

SRA BOARD
7 December 2021



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This paper will be published

Review of the Balanced Scorecard

Purpose

- 1 As part of our performance reporting approach, the Board agreed that it would review the Balanced Scorecard on an annual basis to ensure the measures contained in the scorecard continue to meet Board requirements.

Recommendations

- 2 The Board is asked to:
 - a) consider the proposed amendments to the scorecard
 - b) approve amendments to the scorecard.

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

Equality, Diversity and Inclusion considerations

Consideration	Paragraph nos
Reporting on our business plan and our Strategic Risk Register also cover key areas of our EDI work.	
The balanced scorecard and commentary includes topical aspects of EDI within the agreed indicators, including for example, our latest gender pay gap data.	

Review of the Balanced Scorecard

Background

- 3 In March 2020 the scorecard was first developed as part of a suite of performance reporting to provide the Board with clear oversight of organisational performance. The suite includes the scorecard, a separate Finance report, a review of progress against our business plan, the Strategic Risk Register and an overarching report pulling together key issues and themes.
- 4 The primary purposes of the scorecard and our wider performance reporting are to provide the Board with a clear understanding of performance management within the organisation and to enable it to hold the Executive to account. The Board considered and approved a second iteration of the pack at its meeting on 22 June 2020 reflecting agreed evolution of the pack to provide additional useful insight. At this time the Board members agreed they would review the scorecard on an annual basis to ensure it continued to meet its needs. This review has been slightly delayed to incorporate the outcomes of the Internal Audit review.
- 5 The current scorecard is made up of the four quadrants with measures updated on a quarterly basis. In addition, other measures are included when appropriate or when separately identified as “topical measures”. The measures that currently sit under each quadrant are:

External

- 6 These provide an overview of our communication and stakeholder engagement work, including trends, using measures for:
 - Sentiment of media coverage
 - Website traffic
 - Customer feedback on our Contact Centre calls and emails
 - Social media engagements
 - Topical measure – such as virtual events feedback.

Delivery

- 7 These provide an overview of operational performance, including trends, across the organisation and include measures for:
 - Investigation and Supervision
 - Firm Based Authorisation
 - Individual Based Authorisation
 - Compensation fund claims handling
 - Call handling in the Contact Centre
 - Corporate complaint handling.

SRA BOARD
7 December 2021



CLASSIFICATION – PUBLIC

Internal

- 8 These provide key information about our workforce and demonstrate whether internal practices are having a positive effect on staff such as engagement, wellbeing and retention. In addition, providing an external benchmark of similar type organisations from reliable external sources. These four measures are:
- Voluntary staff turnover
 - Time lost to sickness
 - Total number of training hours
 - Topical measures – such as gender pay gap.

Financial

- 9 These measures provide information on budget management and cover the source of funding, the drivers for expenditure and the current position on income and expenditure. These measures are:
- Where our money comes from
 - Where our money is spent.
- 10 Further financial information is provided in a separate financial report for the Board which includes further detail and also covers the Compensation Fund finances.

Discussion

- 11 In order to inform the Board discussion, the Executive has reviewed the existing scorecard and identified a number of areas where the scorecard could be enhanced. This is alongside the internal audit that was carried out on our organisational performance management, the report is attached in annex 1. The report highlighted a number of areas of good practice, but similarly some recommendations to consider.
- 12 The proposed changes are set out below and reflect suggestions from Board and changes in our work profile. In addition, from quarter four we have amended the data to include six quarters' performance rather than four, to give greater insight into trends and comparisons. This was requested by the Board at the quarter three discussion.

Proposed Changes

External Quadrant

- 13 We propose keeping four of the five external communications measures on the balanced scorecard, with some minor changes to improve them further. These are:
- Reporting our total social media followers alongside our social media engagements. This will provide further information on the development of our social media channels

SRA BOARD
7 December 2021



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- supplementing our virtual event metrics with attendance figures and feedback from our physical events, which are now running again
 - including targets in the external measures of the scorecard, to provide context or to indicate whether the metrics recorded are in line with expectations (as per audit recommendation).
- 14 The one measure we propose changing is website traffic numbers, which we propose replacing with Google search click-throughs. In the light of the cookie consent limitations on assessing website traffic, Google click-throughs offers a more robust measure that reflects the way that a large proportion of users will reach our website.
- 15 For information, we both routinely and as required collect and report internally on a wide range of digital performance metrics (both aggregated and disaggregated) for our web, social, multimedia and high-volume email channels. Such metrics include, but are by no means limited to, the following:
- *websites* - unique visitors, bounce rate, average visit duration and depth, average time on page, source and Google web search impressions, average position and click-through rate
 - *social media* – impressions, engagement rate, net audience growth, cost per click, equivalent earned media value (at various levels of disaggregation, from post to campaign, and from format to channel)
 - *multimedia* – unique viewers, total watch time, impressions click-through rate, average view duration
 - *high-volume email* – open rate, click-to-open rate, forward rate
- 16 Nearly all of the above measure either *reach* or *engagement*. At our highest level of reporting, to supplement a single measure of reach such as website visits with a measure of engagement, we could also include average time on page – the average time spent on a single page by all the users of a website.
- 17 We also propose adding one new measure – reporting back on how stakeholders who attend our events view the SRA. We would be able to report quarterly on what proportion of stakeholders view us positively, neutrally and negatively.

Delivery Quadrant

- 18 The Board has previously discussed the 12-month investigation target and agreed that a more nuanced set of targets are needed to provide greater visibility of those cases that inevitably take longer than 12-months. Our proposal is to adopt three targets that allow Board members to track the overall caseload through the full lifetime of an investigation to the point individual cases are referred to the Solicitors Disciplinary Tribunal. The targets would be 93% of cases completed in 12 months, 95% of cases completed in 18 months and 98% of cases in 24 months.

SRA BOARD
7 December 2021



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- 19 Currently around 20 of the cases received each month end up taking longer than 24 months to conclude. These are tracked on a case-by-case basis through our management level reporting to ensure they are concluded as soon as possible. The types of issues that cause cases to take this long vary but include cases where we are awaiting a third-party process (such as a police investigation or public inquiry), cases that expand in scope during the investigation and cases where parties fail to engage. We have also seen an impact from the Covid-19 Pandemic which we have set out in our performance report to the Board, along with our plans to reduce the volumes of cases in this cohort to c.100 cases over the next 12 months.
- 20 To give more focus on actions required to address out of target elements the commentary on the delivery section will be expanded to give additional information on actions underway to address out of target aspects (as per audit recommendation).

People Quadrant

- 21 We currently report on four measures; these include voluntary staff turnover, time lost to sickness, number of training hours and median gender pay gap. These measures are still valid and at the current time we do not believe there is any reason to change them. Turnover and absence are industry standard measures, while training indicates the investment we make in staff development. We will be monitoring the gender pay gap more frequently now to keep it as live data.
- 22 In addition to the four measures outlined above, the internal audit has recommended including a measure of staff satisfaction with an appropriate target within the scorecard. This could be captured through the 'Pulse' survey.

Finance Quadrant

- 23 We are not proposing any changes to the Finance measures on the scorecard but we will be enhancing the full financial report that is presented to the Board alongside the scorecard. This will include additional information following the establishment of Solicitors Regulation Authority Limited in respect of cashflow and investments.

Topical Measures

- 24 As well as the fixed measures that have been outlined above there are several topical issues that we report on quarterly or annually such as the gender pay gap and feedback on virtual events. This provides the Board with valuable insights on timely issues throughout the year and we will continue to add in measures as and when appropriate.

SRA BOARD
7 December 2021

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Recommendations: the Board is asked to:

- a) consider the proposed amendments to the scorecard
- b) approve amendments to the scorecard.

Next steps

- 25 We will undertake a full review of all measures following the meeting and will bring back an updated Scorecard to the next Board Performance meeting in February 2022.

SRA BOARD
7 December 2021

CLASSIFICATION – PUBLIC



Supporting information

Previous Board consideration

- 26 The scorecard was first developed in March 2020 as part of a suite of performance reporting to provide the Board with clear oversight of organisational performance. The Board considered and approved a second iteration of the pack at its meeting on in June 2020

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

- 27 The Balanced Scorecard is reported to the Board every quarter as part of our performance reporting and is considered along with detailed reporting against the business plan and on financial performance. Taken together these provide the Board with information that supports its oversight of the work of the organisation and the delivery of the business plan and strategic objectives. The Strategic Risk Register is also considered as part of this quarterly performance pack.

How the issues support the regulatory objectives and best regulatory practice

- 28 The Balanced Scorecard provides assurance to Members around our operational performance and support our strategic reporting more generally. Planning appropriately and measuring progress against the plan allows the SRA to ensure delivery of its regulatory objectives.
- 29 The proposed changes meet the better regulation principles of accountability, proportionality and transparency.

Public/Consumer impact

- 30 The scorecard covers areas that engage the public, including through our external work. Publication is transparent and supports public confidence in our work.

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

- 31 The scorecard is published four times a year, along with a range of performance material.

What equality and diversity considerations relate to this issue

- 32 Our commitment to mainstreaming EDI throughout our work means that it is a consideration in all our work. Specifically, through the Balanced Scorecard we have added the median gender pay gap as a topical issue, which will be monitored more frequently going forward. Our social media channels are

SRA BOARD
7 December 2021



CLASSIFICATION – PUBLIC

designed to cover a wide range of stakeholders from all background, as our events.

How the work will be evaluated

33 We will continue to monitor our performance and how we report to the Board every quarter and review the measures annually.

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Annex 1 Organisation Performance Management

NB: This annex will not be published because it includes legal or other professional advice on sensitive or confidential matters.