

Practising Certificate Fee (s51) application assessment

Approved Regulator: Costs Lawyer Standards Board

Part One: summary and recommendation

Summary

The Cost Lawyers Standards Board's (CLSB) budget for 2016 is set at £151,500, an increase of £2250 (1.5%) on the 2015 budget.

The proposed Practising Certificate Fee (PCF) for 2016 is £250, the same amount that has been payable since 2012. CLSB anticipate that PCF income for 2016 will be £152,500 (on the assumption that there will be 610 costs lawyers).

All PCF income is paid to and used by CLSB. There is a separate membership fee for the Association of Cost Lawyers (ACL).

Recommendation

Having considered the application against the Legal Services Board's (LSB) rules and guidance, I recommend that the PCF of £250 for the year commencing 1 January 2016 be approved.

Part Two: Assessment of the application against LSB acceptance criteria

1. Pre-submission	
Were there any pre-submission discussions or a draft application; were any issues identified	There were no pre-submission discussions; CLSB notified LSB when the consultation was published.
Were there any areas for improvement or specific issues in the last approval letter	<p>In the decision letter on the 2014 application (for approval of the 2015 PCF) we commented on the need for transparency of the costs of the LSB and Legal Ombudsman levies.</p> <p>CLSB has a dedicated page on its website that shows the history of the levies and the cost per cost lawyer. The level of disclosure addresses the LSB's point about transparency.</p>
Is it clear that the regulatory arm has led the development of the application?	Yes – the application has been prepared by CLSB
<p><i>Budget</i></p> <ul style="list-style-type: none"> • Is it clear how the budget has been arrived a • Is there evidence that the immediate and medium terms needs have been taken into account • Are the contingency fund arrangements clear 	<p>The budget analysis sets out the expected spend in each area. We consider that the level of detail provided is sufficient bearing mind that the CLSB is a small organisation.</p> <p>Since its formation the CLSB has been building a contingency fund from any surplus income at the end of each year. While CLSB could seek additional funding from ACL should the need arise, it retains the objective of being financially independent and expects to reach it minimum financial reserve of one year's operating costs by the end of 2019.</p>
<p><i>Consultation</i></p> <ul style="list-style-type: none"> • Has the proposed fee been consulted on – if so summarise • Was the consultation clear about the level of fee and how it will be collected • Has feedback been fully considered 	<p>Yes – a consultation paper was published on 16 July 2015, inviting comments to be made by 11 September.</p> <p>Yes</p> <p>Yes – there were 12 responses to the consultation, all supporting the proposed PCF. A summary was provided with the application.</p>

<i>Clear and transparent</i>	
<ul style="list-style-type: none"> Is the information provided to fee payers on the level of fee clear and transparent 	Yes
<ul style="list-style-type: none"> When was/is this issued to fee payers 	November 2015 (fees due December 2015)
3. Permitted purposes	
Is there evidence that the PCF income is used solely for permitted purposes	Yes – all PCF income is used by CLSB whose functions are regulatory.
Is any other income to be applied to permitted purposes	No
4. Regulatory functions	
Is there evidence of how much of the PCF income is applied to permitted purposes that are regulatory functions	Yes – all PCF income is applied to regulatory functions
Are any shared services clearly explained	Not applicable
5. Regulatory and equality impact assessment (optional requirement)	
<ul style="list-style-type: none"> Completed and included? If not included, is there an explanation of the potential impact Does the application contain commentary on the regulatory objective and the Better Regulation Principles 	The application notes that as the PCF is to remain at the same level, CLSB do not consider that it will have an adverse impact on the diversity of the profession
6. Consultation with non-commercial bodies (optional requirement)	
<ul style="list-style-type: none"> Does the application include a description of the steps taken Have the proposed fees been shared with such bodies What was the response 	Not relevant to CLSB
7. LSB Review	
Have we consulted with any other body on the application	Not considered necessary for this application
Were any issues raised by LSB colleagues from the first review	No issues have been raised by colleagues

Dawn Reid
Head of Regulatory Performance and Operations
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