.5m: - £500k reduction in project budget - £500k derived from MIT benefits - £500k from savings identified from additional continuous improvement	In progress	Project costs of £500k to be removed from budget £240k in total identified to date: - £120k identified from savings associated with MIT benefits.

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			- £120K further savings from administrative efficiencies and reduced printing costs (already delivered)
2023/24	£1m	To be started	£1m savings to be identified by 1 November 2023

Progress to date

- 7 As a precursor to the formal Continuous Improvement programme being established, specific work has been done on pre-identified opportunities for efficiency savings and improvements. This activity has helped to inform the approach and planning for the programme going forward.
- 8 We have looked closely at administrative efficiencies now that we have completed the MIT programme. The planned programme has simplified and automated many business processes, enabling savings to be realised through the efficiencies in new ways of working.
- 9 The review also identified additional efficiency savings through improved ways of working across other administrative functions across the SRA.
- 10 We have also undertaken pilot exercises with key operational teams over the summer reviewing and documenting processes and procedures. This pilot exercise has identified immediate improvements in ways of working that can be introduced now, additional small changes that we will schedule to be made to our IT system as well as identifying possible projects to enhance the quality of information in reports submitted to us. This has already improved timeliness in this area and helped us to develop our forward approach to continuous improvement.
- 11 These improvements will be progressed and quantified where possible to determine further efficiency savings for 2022/23 and 2023/24 targets. The pilot also produced valuable lessons on the best way to conduct reviews of operational processes and how they should be documented. Those lessons have helped to guide the planning for the wider Continuous Improvement programme.

Staff Engagement

- 12 Our staff surveys and our work with the Institute of Customer Services has consistently shown an appetite across the organisation for staff involvement in improving how we work. The programme seeks to engage staff throughout the process, encouraging them to contribute ideas for process improvements and efficiency savings and seeking to build a culture of continuous improvement.

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Staff will be involved in a variety of ways, including on particular projects and teamwork and through wider corporate discussion, as well as regular surveys, communications and updates.

Next Steps for Continuous Improvement Programme

- 13 Over a three-year period, the programme will be focused on:
- Identifying immediate opportunities to improve how we work, our effectiveness, efficiency, and customer experience by reviewing and auditing our existing processes
 - Creating plans to quantify and deliver those process improvements and associated benefits
 - Implementing and embedding the improvements, making sure that all staff are engaged and supported to follow any new processes in a consistent manner, with systems that enable and support that adoption
 - Putting in place mechanisms to monitor realising the anticipated benefits once the processes have bedded in
 - Providing solid foundations for building a continuous improvement culture across the organisation
 - Working with our teams to design and implement structures, controls, and processes to embed and drive an ongoing continuous improvement cycle once initial improvements have been delivered
 - Delivering the targeted efficiency savings which can be used to improve how we work or reduce our net funding requirement or undertake other activities without increasing costs.
- 14 Annex 1 sets out the three-year high-level plan. Reviewing each business process area will result in updated process documentation and ideas for improvements with an overriding aim to remove any unnecessary steps from each process.

Continued Value for Money

- 15 Alongside the formal Continuous Improvement programme, we continue to absorb significant additional costs resulting from inflationary pressures as well as undertaking new areas of work.
- 16 For example, in the 2021/22 planning process, we have faced additional unanticipated pressure on the budget in the form of increased national insurance contributions from April 2022 and the loss of income from Certificates of Good Standing. These two factors impacted the budget by

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£373k. As part of the budget setting process, we have removed costs across a range of areas to ensure that the budget remains balanced.

- 17 Delivering value for money is also built into our everyday processes. Examples include:
- Continuous improvement is an intrinsic part of the procurement and contract management function. All new contractual arrangements are overseen by the procurement team, ensuring that we obtain the most appropriate solution. Value for money is ensured by considering the overall proposition, which may not necessarily be the lowest cost. The total value proposition considers pricing and internal costs of processes, costs of change and short- and long-term liabilities.
 - Existing contracts are monitored and managed to ensure quality of delivery throughout the life cycle of the contract. They are subject to a continuous programme of review and are retendered or benchmarked regularly to ensure market competitiveness. This also allows us to take advantage of new opportunities and innovations in the marketplace
 - All new recruitments, whether new roles or replacing leavers, are considered by HR and finance before being approved by an Executive Director. This ensures that all roles are funded before being recruited and the rates of pay offered reflect the appropriate levels in the market.
- 18 This culture of value for money is embedded throughout our work, so whilst there is more we can do in terms of efficiency in our processes and other strands of this programme, we have positive aspects in place to build upon.

Recommendations: the Board is asked to note:

- a. the update on the Continuous Improvement programme**
- b. progress achieved against targets**
- c. the Value for Money activities delivered as part of managing our budget.**

Supporting information

Previous Board consideration

- 19 The Board has previously considered continuous improvement and its associated targets in March and April 2021.

Links to the Corporate Strategy and/or Business Plan and impact on strategic and mid-tier risks

- 20 This paper relates to objective one in the Corporate Strategy:

We will set and maintain high professional standards for solicitors and law firms as the public would expect and ensure we provide an equally high level of operational service

How the issues support the regulatory objectives and best regulatory practice

- 21 The programme seeks to support the regulatory objectives by ensuring we work effectively to provide our services for our customers and protect the users of legal services. The programme is designed to be targeted and proportionate in line with the better regulation principles.

Public/Consumer impact

- 22 The public and consumer benefits and impact will be considered for each individual proposal progressed under the programme.

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

- 23 See paragraph above for the approach to staff engagement. External engagement will be undertaken as necessary on individual ideas and proposals taken forward.

What equality and diversity considerations relate to this issue?

- 24 Equality and diversity impacts will be considered as necessary on the individual ideas and proposals that are progressed under the programme.

How the work will be evaluated

- 25 Benefits realisation will be continually tracked with the individual ideas and proposals that are progressed along with ongoing reviews on the ways of working and effectiveness of the programme.

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Date

Annexes
Annex 1 Three year high level plan