

SRA BOARD
24 January 2024

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This paper will be published

SRA Fourth Quarter Performance Report

Reason for papers	These papers (items 7 and 8) provide the Board with an overview of the performance report for the year to 31 October 2023 and a report covering the management of the SRA key risks set out in the Strategic Risk Register (SRR).
Decisions(s)	The Board is asked to: <ul style="list-style-type: none"> a) note the content of the quarterly performance reports and the overall assessment of performance b) approve the revised SRA reserves policy at annex 1(a) c) consider if the detailed assurance mapping table for the LSB's performance assessment framework should continue to be published alongside the Board papers (see annex 4).
Previous Board and committee consideration	The Board receives performance reports and Strategic Risk updates on a quarterly basis.
Next steps	The first performance pack for 2023/24, including the Strategic Risk Register, will come to the Board at its meeting in May 2024.

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

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**SRA Fourth Quarter Performance Report****Purpose**

- 1 This paper provides the Board with an overview of the performance report for the 2022/23 reporting year.

Introduction

- 2 The Board is asked to consider six separate documents which, together with this summary, provide the Board with an update on performance at the end of October 2023. These are:

- Annex 1: Financial Performance Update
- Annex 2: Business Plan Update
- Annex 3: Balanced Scorecard with supporting commentary
- Annex 4: LSB Performance Assessment Update
- Annex 5: Investigation and Enforcement Continuous Improvement Programme Update
- Agenda item 8: Strategic Risk Register.

- 3 This quarter includes the second update on our assurance mapping against the Legal Services Board's Regulatory Performance Assessment Framework Sourcebook of standards and characteristics.

Quarter Fourth 2022/23 performance update

- Fourth quarter reporting against 2022/23 Business Plan (BP).
- 76 activities to report against in our business plan.
- 70 on track and a further two have been deferred until the next BP year.
- Two activities were 'amber', and two were 'red' indicating they were not achieved during the year.

Key achievements

<ul style="list-style-type: none"> • Practising Certificate Renewal Exercise successfully completed 	<ul style="list-style-type: none"> • Over 168,000 practising certificates issued. • Collected over £135m for the SRA, Compensation Fund and wider Law Society group.
<ul style="list-style-type: none"> • Solicitors Indemnity Fund 	<ul style="list-style-type: none"> • SRA took responsibility for Solicitors Indemnity Fund from 1 October 2023. • Provides greater understanding of the claims profile and future requirements for consumer protection in this area.
<ul style="list-style-type: none"> • Successful Compliance Officers Conference 2023 held in October 	<ul style="list-style-type: none"> • Almost 1,000 attendees, an increase from around 800 in 2022. 97% of delegates found the events useful or very useful.

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**Exceptions**

- Two activities in the business plan were not achieved in the year. The first relates to our approach to publishing Solicitors Qualifying Examination (SQE) candidate performance including training providers and the second was to improve the criminal and civil Higher Rights of Audience assessments.
- Additionally two activities were only partially delivered which related to the monitoring of equality considerations within SQE results and placing opinion and discussion pieces in the media and other outlets to spark debate and stimulate discussion. All are discussed in more detail in annex 2.

Financial performance

- The full year position (subject to audit adjustments) shows a surplus of £1.7m. Underspend during the year allowed investment in operational areas where headcount was increased in advance of planned changes in the 2023/24 financial year.
- The surplus has increased reserves but they remain below the revised reserves range in the updated reserves policy.

The Board is asked to:

- b) approve the revised SRA reserves policy at annex 1(a)**

LSB performance assessment

- In June 2023, the Board discussed the LSB's 2023 regulatory performance assessment and our approach to providing assurance to the Board on our progress against the LSB's regulatory performance framework. The Board will recall that this had followed a letter from the LSB's Chair in February 2023 that set out a suggested approach for how the Boards of regulatory bodies might seek their own assurance for how regulators were performing against the LSB's regulatory performance framework.
- The Board considered our assurance mapping work against the LSB's regulatory performance assessment framework sourcebook of standards and characteristics in June and agreed that it should review updates against it throughout the year as part of the performance pack. This update is provided at annex 4.
- The Board also agreed that as part of each performance update, it would have a general discussion on one of the three LSB standards and how the organisation was meeting it, taking each standard in turn over the course of the year. It considered the 'well-led' standard in September 2023. The next standard is 'effective approach to regulation', with more details set out in annex 4.

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Recommendation: the Board is asked to:

- (c) consider if the detailed assurance mapping table for the LSB's performance assessment framework should continue to be published alongside the Board papers**

Continuous Improvement programme – Investigation and Enforcement

- In December 2023, the Board received an update on our programme of continuous improvement and our action plan setting out targets or outcomes we are committed to delivering against, with the aim of improving consistency of and streamlining our investigation and enforcement processes; reducing delay, and delivering improvements in our levels of customer service and the quality of our decision making. Following discussion at the meeting, a visual update, providing details of progress against the planned actions and targets as at the end of December 2023, is set out in the tables at annex 5.

Continuous Improvement programme

- When established the Continuous Improvement programme targeted reductions in costs with the aim of identifying £2.4m in cost reductions by October 2023.
- The Board has previously noted that focus of the Continuous Improvement (CI) Programme had shifted from financial savings to operational outcomes with the consequence that the savings target for the year would not be achieved.
- A subgroup of the Board met earlier in the year to consider the wider work we have been doing internally on performance metrics and continuous improvement. The working group agreed that, despite the change in focus of the Continuous Improvement programme, members are assured that management remain mindful of the need for efficiency and appropriate performance metrics. Rob McWilliam is doing a deeper dive into this area in February 2024. Given this change in emphasis this will be the last report against the target set to October 2024.

Areas for discussion

LSB Performance Assessment	The Board is asked to note the update on the LSB performance assessment and consider the second standard 'effective approach to regulation'
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Strategic Risk Register

- Discussed in greater detail under agenda item 8.
- The SRR has been re-worked to reflect our recently launched Corporate Strategy.

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Summary

- 70 of 76 business plan activities were delivered, a further two were partially delivered and two deferred until 2023/24.
- Majority of our key performance measures on target.
- Financial position for the full year (subject to audit) was surplus of £1.7m

Recommendation: the Board is asked to:

- (a) note the content of the quarterly performance reports and the overall assessment of performance.**

Next steps

- 4 We will continue to report to the Board in full on our performance regularly. There will be three updates on the 2023/24 year. The first report will be in May and will cover the first five months of the reporting year.

Annexes

- Annex 1 Financial performance update**
Annex 2 Business Plan update
Annex 3 Balanced Scorecard
Annex 4 Legal Services Board Performance assessment update
Annex 5 Details of progress against the planned actions and targets in the Investigation and Enforcement continuous improvement programme

NB: Annex 1 of this paper will not be published (other than 1(a) – the SRA reserves policy) because it contains information which is commercially sensitive