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12 October 2010

A handwritten signature in black ink that reads 'Iain Stark'.

IGR

You will already be aware that my Board discussed your compliance with our internal governance rules at its recent meeting. We noted that ALCD has yet to make any substantial progress as a regulator but are pleased that the challenge has been recognised by you and your colleagues and that you have committed to achieve full compliance with our internal governance rules by the end of 2011.

ALCD has set out to my Board its plan for the creation of the Costs Lawyers Standards Board. In discussion we have agreed that the initial task is follow the appointment of Lynn Plumbley with the appointment of a chair and an independent Board fully compliant with our internal governance rules. My team will continue to monitor your progress closely and whilst we consider that it would be disproportionate to commence enforcement action at present we will continue to monitor how ALCD, and subsequently CLSB, delivers independent, modern regulation of reserved legal activities.

You will be aware that the dual self certification of compliance with our internal governance rules is an annual process and we will be proceeding with that in March 2011 as usual. Compliance with our rules ensures that a structure is in place that is capable of delivering independent regulation, but independent regulation must happen in practice so the 2011 annual return will bring greater focus to regulatory practice.

I recognise the challenge that the Legal Services Act presents for smaller regulators. However, modern regulation depends upon us all delivering the central elements of the Act and I am sure your new regulatory board will want to fulfil these obligations. A more detailed assessment of your plans will be provided by my executive in due course.

I am copying this to Lynn Plumbley at the ALCD.

A handwritten signature in black ink, appearing to read 'David Edmonds', written in a cursive style.

David Edmonds
Chairman

A handwritten signature in black ink, appearing to read 'Lynn Plumbley', written in a cursive style.