

Mr C. Passmore
Director of Strategy and Research
Legal Services Board
7th Floor, Victoria House
Southampton Row
London
WC1B 4AD

Our ref: DB/PC

30 April 2010

Dear Crispin,

Compliance with Internal Governance Rules

With this letter you will find:

- ILEX/IPS Joint Certificate of Compliance
- Service Level Agreements
- ILEX/IPS Protocol
- IPS Memorandum of association
- IPS Articles of Association
- IPS Code of Conduct for Board Members
- ILEX 3 year Business Plan and Budgets
- ILEX Articles of Association

I appreciate that further detail will be required particularly in relation to our budgets before the LSB will approve the practising fee for Legal executives for the year 2011. We will deal with that on a separate occasion.

You will see from the Certificate of Compliance that there remain two regulatory committees which contain Council Members. These are the Advocacy Rights Committee, administered by IPS, and the Qualifying Employment and Waivers Committee administered by ILEX.

We do not commit to making the necessary change to achieve complete independence from ILEX for these committees by October 2010, although we do commit to meeting a 31 December 2010 date. We do not believe that the retention of the current structures to 31 December, as opposed to October, constitutes a regulatory risk.

The composition of the Advocacy Rights Committee will be harmonised with the Litigation and Probate rules and the composition of committees set up under these schemes, because all advocacy work under the separate schemes will, in future, be dealt with together. The arrangements are set out in the applications which will come to the LSB shortly. There will also then be an application regarding the current advocacy rules to harmonise all schemes.

The work of the Qualifying Employment and Waivers Committee will likewise transfer to a new committee under the rules contained in the Litigation Rights and Probate rights applications. IPS is currently reviewing the criteria regarding qualifying employment in order to both modernise them and make them more transparent, this work being designed to come to fruition with the approval of the litigation and probate rights schemes.

In short, we believe that simply changing the composition of the committees at this stage, for them to be changed again almost immediately, is not a proportionate response to the low level of regulatory risk arising from a December deadline as opposed to an October deadline.

If you require further information, please do not hesitate to contact me.

Yours sincerely,

Diane Burleigh

Chief Executive