

**SRA BOARD**

17 July 2019

**CLASSIFICATION – PUBLIC**



*This paper will be published*

**Increasing the openness of Board decision making**

**Purpose**

- 1 This paper builds on previous discussion by the Board in seminar and workshop sessions in April and May. It sets out proposals for enhancing the transparency of decision making.

Recommendations

- 2 The Board is asked to:
  - (a) agree the proposals for increasing the openness of Board decision making as set out at paragraph 10.

**If you have any questions about this paper please contact: Jane Malcolm, Director of External and Corporate Affairs, email: [Jane.Malcolm@sra.org.uk](mailto:Jane.Malcolm@sra.org.uk), Tel: 01213296091.**

**Equality, Diversity and Inclusion considerations**

<b>Consideration</b>	<b>Paragraph nos</b>
The approach taken is in line with our commitment to mainstreaming equality and diversity in all we do. As set out at paragraphs 7 – 10 we want to provide information that is genuinely as accessible as possible for everyone with an interest, but also to expand the community of interest by adopting new ways of promoting the work of the Board.	7-10
Paragraph 11 sets out the continuing Board commitment to engaging directly with an inclusive range of stakeholders.	11

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## **Next steps in the openness and transparency of Board decision making**

### **Background**

- 3 Open and transparent governance is an important component of accountability, contributing to maintaining the confidence of the public we serve and the profession we regulate.
- 4 Board members have had workshop discussions on how to increase the openness of Board decision making, so that the public and the profession can see that decisions are properly made.
- 5 This paper builds on these discussions and puts forward proposals for the Board to consider.

### **Discussion**

#### *Openness of Board decision making*

- 6 We already publish a wide range of material, for example, our Annual Review, costs statement, Risk Outlook, risk papers, thematic reviews, research, scam alerts, firm diversity profile, Compensation Fund financial reports, our contribution to the Group Annual report and financial statements, as well as a series of ebulletins for the profession and most of our Board papers.
- 7 But we want to do more to demonstrate accountability to all our stakeholders through providing additional information on how our Board makes its decisions. Over the last six months, the Board has undertaken a root and branch review of how best to do this.
- 8 As part of that process, we have tested our thinking with other regulators and looked at good practice. The Board considered holding open meetings and reached the view that such an approach would not enhance accountability unless there is considerable investment in making it a valuable and attractive experience for a wide range of stakeholders. Rather, the emphasis should be on better ways of providing accessible, meaningful and contextualised information about how the Board works and makes its decisions, so that people from every community can easily find what they need at a time and in a way that suits them.
- 9 We also want to actively promote information about the work of the Board in an immediate and relevant way, in line with the way many people choose to access information. Using social media to update on Board decisions and discussions offers the potential to interest more people in what the Board does, reaching a far wider range of the community.

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- 10 We are proposing to:
- a) provide context for the work of the Board by publishing a statement that explains how we are accountable to our stakeholders, with associated transparency policy and a Board decision-making framework setting out what factors the Board considers in making its decisions.
  - b) enhance and refresh our Board communications by, for instance, making use of social media to share real time reporting, posting blogs from our Chair following meetings and regularly sharing information on platforms such as LinkedIn
  - c) create a new governance landing page for on our website, designed to engage people with the work of our Board through video, blog and podcast content.
  - d) make our publications more accessible by moving away from substantial and complex hard copy publications such as our Annual Review towards soft copy publication in targeted sections such 'our people' or 'our numbers'. This is in line with the increasing trend towards digital first publication and will make our information easier to navigate and much more accessible on social media. It is also in keeping with our commitment and ISO 14001 accreditation as an environmentally aware organisation that uses resources, such as paper, responsibly.
  - e) improve information for people seeking detail on our Board meetings by producing fuller Board minutes. In some instances, this may mean redacting confidential information for example commercially confidential content, or material that may identify individuals.
  - f) publish as many Board papers as possible, which may mean occasional redaction or not publishing a confidential annex
  - g) review our Board level KPIs and develop a more meaningful way of reporting and publishing the performance information that goes to Board.
- 11 In addition to making a full range of information available, Board members have expressed continued commitment to direct engagement with a fully inclusive range of stakeholders, to listen to their views and understand their issues. We will continue to engage the Board in our public focus groups and key stakeholder outreach.
- 12 We have recently published our new Public Engagement Charter, which sets out what people can expect from us and how we will work with the public and listen to people's views.
- 13 We will keep our transparency arrangements under continuous review. As part of that, we are mindful that the Legal Services Board is undertaking a cross-

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regulator review of transparency and are looking forward to contributing and to learning from the outcome.

- 14 The LSB January 2019 'Regulatory performance: Transitional assessment review report' assessed us as not having fully met outcome WL:GL3:

'The regulator is transparent about its own: decision making; regulatory approach; the risks it and its regulatory community face and how these are being monitored; performance; regulated community and related markets; financial costs.'

The LSB said that while we publish some detail about the supporting evidence for Board and Executive decisions that impact on its regulated community, and some information on how the Board holds the Executive to account, it does not consider us to be sufficiently transparent.

- 15 We have discussed the components of our planned approach with the Legal Services Board (LSB) who have been positive about the steps we are proposing.

**Recommendations: the Board is asked to:**

- a) agree the proposals for increasing the openness of Board decision making.**

**Next steps**

- 16 Subject to Board approval of the recommendations, we will take steps to implement the changes as quickly as possible.

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### Supporting information

#### Links to the Corporate Strategy and/or Business Plan

- 17 The issues covered relate to the governance of the organisation and are therefore relevant to all five of our strategic objectives.

#### How the issues support the regulatory objectives and best regulatory practice

- 18 Our proposals support the transparent and accountable better regulation principles, and the regulatory objectives to protect and promote the public interest, and to protect and promote the interests of consumers.

#### Public/Consumer impact

- 19 The proposals focus on our accountability to all our stakeholder including the public we serve. We are proposing a fully inclusive approach so that as many people as possible can access information on how the Board works to enhance our accountability.

#### What engagement approach has been used to inform the work and what further communication and engagement is needed

- 20 We have engaged with the Legal Services Board and other legal regulators and will continue to do so.

#### What equality and diversity considerations relate to this issue?

- 21 The approach taken is in line with our commitment to mainstreaming equality and diversity in all we do. As set out at paragraphs 7 – 9 we want to provide information that is genuinely as accessible as possible for everyone with an interest, but also to expand the community of interest by adopting new ways of promoting the work of the Board. Paragraph 10 sets out the continuing Board commitment to engaging directly with an inclusive range of stakeholders.

#### How the work will be evaluated

- 22 We will keep the approach to openness and transparency under review using techniques such as digital media metrics and feedback from stakeholders.

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