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*This paper will be published*

**SRA Third Quarter Performance Report**

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|---|---|
| <b>Reason for papers</b>                          | These papers (items 7 and 8) provide the Board with an overview of the performance report for the third quarter of 2021/22 to 31 July 2022 and a progress report covering the management of the SRA key risks set out in the Strategic Risk Register (SRR). |
| <b>Decisions(s)</b>                               | The Board is asked to<br><br>a) note the content of the quarterly performance report and the commentary provided.   |
| <b>Previous Board and committee consideration</b> | The Board receives performance reports and Strategic Risk updates on a quarterly basis.   |
| <b>Next steps</b>                                 | The fourth quarter performance pack, including the Strategic Risk Register, will come to the Board at its meeting in December 2022 and will reflect any changes requested by the Board.   |

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

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## **SRA Third Quarter Performance Report**

### **Purpose**

- 1 This paper provides the Board with an overview of the performance report for the third quarter of 2021/22.

### **Introduction**

- 2 The Board is asked to consider four separate documents which, together with this summary, provide the Board with an update on performance at the end of July 2022. These are:
  - Annex 1: Financial Performance Update
  - Annex 2: Business Plan Update
  - Annex 3: Balanced Scorecard with supporting commentary
  - Agenda item 7: Strategic Risk Register.

### **Quarter Three 2021/22 performance update**

- Third quarter reporting against 2021/22 Business Plan
- 35 activities to report against in our business plan.

### **Key achievements**

|   |  |
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| <ul style="list-style-type: none"> <li>• AML</li> </ul>                       | <ul style="list-style-type: none"> <li>• We have significantly increased activity in this area compared with recent years especially in terms of visits to firms.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Diversity</li> </ul>                 | <ul style="list-style-type: none"> <li>• We strengthened our information on diversity in the profession, increasing law firm diversity data coverage to almost 100%. We also published the diversity breakdown of people in our 2020/21 enforcement processes and appointed a consortium to research the overrepresentation of those from a Black, Asian and minority ethnic backgrounds in reports made to us, and then taken forward for investigation.</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Innovation and technology</li> </ul> | <ul style="list-style-type: none"> <li>• We have made material progress in supporting the development of legal technology and other innovation that benefits the sector. We have supported 13 lawtech start-ups through SRA Innovate in the quarter and we have completed our BEIS funded access to justice project. This includes the launch of the project's latest tech product - a new tool to help advice agency staff assess eligibility for disability benefit appeals which is being hosted on the AdviceNow charity website.</li> </ul> |

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**Exceptions**

- Three activities reported as Amber in the third quarter.
- All still on track for completion this year.

**Financial performance**

- Increased income through additional practising certificate fees.
- Expenditure being managed within the approved budget including impacts of high inflation.
- Latest forecast position to be verbally updated to Board.

**Areas for discussion**

|           |  |
|-----------|--|
| Inflation | <p>We continue to see high levels of inflation filter through to increased costs in energy bills and there will inevitably be pressure later in the year and particularly in the next financial year as contracts fall due for renewal.</p> <p>The Board might wish to consider in the light of later discussions on the 22/23 budget and the reserves position.</p>   |
| SQE       | <p>IT failure at one test centre in London on 21 July 2022 meant that c.100 candidates were unable to take the Functioning Legal Knowledge (FLK) 1 exam. As a precaution, Kaplan did not use that centre for the FLK2 assessment so both exams were rescheduled.</p> <p>Rearranged assessments were delivered without incident and candidates will receive their results on the same day as the candidates who completed the assessments in July.</p> <p>We liaised with Kaplan to manage communications to candidates and media responses We are working with Kaplan to learn lessons from the incident and are reviewing the contingency arrangements in place and the speed with which they could be implemented if required in future.</p> |

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**Strategic Risk Register**

- Discussed in greater detail under agenda item 8.
- Number of risks on the register remains unchanged at six.

**Summary**

- We remain on course to deliver against key objectives and within budget, subject to inflationary pressures referenced earlier.
- Majority of our key performance measures on target.
- Three activities in our business plan rated as Amber at this stage.

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

**Next steps**

- 3 We will continue to report to the Board in full on our performance every quarter, the next update will be against quarter four of the 2021/22 business plan.

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**Date** 30 August 2022

**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*