

[EMAIL ONLY]

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9 November 2011

Dear Lynn,

**Approval of the 2012 Practising Certificate Fee (PCF) application made by the Costs Lawyer Standard Board (CLSB) to the Legal Services Board (LSB) under section 51 of the Legal Services Act 2007**

I am pleased to inform you that the 2012 PCF levels as set out in your application of 19 October 2011 have been approved by the LSB. This decision has been made under the authority delegated to me as Chief Executive by the LSB Board.

We are content that the information that you have provided indicated that the criteria within the LSB's Practising Fee Rules 2009 have been met. I am grateful for the revised CLSB budget received today, clarifying the Levy payment for 2012 which was omitted from the previous version received with the initial application. We would advise that reasonable care is taken before submitting future PCF applications to the LSB, to ensure the correct information is provided.

We highlight below some issues that we would expect to be addressed for next year's PCF round.

We have some concern with the wording in paragraph 5 of the consultation paper sent as a supporting document to the PCF application, which may be interpreted by those reading the document that in order to use the title 'Costs Lawyer' you must pay a PCF. In terms of the accuracy of information to those charged with paying a PCF, we recommend that there is sufficient clarification that a practitioner may use the Costs Lawyer title without paying a PCF or being regulated, so long as they do not undertake reserved legal activities.

We look forward to maintaining dialogue going forward to ensure that we continue to improve the process for next year. Once the applications for 2012 have been completed, the LSB may consider whether to address the issue of reserves in more detail for the 2013 round. This may involve a discussion around potentially setting guidance to approved

regulators (ARs) on appropriate levels of reserves and the impact that a high level of reserves may have on the level of the proposed PCF.

We will also consider whether it appropriate to issue guidance around targeted and effective consultation. It may be that we encourage ARs to consider the length of time the document is published and how long practitioners have to respond, and to also consider alternative ways of engaging with non-commercial bodies as there may well be an interest in the extent to which (if at all) regulatory fees impact directly on the charges levied to commercial and non-commercial bodies for the work they do.

If you have any questions please contact Sonya Gedson, Regulatory Associate [sonya.gedson@legalservicesboard.org.uk](mailto:sonya.gedson@legalservicesboard.org.uk) or 020 7271 0073.

I have written in identical terms to Iain Stark, Chairman, Association of Costs Lawyers (ACL).

Yours sincerely



**Chris Kenny**  
Chief Executive

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