SRA BOARD
22 September 2026

CLASSIFICATION – CONFIDENTIAL BEFORE PUBLICATION

This paper will be published

SRA March 2026 to June 2026 Performance Report

Reason for papers	These papers (items 4 and 12) provide the Board with an overview of the performance report for the four month period ended 30 June 2026 and a report covering the management of the SRA's key risks set out in the Strategic Risk Register (SRR).
Decisions(s)	The Board is asked to: a) note and comment on the content of the performance report and the overall assessment of performance b) note and comment on the planed update to performance reporting.
Previous Board and committee consideration	The Board receives performance reports and Strategic Risk updates on a regular basis, three times per annum. This will move to quarterly in the 2026/27 performance year.
Next steps	The third performance pack for 2025/26, covering the final four months of the year, including the Strategic Risk Register, will come to the Board at its meeting in January 2027. The composition of the performance report is being reviewed. Changes to the reports are expected to take place from January 2027.

If you have any questions about this paper, please contact Liz Rosser, COO and Executive Director, Regulatory Operations, liz.rosser@sra.org.uk

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Solicitors Regulation Authority

SRA March 2026 to June 2026 Performance Report

Purpose

1 This paper provides the Board with an overview of the performance report for the second four month period of this financial year ended June 2026.

Introduction

2 The Board is asked to consider five separate documents which, together with this summary, provide the Board with an update on performance for the period ended June 2026 as well as our plans for reporting. These are:

- Annex 1: Update to Board Performance Reporting
- Annex 2: Financial performance and position
- Annex 3: Balanced Scorecard with supporting commentary
- Annex 4: Business plan progress
- Agenda item 12: Strategic Risk Register.

3 At the January performance meeting, the Board gave feedback that the performance report was too long. Changes were made to the first performance report of 2025/26 which was considered in April. This report follows the same format and annex 1 provides details of next steps in planned changes to the performance reports.

2025/26 business plan performance update

- 14 activities to report against in our business plan.
- 11 ‘green’, delivered commitments and three ‘amber’ where we were only able to partially deliver the commitments. Further detail is provided in annex 4. One commitment is now ‘blue’ which indicates that it will not be completed this year due to external factors.
- We report activities as ‘green’ based on whether we have completed specific measurable actions. Green reporting may not indicate full achievement of the corporate ambition for a given area.

Key achievements

Assessment and Early Resolution Team (AERT)	Performance against the AERT 80% timeliness KPI almost doubled, improved from 36% in June 2025 to 70% in June 2026, demonstrating a strong recovery trajectory. Improvement activity has increased AERT resolutions by 70% compared with 2023/24, enabling us to manage substantially higher demand.

High Volume Consumer Claims (HVCC)	Our work in the high-volume consumer claims sector continues to deliver both regulatory outcomes and wider improvements in standards across the market. During the reporting period, we progressed enforcement action against a firm where concerns were identified regarding systems and controls designed to ensure appropriate client authority. We also secured three further regulatory outcomes, comprising advice issued to two firms and a warning issued to another for breaches of our requirements. Beyond formal enforcement, our engagement has driven positive behavioural change, with at least five firms strengthening client onboarding processes, improving the quality of merits assessments and introducing more transparent advertising and client communications. These improvements help reduce the risk of future consumer harm and demonstrate the wider impact of our investigations in raising standards across the sector.
SRA Innovate	We successfully delivered our largest SRA Innovate to date in Bristol in June 2026 with positive participant feedback.

Exceptions

4 The Risk and Data programme is currently undertaking a review of the next phase of delivery to consider the findings of the independent reviews undertaken by Jenner & Block and the Berkeley Partnership. This will ensure that we continue to focus our efforts and resources in the most important and impactful areas.

5 During this reporting period we have made progress in understanding legislative developments in relation to economic crimes but have not yet fully embedded necessary changes. A clear route to delivery has been established and is discussed further in annex 4.

6 While we have made significant progress in our investigation and enforcement work this objective remains amber in our business plan update. We have a clear plan to remedy this and have seen substantive improvements between the end of the reporting period and the writing of this report. A fuller report on the end-to-end process improvement project is included at annex 5.

7 The time taken to process applications from new firms and authorise them to practise remains below target for the reporting period. This reflects ongoing capacity challenges as the team continues to rebuild expertise following the loss of a significant number of experienced colleagues. There is a recovery plan in place which is delivering positive improvements and we expect to be back within KPI by December 2026. This has moved from an original target date of October 2026 due to experienced Authorisation Officers being on long term sickness and an enhanced focus on clearing older cases. Nevertheless, we are confident in the robustness of this revised plan and have taken appropriate steps to manage the risks caused by any delays.

Financial performance

8 At the end of June, the SRA has a £2.5m deficit compared to a forecast deficit of £5.1m for the year to date. This reflects a rephasing of some project activity until later in the year, or in some cases 2026/27, returns on investments and delays in initiating new activities such as the panel firm triage support, leading to lower than budgeted project and non-staff costs, as well as an investment gain of £0.5m.

9 We have completed a forecast for the 2025/26 year, and this now indicates we will have a full year deficit of £9.9m, larger than the budgeted £5.5m but reduced from the previous forecast shared with the Board. The details of the significant changes from the previous forecast are discussed in annex 2. The reduction in the deficit is in part due to the actions taken to review all expenditure considering the expected increase in the deficit from the budget. We continue to challenge all budget holders on the necessity of the scale of expenditure to identify reductions where possible while also ensuring delivery on our commitments.

LSB performance assessment

10 The LSB has written to us about its first cycle of regulatory assessments as part of its new approach to regulatory performance assessments. The aim of the new approach is to be forward-looking, proportionate and targeted.

11 The LSB plans to undertake a risk assessment at the start of each cycle, which will determine the level and nature of subsequent oversight activity for each regulator. To help inform the risk assessment, it is asking all regulators to complete an Annual Regulatory Return. In this, we are being asked to consider, against the LSB's standards and characteristics in its Regulatory Performance Assessment Sourcebook, what has changed since our last Regulatory Performance Assessment? What specific actions we plan to take in the next 12 months? What risks or challenges to legal service users do we foresee, and how do we plan to mitigate these? The deadline to submit our response is Friday 9 October, alongside an indication of the resources used to complete the Return.

12 Following this initial risk assessment, regulators that are assessed as low risk may have no further formal engagement over and above routine monitoring in this cycle. Regulators that are assessed as higher risk may be subject to a partial Regulatory Performance Assessment against either one or two of the standards in the Sourcebook, a full assessment against all three standards or a targeted review. Regulators may be asked to provide responses to additional questions, targeted at areas of concern, as part of these reviews. The LSB also expects to carry out thematic reviews to examine topics that are common across some or all regulators.

Strategic Risk Register

- There continue to be five strategic risks and two continue to be outside our risk appetite. These are risk-based regulation and investigation and enforcement. This is considered in a separate paper under agenda item 12.

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Items for discussion

- As noted above we continue to forecast a significant deficit and have implemented urgent additional measures to test the criticality of all new recruitment and material expenditure, to reduce this outcome position. This work will continue throughout the financial year and as we assess required increases in expenditure for 2026/27, which are considered separately under the budget paper at item 8.

- Many of the issues highlighted in the performance pack are discussed in greater detail within other Board papers including the Chief Executive's report and the Risk and Data programme under item 11.

Recommendations: the Board is asked to:

a) note the content of the performance report annexes and the overall assessment of performance

b) note and comment on the planed update to performance reporting.

Next steps

13 We will continue to report regularly to the Board on our performance. The final report on 2025/26 performance will be in January 2027 and will cover the final four months of the reporting year.

Annexes

Annex 1 Update to Board Performance Reporting
Annex 2 Financial performance update
Annex 3 Balanced Scorecard
Annex 4 Business Plan update
Annex 5 Investigations and Enforcement end to end process improvements

NB: Annexes 1 and 2 of this paper will not be published because they contain information which is commercially sensitive