

SRA BOARD

29 April 2025

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*This paper will be published***SRA November 2024 to February 2025 Performance Report**

Reason for papers	These papers (items 8 and 9) provide the Board with an overview of the performance report for the four month period ended 28 February 2025 and a report covering the management of the SRA's key risks set out in the Strategic Risk Register (SRR).
Decisions(s)	<p>The Board is asked to:</p> <ul style="list-style-type: none"> a) note the content of the performance reports and the overall assessment of performance b) approve the revision to the SRA Limited Reserves policy in annex 1 c) note the update on the LSB performance assessment.
Previous Board and committee consideration	The Board receives performance reports and Strategic Risk updates on a regular basis, three times per annum.
Next steps	The second performance pack for 2024/25, covering the second four months of the year, including the Strategic Risk Register, will come to the Board at its meeting in September 2025.

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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CLASSIFICATION – PUBLIC**SRA November 2024 to February 2025 Performance Report****Purpose**

- 1 This paper provides the Board with an overview of the performance report for the four month period ended February 2025.

Introduction

- 2 The Board is asked to consider five separate documents which, together with this summary, provide the Board with an update on performance for the period ended February 2025. These are:
 - Annex 1: Financial performance and position
 - Annex 2: Balanced Scorecard with supporting commentary
 - Annex 3: Business plan progress
 - Annex 4: LSB Performance Assessment Update
 - Agenda item 11: Strategic Risk Register.

2023/24 business plan performance update

- 26 activities to report against in our business plan.
- 24 'green', delivered or on track to be delivered commitments, one 'amber' where we were only able to partially deliver the commitments, no 'reds' where a commitment is not on track to be completed in the period, and one "blue" where the commitment is only deliverable at a later point in the year.

Key achievements

Risk and Data programme	<ul style="list-style-type: none"> • We ensured that we best manage the interdependencies between the development of our risk identification and data capability by forming the Risk and Data Programme (RDP) • We onboarded key resource and began activities on the key strands of priority activity • Aligned the approach with the existing Risk Management Framework to ensure that we more clearly identify and mitigate both operational and market risks.
Senior leadership diversity	<ul style="list-style-type: none"> • We now have a senior leadership group including 14.5% from an ethnic minority, up from 8% in 2022. • We are on track to achieve our mid-term target to have 16% of our leaders from an ethnic minority by 2026.

Exceptions

- 3 Our case working progress is the one exception on performance delivery during the reporting period.
- 4 There has been a sustained increase in the average days to complete initial assessments of reports received on solicitors, from 39 days at the end of the

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October to 44 days in February 2025. Our target is for 80% of such cases to be completed within two months of receipt, and this was exceeded or met last financial year. In the first four months of this financial year the case completion within the targeted timescale reduced to 47%, as a result of a 24% increase in report volumes in the period compared to the same period last year.

- 5 This increase is impacting on overall investigation case completion performance, with the average days for closing investigation cases increasing from 90 days to 97 days over the period, as a result of the number of new investigation cases increasing by 59% compared to the same four month period last year.
- 6 The number of investigations more than 24 months old has increased during the period from 60 to 67, because of the increase in receipts. We have a plan in place to address this and expect this number to reduce back to 60 or below, the same level as last summer.
- 7 The Investigation team during the period closed 18% more cases than in the comparable period a year ago. This has been possible as a result of the continuous improvement changes made over the previous two years and represents a real productivity increase given minimal increase in FTE headcount from last year.
- 8 Our business plan commitment is to “implement and embed improvements to our casework processes”. This commitment has proven challenging to fully deliver due to this significant increase in the volume of reports received on solicitors and in the volume of investigation cases. We continue to implement improvements to our case working processes, making them more efficient. We have increased temporary resources and are planning additional permanent resource due to the increase appearing to be a sustained rise, as noted in the business plan and budget paper.

Financial performance

- 9 There was a £0.6m surplus for the period including the effect of greater than budgeted income and a small unbudgeted investment gain.
- 10 We forecast a deficit of £8m for 2024/25, which would reduce unrestricted reserves to £14m. We expected a material deficit, as a result of:
 - £1.7m of additional costs recognised by the Board after the initial budget had been set. This resulted from the employer national insurance increase, Post Office case, and investigations growth.
 - The agreed investment in resourcing, both to deal with significant increases in case volumes and to invest in the transformation considered by the Board at its November and February workshops.
- 11 The forecast deficit is, however, higher than expected, due to the increase in legal costs. These have increased significantly due to an increase in both the number of

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enforcement cases and their complexity. The forecast has informed the 2025/26 budget setting process considered in the business plan and budget paper.

- 12 We forecast that towards the end of the 2024/25 financial year the Compensation Fund will not need to use the Barclays overdraft facility. This is a result of the Fund's statutory trust receipts being forecast to improve during the period ahead.
- 13 The level of activity in SIF is within expectations, and there is no material change in the value of provisions or investments.

LSB performance assessment

- 14 The Board has been receiving assurance against the LSB's performance assessment since June 2023 following a letter from the LSB which 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.
- 15 At the last Board performance meeting in January, the Board discussed the updates it receives on the LSB's performance assessment and agreed that moving forwards these should be focused on the actions set out in the most recent LSB performance report of us and on exception reporting against the LSB's performance assessment framework. The Board also asked for a summary of LSB consultations / position papers and our response to them. The latest update is provided at annex 4 and focuses on the 2024 regulatory performance assessment report, which the LSB published on 31 March 2025.

Strategic Risk Register

- There continue to be five strategic risks and two continue to be outside our risk appetite. These are risk based regulation and investigation and enforcement. This is considered in a separate paper under agenda item 9.

Items for discussion

- We are seeing challenges in achieving our investigations targets due to a significant increase in volumes. We expect this to continue and are taking steps to address this issue.
- Our forecast deficit for the year and our forecast to have year-end unrestricted reserves of £14m, which will be below the range set in our reserves policy.

Recommendations: the Board is asked to:

- a) **note the content of the performance report annexes and the overall assessment of performance**
- b) **approve the revision to the SRA Limited Reserves policy in annex 1a**

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c) note the update on the LSB performance assessment

Next steps

- 16 We will continue to report regularly to the Board on our performance. The second report on 2024/25 performance will be in September 2025 and will cover the second four months of the reporting year.

Annexes

Annex 1	Financial performance update
Annex 2	Balanced Scorecard
Annex 3	Business Plan update
Annex 4	Legal Services Board Performance assessment update

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