

**SRA BOARD**

22 June 2020



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*This paper will be published***SRA Second Quarter Performance Report****Purpose**

- 1 This paper provides the Board with an overview of the performance reports for the second quarter of 2019/20 and provides an opportunity for the Board to consider the development of the balanced scorecard within our performance reporting pack.

**Recommendation**

- 2 The Board is asked to:
- a) note the content of the performance reports and the commentary provided
  - b) consider the evolution of the balanced scorecard and our performance reporting and whether or not the Board believes it meets their requirements.

**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**

Consideration	Paragraph nos
We recognise the impact of Covid-19 pandemic on the wider sector and consumers from every community	Para 5
Our work to support staff has included support for those who have particular needs during lockdown, and to ensure our inclusive culture and values are maintained.	Para 12
The balanced scorecard and commentary includes aspects of EDI within the agreed indicators, including the SRA's latest gender pay gap data.	Annex 3
Reporting on our work programme and our Strategic Risk Register also cover key areas of our EDI work.	

## **SRA Second 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 April 2020. These are:
- Annex 1: Financial Performance Update
  - Annex 2: Work Programme Update
  - Annex 3: Balanced Scorecard
  - Agenda item 6: Strategic Risk Register
- 4 The second part of the paper asks the Board to consider the development of the balanced scorecard and our wider performance reporting.

### **Quarter 2 2019/20 performance update**

- 5 The significant theme of the second quarter of the year has been the implications of the Covid-19 outbreak on the SRA, the wider sector and consumers, including people from every community and those who are vulnerable. The impact of this can be seen in our financial update, work programme update and balanced scorecard and is also reflected in the updated strategic risk register.
- 6 We have previously reported to the Board on our response to the Covid-19 pandemic. The three-tier Covid-19 plan proved effective and allowed us to quickly implement actions for when the country went into lockdown. We closely monitored and implemented Government advice and continue to do so. As previously reported to the Board, home-working was invoked for all staff by the end of March and additional laptops were sourced for staff to facilitate this. We convened Silver and Bronze response team meetings, meeting daily initially and then twice a week to manage the response, as well as regular meetings of the Senior Management Team (SMT) to discuss higher level issues and make policy decisions. We have also now convened a weekly meeting to plan for our return to the workplace. During the lockdown we have kept some workplace functionality up and running with a minimal amount of staff needing to come into the workplace occasionally to carry out some critical work. All of these actions have allowed us to keep our regulatory and other functions fully operational.
- 7 The financial update at the end of April explains that we are currently within our financial forecast and budget although we are starting to see pressures on our income and recoveries which may put strain on the full year position. While there have been challenges on expenditure as a result of Covid-19, particularly in facilitating remote working, these have been offset by savings, such as reductions in staff travel.
- 8 There is a similar theme within the work programme update where the majority of our activities for this year remain on track; however we are starting to see impacts on our enforcement work and our external engagement. At this stage none of our

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activities are rated as 'red' but the full impact of the Covid-19 outbreak remains to be seen and the next quarter will be crucial in determining whether we can deliver all of our activities as planned.

- 9 Our balanced scorecard, the development of which is discussed later in this paper, demonstrates how the outbreak has impacted on our communications and also delivery against our operational KPIs.
- 10 Social media engagement has increased significantly in the last quarter while the move to an email and call back service in our contact centre has inevitably led to lower levels of customer satisfaction. Upcoming changes in contact centre operations and the introduction of a new telephony system will help reverse this situation. We also saw significant traffic to the Covid-19 related content on our website.
- 11 Performance against our KPIs has dropped in Investigation & Supervision and Firm Based Authorisation as we are experiencing delays in firms and individuals responding to our enquiries due to Covid-19 related issues. Our overall caseload levels have, however, remained steady during the second quarter as we have maintained or increased levels of productivity through the new homeworking arrangements.
- 12 Staff turnover has reduced in the last quarter and is now below the CIPD benchmark. It is likely that the uncertainty due to Covid-19 has contributed to that decrease. Time lost to sickness has not changed significantly in the last quarter but is significantly lower than the equivalent measure last year. The amount of training we have been able to deliver has been significantly reduced by the closure of our office space. We have now developed different ways of working to deliver training remotely and virtually, so the number of hours can be seen to have recovered in April. We have worked to support all our staff, including with particular needs during lockdown, and to maintain our inclusive culture and our values. For example, we have celebrated Eid al-Fitr, Passover and Vaisakhi remotely, as well holding Pride week and a range of other events. Feedback from staff on our internal communications during the outbreak has been decidedly positive.
- 13 The financial section of the scorecard summarises the position at the end of quarter two which, as mentioned in paragraph 7, is that we are currently managing within our approved budget albeit with some short-term challenges around income.
- 14 The updated strategic risk register is discussed in greater detail under agenda item 6; however the most significant change is the addition of a new risk related to business interruption or changes to our business operations resulting from Covid-19. The key controls that we have implemented to mitigate and control the risk can be seen in the detailed risk register.
- 15 When considered together the performance reports demonstrate how the organisation has been affected by the changing landscape brought about by the Covid-19 outbreak. It shows that we have adapted to the challenges that come

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with this, but as we have discussed at previous Board meetings, the longer term implications are not known with any certainty at this stage.

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

**Development of our balanced scorecard and performance reporting to the Board**

- 16 The Board will recall that this is the third time that it has discussed the development of a balanced scorecard– following a workshop discussion on 22 October 2019 and a review of a first iteration of the scorecard in March 2020, when the details of the scorecard were approved and published for the first time. The Board also reviewed our reporting against our work programme and our financial reporting at that meeting.
- 17 Our aim is to report on an exception basis at both Board level and externally, with exceptions, such as over or under performance against key measures, highlighted in the accompanying performance report.
- 18 The Board agreed to develop two levels of balanced scorecard reporting:
- Board level reporting - a published version of the Board’s scorecard. It provides appropriate detail to our stakeholders and meets the Board’s wider transparency objectives.
  - Management level reporting – this will be a more detailed set of measures, much of which are already in place within the organisation.
- 19 It is important to note that our balanced scorecard is not static. It is designed to provide the Board with timely, current and relevant information at the same time as reporting regularly on standard measures each quarter. This means we can report on a ‘hot topic’ or timely piece of work, in the most recent quarter. For example, for this quarter, we included statistics on coronavirus-related communications, our Firm Diversity Data and gender pay gap data. This flexibility enables the Board to receive more ongoing point in time confidence checks on key issues. It also means that the balanced scorecard will look different each quarter. As noted above at paragraph 17, it is complemented by our wider range of performance reporting, including our work programme update.
- 20 The primary purposes of the scorecard and our wider performance reporting are to provide the Board with a clear understanding of performance management within the organisation and to enable it to hold the Executive to account.

**Recommendation: consider the evolution of the balanced scorecard and our performance reporting and whether or not the Board believes it meets their requirements.**

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*Next steps*

- 21 We will continue to report to the Board in full on our performance every quarter. We will keep the scorecard and our wider reporting under review.

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**Annexes**

**Annex 1: Financial performance update**

**Annex 2: Work programme update**

**Annex 3: Balanced Scorecard**

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