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Dear Anna

Providing assurance under the LSB's new regulatory performance framework

Following the publication of our 2022 Regulatory Performance Assessment report, our attention has turned to the full implementation of our new Regulatory Performance Framework. I have had helpful initial conversations with some of you (for which many thanks) about how the boards of regulatory bodies might go about seeking their own assurance of their performance against the new standards in our framework. To this end, I thought it would be helpful to set out some thoughts on how you might approach this, with a view to reducing the need for additional information to be produced at assessment time.

Background

As we were transitioning from our previous framework to our new one, we used a hybrid approach for our 2022 assessment. This meant that we asked regulators to provide us with assurance about their performance against the standards in our previous (2018-2022) framework, but we used our new framework's rating system and a narrative approach to presenting our assessments.

We found that using the hybrid approach for our 2022 assessment worked well. We believe that evaluating the level of assurance regulators provided about their' performance against the standards combined with the narrative approach to presenting our assessments provided a more realistic picture of where regulators were doing well and where there were opportunities (and indeed requirements) for improvement.

Our 2023 assessment, which will start in June, will be the first to be done entirely under our new framework. This means that as well as using our new rating system and approach to presentation, we will seek assurance from regulators about their performance against the new standards set out in our [Sourcebook of Standards and Characteristics](#), which are as follows:

- **Well-led:** Regulators are well-led with the resources and capability required to work for the public and to meet the regulatory objectives effectively.
- **Effective approach to regulation:** Regulators act on behalf of the public to apply their knowledge to identify opportunities and address risks to meeting the regulatory objectives.
- **Operational delivery:** Regulators' operational activity (e.g. education and training, authorisation, supervision, enforcement) is effective and clearly focused on the public interest.

The standards are supported by 20 characteristics which describe the features of effective regulators and are derived from regulators' statutory duties and regulatory arrangements.

Assurance mapping

When we consulted on our new framework, we emphasised that one of its aims was to give regulators more autonomy about how they carry out their work while providing clarity about our expectations of their performance.

One helpful suggestion that has come up in discussion, and which I share with you now, relates to "assurance mapping". This would involve Boards identifying in advance the sources of assurance they would likely rely on in assessing the extent to which they demonstrate the 20 characteristics, and, summing that up, their performance against the three standards. The assurance map might then be used as a template for suitably regular performance reporting, both internally and to the public and stakeholders.

In an ideal world we might aim for a position that the regulator's own assurance mapping, with regular reporting against it and effective self-challenge obviates the need for any additional information to be supplied to the LSB at assessment time. While we recognise that such an ideal world may not in fact exist, we ought to be able to get quite a long way towards it.

We would like to develop these ideas further with you, either bilaterally or collectively. My colleagues at the LSB will be in touch with the SRA to discuss our new framework and our approach to the 2023 assessment in the next few weeks. If you have any questions in the meantime, please do not hesitate to contact David Fowles.

Yours sincerely



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