

**SRA BOARD**  
14 September 2021



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*This paper will be published*

### **SRA Third Quarter Performance Report**

#### **Purpose**

- 1 This paper provides the Board with an overview of the performance report for the third quarter of 2020/21.

#### **Recommendation**

- 2 The Board is asked to:
  - a) note the content of the quarterly performance report and the commentary provided.

**If you have any questions about this paper please contact: Liz Rosser, Executive Director of Resources, [liz.rosser@sra.org.uk](mailto:liz.rosser@sra.org.uk).**

#### **Equality, Diversity and Inclusion considerations**

<b>Consideration</b>	<b>Paragraph</b>
<i>The balanced scorecard and commentary include aspects of EDI within the agreed indicators, including the SRA's latest gender pay gap data.</i>	<i>Annex 3</i>
<i>Reporting on our work programme and our Strategic Risk Register also cover key areas of our EDI work.</i>	<i>Annex 2</i>

**SRA Third Quarter Performance Report****Introduction**

3 The Board is asked to consider four separate documents which together provide the Board with an update on performance at the end of July 2021. These are:

- Annex 1: Financial Performance Update
- Annex 2: Business Plan Update
- Annex 3: Balanced Scorecard
- Agenda item 7: Strategic Risk Register

**Quarter three 2020/21 performance update**

4 This is the third quarter reporting against the delivery of the first year of our Corporate Strategy as well as the 2020/21 Business Plan, which support the delivery of our regulatory objectives as set out in the Legal Services Act 2007.

5 Overall this has been a good quarter with some good progress in each of our strategic aims. Some of the key highlights of the period include:

- Good progress in our preparations for SQE with registration and booking opening for the first SQE assessments
- The appointment of our new Head of Welsh Affairs adding value to our work in Wales
- Moving forward our technology and innovation objective with the publication of the research commissioned from Oxford University
- Visits to Legal Choices website in the year to date exceeded 0.5 million in Q3. In May-July, there were also more than 0.6 million views of campaign videos.
- The LSB approved our application for practising fees for 2021/22, the individual fee will be £266, reduced by £12 from last year. This year we revised our approach and worked collaboratively with the Law Society but consulted separately. We sought feedback on our Business Plan, which included the budget and our element of practising fee. More than 8,000 people and 50 organisations engaged with us as part of the consultation.
- The transfer of our functions to SRA Ltd was completed on 1 June.

6 As with the last quarter the majority of the activities in our business plan remain on track. The third quarter reporting against the business plan has seen two activities marked as Amber and one move from 'on hold' to completed. The two Amber activities are discussed in more detail in annex 2.

7 We received approval from the Legal Services Board (LSB) for and have implemented changes to the Compensation Fund, this activity was marked as Amber in last quarter's update, due to resubmission of an amended set of arrangements to the LSB for approval. This is now marked as completed, which brings the number of activities completed to two.

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- 8 At the end of the third quarter, we continue to manage our expenditure within the approved budget and do not consider there to be any risk to the full year position.
- 9 The next update will be the final quarter of the work programme and will show how the year has progressed. We are focussing on the months ahead and preparing for this year's practising certificate renewal exercise (PCRE) which will take place in October.
- 10 In terms of the external measures:

Communication**Media sentiment**

- 11 Positive and neutral coverage increased as a proportion of all media coverage during Q3 as compared to the previous three quarters. There was ongoing positive coverage of our online customer reviews pilot. Other areas of our work that earned favourable media coverage included research on innovation and technology in legal services, enforcement action on anti-money laundering self-assessments, preparations for the launch of the Solicitors Qualifying Examination route to admission and a discussion paper on fee restrictions for claims management services. The future of the Solicitors Indemnity Fund generated some negative media coverage for us during Q3.

**Web traffic**

- 12 Web traffic in Q3 remained sharply up from a year earlier. As previously reported, our Solicitors Register was first opened up to Google's site crawlers in February 2021, leading to a sustained upsurge in impressions of our website on, and click throughs from, Google web search.

**Events**

- 13 In response to continuing restrictions on travel and public gatherings, we offered an extended range of webinars and other virtual events during Q3. There were 11 virtual events during the quarter, generating more than 5,000 views in total (streaming and on-demand). More than three-quarters of attendees who scored the usefulness of our events gave a rating of 8 out of 10 or higher.

**Social media**

- 14 The number of SRA followers across all social media networks reached more than 133,000 by the end of Q3, up 16% from a year earlier. Engagement with the SRA's social media content during the quarter was down 30% year on year, while impressions (views) of posts were down 40%. These figures reflect the upsurge of social reach and engagement we experienced during the early months of the pandemic last year.

**CLASSIFICATION - PUBLIC****Customer feedback on Contact Centre calls and emails**

- 15 Our telephone satisfaction score is based on May, June and only the first two days of July. This is because, on 5 July, we paused our own survey so that we could collect email addresses from customers who agreed to take part in our external Institute of Customer Service survey. We did this to avoid any confusion over which survey we needed them to complete. Our Q3 figures are therefore based on 2,719 telephone responses compared to 5,227 survey responses in Q2. We are seeing improvements in our email satisfaction, and we continue to work on the root cause of any dissatisfaction with our email service.

Delivery measures

- 16 In the last performance update we forecast that all KPIs would be met except for the Individual Based Authorisation KPI, which we expected to be impacted by legacy performance issues from the 2020 PCRE round. This has now been addressed but did lead to under performance in this area during quarter three.
- 17 As well as the ongoing focus on meeting our operational KPIs and recovering the position post Covid-19 / Reg Ops implementation in 2020, we are now heavily focused on preparing for this year's PCRE. PCRE takes place during the month of October and involves around 158,0000 solicitors renewing their practising certificates. Much of this is automated and delivered through our IT systems but it does involve increased contact with the profession and operational pressure during this time.
- 18 The update on the key deliverable KPIs for the quarter is as follows:

**Investigation and Supervision**

- 19 We have maintained performance against the 12-month KPI at 93% as predicted and expect to remain at this level for the next quarter. Our overall caseload continues to drop as a result of improving levels of productivity and currently sits at 1,850 (down from 1,950 at the end of quarter 2). The team's focus continues to be on dealing with all cases that are taking longer than 24 months and we have set a target of resolving all these over the next 12 months.

**Authorisation**

- 20 We exceeded the Firm Based Authorisation KPI in quarter three but failed to hit the Individual Based Authorisation KPI. This was expected although we had hoped to pull back performance before the end of the quarter. As previously mentioned, this was as a result of the PCRE invoice issues that we experienced in 2020. This KPI has recovered in August where we have achieved a performance level of 80%. As mentioned above the team are now heavily focused on preparations for PCRE 21, which among other things has involved an early write-out to the profession and 121 meetings with some of our largest bulk renewal firms.

**CLASSIFICATION - PUBLIC****Contact Centre**

- 21 We exceeded the Contact Centre KPI in quarter three achieving 82% of calls answered in 60 seconds compared to our target of 70%. We have taken steps to increase resource in advance of the PCRE peak which is providing some early benefit to the team. Training for new starters will be completed by mid-September in advance of the October peak. We continue to receive positive feedback on our call handling with 89% of callers surveyed confirming they were satisfied or very satisfied with the call. We have also seen a continued improvement in email satisfaction levels with 71% of those receiving an email confirming (when surveyed) that they were satisfied or very satisfied.

**Client Protection (referenced Compensation Fund on the balanced scorecard)**

- 22 We continued to exceed our claims handling KPI in quarter three although experienced a slight reduction compared to the previous quarter as we dealt with a particularly high volume of claims during the quarter (as a result of a large intervention in 2020).

**Complaint handling**

- 23 We met all our complaint handling KPIs in the last quarter and expect to continue to do so in quarter four.

Internal measures

- 24 Staff turnover has increased for the second time in 12 months. We continue to observe a volatile recruitment market and it continues to indicate uncertainty.
- 25 In addition, time lost to sickness has increased for the first time in 12 months. We have seen a slight increase in those testing positive for Covid-19 over the last quarter. As we prepare staff to gradually return to a hybrid way of working, we continue to promote well-being initiatives and other interventions such as our employee assistance and occupational health provisions.
- 26 Both the turnover and sickness levels continue to be below the external benchmark. However the benchmark for voluntary turnover is based on 2019 data. The source of the benchmark has recently communicated that the current sample size is not large enough to provide a more up to date benchmark. The number of training hours is consistent for this time of year.
- 27 The latest gender pay gap data for 5 April 2021 is reported in this quarter. We have seen a 0.9% decrease in the mean from 10.6% to 9.7%. We have seen a slight increase in the median to 9.3% from 8.8%. Although we have seen the pay gap narrow significantly in some of our upper pay bands, our middle pay bands have all slightly widened creating overall a slight increase in the median. The gap is still significantly below the UK median benchmark of 15.5%.

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Financial measures

- 28 Income for the year continues to be in excess of budget due to increased numbers of practising certificate fees. The budget assumed that we would see a reduction in practising solicitors due to the impact of the Covid-19 pandemic; however, in actuality we have seen more than a 2% increase in numbers. Regulatory income remains broadly in line with budget.
- 29 Expenditure is being managed within the agreed budget and forecast and there is no risk to the full year position. The impact of the ongoing Covid-19 pandemic is likely to be reduced costs in the year due in part to the continuation of home-based working for the majority of the year.

Strategic Risk Register

- 30 The updated Strategic Risk Register is discussed in greater detail under agenda item 7. It should be noted that since the review by the Board on 8 June 2021, the number of risks remains unchanged at five.
- 31 As referenced in the cover paper for the Strategic Risk Register (SRR), on 21 September the Audit and Risk Committee (ARC) will review the latest quarterly report on the SRR including updates to individual Strategic risks, as well as consider for the first time the detail with the Mid-tier Risk Register.

Conclusion

- 32 This was another positive quarter, with the majority of our key performance measures improving or remaining above target. We continue to see less of an impact operationally from the ongoing Covid-19 pandemic as we, and those we work with, have settled into the new ways of operating.
- 33 A second activity in our business plan has been completed and we continue to be in a strong financial position to support delivery of the remainder of our business as we move into the final quarter. The Board will receive a further update as we report on quarter four.

**Recommendation: the Board is asked to note the content of the quarterly performance reports and the commentary provided.**

Next steps

- 34 We will continue to report to the Board in full on our performance every quarter against the 2020/21 business plan.

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**Date** 25 August 2021

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**Annexes**

- Annex 1: Financial performance update**
- Annex 2: Business Plan update**
- Annex 3: Balanced Scorecard**

*NB: Annex 1 of this paper will not be published because it contains information which is commercially sensitive*