

News from the Board

Reflections on our October Board meeting - Anna Bradley, SRA Chair

15 October 2024

A key part of our work as a Board is to set the direction for the organisation by maintaining an eye on the future. One of the tools we use to guide us in this work is the strategic risk register, which identifies those things that present a challenge to delivery of our strategy.

One of our strategic risks is our ability to identify new and emerging regulatory risks. We know we have work to do to make the most of the data we have by cleaning it up, synthesising and analysing it to help us understand where the new risks might be emerging. We had a good discussion about this risk and the way we can mitigate it. This focus will be important for the next year or two while we build the systems and capability we need for the future.

Assessing performance

Meanwhile we reviewed more immediate delivery against business plan commitments. And concluded that overall, we've made good progress. One example is the improvement in firms' money laundering risk assessment which has come on the back of a significant increase in proactive inspections.

We also reviewed the Balanced Scorecard that we have published since 2020. The scorecard helps us identify where things are going well and where we need to improve. It is also an important way for us to give account to the public and profession about our performance.

We talked about how we can develop the Balanced Scorecard to make sure it is covering all the right areas, with the right targets and measures. And in the same spirit, we heard how the team is reviewing and looking to continue to improve its own operational KPIs. We plan to make some updates to what we report in the scorecard in the new year.

Finances

We also discussed financial performance in relation to the SRA, the compensation fund, and [Solicitors Indemnity Fund \(SIF\)](https://www.sra.org.uk/consumers/solicitors-indemnity-fund/) [https://www.sra.org.uk/consumers/solicitors-indemnity-fund/]. I have already flagged that we are likely to need to build up compensation fund reserves over the next two to three years on the back of some particularly large interventions in recent years.

By contrast, claims on the SIF remain relatively low. We took over the SIF a year ago and the experience of running it gives us confidence that it is sustainable for some time to come, without any need for review. This confidence means we were able to approve reserves and investment policies for the funds held in SIF.

Reaching Net Zero

Back to the future and the UK's commitment to decarbonising all sectors of the UK economy and reaching net zero by 2050. We need to play our part and give some leadership to the sector.

We have already made good progress in reducing emissions, particularly through changes to our offices and working practices. There is more we can do – for instance to continue to reduce the impacts of staff travel. But the bigger impact will be by working with our supply chain to reduce emissions. Our target is to halve our greenhouse gas emissions by 2030 and reduce them by 90 per cent by 2050.

Investing sustainably is also important, so we were pleased to receive a report on our investments from Cazenove, our investment manager. We are committed to a sustainable and responsible approach to investment and Cazenove were able to provide evidence to show that this approach was delivering at least equivalent returns to a more conventional style of investment.

Compliance Conference

Finally, we are less than a month away from our annual Compliance Officers Conference at the ICC in Birmingham, followed up by a virtual version of the event. I'm delighted to hear that we already have more than 2,000 people signed-up to attend the two events. There is still time to [book your place](https://events.sra.org.uk/sra/frontend/reg/thome.csp?pageID=168345&eventID=708&CSPCHD=003001000000wUwwLZySHbLZ$CG5F9P_qY8SR4ZEZCQEVXG2lg) [\[https://events.sra.org.uk/sra/frontend/reg/thome.csp?pageID=168345&eventID=708&CSPCHD=003001000000wUwwLZySHbLZ\\$CG5F9P_qY8SR4ZEZCQEVXG2lg\]](https://events.sra.org.uk/sra/frontend/reg/thome.csp?pageID=168345&eventID=708&CSPCHD=003001000000wUwwLZySHbLZ$CG5F9P_qY8SR4ZEZCQEVXG2lg). I look forward to seeing you there.