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This paper will be published

SRA Second Quarter Performance Report

Reason for papers	These papers (6 and 7) provide the Board with an overview of the performance report for the second quarter of 2021/22 and a progress report covering the management of the SRA key risks set out in the Strategic Risk Register (SRR).
Decisions(s)	The Board is asked to a) note the content of the quarterly performance report and the commentary provided (paper 6) b) discuss and comment on the Strategic Register (see annex 1 of paper 7) c) note the progress on the ongoing development of risk management.
Previous Board and committee consideration	The Board receives performance reports and Strategic Risk Updates on a quarterly basis.
Next steps	The third quarter performance pack, including the Strategic Risk Register, will come to the Board at its meeting in June 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

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SRA Second Quarter Performance Report**Purpose**

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

Introduction

- 2 The Board is asked to consider five separate documents which together provide the Board with an update on performance at the end of April 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 Two 2021/22 performance update

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

Key achievements

SQE	<p>We have successfully delivered the first SQE2 assessments.</p> <p>Some candidates will have sat both SQE1 (November 2021) and SQE2 (April 2022). If they pass and have completed their qualifying work experience, they will be eligible for admission as a solicitor in August 2022.</p>
Ethnicity pay gap	We published our own ethnicity pay gap data to encourage other firms to follow suit.
Workplace	<p>Refurbishment of our office in Birmingham was completed on budget. Our new London office in Old Broad Street and refurbished offices in Birmingham are now fully opened.</p> <p>Hybrid working fully operational and benefits of face-to-face collaboration visible.</p>

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**CLASSIFICATION - PUBLIC****Exceptions**

- Two activities reported as Amber in the second quarter.
- All still on track for completion this year with one on hold.

Financial performance

- Increased income through additional practising certificate fees.
- Expenditure being managed within the approved budget and activity being brought forward where possible to utilise additional income.
- Impact of inflation beginning to be felt, for example in increased energy bills.

Areas for discussion

Inflation	<p>We have begun 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 earlier discussions on the 22/23 budget and the reserves position.</p>
Ukraine	<p>We have undertaken significant activity this quarter on responding to the situation in Ukraine including updating our guidance for firms on compliance with sanctions and, Anti-money laundering and ceasing to act for clients. This has demonstrated agility and responsiveness and planned activities adapted accordingly where needed.</p>

Strategic Risk Register

- Discussed in greater detail under agenda item 7.
- 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.

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- Two activities in our business plan rated as Amber and one on-hold 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 three of the 2021/22 business plan.

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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