

BY EMAIL

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15 August 2014



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Dear Paul and Des,

Approval of application made by The Law Society and Solicitors Regulation Authority (SRA) to Legal Services Board (LSB) under section 51 of the Legal Services Act 2007 for the level of practising fees for 2014/15

I confirm that the levels of the 2014/15 fee determinations for practising certificates, sole practitioners, recognised bodies and licensed bodies, as set out in your joint application and supporting documents of 14 July 2014 have been approved by LSB. We are content that the information provided by The Law Society (TLS) Group met the criteria of LSB's Practising Fee Rules 2009.

We welcome the reduction in the amount of PCF that will be charged to those regulated by SRA. We were also pleased to see that there has been some effort to improve consultation with the profession about the level of PCF.

In last year's decision letter about the PCF, we requested information from SRA about the planned review of fees and charges, including a timetable and an outline of consultation plans. We are aware from our informal discussions with SRA about progress of this review and note that the PCF application does make reference to an extensive consultation on fee arrangements being undertaken "over the turn of the year". I would be grateful if you could provide me with your formal plans for this review.

We consider that there needs to be more transparency about the overall cost of regulation, its allocation and sources of funding. This was something we specifically mentioned in the recent decision notice on the compensation fund contribution, but is relevant in this context given the continuing use of the compensation fund as the means of meeting the cost of intervention.

As part of your planned review, I would ask you to consider how (both in the consultation and in future years) you can be more explicit about and seek views on how PCF money and other regulatory resources are spent and allocated, rather than the levels alone.

As you are aware, we recently undertook a short exercise to understand how approved regulators allocate money raised by the PCF to permitted purposes and how they assure themselves that PCF money is spent on the permitted purposes only. The information that you provided has been helpful in our assessment of this year's PCF application and will be will also assist in our cost of regulation work. I will send a separate response to your submission at a later date.

Yours sincerely



Chris Kenny
Chief Executive

