

Regulatory performance assessment framework – response to consultation

The LSB's response to its consultation and decision on
our regulatory performance assessment framework

27 October 2022

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Executive summary

1. The Legal Services Board (“LSB”) is the oversight regulator for legal services in England and Wales, and was established under the Legal Services Act 2007 (the “Act”).
2. The Act states at section 4¹ that the LSB must assist in the maintenance and development of standards in relation to the regulation by regulators of persons authorised by them to carry on reserved legal activities. One of our functions is to oversee the regulators’ performance under our regulatory performance assessment framework.
3. In 2017, we introduced and published our current regulatory performance assessment framework and confirmed that we would review it periodically to ensure it remains fit for purpose. Our and regulators’ experience of the current framework since 2017 and of the way that regulators carry out their functions, has suggested that we could improve the framework’s effectiveness in assessing regulators’ performance in meeting the regulatory objectives.
4. This document sets out the LSB’s response to the consultation², which began on 7 April 2022 and closed on 1 July 2022. Our new regulatory performance assessment framework is available here - [Regulatory Performance Assessment framework - The Legal Services Board](#). We are grateful to all who responded to this consultation.

What we did

5. As part of the consultation, we held an event on 9 June which was an opportunity for regulators, approved regulators and other stakeholders to hear about our proposals and ask questions.
6. We received 16 responses to the consultation from:
 - Regulators: The Solicitors Regulation Authority, (SRA), the Bar Standards Board (BSB), CILEx Regulation (CRL), the Costs Lawyers Standards Board (CLSB), the Council of Licensed Conveyancers (CLC), the Faculty Office (FO) and the Institute of Chartered Accountants (ICAEW); and the Intellectual Property Regulation Board (IPReg).
 - Approved regulators: The Law Society (TLS), the General Council of the Bar (BC), the Chartered Institute of Legal Executives (CILEX), the Association of Costs Lawyers (ACL), the Chartered Institute of Patent

¹ <https://www.legislation.gov.uk/ukpga/2007/29/section/4>

² Legal Services Board, [Proposed regulatory performance assessment framework – consultation paper](#), 7 April 2022.

Attorneys (CIPA) and the Chartered Institute of Trade Mark Attorneys (CITMA). ICAEW did not provide a separate response in its role as an approved regulator; and

- Other parties: the Legal Services Consumer Panel (LSCP) and the Professional Standards Authority (PSA).

7. A list of the respondents is at Annex 3 and the responses are published on our website.³

Responses to the consultation

8. This document sets out the main issues raised by the consultation responses, our consideration of them and our conclusions.

9. Ten respondents were generally supportive of the proposed framework's aims and its substance. Most highlighted the importance of effective leadership by regulatory boards, regulatory autonomy and responsibility and flexibility in carrying out their work and demonstrating their effectiveness. Some respondents welcomed the aim of better aligning the performance assessment framework with the regulatory objectives in the Act. Some respondents also considered the proposed framework provided regulators with greater clarity about the LSB's expectations.

10. Some respondents expressed concerns about the proposed framework, such as a potential increase in regulators' costs and burdens, which may be passed on to consumers; whether it would affect the respective roles of the LSB and approved regulators in providing oversight and supervision of the regulators; and whether the LSB would be acting outside of its remit under the Act. Other concerns were that the proposed framework would enable the LSB to interfere with regulators' decision-making and work; that it would negatively affect the LSB's oversight of regulators' frontline activities; and that the transition from the current framework to the new one would be burdensome and confusing.

11. We address the above and other concerns in our responses to the consultation questions.

Changes we have made

12. We have carefully considered all the responses received and the issues respondents have raised. We have made the following key changes:

³ [Closed consultations: April 2022/2023 - The Legal Services Board](#)

- We have revised Characteristic 4 so that it now refers to the ‘public interest’ rather than ‘the broader public’s needs’. (Q2)
- In relation to Characteristic 13, we have added further examples of evidence to the sourcebook about the need for regulators to have access to specific capability to address technology and innovation matters (Q2).
- Characteristic 14 now includes a commitment to reducing inequalities in the legal professions (Q1) and contains further examples of evidence to demonstrate adherence to this characteristic.
- Characteristic 15 now also includes a commitment to reducing inequalities in access to services for the public and consumers (Q11).
- We have revised Characteristic 20 so that it now refers to ‘appropriate standards’ rather than ‘high standards’. (Q2)
- We have revised the terminology for our rating system from ‘adequate’, ‘partial’ or ‘insufficient’ to ‘sufficient’, ‘partial’ or ‘inadequate’ (Q7).
- We have decided to retain the Red/Amber/Green (RAG) rating as part of our assessments; however some changes have been made to how it will be applied, which are set out in more detail within our response (Q7).

13. We will consider which standards we will look at in 2023 following the conclusion of our 2022 review, rather than deciding the scope of the 2023 review now (Q10). Full lists of changes to the framework’s sourcebook and process document are in Annexes 1 and 2 below.

Background

About the Legal Services Board

14. The LSB is the independent body that oversees the regulation of legal services in England and Wales. The Act provides that in discharging its functions, the LSB and approved regulators must, so far as is reasonably practicable, comply with and thus promote the regulatory objectives.⁴ The LSB oversees the approved regulators, some of which have delegated their regulatory functions to independent regulators (“regulators”).⁵

LSB’s work on regulatory performance

15. The Legal Services Act states that the LSB must assist in the maintenance and development of standards in relation to the regulation by regulators of persons

⁴ LSB (2017), [Regulatory objectives \(legalservicesboard.org.uk\)](https://legalservicesboard.org.uk/regulatory-objectives)

⁵ LSB [Approved regulators | The Legal Services Board](https://legalservicesboard.org.uk/approved-regulators)

authorised by them to carry on reserved legal activities under section 4 of the Act; and the maintenance and development of standards in relation to the education and training of persons so authorised, also under section 4 of the Act.⁶ To enable the LSB to statutory function of overseeing the regulators, we have developed a framework against which we can assess their performance.

16. Our current framework was published in 2017. Since then, we have assessed regulators' performance against it annually. Regulators assessed as not wholly meeting any of the outcomes are required to take steps to ensure they do so in future. Where we have had particular concerns about a regulator's performance against one of the framework's standards, we have carried out in-depth reviews. These reviews resulted in detailed action plans under which the regulators concerned commit to implement changes to ensure they meet the standard.

Summary of consultation responses and LSB response

17. We received 16 responses to the consultation from regulators, approved regulators, and the Legal Services Consumer Panel (LSCP) and Professional Standards Authority (PSA). As part of our formal consultation process, we held an event on 9 June which provided an opportunity for regulators, approved regulators and other stakeholders to hear about our proposals and ask questions.
18. We are grateful to everyone who took the time to respond to our consultation and we have taken account of all the responses and stakeholder engagement in conducting our analysis and preparing our response.
19. The following section sets out the main issues raised by respondents in response to each consultation question, followed by our response and any resulting changes we have made to the framework.
20. All non-confidential responses have been published on our website [here](#). At Annexes 1 and 2, we set out the drafting changes we have made in preparing the final framework.

Q1. Do you agree with the stated aims of our proposed performance framework to place the responsibility on regulators and their boards to meet the standards in order to provide assurance that they are well-led and effective in their approach to, and delivery of, regulation for the public?

What respondents said

- *Regulators*

⁶ [Legal Services Act 2007 \(legislation.gov.uk\)](#)

21. Most regulators (SRA, BSB, IPReg, ICAEW, CRL) agreed with this question and highlighted the proposed framework's emphasis on the Act and the regulatory objectives, the increased reliance on regulatory boards and collaboration among regulators.

22. The FO was unclear how the proposed framework's aims were different from the current or previous versions. The CLC said that its board was already responsible for meeting the LSB's requirements and that the proposals would lead to the LSB requesting further information that would take it deep into regulators' day-to-day operations.

- *Approved regulators*

23. Several of the approved regulators were positive about the proposals. ACL, CILEX, CIPA and CITMA welcomed that the proposed framework should provide the regulators with more autonomy in determining the outcomes they want to achieve and the move away from prescription. ACL, CILEX and CITMA also agreed the proposals would give the regulators more autonomy in how they can demonstrate their performance against the framework. CITMA agreed with the aim of more closely reflecting the Act's requirements and terminology.

24. While the BC agreed that regulators and their boards should provide assurance that they are well-led and have an effective approach to regulation, and while it was generally supportive of an approach emphasising this, it did not consider the proposed changes that were necessary to achieve this aim. It also emphasised the need for all regulators to have sufficient experience of the professions they regulate and the activities the professions undertake.

25. TLS said it was unable to form a view as to whether the aims were desirable due to a lack of evidence or context. It noted that the consultation document said that the current framework worked well and had enabled improvement, so queried why change was needed and what shortfalls the proposals are intended to address. It also said that the regulated community's and wider public's views should be accounted for in determining whether a regulator is meeting its objectives.

- *Other respondents*

26. The LSCP agreed with the LSB's proposed focus on regulatory boards taking greater responsibility for their performance and governance and said this was a pragmatic approach given the LSB's limited resources. The PSA agreed with the framework's aims, particularly increased flexibility and improved public understanding. It emphasised the need for the LSB to deploy sufficient resources to manage the transition from the current to the new framework, including the provision of increased engagement with regulators and others, which the PSA said its stakeholders have welcomed.

Our response

We note the BC's views that our proposed changes are not necessary to ensure that regulators are well led and have an effective approach to regulation.

In respect of this view, while we have seen some regulators improve their performance under the current framework, we, through our oversight work, annual assessments and targeted reviews of regulators' performance, and stakeholders through their interaction with the framework, have found that there are several areas where it could be improved. These are:

- Emphasis on regulators and their boards' responsibility to demonstrate that they meet all the regulatory objectives.
- The need for regulators and their boards to proactively ensure they have the leadership, capacity and capability to meet all the regulatory objectives.
- The need for the framework to encompass all the regulatory objectives, including for example, diversity, and be sufficiently flexible to adapt to market and policy developments in areas such as innovation.
- The framework's ability to encourage regulators to continually improve their performance.
- The framework's clarity, including overlaps between standards and within aspects of them.
- How we present our assessments so that they are as clear as possible about regulators' performance, including highlighting examples of good practice, as well as noting areas where improvement is required.

Since the current framework's introduction, we carried out two assessments of regulators' performance in 2018 and three further annual assessments in 2019, 2020 and 2021, along with targeted reviews of two regulators' performance against the well-led standard. We consider that these have provided us, and stakeholders, with sufficient insight into the current framework's strengths and weaknesses to consider how it could be improved.

We have also sought to ensure that the new framework encompasses all the regulatory objectives. One of the challenges we have faced with the current framework is that it is too narrowly focused on some regulatory objectives, particularly regulatory objective 8 (promoting and maintaining adherence to the professional principles), and did not sufficiently cover others, for example diversity, which has its own method of assessment embedded into the current guidance.

We consider that the new framework simplifies and clarifies our expectations and can be updated to address future policy developments. We are currently undertaking work on diversity which may result in revised guidance or a new

statement of policy. In 2023, we also intend to evaluate the effectiveness of the Internal Governance Rules. The new framework will be able to accommodate any policy developments in these or other aspects of our work.

One of the key aims of the proposed framework is to enhance the autonomy of regulators, both in terms of determining the regulatory outcomes they want to achieve and in how they can demonstrate to the LSB that they have the capacity and capability to achieve those outcomes and regulate effectively.

Our view is that if regulatory boards are fully engaged in assessing their performance, then the information provided to them by their respective executives should also be sufficient to provide the LSB with the assurance it needs. While the LSB, as part of its performance assessments, may ask specific questions relating to the material regulators provide, these will be intended to seek clarification and not to delve into a regulator's day-to-day operations.

We agree that regulators should have sufficient experience and understanding of their regulated communities and the activities they undertake. The new framework's focus on well-led regulators being informed ones who apply their knowledge, including the views of their regulated community and the wider public about a regulator's performance, to their overall approach to regulation and the specific regulatory activities they perform is intended to ensure this is the case.

In our process document (paragraph 21), we set out examples of sources of third-party feedback and explain how we will take account of it in assessing regulators' performance. Methods to collect feedback could include:

- targeted invitations to provide feedback
- receiving formal feedback through our ongoing relationships with organisations or individuals
- if appropriate, providing an open invitation for stakeholders to provide feedback.

We will take on board the lessons from the PSA's recent introduction of its new framework, including the need for effective engagement with regulators and others to make the transition as straightforward as possible.

Changes to the framework

27. We have not made any changes to the framework based on the responses we received to this question.

Q2. Do you agree that the proposed standards are clear in their focus and expectations to provide assurance of effective regulators? If not, what changes would you propose and please explain your reasons.

Q3. Do you agree that the proposed characteristics which support the standards are reasonable expectations of the skills and processes that an effective regulator will have? If not, what changes would you propose and please explain your reasons.

28. As the standards and characteristics together form the basis of our new framework, and respondents often made similar points in response to our questions about them, we have grouped respondents' comments on questions 2 and 3 and our responses to them together.

What respondents said

- *Regulators*

29. The SRA, BSB, CRL and ICAEW responded positively to Question 2. The SRA said the standards provided clear expectations for regulators. ICAEW said that the framework's rationalisation appeared well-structured. The FO also welcomed the rationalisation from five to three standards and the apparent removal of duplication between standards but was unsure how much duplication would actually be removed in practice.

30. The SRA, BSB and ICAEW responded positively to Question 3. The SRA said the characteristics set out reasonable expectations of the skills and processes regulators should have. The BSB welcomed the acknowledgement that regulators could take different approaches to demonstrate the characteristics. The SRA, CLSB, CRL and ICAEW all commented on specific characteristics.

31. In its responses to these questions, the CLC said that while the standards were clear both they and the characteristics related to regulatory inputs rather than outcomes and so may not accurately measure a regulator's effectiveness in meeting the regulatory objectives. It suggested the LSB consider measures of success for mitigating risks in the delivery of legal services which could be tied more directly to the regulatory objectives. These measures could focus on demonstration of compliance with regulation and legislation, data on consumer harms and how they change over time and are being limited.

32. The CLC also said there would be a considerable degree of subjectivity about assessments against the proposed standards which could lead to a lack of consistency or clarity in their application and disagreements between the LSB and regulators about their performance. The LSB should allow regulators to be flexible about how they demonstrate that they are meeting the standards to take account of differences in their regulatory approaches, but the CLC said that this could make the assessment process more challenging for the LSB. The CLC also said that it could not see a link between a regulator's delivery of effective regulation and how the LSB assesses its performance.

33. IPReg considers that the standards set out in the consultation document, do not reflect the Act. Its view is that the first two standards (well-led and effective approach to regulation) appear to introduce a new requirement for regulators to work for/on behalf of the public. IPReg's view is that the meaning of 'the public' in the Act is very limited in scope and it asked the LSB to explain its rationale for what IPReg considers to be a new obligation. IPReg was concerned that the third standard (operational delivery) suggests regulators should focus more on the regulatory objective to promote the public interest than the other ones in the Act. It suggested alternate wording for the three standards.

- *Approved regulators*

34. ACL and CILEX responded positively to Questions 2 and 3. ACL agreed that the proposed standards were clear, helpfully explained by the supporting characteristics, and would provide a clear framework for regulators to demonstrate their fitness for purpose. CILEX said that some characteristics, e.g. diversity and inclusion, might be more challenging to demonstrate even with the information provided in the sourcebook. It noted that approved regulators would play an important role in respect of diversity and inclusion by enabling individuals and firms to change. CIPA asked that the LSB consider IPReg's response to this question.

35. TLS and the BC both raised concerns about the revised standards. TLS's concern is that grouping the current authorisation, supervision and enforcement standards under operational delivery will mean a significant reduction in the LSB's role in the assessment of regulators' performance and that regulators would be able to choose the information they provide to the LSB and audit their own performance in relation to these functions. TLS also said that the new standards and supporting characteristics are less objective than those in the current framework. Its view is that together, these changes would lead to a lack of transparency about regulators' performance, particularly in relation to supervision and enforcement work.

36. The BC considers the proposed standards and characteristics to be too high-level, general and aspirational, and therefore unfocused and unclear about the expectations they set for regulators. The BC is also concerned that, as drafted, the proposed standards would give the LSB too much discretion to interfere with the regulators' work. The BC said that Characteristic 6 (regulator understands, secures and deploys the necessary resources to support meeting the regulatory objectives, including through collaboration where relevant) needs to contain a reference to the requirements of section 28(3) of the Act, which requires regulators to, when discharging their regulatory functions, have regard to what is proportionate and whether the relevant activity is targeted at cases where action is needed. Regulators must therefore comply with this duty when setting their

budgets so that the cost of regulation is proportionate for both the profession and consumers.

37. In respect of the characteristics, TLS is concerned that the detailed requirements in the current framework relating to complaints procedures, appeal handling and explanation of decisions, would not be included in the new framework. It also said that the move away from prescriptive outcomes and requirements towards examples of good regulatory practice, which mean that regulators could take different approaches to meet the standards, could lead to uncertainty about whether they do so and to additional work and costs for the LSB and regulators. Such uncertainty could result in a lack of confidence in both regulators and the LSB.

38. TLS would like a core set of objective regulatory requirements and outcomes achievable by all competent regulators similar to those in the current framework. It also said that the proposed characteristics should specifically reference a regulator's ability to understand and regulate innovation and technology in service delivery. The BC requested that several characteristics, including Characteristic 4 (regulator understands the needs of consumers and the public interest and assesses the impact of its work in meeting their interests) should be amended and that Characteristic 13, which addresses innovation, should not be included as innovation in legal services is a matter for practitioners and others, and regulators should only oversee trends in innovation and ensure they do not conflict with core principles that the regulator is obliged to protect via minimum standards.

- *Other respondents*

39. The LSCP was not opposed to the standards or characteristics but considered them to be descriptive in nature and suggested that the LSB should be looking for tangible and measurable evidence of regulators' performance in areas such as consumer satisfaction and complaint levels, encouraging consumer research and explicitly driving up consumer standards. The PSA agreed with the standards. It presumed that their focus on particular areas reflects the risks they present but was unsure how the standards, characteristics and sourcebook related to each other. It was also unsure how the LSB would take account of characteristics in its assessments. For example, what would be the impact on meeting the standard if one of several supporting characteristics was not demonstrated?

Our response

As stated in the consultation document (paragraph 28), we have deliberately moved away from prescribing specific outcomes in the standards and characteristics, as we consider that regulators should have the responsibility for

determining their own outcomes, consistent with the regulatory objectives. The standards and their supporting characteristics are therefore intentionally expressed at a higher-level than those in the current framework, as they set out the attributes that we would expect regulators to demonstrate to provide assurance that they are well-led, effective in their approach to, and delivery of, regulation for the public. Consequently, regulators could produce a variety of evidence to demonstrate how they meet the standards. We do not expect regulators to have a 'one-size-fits-all' regulatory approach as they each have a different regulated community and different consumer base, but we will expect them to demonstrate how they have met the standards in developing and delivering their regulatory approach and activities.

While this will mean a different approach to assessing regulators' performance, we do not consider that it will make doing so more difficult. While we are changing the framework, we are not reducing our expectations of regulators. Specific expectations of regulators will be included in the sourcebook via our policy statements, such as the recently published ones on ongoing competence and consumer empowerment and in LSB Rules and guidance. We consider that our current assessment of regulators' performance in respect of the authorisation, supervision and enforcement standards gives us assurance that the regulators currently meet or understand what they need to do to meet these standards, including having operational procedures that enable them to comply with the specific requirements set out in the current framework.

Following each year's assessment, we will review which standards we will focus on in the following year, and we will continue to focus on areas of underperformance. While it is our intention that under the new framework regulators should provide information to assure us about their performance, we will continue to request further information, review feedback we receive about regulators, and conduct thematic and targeted reviews where we have questions or concerns about a regulator's performance.

The BC argued that Characteristic 4 should be amended to bring it in line with the Act by referring to the 'public interest' rather than the 'broader public's needs'. We agree with this point and will amend Characteristic 4 accordingly.

In response to the BC's arguments around Characteristic 6, it is not necessary for the LSB to refer specifically to 28(3) of the Act, as this duty is a statutory mandate which approved regulators must consider when executing all of their regulatory functions. The absence of express reference to a such a statutory obligation in the regulatory framework will not detract from this.

TLS raised the need for the framework to ensure that regulators have the capability to understand and address technology and innovation matters. We consider that this issue is covered by Characteristic 13 but are content to include

further examples of evidence relating to regulators' specific capability to address these issues.

We do not agree with the BC's view that innovation in the provision of legal services is a matter for practitioners and others. We consider that innovation has the potential to promote several of the regulatory objectives, including access to justice and competition. Regulators therefore have an important role to play in engaging with innovation, such as technological improvements, and providing mechanisms that allow innovations to be introduced to the legal services market while ensuring that consumers are protected from negative effects they may have.

We recognise CILEX's concern that some characteristics may be more difficult to demonstrate than others, and that some, such as C14, which relates to diversity, will require regulators to collaborate with others to achieve their aims. We have agreed to insert additional evidence into the sourcebook to address this point (see Q11 below).

CLSB raised concerns about the use of the phrase 'high standards' in Characteristic 20. It suggested that it was unclear about how this would be measured and that it would prefer language used in the professional principles. We consider that CLSB's concerns can be addressed by replacing the word 'high' with 'appropriate'.

IPReg was concerned that the proposed standards do not reflect the Act and elevate the public interest regulatory objective above the others in the Act, and the LSB does not define what it means by 'the public'.

We have considered the points IPReg has raised, and we do not agree that the proposed drafting of the third standard implies a greater emphasis is to be placed on the public interest regulatory objective. While there is a regulatory objective that expressly refers to the public interest, all regulatory objectives support the public interest. This is consistent with statements made by the National Audit Office (NAO) and the Organisation for Economic Cooperation and Development (OECD) which respectively have said:

Regulation is used **to protect and benefit people, businesses and the environment and to support economic growth**. Regulation is one of the primary ways in which government can achieve its policy objectives;

and

The objective of regulatory policy is to ensure that regulation works effectively, and is in the public interest.

References in the standards to protecting and promoting the public interest objective do not introduce a new requirement for regulators as this is the

fundamental purpose of regulation. It should already be a central responsibility of regulators to take an informed view of the public interest in their part of the sector.

In response to the PSA's question about how the standards, characteristics and sourcebook relate to each other, the sourcebook sets out the standards and characteristics together with: (1) examples of evidence that regulators can provide to demonstrate that they meet the standards; and (2) relevant LSB publications which set out requirements and/or provide guidance to regulators that they will need to take account of in meeting the standards. The characteristics describe the types of behaviour that the LSB would expect a regulator to demonstrate to meet the standards. We will assess a regulator's performance against a standard holistically by considering all the evidence provided and assessing whether it collectively shows that the regulator has met a standard.

Changes to the framework

40. In Characteristic 4, we have replaced 'broader public needs' with 'public interest' to reflect the language of the Act.
41. In relation to Characteristic 13, we have included further examples of evidence about regulators' capability to address technology and innovation matters in the sourcebook.
42. In Characteristic 20, we have replaced the 'high' with 'appropriate' to remove possible confusion about the level of 'standards of conduct' referred to in this characteristic.
43. We have also made changes relating to Characteristics 14 and 15 based on our review of responses to Question 11 (see paragraph 93 below)

Q4. Does the sourcebook provide sufficient information to assist regulators in providing assurance in meeting the standards? If not, how could we better achieve this? Do you have any comments about the examples of evidence and publications noted in the sourcebook?

What respondents said

- *Regulators*

44. The SRA, BSB, CRL, FO and ICAEW responded positively to this question. The SRA was happy with the level of information in the sourcebook. The BSB said the examples were helpful and welcomed that they were non-exhaustive. ICAEW agreed the sourcebook provided a helpful guide to how to evidence a characteristic.

- *Approved regulators*

45. TLS said although the sourcebook provides useful examples it should also include specific actions and requirements that RBs must carry out. It also did not contain sufficient information about how the LSB would assess examples to determine whether a standard was met. It was not clear as to whether some examples would be mandatory, the number of examples a regulator would need to demonstrate to meet a standard, or the number of surveys or amount of collaborative work that would be required. TLS suggested that it might be useful for the sourcebook to contain specific extracts from documents referenced in it for ease of reference.

46. The BC expressed significant concerns about the sourcebook. It considered that there should be a proper period of consultation, reflection and analysis before it is implemented and said that there is insufficient analysis in the consultation document to support the detail of content in the sourcebook. It says the entries for 'effective approach to regulation' are troubling as they are vague, bureaucratic and go beyond what a properly focused regulator should be doing and would require significant resources. The entries relating to operational delivery need to be closely analysed and this analysis would require engagement with relevant parties, consideration of core regulatory functions and how these are carried out in practice.

- *Other respondents*

47. The PSA agreed that the sourcebook would be a useful tool, but it should not be a 'shopping list' for regulators and should allow them to provide assurance in other ways. PSA's experience was that regulators wanted information on thresholds for meeting standards as well as indications of evidence. It cited characteristic 14 (data collection) in this regard. It also asked how the LSB would handle scenarios where performance against one element of the framework (e.g. education and training) affects performance against another (e.g. characteristic 17 – equality).

Our response

As set out in our consultation document, the sourcebook will provide additional information to assist regulators in demonstrating how they meet the standards. It will refer to some documents and resources that regulators will need to take account of, including rules, guidance and statements of policy made by the LSB under the Act (which each will have been consulted on when they were developed and implemented).

The sourcebook will not contain any additional requirements above those already set out in the LSB's current framework or in LSB rules, guidance or policy

statements. It is intended to be an aid for regulators to understand the LSB's expectations in meeting the standards and, by extension, providing assurance to the LSB. Any further requirements added to the sourcebook in future that come from LSB rules, guidance or policy statements will have been consulted upon in line with our normal procedures and processes as part of their development. We therefore do not consider that there is any further need to consult on the sourcebook's contents prior to the new framework's publication.

As well as material that regulators must take account of, the sourcebook will also refer to material that they may find helpful in developing their regulatory arrangements, and we will provide a non-exhaustive note of any such material in the introduction to the sourcebook.

As to how the LSB will use the examples of evidence set out in the sourcebook when assessing regulators' performance, we will review the evidence a regulator provides to us holistically and consider whether it collectively shows that the regulator has met a standard. The examples of evidence set out in the sourcebook are non-exhaustive, and equally this is not a checklist of requirements.

We have considered the BC's comments about the information in the sourcebook relating to the effective approach to regulation and operational delivery standards. As the BC itself has noted, the standards and characteristics in the new framework are higher-level than those in the previous one, but we do not consider this to be inappropriate given that our intention is to provide regulators with more autonomy to set their own outcomes within the framework.

In the case of the new operational delivery standard and its characteristics, we have sought to reflect the general aims of the current authorisation, supervision and enforcement standards and outcomes, while providing examples of the types of evidence we will look for when assessing regulators' performance. We also consider that the substance of and level of detail in the new sourcebook is similar to that in the current regulatory performance standards document.

In the case of the effective approach to regulation standard, as we have said previously, in developing the new framework we consider it important and transparent to ensure that regulators give equal regard to all the regulatory objectives. It will be up to each regulator, based on their knowledge of the issues facing their regulated community, consumers and the public, to determine how much emphasis they put on each regulatory objective in their work programmes.

Changes to the framework

48. We have not made any changes to the framework based on the responses we received to this question.

Q5. Do you agree with our proposal to maintain the sourcebook as a living document to ensure it remains current, including taking account of new LSB policies, Rules and guidance? If not, what other approach would you propose?

What respondents said

- *Regulators*

49. The SRA, BSB, CRL, FO and ICAEW agreed with the sourcebook being a dynamic document.

50. The CLC considered that the sourcebook would be useful, but the LSB must have proportionate expectations for RBs. Changes to the sourcebook should be discussed in advance, tested for necessity and proportionality and should be proven to deliver benefits

- *Approved regulators*

51. TLS, ACL, CILEX and CITMA responded positively to this question. TLS said this was the best way to ensure the sourcebook remained current, but changes should be consulted on with clear signals about when they would be implemented and lessons from the proposed framework's implementation should also be considered. ACL said the sourcebook should be subject to regular reviews by the LSB, taking account of regulators' views, to ensure it remains relevant and current. CILEX said it would need to be dynamic and regularly updated. CITMA liked the idea but said LSB would need to consider the frequency and volume of updates to avoid 'regulator fatigue'. Too many or too frequent updates would be counterproductive. A timetable for changes or a limit on the number of them in a year could be considered.

52. The BC had significant concerns about the sourcebook being a living document, and whether the LSB was taking a sufficiently rigorous approach to its content.

- *Other respondents*

53. The PSA asked whether changes to the sourcebook would change the requirements for meeting a standard and what lead times the LSB would allow for regulators to take account of changes to the sourcebook.

Our response

<p>We are pleased with the considerable support for the sourcebook as a living document. It is intended to assist regulators by providing an up-to-date and easily accessible source for all material that regulators should refer to demonstrate how they meet the standards.</p>
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However, we understand the concerns about ‘regulator fatigue’ resulting from the frequency and volume of updates and we set out below how we will update the sourcebook, so it is as current as possible while ensuring that regulators are aware of changes to it.

Changes to the framework

54. While we are not making any specific changes to the framework as a result of the responses we received to this question, we will, as noted in our response above, ensure it remains current and that regulators are aware of all amendments to it. The sourcebook will be a living document which will be fully reviewed annually and also updated when we publish new or revised versions of rules, guidance or policy statements, where relevant. We will inform regulators and others when the sourcebook is updated, listing the changes we have made, which may include:

- harmonisation with new requirements that have or will come into force; and
- information about publications from other sources that we consider regulators may wish to take account of.

Q6. Do you agree with the proposal that we would primarily rely on information used by each regulator’s board and its executive to monitor its own performance to provide assurance? What changes, if any, would you suggest?

What respondents said

- *Regulators*

55. The SRA, BSB, CLC, CRL, FO, ICAEW all generally agreed with this approach. The SRA said it would be more efficient and give regulators the flexibility to provide information proactively rather than waiting to do so in response to a semi-annual or annual data request. CLC said this would limit the reporting burden on regulators RBs. The FO agreed with the caveat that the Master of Faculties is an individual and the FO does not have the same ‘board’ structure as other RBs. ICAEW suggested the LSB should look at how other oversight bodies, like OPBAS, conduct assessments and seek to avoid unnecessary duplication.

56. ICAEW was unsure about discontinuing the annual collection of data as the LSB needed to understand the market, its dynamics and any changes to it. It said it did not find it onerous to prepare annual data returns.

- *Approved regulators*

57. ACL, CILEX, CIPA, CITMA responded positively to this question. ACL considered it sensible to place the onus on regulators to provide regular

updates in line with their own reporting cycles to the LSB. CIPA welcomed that IPReg would be able to set its own performance indicators within the framework. CITMA thought the changes would enable regulators to be more efficient in providing LSB with evidence about meeting the standards.

58. TLS was concerned that allowing regulators the ability to decide what information is provided for assessment rather than obliging them to provide specific information would mean that the LSB was taking a less active regulatory role. It was also concerned that this could lead to increased regulatory costs for regulators as they seek to provide sufficient evidence to the LSB.

59. The BC was also concerned that the LSB was adopting a less active approach to performance assessment of the regulators' core regulatory functions and that relying on regulators for information would mean that their compliance with standards would be less rigorous and could make it harder for the LSB to discover issues of concern. The BC also considered that the LSB's approach to its use of thematic reviews was not predictable and allowed the LSB extraordinary discretion about what it investigates, which could be oppressive and could distract regulators from their frontline work and could be oppressive and distracting for RBs. The BC again stated its views that the LSB was straying from what the BC considers to be its proper role and was insufficiently focused on what it was created to do.

- *Other respondents*

60. The PSA agreed with the approach of putting the onus on regulators to provide transparent performance information. Its experience as a regulator was that it would not be possible to only rely on publicly available information. The PSA asked whether the LSB expected regulators to already have information relating to the examples of evidence in the sourcebook. It also asked how much information the LSB thought it would need for each regulator.

Our response

Regulators and most approved regulators responded positively to this proposal. We note ICAEW's concern about discontinuing our routine collection of data from regulators and that it did not consider responding to these requests to be onerous. However, it is our view that if information provided by regulators to their Boards is of sufficient quality, then we should be able to obtain much of the information we need about regulators' performance without separate data requests. We consider this approach would be consistent with the Better Regulation Principles and our obligations under section 3 of the Act, which includes the duty at section 3(3)(a) to have regard to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in

which action is needed. We may request further information from regulators from time-to-time where we consider it necessary.

TLS and the BC both raised concerns that this proposal would result in the LSB taking a less active approach to regulation, that it would give regulators too much discretion to decide what information they provide to the LSB and would make it harder for the LSB to discover issues of concern.

The PSA raises a critical point about the extent to which the LSB may or may not be able to rely on publicly available information. The LSB's position is that regulators should take an open and transparent approach to accountability. That will mean adopting a default position of placing into the public domain any information on which it invites the LSB to rely for the purposes of assurance. This should drive improved transparency and provide for strengthened public accountability.

As noted above, while we will be seeking to gain assurance from the information regulators provide to their boards, it will be open to us to seek further information from them if the material they initially provide us with does not give us sufficient assurance. Our expectation is that well-led regulators with transparent decision-making processes will provide the information we are seeking in the first instance, but we accept that we may need to request a limited amount of further information.

We will also continue to use thematic and targeted reviews of regulators' performance. The BC has raised concerns that the LSB is unpredictable in its use of these reviews and that in conducting them the LSB has extraordinary discretion about what it investigates.

Any reviews we carry out are consistent with our performance framework as they are focused on areas of concern that will have been documented in annual performance reviews or other sources (see below in relation to the BSB and the FO). We do not envisage circumstances in which regulators will not have been provided with sufficient opportunities to provide assurance before a review is initiated. Certainly, that has been the case for reviews carried out to date.

We have initiated and conducted two reviews so far with respect to the BSB and the FO performance against the Well-led standard. These reviews were carried out because of failures to address performance concerns which were raised both in our annual assessments, and in our usual course of business. They were also conducted in accordance with our regulatory framework. We consider that these and other targeted reviews provide us with the ability to examine issues and practices in more depth, which are beneficial to the regulator under review but also to other regulators. It is worth noting that a number of regulators made changes to their regulatory practices after considering the findings from the BSB review.

Where appropriate, we will look to learn from and use best practice from other regulators, including OPBAS and the PSA.

Changes to the framework

61. We have not made any changes to the framework based on the responses we received to this question.

Q7. Do you have any comments on the proposed introduction of narrative assessments and the revised rating system?

- ***Narrative assessments***

What respondents said

- *Regulators*

62. The SRA, BSB, CLC and CRL supported the introduction of narrative assessments. The SRA considered it would help to pick up nuances that the current system might not. The CLC said they would provide flexibility and be able to take account of different regulatory approaches. The BSB welcomed the idea of highlighting good practice.

63. ICAEW thought that narrative assessments would essentially be a continuation of the current process. The FO said that while they might provide nuance this would not be clear to those who only read the annual assessment's executive summary.

- *Approved regulators*

64. ACL supported the introduction of narrative assessments. CIPA was concerned that the LSB would not include sufficient supporting evidence and data in its assessments and asked that the LSB publish a risk profile for each regulator in line with its 'risk-based' approach to regulation. Publishing such a profile would allow IPReg to respond to the assessments and enable CIPA to carry out its supervisory role. CITMA also emphasised the need for LSB to be transparent about how it arrives at its assessments, and that its assessments needed to take account of the different types of consumers that regulators protect.

65. TLS said it was unclear how useful the narrative assessments would be, but it suspects they would be less clear for consumers and the regulated community than the current RAG rating system. It also asked if the LSB had considered whether narrative assessments would meet the regulatory objective of protecting and promoting the public and consumer interest and said it would prefer a hybrid system combining narrative assessments with the RAG rating

system. The BC again said that the LSB should focus on KPIs relating to regulators' core regulatory functions.

- *Other respondents*

66. The PSA said that while narrative assessments may assist stakeholders in understanding regulators' performance, they should focus on key areas. It also asked whether narrative assessments would give the LSB sufficient leverage to improve regulators' performance.

Our response

Respondents were generally positive about the proposals to introduce narrative assessments. In response to comments from CIPA and CITMA, our view is that currently our assessments provide a risk profile based on a regulator's performance. IPReg asked that the LSB provide the detailed evidence and data it used in assessing regulators' performance. As stated previously, we would expect the vast majority of any information on which the LSB was invited to rely to be placed actively in the public domain by regulators as a matter of routine. We note the concerns that narrative assessments, coupled with our proposal to cease using the current red/amber/green (RAG) rating system, might make it harder for regulators, the regulated community, consumers and the public to understand our assessments. Our view is that narrative assessments will provide all stakeholders with more information about regulators' performance, including as several regulators have requested, better information about good regulatory practice.

We have reconsidered our proposal to cease using the RAG system. We now intend to retain it and set how it will be used in paragraphs 71 and 72 below.

Rating system

- *Regulators*

67. The SRA suggested using 'satisfactory' rather than 'adequate' in order to provide stakeholders with better assurance and inspire public confidence. ICAEW suggested that the use of 'adequate' carried the suggestion there was still room for substantial improvement and could undermine stakeholder confidence. Terms such as 'competent' or 'meets' were stronger than 'adequate'. It also thought that the current RAG system should be retained as it was easy to understand, allowed boards to focus on weaker performance areas, and enabled comparison between regulators. The FO suggested replacing

'adequate' and 'inadequate' with 'sufficient' and with 'insufficient' and that each rating should have two to three sub-ratings.

68. The CLC thought the rating system should include two middle categories to differentiate between where the LSB has a performance concern and where it simply does not have enough information to assess a rating. The CLC considered this to be a better structure as, in a three-tier system, there may be a tendency to default to the middle rating. The CLC said a four or six-tier system would provide more nuance and reflect performance over time. CRL also preferred a four-tier system with a top rating of high assurance with no concerns.

- *Approved regulators*

69. TLS considered the proposed rating system to be logical. CILEX said that while the proposed rating system would be more accessible for consumers it may not be sensitive enough for regulators and suggested replacing 'adequate' with 'satisfied'. It was also unclear to CILEX how the LSB assessed regulators' performance and whether the LSB and regulators engaged in an iterative process during the assessment.

- *Other respondents*

70. The LSCP did not think that moving away from the RAG system would solve communication issues. It would prefer to keep the current system on grounds of familiarity and comprehensibility but for the assessment to include better and more explanation. The PSA asked whether the LSB would rate a regulator's performance against each characteristic.

Our response

Respondents commented on the number of rating levels, whether 'adequate' and 'inadequate' would be the best way to describe performance, and what partial assurance ratings would mean in practice.

In developing our proposals, we looked at systems with several different numbers of ratings and having considered the consultation responses we still consider that a three-level rating system will provide the clearest and most straightforward way of giving a headline assessment of a regulator's performance. Some respondents suggested that a system with more levels would provide greater nuance, but our view is that the combination of the three-level rating system with the narrative assessment will be both accessible and comprehensively detailed. However, we note the point that a partial assurance rating could be given because an assessment finds concerns that need to be addressed before its next assessment

or because insufficient information is available to gain adequate assurance. We agree that the reason for partial assessment ratings will need to be clearly stated.

Several regulators suggested alternatives to 'adequate/inadequate' for the ratings. These included 'satisfactory', 'satisfied', 'sufficient/insufficient', 'competent', 'meets', 'good' and 'better'. These respondents said that 'adequate' was not sufficiently positive as it would not satisfactorily reflect that a regulator might have none or only a few minor concerns about its performance, and would therefore not provide stakeholders with sufficient confidence about its performance. Having reviewed the various responses we received on this point, we have decided to use 'sufficient assurance', 'partial assurance' and 'insufficient assurance'.

To allay any confusion, we confirm that we will assess the level of assurance regulators provide overall and against each standard. We will not rate their performance against each characteristic.

We will retain the use of the RAG rating system as set out in paragraphs 71 and 72 below, as some respondents considered it helpful in providing clarity to consumers, regulators and others.

Changes to the framework

71. Instead of our proposed ratings of 'adequate', 'partial', and 'inadequate', we will use 'sufficient', 'partial' and 'insufficient' instead as we consider this terminology better describes the level of assurance we are asking regulators to provide to us. We also consider that this terminology is better suited to providing regulators, their regulated communities, consumers and stakeholders with confidence about regulators' performance.

72. With regard to the RAG rating system under our new framework, we will give regulators an overall rating and ratings for their performance against each of the standards. For the overall rating we will not use the RAG system, but for the ratings against each standard we will give RAG ratings as follows:

- 'sufficient' assurance = green
- 'partial' assurance = amber
- 'insufficient' assurance = red

73. However, we emphasise that under the new framework we are rating the level of assurance that the regulator has provided, rather than its performance, so just because we assess a regulator as providing sufficient assurance in one assessment, it does not mean that we will do so in future ones.

Q8. Do you agree that the regulatory performance assessment process document is sufficiently clear about our proposed approach to performance assessment and how we will use our assessment tools? If not, how could it be clearer?

What respondents said

- *Regulators*

74. The SRA agreed the process was clear but that illustrative examples of evidence which regulators could provide would be helpful in understanding the types of information the LSB would use to assess regulators' performance. The BSB, CRL and the FO also responded positively to this question.

75. CLSB said it would like more clarity about when a partial assurance rating would be given, what opportunities regulators would have to address information gaps and regulators' inclusion in the assessment process. ICAEW thought the process was clear but asked that the overall report be shared in advance of publication, as it had not always been comfortable with the LSB's conclusions. IPReg wanted more information about how the LSB would assess the material provided by RBs and decide it was of 'appropriate quality' and how it would mitigate reaching a different conclusion to the regulators' boards on the most appropriate way of meeting the regulatory objectives. It welcomed the opportunity to publish comments alongside the LSB's report if it disagreed with it but (as per CIPA's comments in paragraph 64 above) IPREG was concerned that assessments would not contain all the evidence and data considered by the LSB.

- *Approved regulators*

76. TLS considered it essential that the LSB establishes a formal process to gather feedback from all stakeholders, particularly the regulated community, as part of its assessment process, and that doing so would provide the LSB with a means of comparing regulators' performance. The BC was concerned that the changes to the standards and characteristics would mean that the assessment process would be arbitrary, unpredictable, provide the LSB too great a degree of discretion on matters of policy and not properly focus on the regulators' core regulatory functions.

77. The ACL agreed with the LSB's proposed approach. CILEX said that while using material available to regulatory boards was reasonable, the LSB needed to assess the quality of the information provided and ensure its assessment was sufficiently deep to identify issues of the type that could lead to thematic or targeted reviews. CITMA supported IPReg's views (paragraph 75).

- *Other respondents*

78. The PSA said the process document covered the key areas.

Our response

As discussed above, partial assurance ratings may be given because there are concerns that need to be assessed before the next assessment or because insufficient information is available to gain sufficient assurance.

As we explained in our consultation document, our new assessment process will include an opportunity for each regulator to comment on the substance, as well as the factual accuracy, of our assessment of its performance prior to publication. This will provide an opportunity for regulators with a provisional 'partial' or 'insufficient' rating to provide further evidence.

Regulators will also have an opportunity to review the final report ahead of its publication and request the redaction of any sensitive material. Regulators' own action plans for addressing any issues we find will be published alongside our reports. For the avoidance of doubt, we do not intend to publish any comments regulators may have about our final report.

When assessing a regulator's performance and reviewing the material provided, we will consider how the regulator demonstrates that it is addressing each of the regulatory objectives. In doing so, we will consider the quality and extent of the information provided or available, including its published papers and reports, to ensure that our assessment is sufficiently informed to identify any areas of concern.

As noted above, we agree that we should set out the evidence we have relied on in making our assessments, and that the narrative approach will assist us in doing so.

In the consultation document, we said that we may gather feedback about a regulator's performance from stakeholders, including users of legal services and the regulated communities. In response to the points made by TLS we will look at how regulators gather third-party feedback and how they use it in assessing their own performance and in their regulatory work. We will also seek to collect feedback from third parties where we consider it relevant in assessing regulators' performance. We do not plan that this is a formal part of the assessment process.

The BC comments that the changes to the standards and characteristics would mean the assessment process would be arbitrary, unpredictable and provide the LSB too great a degree of discretion. We would make two points in response. Firstly, in introducing the new framework we are attempting, in fact, to provide

greater clarity to regulators, stakeholders and the broader public and to encourage greater direct accountability by the regulators. Secondly, as noted with regard to Q6 above, all of the LSB's regulatory functions must be carried out in line with the general duties under section 3 of the Act, which among other things, requires the LSB to act in a manner that is proportionate, consistent and targeted only at cases in which action is needed.

We further note the BC's comment that the LSB's proper focus should be on "core regulatory functions". The Act makes no distinction between 'core' and 'non-core' regulatory functions. Regulatory functions are defined under section 27 of the Act. It follows that policy, process and leadership associated with the making of regulatory arrangements is a regulatory function. This is no less or more important than the operational exercise of a regulatory function, for example disciplinary processes. The Act sets out a framework of regulatory objectives of equal prominence and creates a duty on the LSB and the approved regulators to promote them, in the case of approved regulators through the exercise of their regulatory functions. Our new regulatory framework focuses on supporting regulators in developing and maintaining the leadership, capability and capacity needed to perform effectively across the full range of their responsibilities. Any distinction between core or non-core regulatory functions would of necessity be arbitrary and contrary to the requirements under the Act.

Changes to the framework

79. We have not made any changes to the framework based on the responses we received to this question.

Q9. Do you have any comments about our proposal to undertake a hybrid approach to our 2022 annual performance assessments of regulators?

What respondents said

- *Regulators*

80. The SRA considered the hybrid approach would be proportionate and sensible and allows for time for changes to bed in. CRL and ICAEW agreed with the approach. The BSB would prefer to skip the 2022 assessment process altogether but was content with the hybrid approach if the LSB wants to pursue it.

81. The CLC considered that the LSB's approach would greatly increase the burden on regulators in 2022 and could be confusing. It would prefer to move to the new framework in one step and possibly after 2023 to allow more time for the approach to be finalised and for there to be adequate preparation for its implementation. The FO would prefer a clean break between frameworks.

IPReg said the LSB has not provided enough time for regulators to consider what changes they would need to make to their current approach and that publishing the final framework in autumn 2022 while issuing information requests in September 2022 would be inappropriate. IPReg went on to say that the LSB should conduct the 2022 assessment under the current framework (as this is the basis on which IPReg has developed its current action plan) and implement the proposed framework at the start of 2023 (LSB's option a).

- *Approved regulators*

82. Of the three options presented, TLS preferred the hybrid approach. The ACL said the hybrid approach would enable a reasonable transition and should allow regulators to gain an understanding of the new rating system. CITMA and CIPA supported IPReg's views as noted in paragraph 81 above. While the BC said this question was for regulators to respond to, it reiterated its concerns about the cost and necessity of the LSB's proposals and said that any change should be done in a cost-effective manner. It provided the same response to Question 10.

- *Other respondents*

83. The PSA agreed with the hybrid approach as it would give time for regulators to adapt. It asked whether there were any elements in the new framework where more input may be expected of RBs and which they might struggle to provide.

Our response

In our consultation document, we presented several options for transitioning to the new framework. We considered that wholly delaying its introduction until 2023 would not be optimal due to the delay in seeing at least some of the benefits of the revised approach. We also considered that introducing the whole of the framework for our 2022 assessment would not be proportionate as regulators would not have sufficient time to adjust. We therefore proposed a hybrid approach for our 2022 assessment under which we would assess regulators under the current framework's standards and outcomes but using narrative assessments and the new rating system. This would enable us to realise some of the benefits of the new approach and also provide an opportunity for the LSB and regulators to gain experience of part of the framework prior to its full introduction in 2023.

Having reviewed the responses, we intend to proceed as planned with the hybrid approach for our 2022 annual performance assessment. We note that four regulators (SRA, CRL, ICAEW and BSB) were content for us to use the hybrid approach this year, as were TLS and ACL and that the PSA also approved of it. We note the concerns that some other respondents raised about potential confusion, cost, increasing the burden on them, and the LSB using the new rating system before formally announcing what it is. We therefore wish to clarify how we

will undertake our 2022 assessment to address any confusion and these other points.

Our 2022 assessment process will largely be the same as in previous years. We will assess regulators' performance against the current standards and outcomes and their progress on any actions they have previously been agreed to take. In line with previous years, we have issued information requests to the regulators at the end of September covering any not-met outcomes or met outcomes where we may have concerns. Following our assessment, we will replace the current tabular format contained in our annual reports and published on our website with a narrative assessment. What will be different is that we will not include a score against each of the 27 outcomes in the current framework. Instead, we will use the new version of the rating system (i.e. sufficient assurance; partial assurance; insufficient assurance) against the five top-level standards. Regulators will have the opportunity to check the assessments for factual accuracy before they are published, as usual. For the avoidance of doubt, we confirm that we will not assess approved regulators' performance against WL7 this year.

Regulators will therefore not face an increased burden this year as:

- They will only need to demonstrate compliance with the current standards and outcomes and show progress on any actions agreed in these areas in previous assessments.
- As in previous years, regulators will only need to respond to our annual information request.

The necessary adjustments for this year's assessment, such as the preparation of narrative assessments, will be carried out by the LSB.

Changes to the framework

84. We have not made any changes to the framework based on the responses we received to this question.

Q10. Do you have any comments about the proposed focus, timing, and process for our assessments under the revised framework from 2023 onwards?

What respondents said

- *Regulators*

85. The SRA was content with the revised process's focus and timing and considered that the targeted approach to assessing standards would allow for better use of resources. The revised approach to timetabling would enable

regulators to comment substantively on assessments. The BSB welcomed the opportunity to comment on assessments as it will help regulators to 'own' the resulting action plans. It also welcomed the phased introduction in 2023 and the potential for focused action in subsequent years. The CLSB would like the 2023 information request to be issued at the start of June. The FO was content with the revised process as long as the proposed timescales did not affect the LSB's ability to process PCF applications. IPReg gave the same response to this question as to Q9 (see paragraph 81 above).

86. The CLC suggested that these changes should be delayed given the challenges presented by the pandemic and other events and the increased focus on sanctions on top of other work. Delaying the introduction of the new framework and introducing all changes at once would allow the LSB, regulators and other stakeholders to have a deeper discussion of how the new system will work.

- *Approved regulators*

87. TLS was concerned about the risks of the LSB only focusing on one or two standards a year and asks how this reduction in assessment frequency would meet the consumer and public interest regulatory objectives. It is also concerned that oversight may be reduced during a period of innovation in the delivery of legal services and as LSB is positioned to be able to assess the merits of regulatory innovation and ensure good practice is emulated and bad practice avoided. CIPA referred to its response to Q9. The BC reiterated its response to Q9 in paragraph 82 above.

- *Other respondents*

88. The PSA said that if the LSB's resources were constrained then focusing on only one or two standards made sense and agreed with the risk-based approach to RBs who did not meet standards. The PSA was unclear as to how the LSB would choose which standards to look at and asked whether it would be different for each RB.

Our response

Having reviewed the responses, we intend to proceed with the first assessment under the new framework in June 2023. We note CLSB's request that this process begins as early in June 2023 as possible and will do our best to accommodate this. IPReg raised a concern about regulators not having sufficient time to adapt so they can provide sufficient information to the LSB. Our view is that regulators that are currently well-led should not find the transition difficult or costly as their Boards should already be receiving the required information. We do not agree that the pandemic, from which the legal sector has generally emerged well, or the current

economic situation, are reasons to delay the introduction of the new framework as its introduction will affect regulators not the regulated community.

TLS raised concerns about our proposal to focus our assessments on one or two of the three new standards in 2023. In our consultation document, we proposed looking at all regulators' performance against Well-led and/or Operational Delivery in 2023. Having considered the consultation responses, we have decided that we will consider which standards we will review in our 2023 assessment, following the conclusion of our 2022 review. This will ensure that our 2023 review focuses on the areas of performance which raise the most concerns. We propose to take a similar approach in future years.

Changes to the framework

89. As noted in our above response to this question, we will consider which standards we will look at in 2023 following the conclusion of our 2022 review, rather than deciding now whether to review one or two standards next year.

Q11. Do you have any comments on the proposed framework's impact on equality issues? Are there any wider equality issues and interventions that we should consider?

What respondents said

- *Regulators*

90. The SRA and FO were pleased to see equality and diversity issues given greater prominence in the framework. ICAEW agreed with the two diversity characteristics' inclusion, particularly characteristic 15, which it considered had not always received enough attention.

- *Approved regulators*

91. TLS welcomed the inclusion of separate diversity characteristics for consumers and the profession. It suggested adding an additional reference in characteristic 14 about the need for action to reduce inequalities in the profession and remove barriers to inclusion. TLS also suggested that characteristic 15 should include a reference to reducing inequalities in access to services. The sourcebook should include guidance referring to the need for regulators to work collaboratively with the profession in advancing EDI, how regulators can best support good practice and the need for them to engage with those with lived experience and experts. Approved regulators and firms were already acting so regulators RBs needed to collaborate with them, and this should be emphasised in both diversity characteristics.

- *Other respondents*

92. The LSCP and PSA did not respond to this question

Our response

In response to TLS's comments, we agree that Characteristics 14 and 15 should be amended to include references to action to reduce inequalities in the profession and barriers to inclusion. We set out the amendments below.

We note that regulators will need to collaborate with representative bodies, law firms and others to achieve these diversity aims, and we consider that this is reflected in the references to collaboration in Characteristics 3, 6 and 7.

Changes to the framework

93. We have made the following changes to Characteristics 14 and 15:

Characteristic 14: *Committed to improving the diversity of, and reducing inequalities in, the profession at all levels and implements actions to reduce barriers to equality and inclusion.* We have also added further examples of evidence to this characteristic about regulators demonstrating that they have used diversity data and analysis of it to (i) evaluate the effectiveness of their actions, (ii) inform policy development and (iii) collaborate with others to share data, insights and good practice.

Characteristic 15: *Committed to improving, and reducing inequalities in, access to services for the public and consumers in all their diversity.*

Q12. Do you have any comments on the potential impact of the proposed framework, including the likely costs and anticipated benefits?

What respondents said

- *Regulators*

94. The SRA considered the revised framework's emphasis on information used by regulatory boards would lead to greater efficiencies and provide regulators with more flexibility about how they provide assurance. The BSB agreed with the focus on regulatory boards' performance monitoring as a way of using resources more efficiently. It asked if the LSB had considered an independent evaluation, including a cost-benefit analysis, of the scheme. CRL said the new process would result in cost savings once implemented. ICAEW welcomed the LSB's desire to seek the right balance between providing clarity of its expectations, allowing regulators to determine how best to meet them, and its emphasis on the better regulation principles.

- *Approved regulators*

95. TLS was concerned that the new model would further erode the SRA's accountability. The LSB has not used the regulated community's views of the SRA in reaching its conclusions and wants more evidence that the new model will benefit regulators, their regulated communities, consumers and the wider public. It reiterated its concerns about increased regulatory costs incurred by regulators to provide sufficient evidence to the LSB, as the move away from prescriptive outcomes, and requirements towards examples of good regulatory practice, would mean that regulators could take different approaches to meet the standards. TLS argued that this could lead to uncertainty about how to meet those standards, which could in turn result in additional work and costs for the LSB and regulators.

96. The BC has significant concerns about the costs and necessity of the LSB's proposals. Any changes should be managed in a cost-effective way. CITMA said that obtaining appropriate assurance should be balanced against the costs to regulators of providing it and noted that any increases in costs would ultimately be passed on to consumers.

- *Other respondents*

97. The LSCP and PSA did not respond to this question.

Our response

Concerns about the impact of the proposed framework were about the costs the changes may lead to and how the LSB would seek to evaluate them. We agree that it will not be possible to completely quantify the costs of the changes until the new framework has been in operation for a period of time. However, our view, which is shared by three regulators (SRA, BSB, CRL), is that the new framework and assessment process should increase efficiencies for well-led regulators, limit the direct impact on regulators' resources and result in cost savings once implemented, and that the benefits will outweigh the initial set-up costs. Following the framework's implementation, we will continue to monitor and evaluate its impact and performance.

We do not consider that our changes should significantly increase regulators' costs, which would potentially be passed on to regulated professionals and consumers. Our view is that if regulatory boards are fully engaged in assessing regulators' performance, then the information provided to them by their respective executives should also be sufficient to provide the LSB with the assurance it needs about the regulators' performance. Therefore, we do not consider that the proposed framework should result in increased costs or burdens, as the information regulators will provide to the LSB will be the same

as, or similar, to that provided to their own boards and made available to the regulated communities and consumers in the demonstration of effective and transparent decision-making. While the LSB, as part of its performance assessments, may ask specific questions relating to the material regulators provide, these will be intended to seek clarification on particular issues, and should not therefore result in additional cost or burdensome work for the regulators.

Changes to the framework

98. We have not made any changes to the framework based on the responses we received to this question.

Q13. Do you have any other comments about the proposed framework?

What respondents said

- *Regulators*

99. The CLC said there was no clear statement about the consequences for a regulator that did not achieve adequate assurance in one or more areas, the process regulators would need to follow in this case and what further sanctions/escalations there could be. The SRA, BSB, CLSB, CRL, FO, ICAEW and IPReg had no further comments.

- *Approved regulators*

100. TLS said that the LSB should reconsider its proposals for the following reasons:

- It would like greater transparency about how the LSB holds regulators to account to allay concerns about the robustness of its approach. TLS would also like to know to what extent the LSB's current supervisory arrangements address the regulatory activities in the Act. It is concerned that if the LSB is not clear about how it supervises and not active in its approach, it will not get to the bottom of issues.
- The proposals to give the regulators more autonomy are premature given the SRA's and other regulators' current level of development, and the LSB should not take a more passive approach until the regulators show that they are operating effectively. There is the potential for a significant regulatory failure and a resulting loss of confidence in the LSB and legal services professions.

101. The BC made the following points in response to this question:

- The need for change is not set out or evidenced in the consultation document. Descriptions of the current framework's performance in the consultation document are positive.
- The proposed changes are based on the LSB's misunderstanding of its role under s.3 of the Act and a misunderstanding of the regulators' role under s.28.
- The proposed changes are premature, unevidenced and potentially oppressive to regulators.
 - The current framework has only been in place for three years and these coincided with the pandemic, so it cannot be said to have operated during ordinary conditions. As the profession is currently recovering from the pandemic, it would be inappropriate to introduce these changes now.
 - The views of the regulators and LSCP are not included in the consultation document. Evidence from the PSA, NAO and other regulators is not included. Approved regulators including the BC were not consulted as part of the consultation document's development. The BSB has not requested a change or widening of the framework and was not involved in any pre-consultation prior to the publication of the consultation document as it suggests.

102. ACL, CILEX, and CIPA had no further comments. CITMA noted its overall support for IPReg's submission.

- *Other respondents*

103. The LSCP said the LSB would need to focus on making sure it has the right evidence to scrutinise RBs' performance. LSB should incorporate the use of thematic reviews into its assurance process and should use them (i.e. at least every two years) to test the assurances provided by regulators and gain insight into areas of concern.

Our response

The CLC asked what action would follow an assessment where a regulator did not achieve a final 'sufficient assurance'. In most cases the LSB would, in a similar approach to its current framework, agree or set actions for the regulator to complete to enable it to achieve a 'sufficient' rating by the time of its next assessment. If a regulator's failure was severe, or if it failed to take sufficient action to address any failings over a reasonable period of time, then this could lead to a targeted review of the regulator or consideration of the use of the LSB's enforcement powers.

Our current regulatory framework and process documents published on our website explain how the LSB assesses regulators' performance through our annual performance assessments and the use of reviews. Under our new framework we will continue to take a similar approach. The addition of narrative assessments will provide greater transparency about the evidence we consider and our analysis of it.

The changes to our framework will not result in the LSB regulating in a more passive manner. They will, however, place greater responsibility on the boards or similar of the regulators to account for their own performance. By focusing on regulators' leadership, capacity and capability to meet the regulatory objectives, we are taking a responsible approach to regulation that recognises regulators' roles and responsibilities. This enhances their accountability and is consistent with the Better Regulation Principles, which includes the aim of seeking to minimise regulatory costs where appropriate.

In relation to the BC's comments, as noted in our response to Q1 above, since the current framework's introduction, we have carried out two assessments of regulators' performance in 2018 and three further annual assessments in 2019, 2020 and 2021, along with targeted reviews of two regulators' performance against the well-led standard. We consider that these have provided us, and stakeholders, with sufficient insight into the current framework's strengths and weaknesses to consider how it could be improved.

We consider that we have followed best practice throughout the consultation and that there have been several opportunities for regulators and other stakeholders to provide their input.

Our consultation document clearly set out the reasons for seeking to improve the framework along with supporting evidence (see our response to Q1 above where we summarise the key motivations which include ensuring that the new framework encompasses all of the regulatory objectives and enhances regulatory autonomy). The new framework is accordingly more closely aligned with the Act's requirements. Our view is that the length of time that the current framework has been in place and the issues that we have encountered with it during that time justify the changes we intend to make, even though some regulators' performance has improved under the current framework.

We note the BC's concerns in relation to the general duties under sections 3 and 28 of the Act. For the reasons set out in our responses above concerning these statutory provisions, we do not believe that the revised regulatory framework compromises the principles set out in those statutory provisions.

We agree with the LSCP about the need for the LSB to ensure that regulators provide the right evidence to enable us to assess its performance. We also agree

about the regular use of thematic reviews to assess regulators' performance against the standards or aspects of work carried out under them, such as authorisation, supervision, enforcement and education and training under Operational Delivery.

We will hold workshops following the publication of the new framework to address any outstanding questions that regulators and any other interested parties may have.

Changes to the framework

104. We have not made any changes to the framework based on the responses we received to this question.

Other changes to the framework

105. Substantive drafting changes to the sourcebook and process documents are set out in Annexes 1 and 2.

Equality Impact Assessment

106. We have given due consideration to our obligations under the Equality Act 2010, including consideration of the public sector equality duty.⁷

107. In our revised framework, we have sought to enhance our focus on diversity issues and highlight the regulatory objectives that are relevant to diversity such as encouraging an independent, strong, diverse and effective legal profession, improving access to justice and protecting and promoting the interests of consumers. Approved regulators are already required under section 28(2)(a) of the Act to act in a way that is compatible with the regulatory objectives when discharging their regulatory functions.

108. We propose that in the revised framework, diversity will be given greater prominence as we have included two diversity characteristics, which we have revised following our consultation:

- Characteristic 14: Committed to improving the diversity of, and reducing inequalities in, the profession at all levels and implements actions to reduce barriers to equality and inclusion.
- Characteristic 15: Committed to improving, and reducing inequalities in, access to services for the public and consumers in all their diversity.

⁷ GOV.UK (2012), [Public sector equality duty - GOV.UK \(www.gov.uk\)](https://www.gov.uk/public-sector-equality-duty).

109. The proposed sourcebook contains examples of evidence and policy, guidance and other materials that will assist regulators in understanding our expectations on diversity. Regulators may also want to consider how they can contribute to addressing the challenges in the [Reshaping Legal Services: Sector-Wide Strategy](#)⁸, which include:

- Achieving fairer outcomes for people experiencing greater disadvantage.
- Dismantling barriers to a diverse and inclusive profession at all levels.

110. One of our stated aims in revising the framework is to ensure it has sufficient flexibility to address policy developments. Diversity issues have at times moved with pace and may do again. We consider that our proposed approach to ensuring the framework remains relevant, for example by updating the sourcebook and statements of policy, will enable us to respond quickly to developments on diversity and other policy issues.

111. Overall, we do not consider there is anything in the proposed framework which will negatively impact those groups with protected characteristics. Our view is that the revised framework should positively impact these groups.

Impact assessment

112. We have considered the likely impact of the proposed framework on the regulators, their regulated communities, consumers and the wider public.

113. We recognise that revising the framework and requiring regulators to provide us with assurance that they meet the revised standards has, at least during the period of transition, the potential to increase the work they will need to do. However, we do not expect regulators would require significant additional resources resulting in costs that would be passed onto regulated communities and their consumers.

114. This is because we consider well-led regulators should only need to provide us with the information they already use to assure themselves of their own performance, assuming that the information provided to boards is of an appropriate quality. For example, well-led regulators would already take account of the regulatory objectives in determining their work programmes and this should be evidenced in materials provided to their boards. Regulators that do find it challenging will potentially require more resources but are likely to improve how they undertake their regulatory activities, which will benefit their regulated community and consumers.

⁸ https://legalservicesboard.org.uk/wp-content/uploads/2021/03/Strategy_FINAL-For-Web2.pdf.

115. One of the stated aims of this work is to encourage regulators and their boards to take ownership of all the regulatory objectives in discharging their regulatory functions. Our proposals would give more discretion to the regulators to determine how best to meet the standards and we do not prescribe the types of information that they must provide to us. When we engaged with regulators on their experience with the current framework, they said that they would prefer a framework that is less prescriptive and enabled them to set out how their approach to regulation was the most effective.
116. We have had regard to the better regulation principles in our development of the proposals. We consider that the revised framework will be a proportionate, transparent, accountable, consistent, targeted and effective means for assuring regulators' performance in meeting the regulatory objectives.

Next steps

117. We will conduct our 2022 annual performance assessment in accordance with the hybrid approach we set out in our response to Question 9. Following our 2022 assessment, we will prepare for the first assessment under the new framework, which will begin in June 2023.
118. Ahead of the first assessment under the new framework, we will engage with regulators and, where appropriate, other interested parties to answer any questions they may still have about the new framework and how the LSB will assess regulators' performance under it. We will commit to evaluating the new framework's performance in 2026/27.

Annex 1: Changes to the proposed regulatory performance assessment framework: sourcebook of standards and characteristics

119.

This table sets out the substantive drafting changes we have made to the proposed regulatory performance assessment framework sourcebook of standards and characteristics.

Draft sourcebook reference	Draft for consultation	Final sourcebook reference	Final text
Characteristic 4	Understands the needs of consumers and the broader public's needs and assesses the impact of its work in meeting their interests.	Characteristic 4	Understands the needs of consumers and the public interest and assesses the impact of its work in meeting their interests.
Characteristic 13	<p>Actively encourages innovation and innovators in the interests of improving access to services; identifies and mitigates risks appropriately without allowing them to become obstacles</p> <p>Examples of Evidence:</p> <ul style="list-style-type: none"> ▪ Regulator has own innovation policy ▪ Horizon scanning ▪ Engagement with stakeholders, including innovators, about benefits and risks of innovation ▪ Changes to regulatory activities as a result of engagement ▪ Use of waivers and exemptions to facilitate innovation 	Characteristic 13	<p>Actively encourages innovation and innovators in the interests of improving access to services; identifies and mitigates risks appropriately without allowing them to become obstacles.</p> <p>Examples of Evidence:</p> <ul style="list-style-type: none"> ▪ Regulator has own innovation policy ▪ Regulator demonstrates in-house innovation and technology capability or shows it has access to such capability ▪ Horizon scanning ▪ Engagement with stakeholders, including innovators, about benefits and risks of innovation ▪ Changes to regulatory activities as a result of engagement ▪ Use of waivers and exemptions to facilitate innovation

Draft sourcebook reference	Draft for consultation	Final sourcebook reference	Final text
Characteristic 14	<p>Committed to improving the diversity of the profession at all levels and implements actions to address barriers to inclusion.</p> <p>Examples of Evidence:</p> <ul style="list-style-type: none"> ▪ Regulator has own professional diversity policy ▪ Regulator's policies take account of current best practice ▪ Actions taken by regulator to address diversity issues it has uncovered ▪ Diversity data collection, awareness and understanding of diversity initiatives and work being undertaken by others ▪ Use of equality impact assessments ▪ Use of diversity data and analysis 	Characteristic 14	<p>Committed to improving the diversity of, and reducing inequalities in, the profession at all levels and implements actions to reduce barriers to equality and inclusion.</p> <p>Examples of Evidence:</p> <ul style="list-style-type: none"> ▪ Regulator has own professional diversity policy that takes account of current best practice ▪ Regulator focuses on the protected characteristics in the Equality Act 2010 and socio-economic diversity ▪ Regulator takes action to address the barriers to equality, diversity and inclusion that it has uncovered ▪ Diversity data collection, awareness and understanding of diversity initiatives and work being undertaken by others ▪ Use of diversity data and analysis to evaluate effectiveness of actions and inform policy development ▪ Collaboration with others to share data, insights from own initiatives and examples of good practice. ▪ Regulator leads changes by setting aspirational goals for the profession and recommending examples of effective initiatives to achieve them

Draft sourcebook reference	Draft for consultation	Final sourcebook reference	Final text
			<ul style="list-style-type: none"> Regulator promotes the value of training for legal professionals on equality, diversity and inclusion Regulator highlights the importance of inclusive recruitment and working practices in the profession Regulator has effective processes in place to deal with professional misconduct, such as bullying and harassment <p>Use of equality impact assessments</p>
Characteristic 15	Committed to improving access to services for the public and consumers in all their diversity.	Characteristic 15	Committed to improving, and reducing inequalities in , access to services for the public and consumers in all their diversity.
Characteristic 20	Proactively seeks to maintain high standards of conduct and responds to thematic issues arising from operational activity, including ensuring that those they regulate take action, where relevant.	Characteristic 20	Proactively seeks to maintain appropriate standards of conduct and responds to thematic issues arising from operational activity, including ensuring that those they regulate take action, where relevant.

Annex 2: Changes to the proposed regulatory performance framework process document

This table sets out the substantive drafting changes we have made to the proposed regulatory performance framework process document.

Draft process document reference	Draft for consultation	Final process document reference	Final text
Paragraph 12	The sourcebook is updated from time to time, for example, following consultation on a new LSB statement of policy, and can be found on our website.	Paragraph 12	The sourcebook will be updated annually, or when we publish new or revised versions of rules, guidance or policy statements where necessary. We will announce these updates and when they will take effect by notifying the regulators directly and listing any changes that we have made
N/A	N/A	Paragraph 17	The LSB's position is that regulators should take an open and transparent approach to accountability. That will mean adopting a default position of placing into the public domain any information on which it invites the LSB to rely for the purposes of assurance. This should drive improved transparency and provide for strengthened public accountability.
Paragraph 21	In our assessment we will rate the assurance provided by the regulator using the scale set out below. The rating will be accompanied by a narrative assessment of the regulator's overall performance and its performance against each standard, including identifying and encouraging good practice where relevant:	Paragraph 22	Rating system In our assessment we will rate the assurance provided by the regulator using the scale set out below. The rating will be accompanied by a narrative assessment of the regulator's overall performance and its performance against each

Draft process document reference	Draft for consultation	Final process document reference	Final text
	<ul style="list-style-type: none"> ▪ Adequate assurance – the regulator’s performance raises no concerns. We may identify areas where we would expect the regulator to review its policies and approach and consider how it could improve. ▪ Partial assurance – the regulator’s performance raises one or more concerns that should be addressed before the next assessment. This rating would also be used when it has not been possible to gain adequate assurance from the information available. In this instance, the regulator would need to provide further information. ▪ Inadequate assurance – the regulator’s performance raises serious concerns in at least one area or multiple concerns. The regulator would need to take immediate action to address these concerns, including developing its own action plan. 		<p>standard, including identifying and encouraging good practice where relevant:</p> <ul style="list-style-type: none"> ▪ Sufficient assurance – the regulator’s performance raises no concerns. We may identify areas where we would expect the regulator to review its policies and approach and consider how it could improve. ▪ Partial assurance – the regulator’s performance raises one or more concerns that should be addressed before the next assessment. This rating would also be used when it has not been possible to gain sufficient assurance from the information available. In this instance, the regulator would need to provide further information. ▪ Insufficient assurance – the regulator’s performance raises serious concerns in at least one area or multiple concerns. The regulator would need to take immediate action to address these concerns, including developing its own action plan.

Draft process document reference	Draft for consultation	Final process document reference	Final text
N/A	N/A	23	<p>We also use a red/amber/green (RAG) system to rate regulators' performance against each of the standards. This rating relates to the level of assurance a regulator provides for each standard rather than its performance. For the overall rating we do not use the RAG system, but for the ratings against each standard we give RAG ratings as follows:</p> <ul style="list-style-type: none"> • 'sufficient' assurance = green • 'partial' assurance = amber • 'insufficient' assurance = red
N/A	N/A	24	<p>As we are rating the level of assurance that the regulator has provided to us, rather than its performance, this means that a regulator which receives a 'sufficient' rating in one assessment may not do so in future ones.</p>
29	Some of the factors that would lead us to consider undertaking a review include:	32	Examples of the factors that may lead us to consider undertaking a review include:

Draft process document reference	Draft for consultation	Final process document reference	Final text
	<ul style="list-style-type: none"> ▪ a decline in performance ▪ limited information provided to give assurance ▪ recurrence of a single performance issue or a number of smaller performance issues which indicate a pattern of concern ▪ follow up activity from a previous regulatory performance assessment ▪ significant changes in regulatory approach ▪ change in regulatory scope by the regulator ▪ a major change in the size of the regulated community ▪ significant legislative changes which have a direct impact upon the regulated community ▪ a major failing within the regulated community. 		<ul style="list-style-type: none"> ▪ a decline in performance ▪ limited information provided to give assurance ▪ recurrence of a single performance issue or a number of smaller performance issues which indicate a pattern of concern ▪ a complaint or recurring complaints about an issue or about how complaints are handled, which may indicate the presence of a systemic problem ▪ follow up activity from a previous regulatory performance assessment ▪ significant changes in regulatory approach ▪ change in regulatory scope by the regulator ▪ a major change in the size of the regulated community ▪ significant legislative changes which have a direct impact upon the regulated community ▪ a major failing within the regulated community.

There are also minor drafting amendments to paragraphs 3, 7, 8, 9, 15, 16, 21, 29, 30 and 35 in the process document. Changes to the Characteristics in the process document are noted in Annex 1.

Annex 3: Responses to the consultation

We received 16 responses to the consultation. [Responses](#) from the following stakeholders have been published on our website:

- Association of Cost Lawyers (ACL)
- Bar Standards Board (BSB)
- Chartered Institute of Legal Executives (CILEX)
- Chartered Institute of Patent Attorneys (CIPA)
- Chartered Institute of Trade Mark Attorneys (CITMA)
- CILEx Regulation (CRL)
- Council of Licensed Conveyancers (CLC)
- Costs Lawyer Standards Board (CLSB)
- Faculty Office (FO)
- General Council of the Bar (BC)
- Institute of Chartered Accountants in England and Wales (ICAEW)
- Intellectual Property Regulation Board (IPReg)
- Law Society (TLS)
- Legal Services Consumer Panel (LSCP)
- Solicitors Regulation Authority (SRA)

We received a brief response in support of our proposals from:

- Professional Standards Authority (PSA)