

June Mulroy
Interim Chief Executive
Council for Licensed Conveyancers
16 Glebe Road
Chelmsford
Essex
CM1 1QC



The Chief Executive's Office
Legal Services Board
7th Floor
Victoria House
Southampton Row
London WC1B 4AD

T 020 7271 0043
F 020 7271 0051

www.legalservicesboard.org.uk

20 September 2012

Dear June

Approval of the application made by the Council for Licensed Conveyancers (CLC) to the Legal Services Board (LSB) under section 51 of the Legal Services Act 2007 (the Act) for the level of practising fees for 2012/13

I am pleased to inform you that the 2012/13 Licence Fee and Practice Fee levels as set out in your application of 5 September 2012 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 to Simon Blandy, who has worked very effectively with my staff during the process to reach this decision.

We note that the level of the Licence Fee charged to individual Licensed Conveyancers will remain the same as the previous year and that the Compensation Fund contribution payable by each CLC Practice (0.4% of turnover) is unchanged. There is a slight increase in the CLC Base Rate Practice Fee from 1.3% of turnover to 1.4% of turnover.

We mentioned in our Decision Letter for the 2011/12 application that we expect far more extensive consultation to be carried out on a periodic basis so that the CLC are in touch with stakeholder views on the levels and approach. As a single year's decision in the context of a small change in the Practice Fee and the fact that the CLC intends to consult on a new fee structure in early 2013, we consider that the CLC's approach to consultation is probably proportionate this time around. Nonetheless, we are concerned that for a second year in succession no consultation was undertaken prior to the setting of the fee level. We therefore expect the CLC to take a much more proactive approach to consulting on fee levels in 2013 and subsequent years, even if changes proposed are marginal. We do not believe it is a sustainable rationale to repeat incremental changes year-on-year without any form of engagement whatsoever.

In the assessment for 2011/12, the CLC gave assurances that it would not manage in practice the minimal level of reserves down to the stated two months. We note that the arrangements for 2012/13 now includes that at the end of budget year 2013 reserves will represent 6/7 months of expenditure and that over the medium term it should increase to 9 months. Although it is not for the LSB to prescribe the level of reserves, this great level of resilience is clearly welcome. However, although there is some explanation of the reserves arrangement in this year's application, we do not yet have a full explanation of how your Board is approaching the question of reserves policy overall and would therefore like the CLC to include a more detailed assessment of its reserves policy for the 2013/14 application so that we can better understand its approach.

We look forward to maintaining dialogue going forward to ensure that we continue to improve the process for next year.

Please contact Paul Greening, Regulatory Associate
paul.greening@legalservicesboard.org.uk or 020 7271 0075 if you have any questions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Chris Kenny', followed by a horizontal line and a small vertical tick at the end.

Chris Kenny
Chief Executive

E chris.kenny@legalservicesboard.org.uk