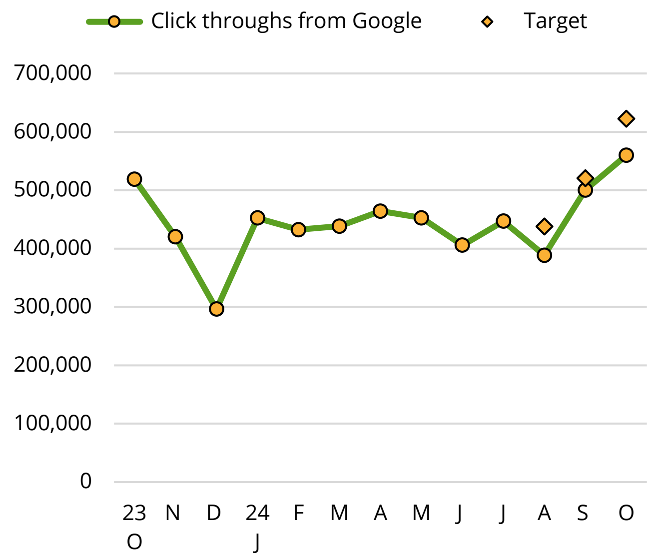
Customer

LHA: left-hand axis RHA: right-hand axis

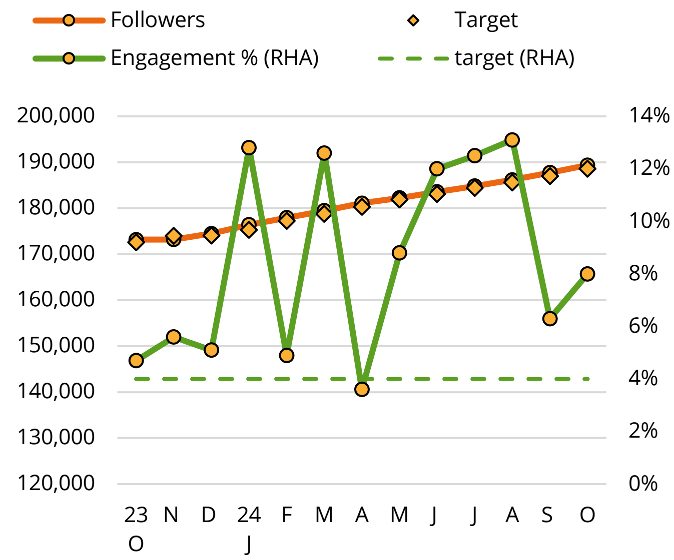
## Click-throughs to our website from Google searches

20% up from the same quarter a year earlier



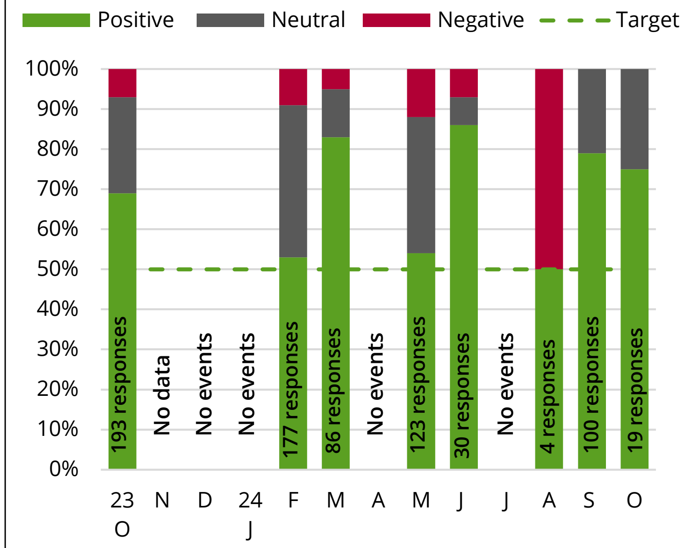

## Social media engagements and followers

LHA: Followers – 2,500 increase per Q
RHA: Engagement % – 4%



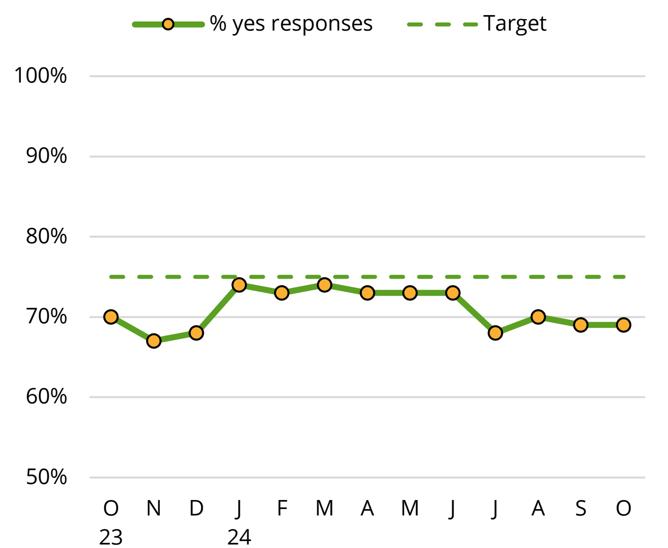

## How stakeholders who attend our events view the SRA

50% positive feedback



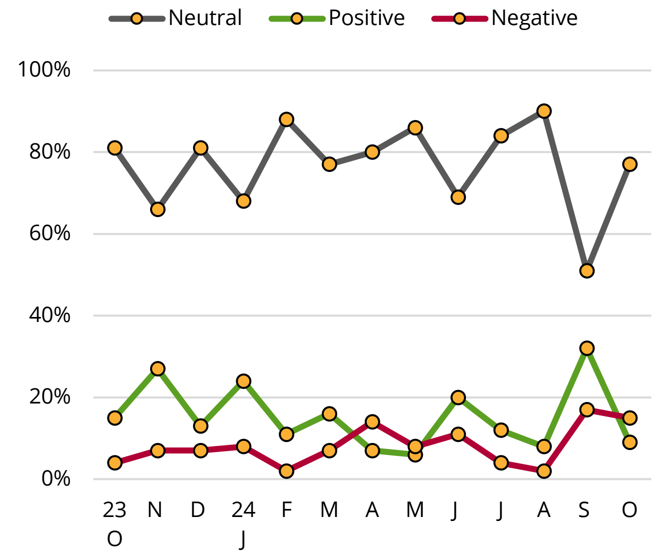

## Website quality

75% of feedback providers saying a webpage was useful



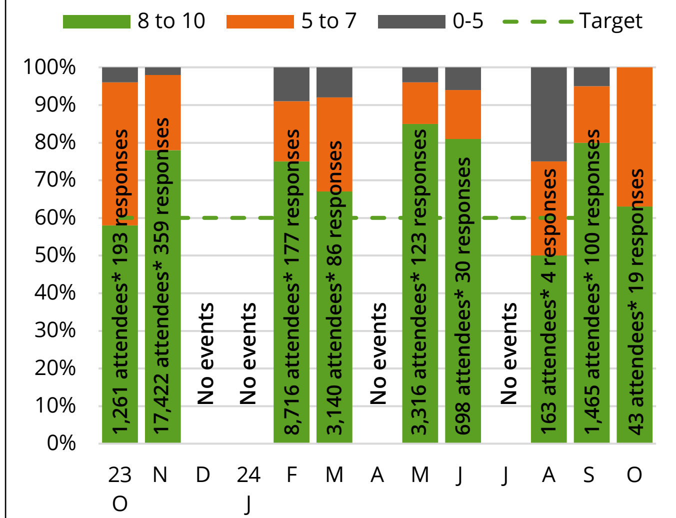

## Sentiment of media coverage

Positive should exceed negative




## Events feedback – usefulness rating

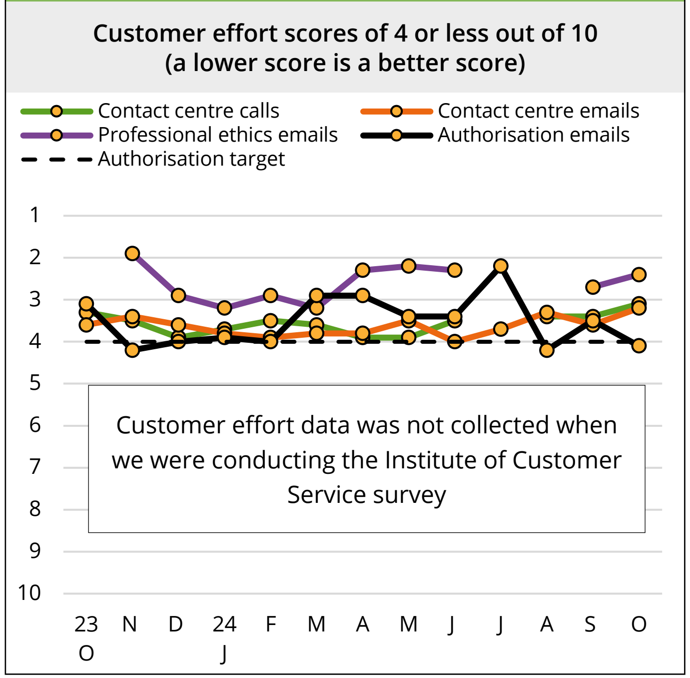
60% score of 8 or above
Scale: 1 = not useful at all, 10 = extremely useful



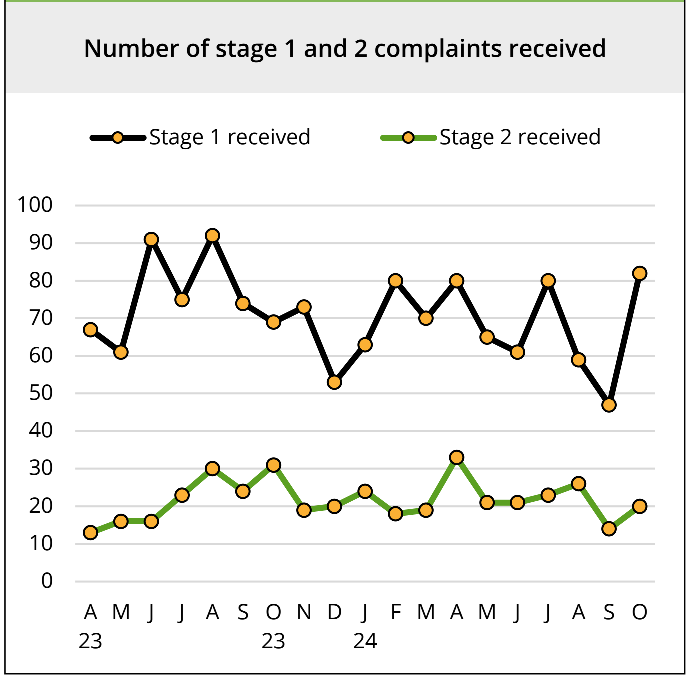

*Attendees is a combination of in-person event attendees and online views

Customer

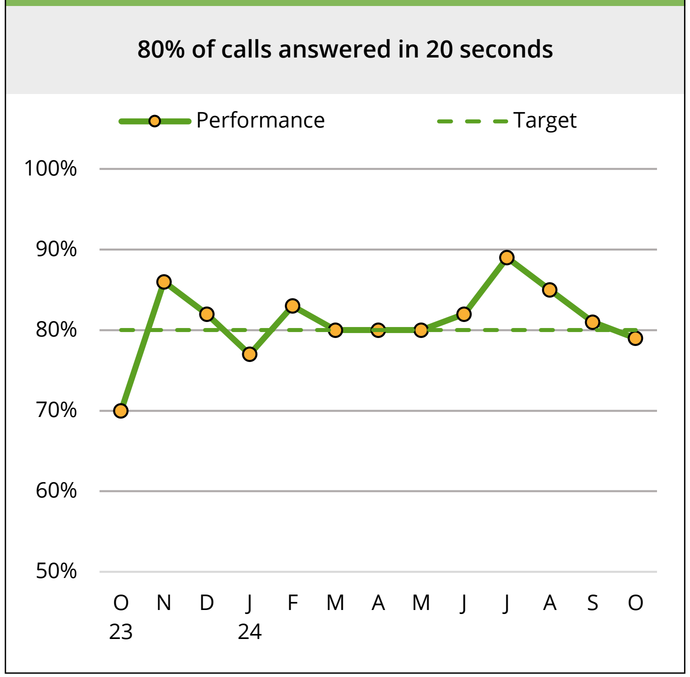
## Customer effort



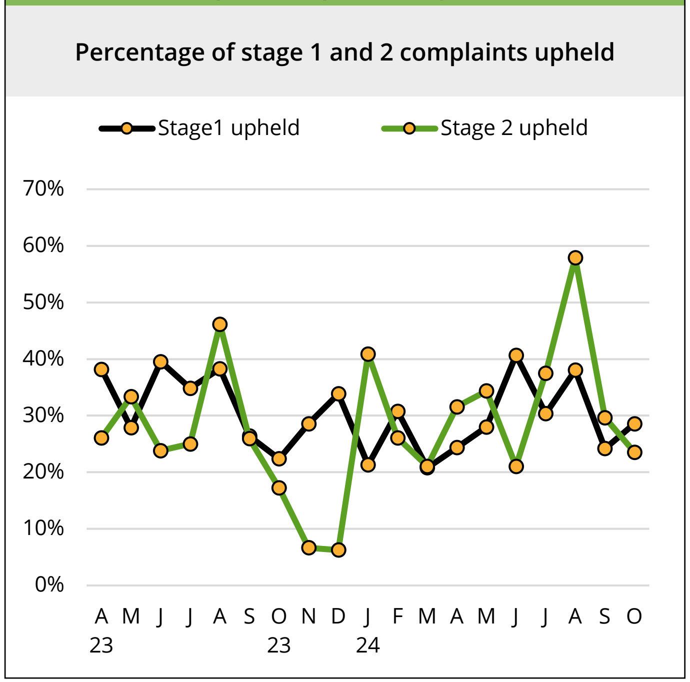

## Complaints received stage 1 & 2




## Contact centre – telephony service performance




## Complaints upheld stage 1 & 2



### Click-throughs to our website from Google searches

Click-throughs to our website by Google web search users from August to October were up 10% from a year earlier, below the target of 20% year-on-year growth. This is due to the unprecedented surge in click-throughs from Google in the comparable period of the previous year, when mainstream media coverage of Axiom Ince was at its height. There were far fewer click-throughs from search queries related to Axiom Ince in the last three months of this year than during the same period a year earlier. The single search query that generated the largest year-on-year increase in click-throughs from Google was: 'SRA register'.

### Website quality

We do not currently have tools to enable analysis of the changes in the average usefulness measure. We are developing a data import to help us determine which pages are driving any changes. The target reported may need to be updated if actual results are amended following some ongoing data analysis.

### Social media engagements and followers

The number of SRA followers across all social media platforms reached 190,000 in October, up 13% from a year earlier.

The overall rate of engagement with SRA social media content from August to October was down from the previous reported period but more than double our target rate of 4%. Engagements are user interactions with our content, including shares, likes, click-throughs and other clicks on posts. The current benchmark social engagement rate in the government sector is approximately 2%. It is around 1% in the professional services sector.

SRA social content that drove particularly strong engagement in the last three months of the year included posts about:

- the Solicitors Qualifying Examination, such as upcoming assessment dates and
- explanation of the process for confirming qualifying work experience
- our non-disclosure agreements warning notice
- updated guidance for firms on complying with the Russia sanctions regime
- character and suitability guidelines for aspiring solicitors
- our report on potential causes of differential outcomes by ethnicity in legal professional assessments.

### Sentiment of media coverage

During August and September there was more positive media coverage than negative coverage, which is consistent with most of the year.

Negative coverage was up as a proportion of all media coverage in September and October compared to the rest of the year, and exceeded positive coverage in October.

Topics that generated positive media coverage from August to October were our:

- resources to help firms comply with the Transparency Rules
- new rules establishing fee restrictions in financial product mis-selling claims (the SRA Claims Management Fees Rules)
- thematic review of legal services provision for asylum seekers
- mergers and acquisitions warning notice
- stakeholder perceptions benchmarking survey
- Business Plan 2024/25.

Negative coverage during the period primarily dealt with the Legal Services Board (LSB) report into our handling of Axiom Ince, compensation fund fee increases and our financial penalties consultation.

### How stakeholders who attend our events view the SRA

Seventy-eight per cent of attendees who responded to the question in the period from August to October said they had a positive perception of the SRA, while only 2% said they had a negative perception. All events in this period were held before the publication of the LSB report into our handling of Axiom Ince.

### Events feedback - usefulness rating

We held five standalone events during the final three months of the year, including two targeted at large firms with SRA relationship managers.

Event attendance for this period totalled 1,601 (in-person, virtual streaming and virtual on-demand). Almost four out of five attendees who scored the usefulness of our events rated them eight out of 10 or higher.

**Customer effort**

Our customer effort scores for authorisation, contact centre and professional ethics were all positive during the final three months of the year. Performance for all areas was below 4 (the desired lower score meaning the least effort for our customers).

**Contact centre – telephony service performance**

Our October performance was positive as we were carrying out our annual exercise of renewing the profession's practising certificates, and was better than October 2023. Positive resource levels, strong system performance and our speedy response to calls and emails were key contributing factors.

**Stage 1 and 2 complaints**

Number of complaints

The number of monthly stage 1 complaints has fluctuated between circa 50 and circa 90 over the past 18 months, with a slight trend downwards. The number of stage 2 complaints ranged from low teens to circa 30 across the 18 month period with no discernible trend.

Proportion of complaints upheld

The proportion of upheld stage 1 complaints has been stable across the period ranging in most months between 20% and 40%.

The proportion of stage 2 complaints upheld has fluctuated more widely (which is to be expected given the smaller numbers) from a low of under 10% in Nov-Dec 2023 to a peak of just under 60% in August. However, for the majority of the year, the proportion of upheld stage 2 complaints also sat between 20% and 40% and there was no discernible trend either up or down.

Board correspondence

From time to time, members of the Board are sent correspondence from complainants. Our Corporate Complaints Policy is in the process of being updated to include wording to make it clear to complainants that such correspondence will not be responded to by the Board personally and will be forwarded to the business for a response under the policy, if needed.

All Board correspondence received by the Corporate Complaints team was dealt with appropriately, either acknowledged and dealt with under the complaints process or forwarded to the business for an appropriate response if needed. Or, in cases where we had already managed contact with the complainant, we filed it with no response.

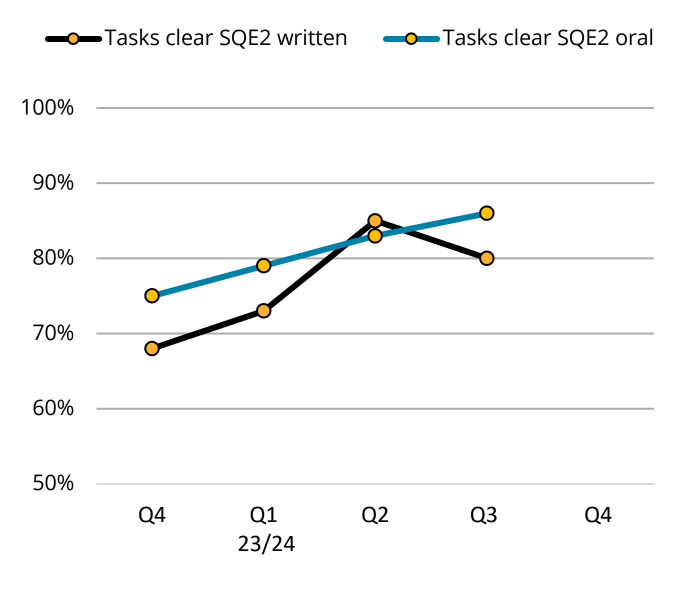
There were two instances during the August to October period where a change of action occurred as a result of considering Board correspondence. In one, we apologised to an individual where we had failed to update them on the progress of their matter due to staff sickness. We then reallocated the matter to another member of staff. The other related to information, rather than a complaint, which we have taken into account while drafting updated guidance.

# Delivery

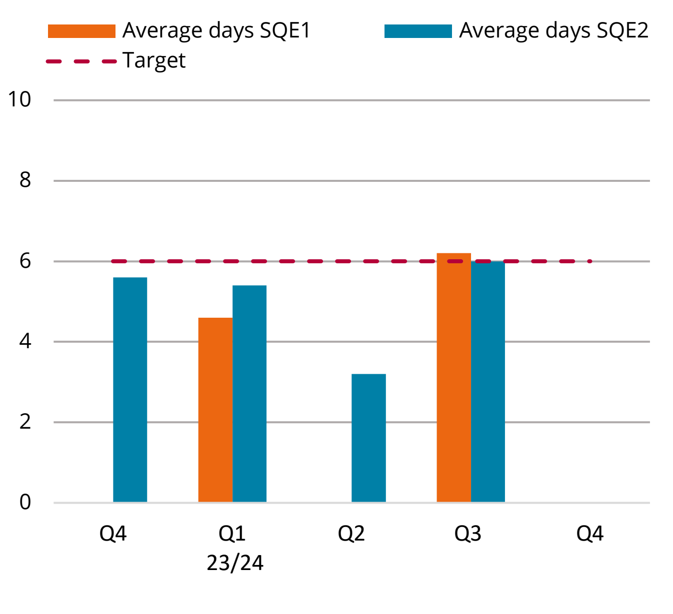
LHA: left-hand axis RHA: right-hand axis

## Education and training

### SQE2 candidate responders saying tasks were clear

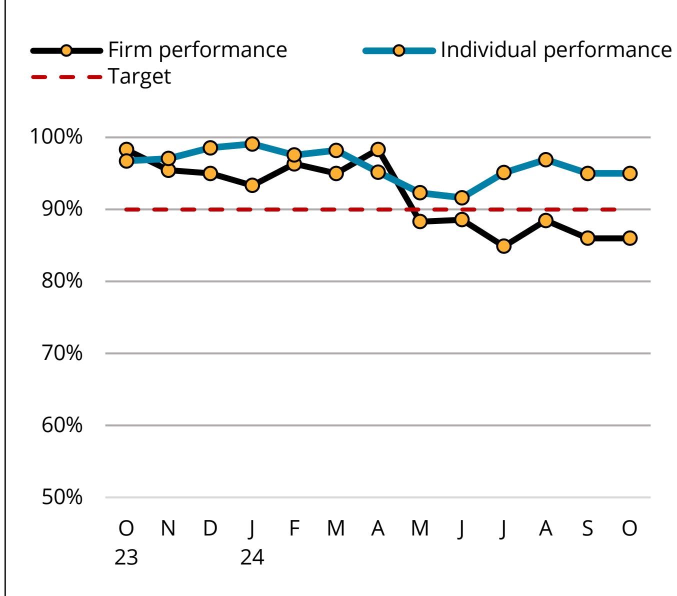



### Within 6 days to deliver an SQE reasonable adjustment plan

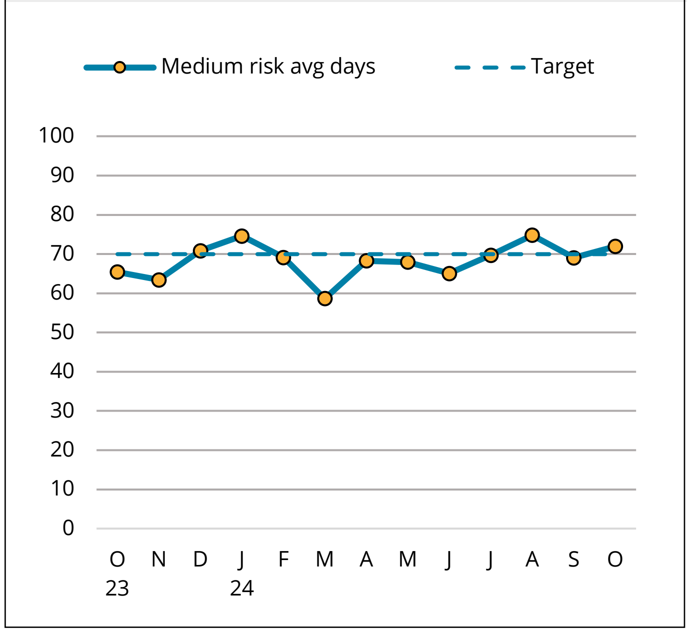



## Authorisation

### High-risk applications completed in 6 months and medium risk applications completed in 3 months

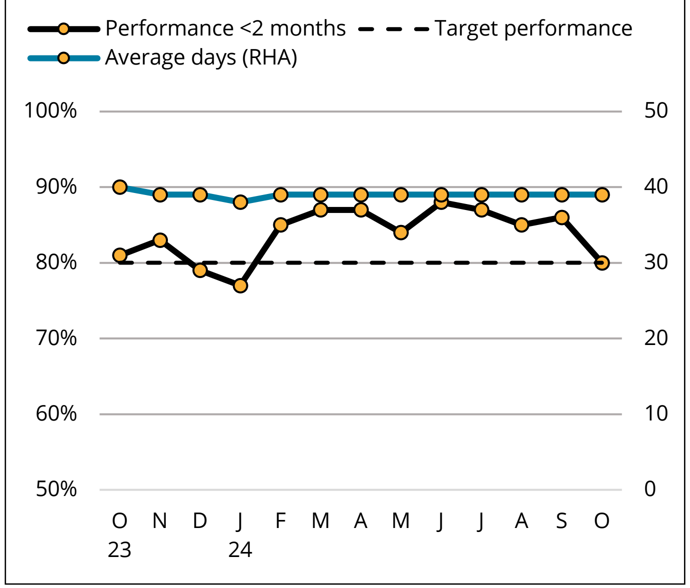



### Medium-risk firm applications dealt with within 70 days on average



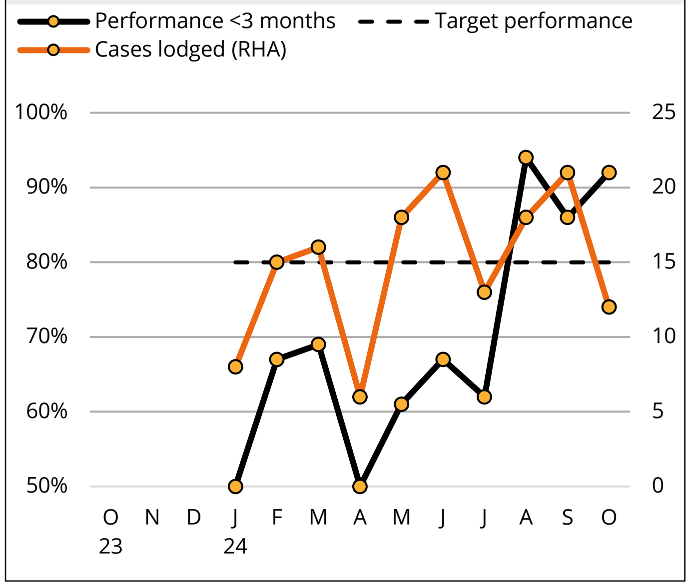

## Investigation & enforcement (AERT)

### LHA: 80% of AERT cases completed within 2 months RHA: Average days to complete AERT case assessments




## Investigation & enforcement - legal

### LHA: 80% of cases lodged with SDT within 3 months RHA: number of cases lodged with SDT

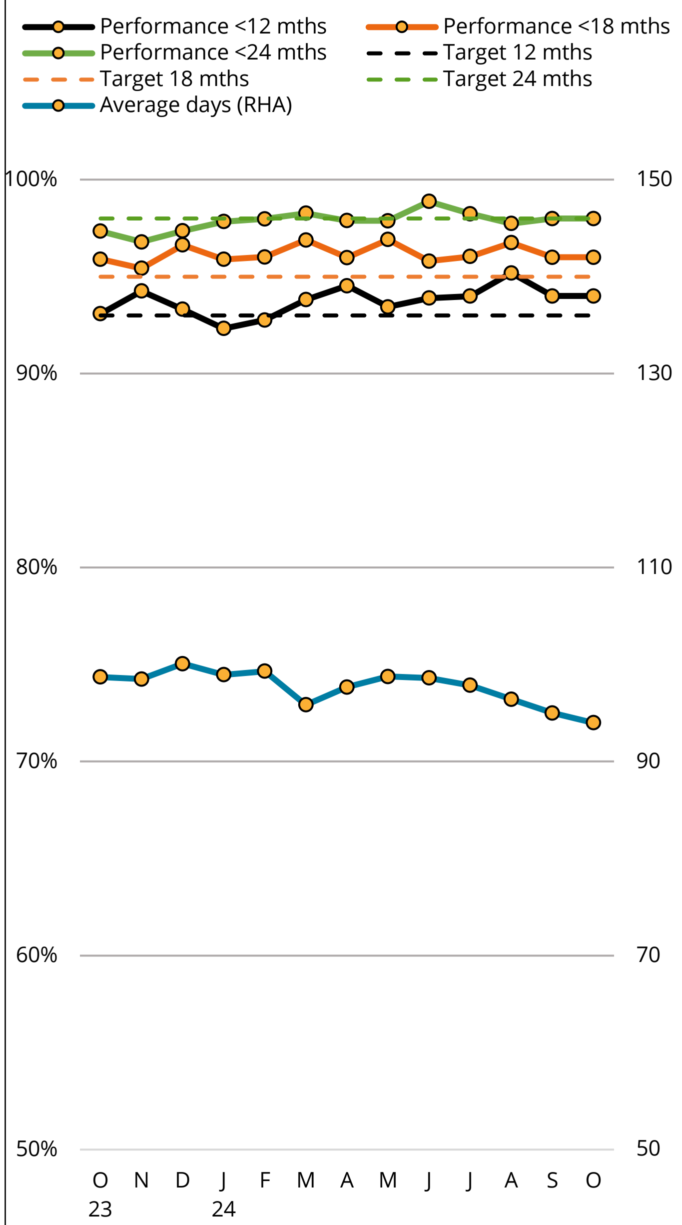


Delivery

LHA: left-hand axis RHA: right-hand axis

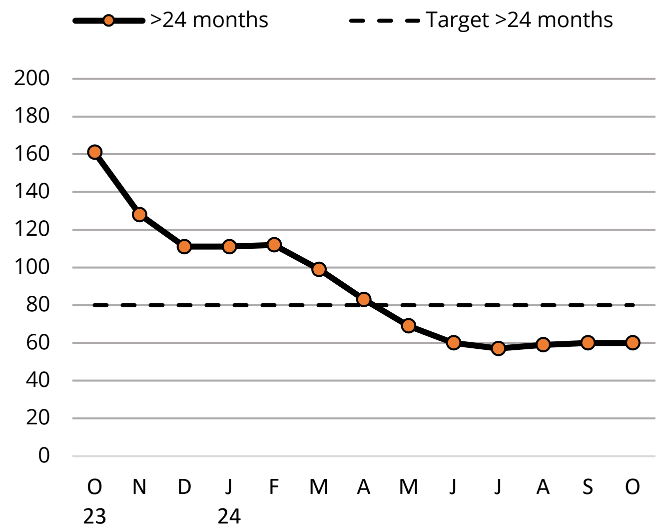
## Investigation & enforcement

LHA : 93% of investigation cases completed within 12 months, 95% within 18 months and 98% within 24 months.
RHA: average days AERT & investigation cases to completion



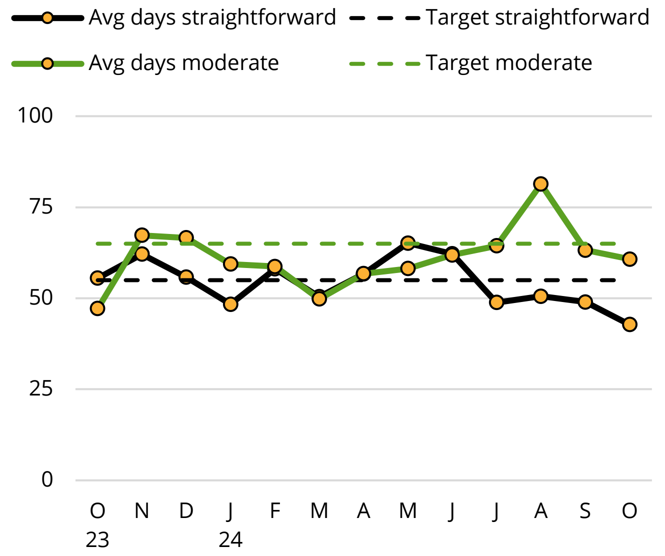

## Investigation & enforcement - older cases

Number of cases more than 24 months old



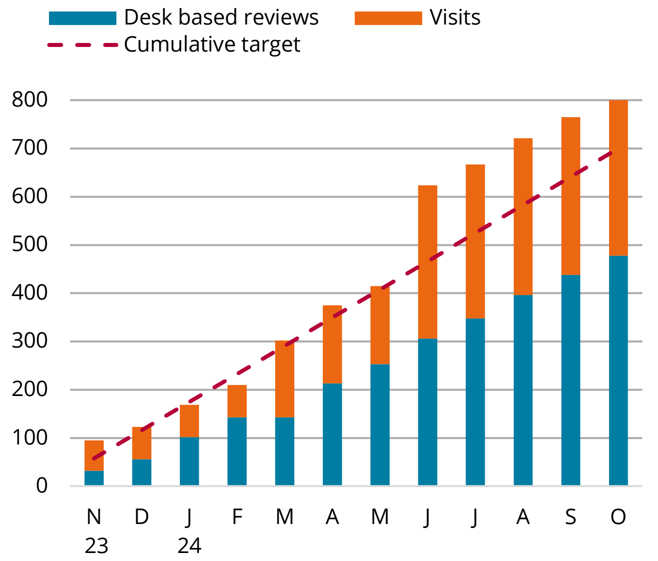

## Client protection

Average compensation fund claim closures. Within 55 days straightforward cases and 60 days medium complex cases




## Anti-money laundering

700 cumulative desk-based reviews and visits over the whole of the 2023/24 year



**Education and training**

The general trend appears to be that the proportion of SQE2 candidates finding tasks clear is increasing. The timelines for agreement of reasonable adjustment plans are generally good, although not consistent.

**Authorisation – firms**

We continued to feel the impact of the loss of experienced resource to internal and external moves during the last three months of the year. This was anticipated, with the new team going through training and development, which can take between 12 and 18 months.

We receive a low number of high-risk cases, and therefore report on average days information in narrative not graphical form.

We closed 12 high risk applications from August to October, with average days to close of 187 days. Our target average days to close cases over the course of the year is 180 days, and sometimes we need to take longer on very complex applications.

**Authorisation – individuals**

Performance remained strong throughout August to October. This reflected the consistently strong performance throughout the year.

**Assessment and early resolution (AERT)**

AERT have generally been exceeding the KPI of assessing 80% of matters within two months of receipt. There was a reduction in performance against this measure in October to 80% as a result of the team receiving 457 more reports than forecast in Q4. The average days for case completion has remained broadly consistent at around 40.

**Legal**

The Investigation and legal teams have worked closely together to achieve the improvement in outcomes over the reported period. Team leaders have used bespoke management information tools to identify cases at risk of delay and then flexed resource, including with our external panel firms, to target those cases. Obstacles to case progression have been promptly identified, to enable the provision of targeted advice and support to cases at risk of becoming delayed.

**Investigations and enforcement**

We continue to consistently meet or exceed our primary KPIs of resolving 93%, 95% and 98% of matters within 12, 18 and 24 months respectively. The average number of days to resolve cases has continued to decrease. We always understood our stretch KPI of concluding 70% of investigations within 10 months of assessment was a challenging target and the trend remains broadly at around 60% overall. We believe the changes we have introduced should deliver improvements against this measure. We also have further changes in train which should make an impact. Once we have embedded these changes we will have evidence to show whether this target is a realistic one or if the complexity of our investigations simply suggests this is an unrealistic target. We plan to review this in Summer 2025.

**Investigations and enforcement – older cases**

We had success in significantly reducing the number of cases over 24 months old and in Q4 held the position at 60. The figures represent live open disciplinary investigations and for October do not include 16 cases we had previously agreed to exclude. This includes two cases where we have reached a final outcome but remain within the appeal period and three cases in which we are bringing a criminal prosecution for unauthorised practice. In addition to those figures we also currently have five cases on hold due to ongoing criminal investigations or inquiries, and six investigations that were concluded and decisions made that were subsequently re-opened under our Review and Appeal rules. We have seen an increase in cases over 18 months in Q4, ending October with 140.

**Anti-money laundering (AML)**

Performance has remained strong and showed a positive increase of our supervisory visibility of firms in scope of anti-money laundering. We ended the financial year exceeding our target of reviewing 700 firms by reviewing just over 850 firms.

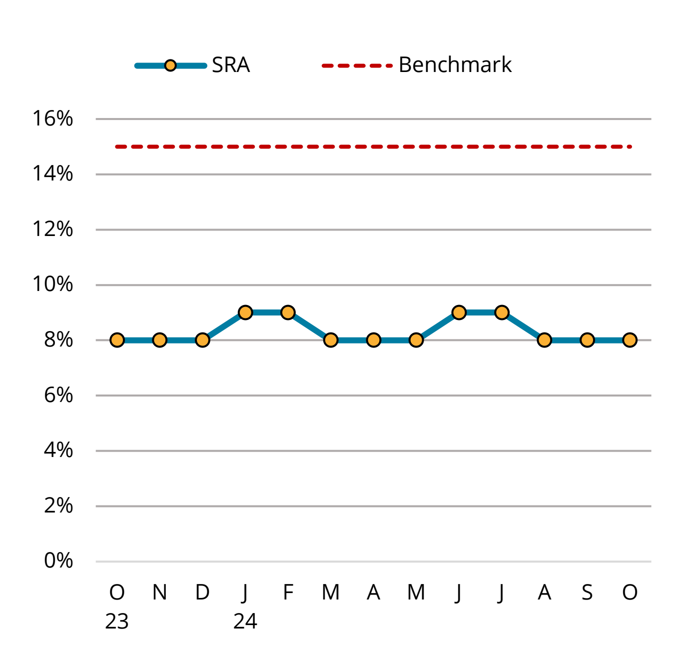
**Client protection**

Over the last 12 month period the average number of monthly closures for straightforward matters is 126, in the final three months of the year we closed 126, 114 and 145 respectively. We worked several different batches of rectification costs across these months which are generally dealt with more swiftly and in higher volume. In this context, our straightforward closures from August to October were lower than our target average. Moderate complexity claims were below the average days target except for August when we closed fewer moderate files, and 10% were outside KPI. The average days were also impacted by two significantly prolonged cases.

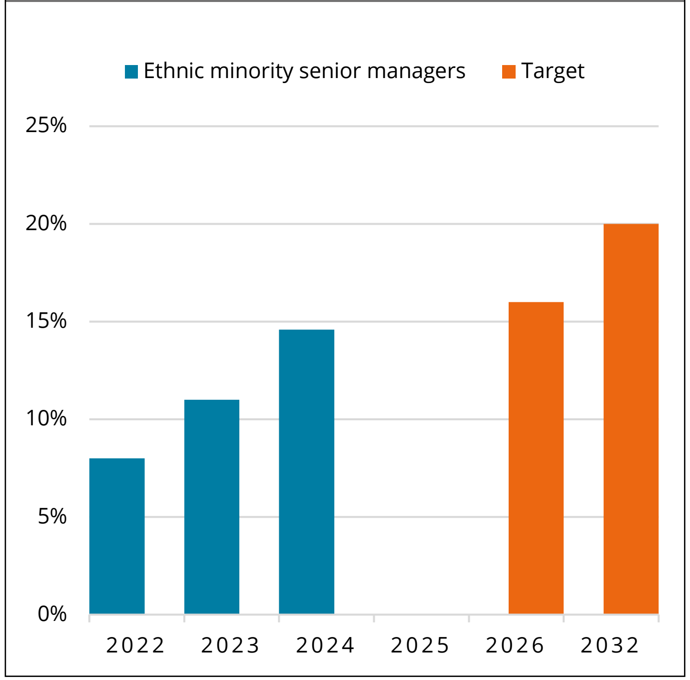
In terms of complex cases, our average days to close varied from 103 to 93 to 73 in the period. Our target average days to close complex cases over the course of the year is 100 days. It should be noted that sometimes we will need to take longer on very complex claims and we are dealing with a lower volume of these cases, so fluctuations in the average days are fully expected.

# People

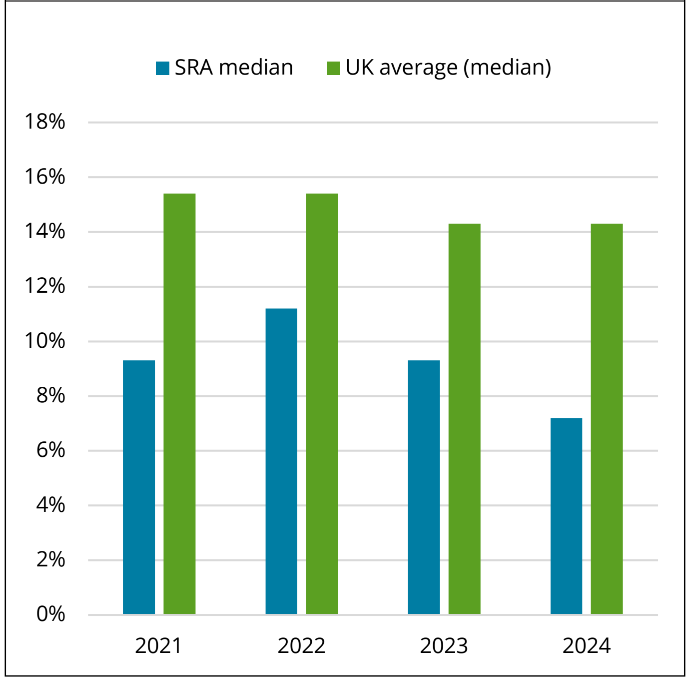
## Voluntary staff turnover



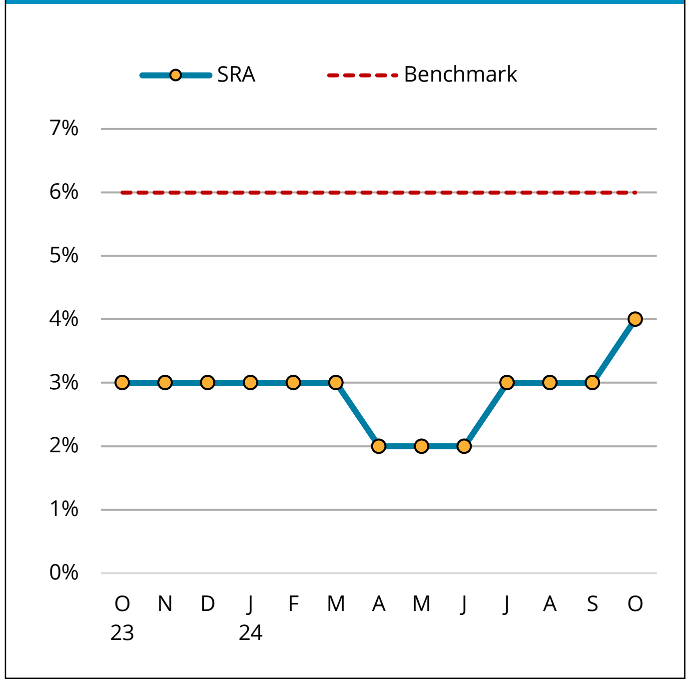

## % of senior managers from an ethnic minority - annual



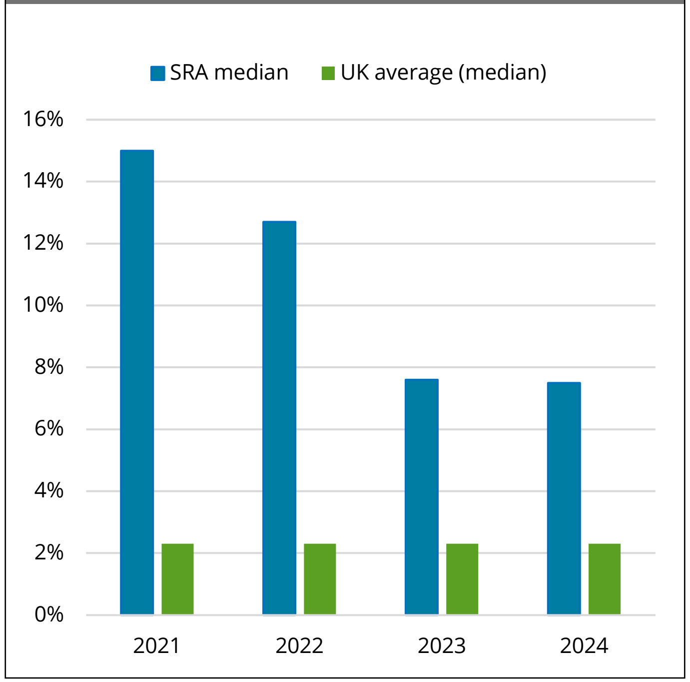

## Gender pay gap - annual




## Time lost to sickness




## Ethnicity pay gap - annual



### Voluntary staff turnover

Staff turnover was stable at circa 8% over the last three months of the year. This indicates some stability within the organisation while the recruitment market remains volatile and competitive.

### Time lost to sickness

Time lost to sickness has increased, likely because of some longer-term absence in the business. We continue to monitor the trend and promote our wellbeing initiatives and other interventions, such as our employee assistance and occupational health provisions.

### Turnover and sickness – benchmark data

Both turnover and sickness remain below the external benchmark. The analysis continues to suggest the benchmark data is influenced heavily by those sectors which have awarded lower or no pay awards in the last couple of years. The benchmark for sickness is 5.8% compared to 3.6% previously. Analysis indicates that the public sector is having a heavy influence on this benchmark, quoting an increase in anxiety and stress since the Covid pandemic.

### Ethnic minority senior managers

We have an action plan in place to increase the proportion of ethnic minority colleagues in our more senior roles, which is increasing year on year, and closer to our target of 16% in 2026.

### Gender and pay gap (annual reporting)

We have seen a decrease in our gender pay gap in our workforce which is 63% female, the same proportion as last year. The pay gap arises due to the overrepresentation of women in the lower quartile and underrepresentation in the upper quartile in comparison to our overall gender split. The ethnicity pay gap arises for the same reason of overrepresentation and underrepresentation in the highest and lowest pay quartiles.

The Board has requested we consider modelling the pay data to see what would make a difference to the gaps. Our pay gaps were discussed at the Board’s Remuneration Committee in September. We plan to work on the Board request during the first half of 2025. We continue to work on the action plans we already have in place.

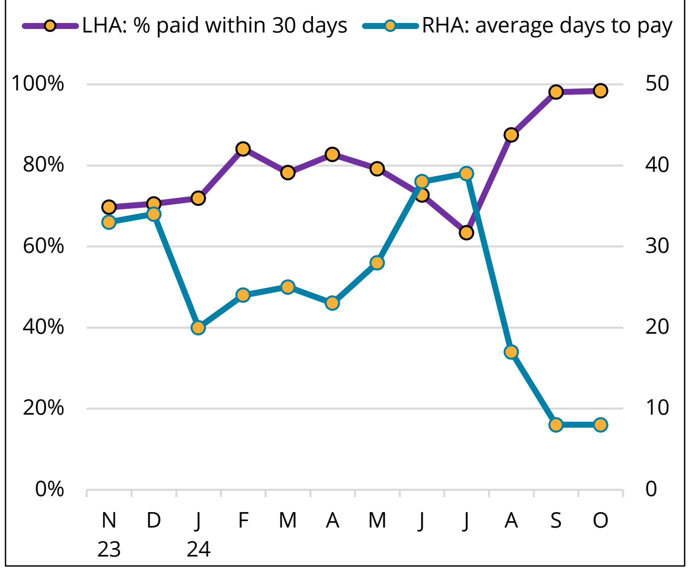
Financial

| Budget by activity | Actual £m | Budget £m | Variance £m | Variance % |
|---|---|---|---|---|
| Practising fee income | (68.1) | (67.6) | 0.5 | 1% |
| SQE income | (36.7) | (30.4) | 6.3 | 21% |
| Income from compensation fund | (15.9) | (14.7) | 1.2 | 8% |
| Regulatory income | (4.1) | (3.7) | 0.4 | 11% |
| investments/interest | (3.0) | (1.9) | 1.1 | 58% |
| **Total income** | **(127.8)** | **(118.3)** | **9.5** | **8%** |
| Investigation and Enforcement | 43.0 | 43.8 | 0.8 | 2% |
| Education and Training | 38.2 | 32.2 | (6.0) | -19% |
| Client Protection | 18.1 | 16.8 | (1.8) | -8% |
| Authorisation | 16.4 | 18.2 | 1.8 | 10% |
| Anti-money laundering | 6.0 | 6.1 | 0.1 | 2% |
| **Total expenditure** | **121.7** | **117.1** | **(4.6)** | **4%** |
| **Total** | **(6.1)** | **(1.2)** | **4.9** | |

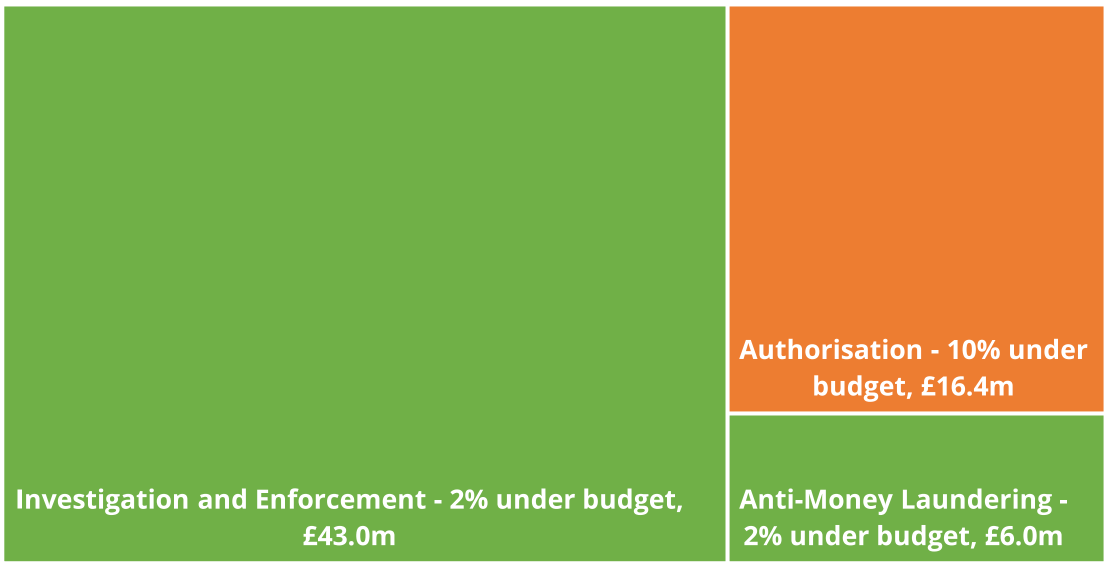
LHA: left-hand axis RHA: right-hand axis

**Supplier invoice payment**

LHA: % of invoices paid within 30 days
RHA: average days to pay




**Expenditure vs controllable budget by activity**



**Overall income and expenditure**

Income for the year remains in excess of budget predominantly due to additional income from the Solicitors Qualifying Examination (SQE) due to higher candidate numbers. This is offset by increased costs associated with delivering the exam.

There is also increased income from the Compensation Fund which reflects the increased costs of interventions, specifically costs associated with the retrieval and storage of files from intervened firms due to increased volumes. This reflects greater costs within Client Protection related activity. Regulatory income was ahead of budget due to increased applications for exemptions from elements of SQE. This is related to the overall increase in candidate numbers.

Expenditure on staff costs was in line with budget for the full year. We saw a small increase in the level of voluntary staff turnover earlier in the year which resulted in larger underspends in the first two quarters of the year. Headcount is now much closer to budget resulting in the reduced underspend. This follows recruiting additional staff to support key operational functions.

Within non-staff costs there were a number of positive and negative variances with the cumulative net effect of a small underspend against budget. The higher than budgeted education and training costs associated with higher SQE candidate numbers were offset by increased income from examinations meaning no net impact to the SRA's overall surplus for the year.

Legal fees exceeded budget by £2.2m. As a consequence of the improvement work within Investigation and Enforcement, we have seen a reduction in older cases being investigated. Many of these have resulted in referrals to the Solicitors Disciplinary Tribunal and therefore additional cases with external law firms who support with this work. We expect to manage this overspend within the approved budget for the year. The potential impact within the next financial year was considered by the Board as part of the budget approval in September.

There was an underspend of c£2m on project activity as we have reprioritised during the year with our focus shifting towards the ongoing consumer protection work. This has taken up a lot of internal resource time but during 2023/24 not a large amount of externally procured expenditure.

The overall position for the financial year (subject to adjustments through the year end audit process) is now a £6.1m surplus, significantly favourable to the original budget position which was a £1.2m surplus. The main factors leading to the higher surplus are c£1m greater than budgeted income and recoveries, £2m underspend on projects and a positive £1.3m increase (almost 15%) in the value of our investments.

**Activity based cost versus budget**

The table presents the SRA’s expenditure on an activity-based costing basis for its five regulatory activities. Two of the five activities are subject to volume variances in the form of the number of interventions into failing firms and the number of SQE candidate numbers that are outside of management control. These have no material impact on the SRA’s surplus or deficit, because their cost is matched by corresponding income. We therefore further focus our expenditure reporting on actual spend versus budget for the three activities which are within the control of the executive leadership. Spend is reported as green if it is 95%–100% of budget, as amber if it is 90–95% or 101–2% of budget, and red if it is less than 90% or greater than 102% of budget.

Authorisation related expenditure was 10% lower than budgeted primarily due to the substantial level of staff vacancies during the year but also the underspend on projects.

**Supplier invoice payment**

A new purchase order control process was introduced in the second half of the 2023/24 financial year, which reflected our continuous improvement approach. The improvements within the process are now well established, with very positive results arising in our supplier payment performance. In September and October 2024 we paid on average within 10 days of receipt of an invoice, with 98% paid within 30 days, our standard terms.