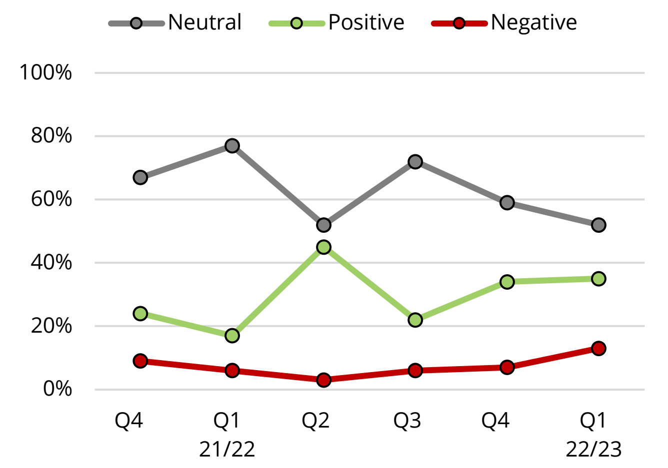
External

Core measures

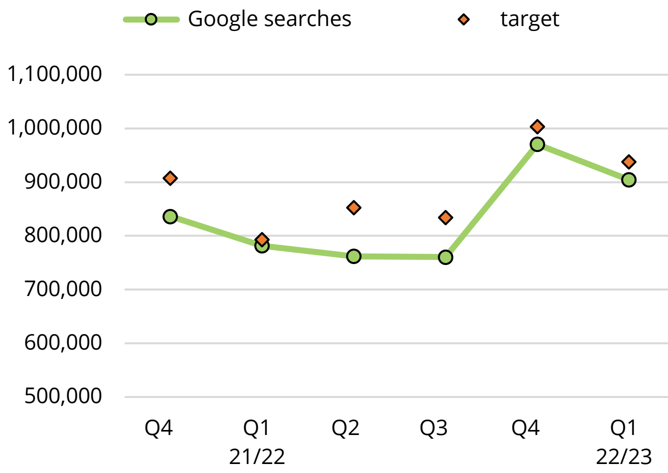
Sentiment of media coverage

Target: Positive should exceed negative



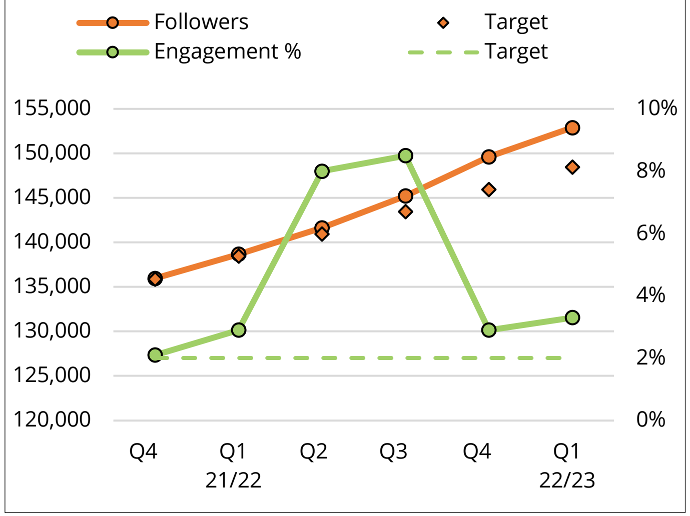
Click throughs to our website from Google searches

Target: 20% up from the same quarter a year earlier



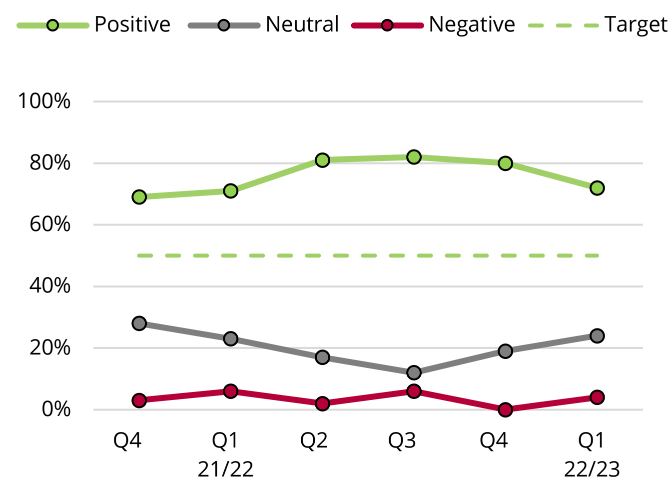
Social media engagements and followers

Target: Followers – 2,500 increase per Q, Engagement % – 2%



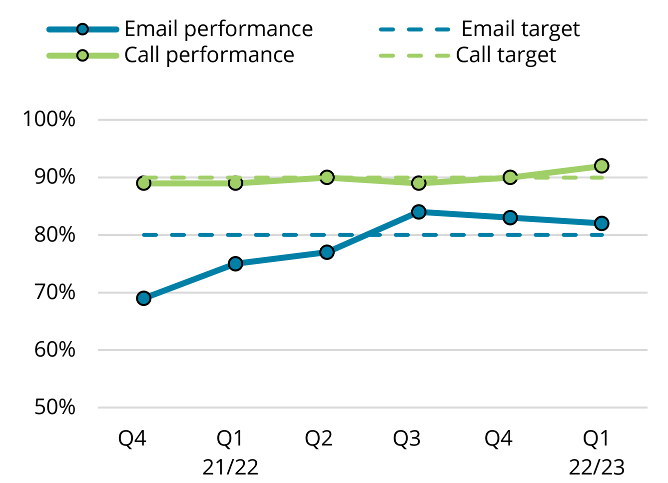
How stakeholders who attend our events view the SRA

Target: Positive feedback 50%



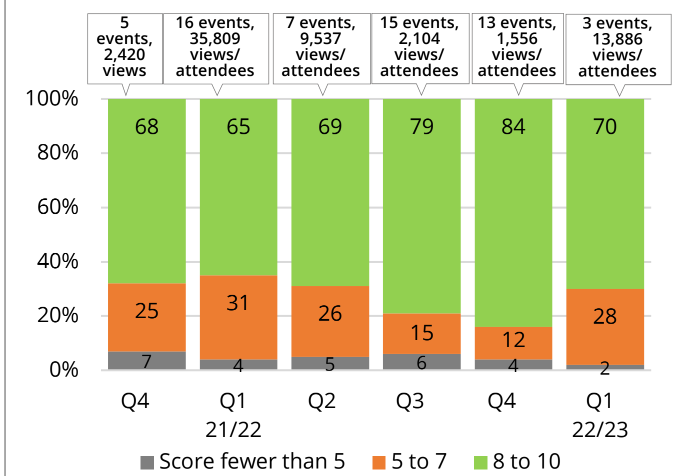
Customer feedback on our Contact Centre calls and emails

Target: % of satisfied responses – calls 90%, emails 80%



Events feedback – usefulness rating

Target: 60% score of 8 or above

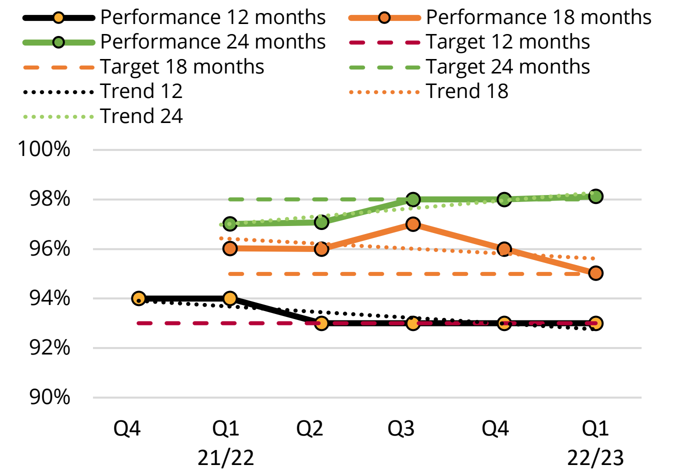


Scale: 1 = not useful at all, 10 = extremely useful

Core measures

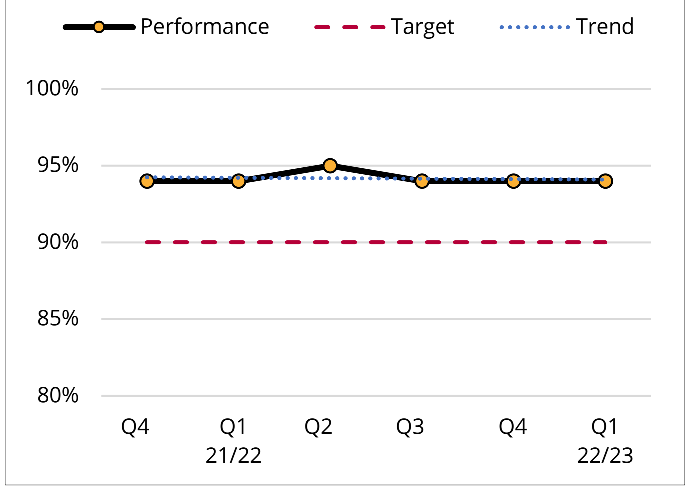
Investigation and Enforcement

Target: 93% of cases to be completed within 12 months; 95% within 18 months; and 98% within 24 months



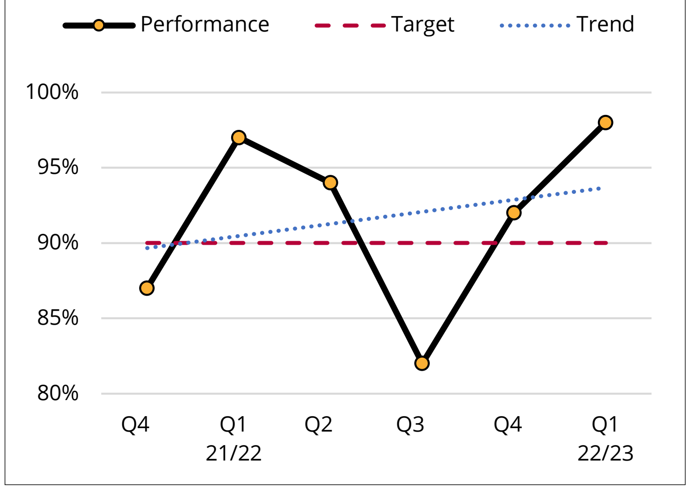
Firm based authorisation

Target: 90% of medium and high-risk applications dealt with in 3/6 months



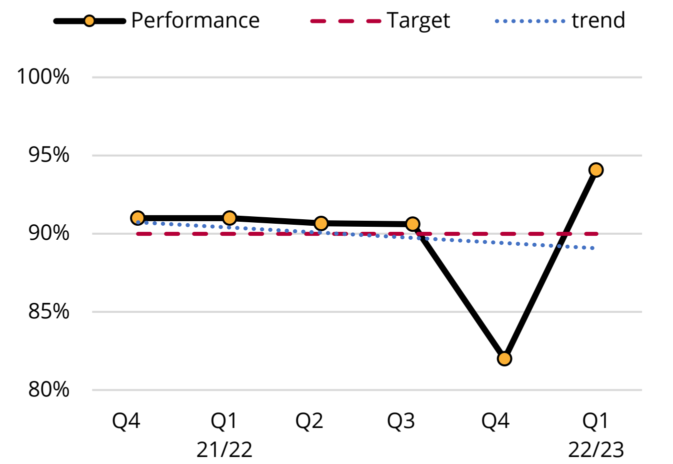
Individual based authorisation

Target: 90% of medium and high-risk applications dealt with in 3/6 months



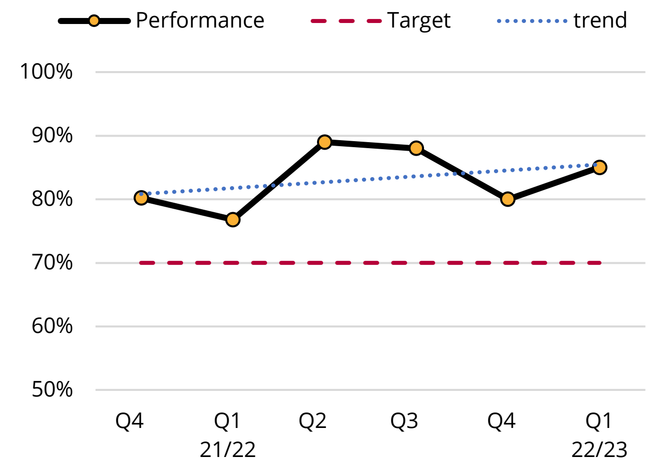
Compensation Fund

Target: 90% of compensation claims completed in 4/6/12 months

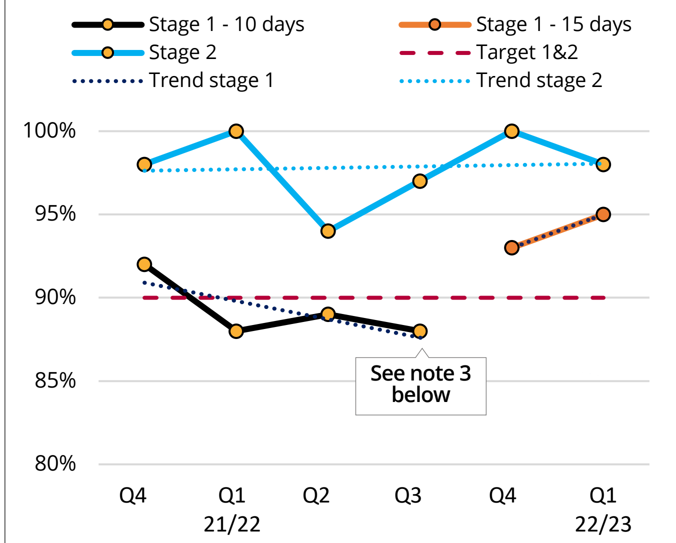


Contact Centre

Target: 70% of calls answered in 60 seconds



Stage 1 and 2 complaint handling

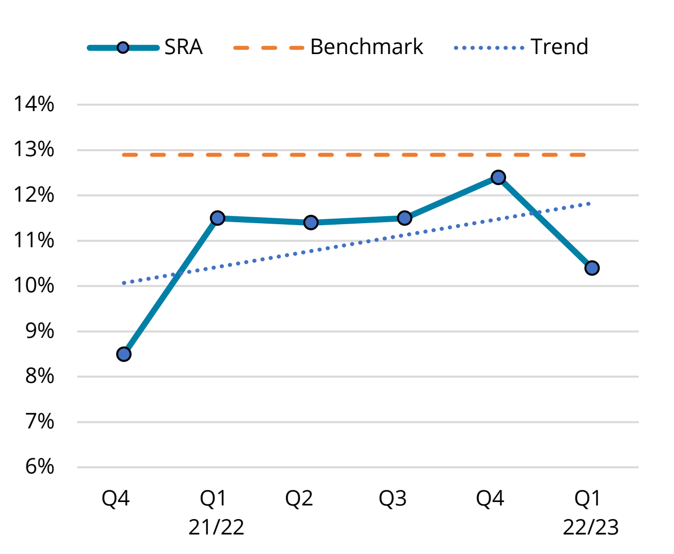


Notes:

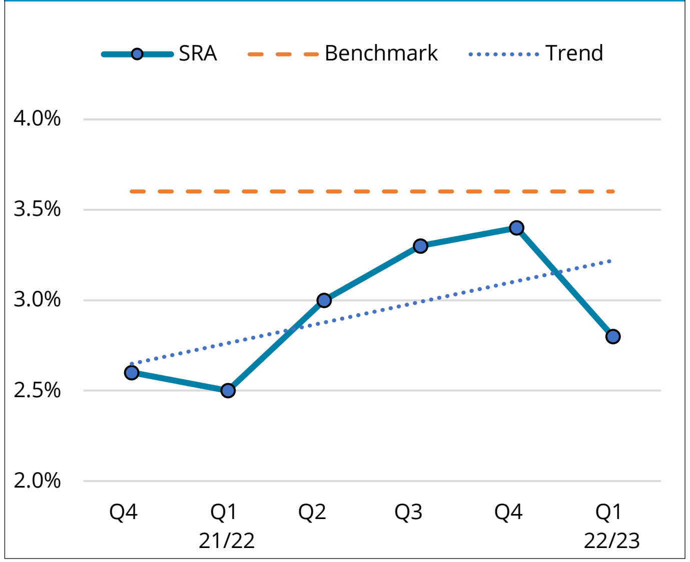
1. Compensation Fund targets: 90% of straightforward claims concluded in four months; 90% of moderate complexity claims concluded in six months; and 90% of complex claims concluded in 12 months.
2. Stage 1 and 2 complaint handling targets: To handle stage 1 complaints within 10 days and stage 2 within 20 days. Stage 1 is the response from the team concerned and stage 2 is the response from our corporate complaints team, where the matter is not resolved at stage 1.
3. The target for stage 1 complaints is currently being piloted at 15 days – reporting was amended in August 2022 to reflect this.

Core measures | Topical measures

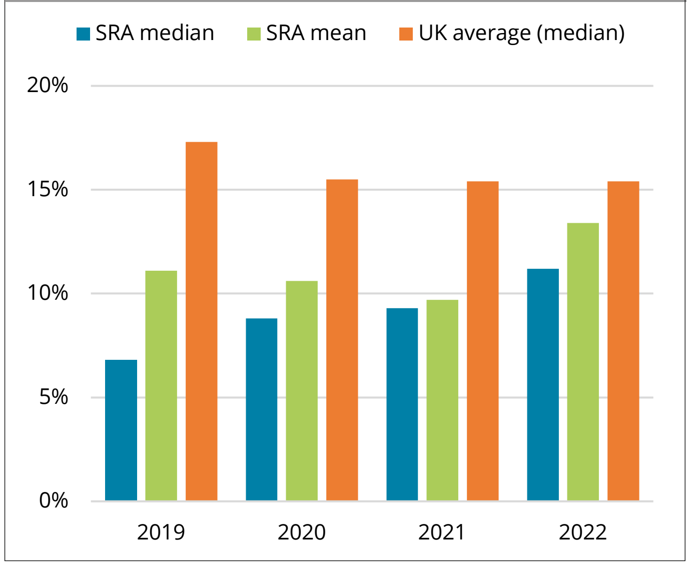
Voluntary staff turnover



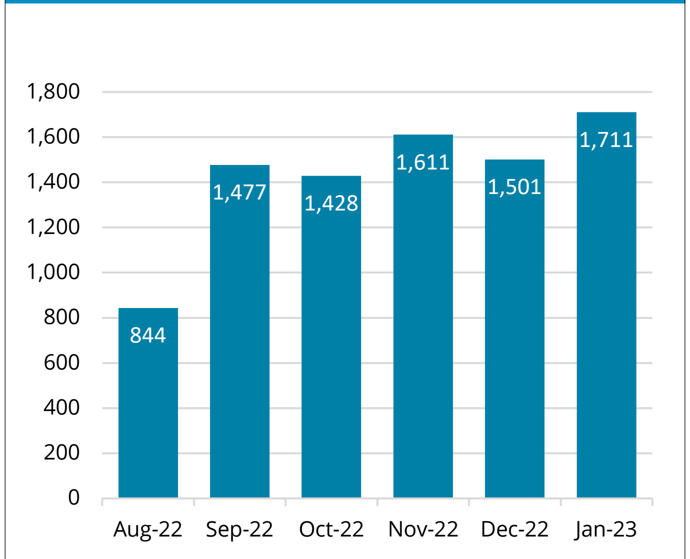
Time lost to sickness



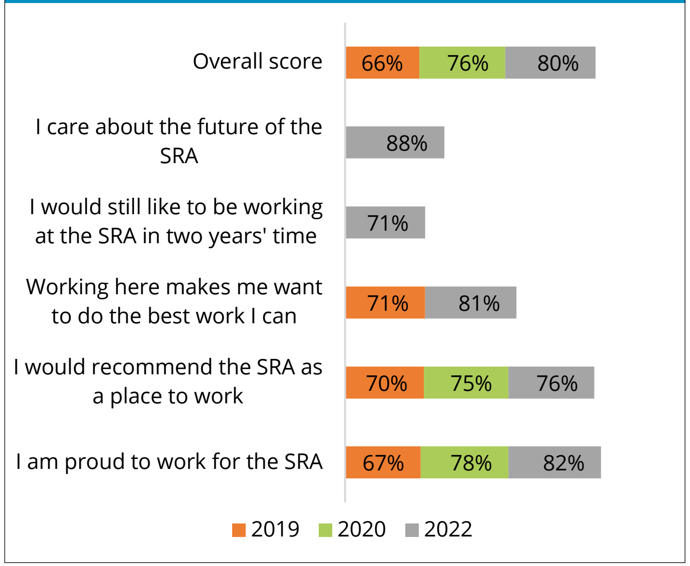
Gender pay gap



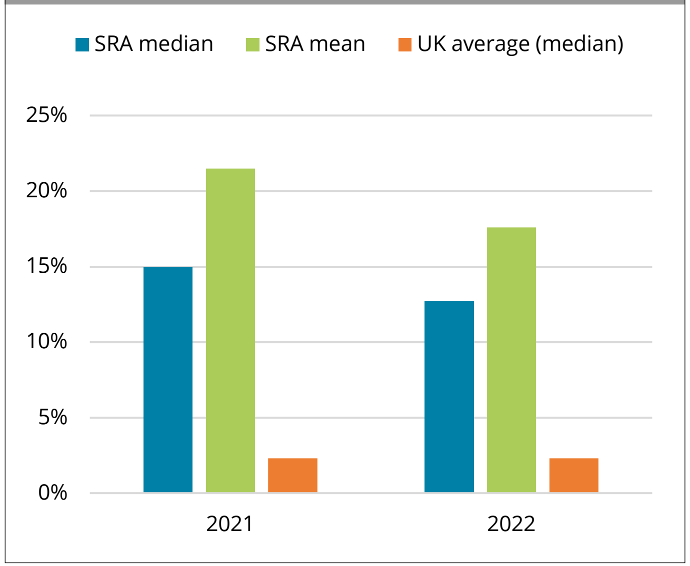
Number of training hours



Staff engagement



Ethnicity pay gap

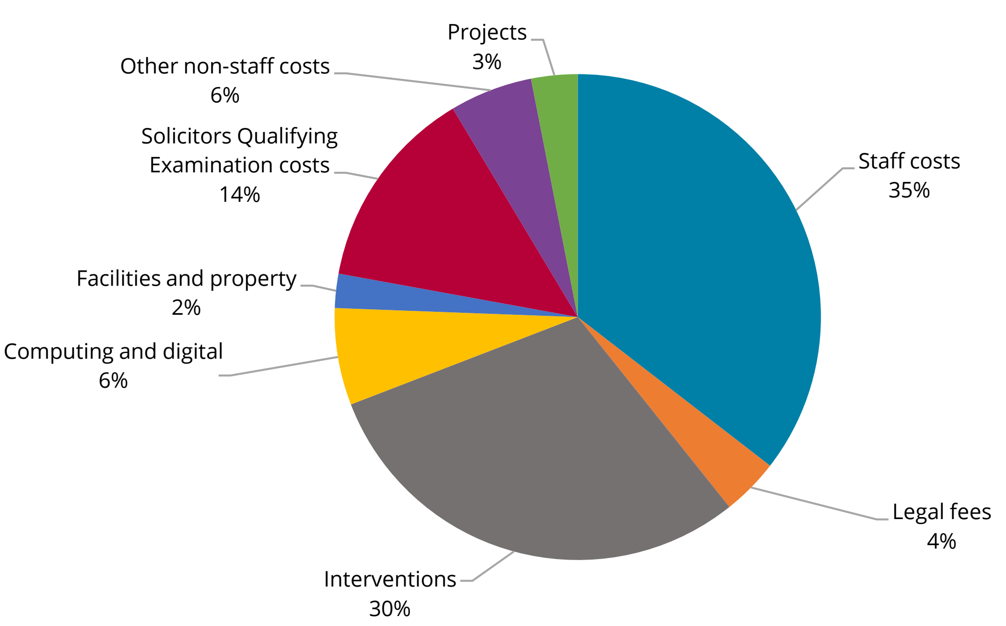


Internal

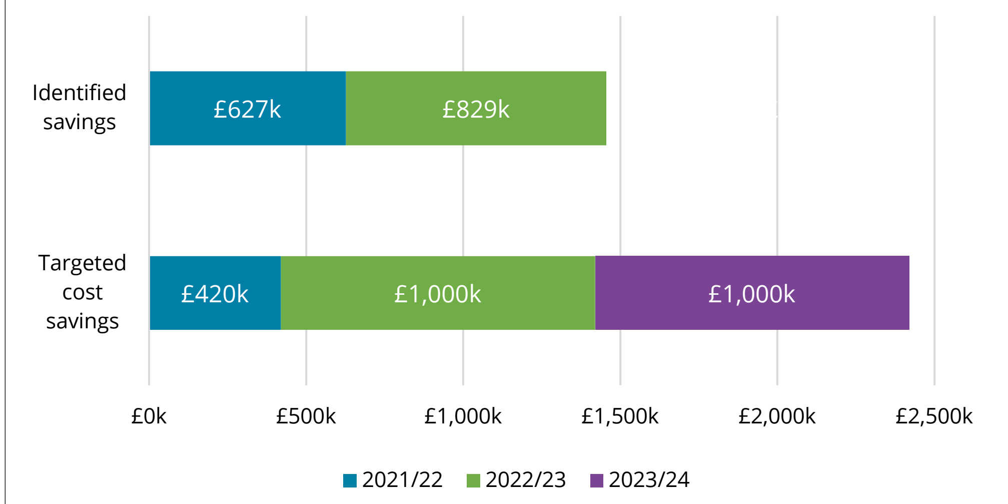
Financial

Core measures

Where our money is spent



Continuous Improvement Programme progress



Variance to budget 2022/23 Q1

£m	Actual	Budget	Variance	Variance %
Income	28.55	21.84	6.71	30.7
Staff costs	9.15	9.49	0.34	3.6
Other costs	17.74	12.05	-5.69	-47.2

Quarter 1 2022/23 performance update

External

Media sentiment

Negative coverage was significantly up as a proportion of all media coverage during Q1, compared to the previous quarter and to the same period a year ago. Still, there was more positive media coverage than negative coverage for an eighth consecutive quarter.

Proposals for updating our fining regime led to negative coverage in November and December, although they also received positive coverage later in the quarter. The topic of strategic lawsuits against public participation (SLAPPs) was also a source of mixed coverage. Our SLAPPs guidance was received positively early in the quarter, but this was followed by considerable negative coverage in January, after two members of parliament made public remarks critical of our approach.

There was positive media coverage in many areas of our work during the quarter. Examples include our annual conference for compliance officers, a report we issued on anti-money laundering (AML), a report on immigration law practice, our approach to the continuing competence of those we regulate and the results of the Legal Services Board's annual assessment of our performance.

Web traffic

Visits to our website by Google web search users were up 16% in Q1 from a year earlier, slightly below our ambitious target of 20% year-on-year growth.

Events

We held three events during Q1, including our face-to-face conference for compliance officers in November, closely followed by a week-long virtual conference for the same target audience. Event attendance for the quarter totalled 13,886 (in person, virtual streaming and virtual on-demand).
Seven out of 10 attendees who scored the usefulness of our events rated them eight out of 10 or higher.

Only one in 25 event attendees who responded to the question in Q1 said they had a negative perception of the SRA.

Social media

The number of SRA followers across all social media platforms reached almost 153,000 at the end of Q1, up 10% from a year earlier.

At 3.3%, the overall rate of engagement with SRA social media content during Q1 was well above our target rate of 2%, boosted by strong engagement with posts about AML and SLAPPs, and by many shares and likes of posts marking dates of festive and cultural significance.

Customer feedback on Contact Centre calls and emails

We continued to receive positive feedback regarding our calls to the Contact Centre and achieved a 92% positive response rate in Q1 (against our target of 90%). We also saw email satisfaction levels at 82% (against our 80% target). We are exploring ways in which we can improve the latter score further, including a reduction in our response times for emails, which we currently answer within five days.

Delivery

Delivery Measures

We achieved all our Delivery Key Performance Indicators (KPIs) in Q1 and remain focused on our key priority to improve the delivery of our Investigation and Enforcement (I&E) case handling. Our continuous improvement project in this area has moved into an implementation phase and will begin to deliver improvements from July.

Investigation and Enforcement

We achieved all three of our end-to-end I&E KPIs in Q1 (93% of investigations in 12 months, 95% within 18 months and 98% within 24 months) and made further inroads into reducing the volume of cases that are open over 24 months old in our caseload, reducing the numbers from 201 cases at the end of Q4 to 183 cases at the end of Q1.

During the quarter we have seen an unexpected spike in Investigation Officer turnover levels. This, along with our ongoing commitment to delivering the I&E continuous improvement project, is likely to put pressure on the teams as we move through the next two quarters. We are taking steps to replace leavers and are using short-term measures to increase capacity, including offering overtime.

We will be delivering training and cut-over activities to support the first phase of the I&E continuous improvement project in Q2. This will involve all our investigation and legal teams and will support the roll out of an improved and streamlined investigation process. We expect this to be followed by a period of adjustment as our staff make the cultural shift to new ways of working.

Authorisation

We continued to deliver a strong performance in both our Firm Based and Individual Based Authorisation functions, exceeding our KPIs in both areas. During the quarter we also began preparation for the keeping the roll (KOR) exercise that we are planning later this year. This has involved contacting over 60,000 non-practising solicitors to confirm they have up to date contact details. We have also been preparing and testing our systems in readiness for the KOR renewal window opening in April.

Contact Centre

Performance remained positive in the Contact Centre, with 85% of calls answered in 60 seconds during Q1 (against the 70% KPI). We also responded to 99% of emails received within five days, against our target of 95%. We are building additional capacity in advance of the KOR exercise commencing in April and have begun our usual preparations for the Practising Certificate renewal exercise (PCRE) later this year.

Client Protection

We performed well against our compensation fund target during Q1, achieving 94% against our 90% KPI. We had previously reported that we had experienced lower performance levels in Q4 as we had undertaken a focused piece of work to reduce work in progress levels within the team.

During the last quarter the team successfully affected one of our largest ever interventions, into the Metamorph Group. This involved the closure of 16 offices, and we are in the process of collecting just over 65,000 files. We are also receiving and processing a large volume of compensation fund claims relating to the matter and have so far paid out £1.4 Million in emergency funds.

Complaints

We are continuing to pilot a new 15-day KPI for our first stage complaint handling. The outcome of the pilot has demonstrated that the extra time enables us to deliver an improved overall level of service. This has resulted in fewer complaints moving forward to our stage two corporate complaint process (during the period of the pilot this dropped from 66% conversion to 40%).

Internal

Staff turnover

Staff turnover has decreased this quarter for the first time in more than 12 months. Although we are still observing the volatile recruitment market, this is the first indication that it might be slowing down, which aligns to the articles currently being published in the recruitment press. We have, however, seen some impact from staff movements internally leading to additional turnover within some teams.

Time lost to sickness

Time lost to sickness has also decreased more than we anticipated, which is unusual for this time of year and for no apparent reason. We will continue to monitor the trend and promote our wellbeing initiatives and other interventions, such as our employee assistance and occupational health provisions. Both the turnover and sickness remain below the external benchmark.

Training hours

The high level of training hours this quarter continues as we deliver more online learning. For this last quarter, we have delivered new learning modules concerning the new HR system, myHR, and made sure all mandatory training is completed.

Gender pay gap

We have seen an increase in both the mean and median, an increase of 3.7% and 1.9%, respectively. This is due mostly to having a higher percentage of female staff in the lower grades. The percentage of male staff decreasing in the lower grades and increasing in the upper grades is also a cause of the increase in the pay gap. The gap is still below the UK median benchmark of 15.5%.

Ethnicity pay gap

Around nine out of 10 of our staff disclosed their ethnicity, with 67% of the workforce White and 24% from Black, Asian and minority ethnic backgrounds. The percentage of Black, Asian and minority ethnic staff in our workforce has decreased by 2%. The data shows that the mean pay gap has decreased by 3.9% and the median by 2.3%. The gap is still driven by a higher proportion of White staff in more senior positions with 80% of the upper pay quartile (a decrease of 8%).

We are due to call the next set of data to determine the gender and ethnicity pay gaps towards the end of Q2, with a view to analysing it in Q3 and publishing in Q4. An update to our action planning around our pay gaps will be provided in April’s Board papers.

Staff engagement

The next annual staff engagement survey is due to be run during February and the new data will be available for the 2022/23 Q2 scorecard. We are planning our next pulse survey towards the end of Q2 to seek staff opinion on the current relationship between their performance and pay. The aim of this is to help inform our future approach to rewarding staff.

Financial

Both income and expenditure for the year show significant variances at first viewing. These are both impacted by a large intervention in late 2022. The costs of interventions are recovered from the Compensation Fund and therefore there is no impact on the SRA overall.

When intervention costs are ignored, income is in line with budget for the financial year to date (0.2% more income than expected).

Expenditure on staff costs is below budget by 3.6% in the first quarter of the year. This is a result of vacancies not filled in the early part of the year. Most of these roles have now been appointed. At the end of January, headcount was 97% of the budgeted figure, which is broadly in line with expected levels of staff turnover.

Ignoring the impact of interventions, expenditure on non-staff costs was 6.8% lower than expected in the first quarter. Within this were savings in some areas as we were able to renew contracts at lower than expected values. Also, our costs in relation to energy usage were not as high as predicted when the budget was set. At the time, energy markets were particularly volatile and the budget was prepared prudently to allow for potential increases. We have recently fixed our energy costs for the next two years at a rate that is within the budget for the year.

The ongoing Continuous Improvement Programme originally targeted £2.4m of cost savings by the end of the 2022/23 financial year, of which more than £1.4m has been identified so far.

The focus of the programme has shifted in recent months from financial savings to operational outcomes, including improvements in our I&E functions.