

Regulatory performance assessment

Regulatory performance standards addendum

Addition of a new outcome under the Well-led standard – monitoring regulatory independence

July 2020

New outcome: monitoring regulatory independence

1. This document supplements the regulatory performance standards published in December 2017 and adds a new outcome under the Well-led standard.
2. The new outcome sets out how the LSB will monitor regulatory independence following introduction of revised Internal governance rules (IGR) in July 2019. The new outcome is set out in the table below:

Well-led Standard	Outcome WL7	Short form descriptor
	<p>The Approved Regulator/Regulatory Body meets the outcome under the IGR to separate and maintain the independence of regulatory functions:</p> <ul style="list-style-type: none"> • The Approved Regulator has the necessary delegation arrangements in place and gains assurance that its regulatory functions are effectively carried out in line with the IGR. • The Regulatory Body carries out its regulatory functions in line with the IGR and provides assurance to its Approved Regulator as required by Section 28 of the Legal Services Act 2007. 	Regulatory independence delivered by the IGR
Examples of evidence	<ul style="list-style-type: none"> • Protocols setting out: delegation agreements; separation arrangements and the justification for choosing these arrangements. • Protocols for information exchange between the Regulatory Body and Approved Regulator. • Agreements for any shared services between a Regulatory Body and Approved Regulator. • Logs of any referrals to the LSB for clarification including the efforts made internally (including between an Approved Regulator with a residual role and its Regulatory Body, where relevant) to resolve the issue. • Records of any disputes referred to the LSB and the discussion between the Regulatory Body and Approved Regulator prior to the referral. • Logs of non-compliance issues, action taken and result. • Logs of training provided to relevant individuals. 	