

Lynn Plumbley
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**LEGAL SERVICES
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27 September 2016

Dear Lynn

Approval of the application made by the Costs Lawyer Standards Board (CLSB) to the Legal Services Board (LSB) under section 51 of the Legal Services Act 2007 for the level of the practising fee 2017

I am pleased to inform you that the 2017 practising fee level as set out in your application of 12 September 2016 has 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 meets the criteria set out in the LSB's Practising Fee Rules 2016.

There are a couple of matters I would like to comment on.

I note that the CLSB may need to draw on its reserves to cover its expenses for 2017 in order to deliver its action plan. I understand that if this happened the CLSB would consider recovery of any amount drawn from its reserves through a potential increase in PCF for 2018. As you know the LSB is of the view that delivery of the action plan is required in order for the CLSB to achieve the required regulatory standards.

Should the CLSB need to draw on its reserves and seek to recover this through an increase in the PCF for 2018, the application will be considered against the Practising Fee Rules 2016, which require that approved regulators provide three-year budget and PCF forecasts if the proposal is to increase the PCF (11(b) and 11(c) of the Practising Fee Rules 2016).

As the action plan should be well progressed by the time the PCF 2018 application is submitted, LSB will seek an update at that time on whether the CLSB still intends to achieve (or has by that time already achieved) reserves of 100% of its annual operating income – a target that the CLSB referred to in its PCF 2016 application.

I am copying this letter to Sue Nash at the Association of Cost Lawyers, as the Chair of the approved regulator, for information.

Please contact Paul Greening (paul.greening@legalservicesboard.org.uk or 020 7271 0063) if you have any questions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Neil Buckley', with a large, sweeping flourish extending to the right.

Neil Buckley
Chief Executive

E neil.buckley@legalservicesboard.org.uk

cc Sue Nash, Chair, Association of Costs Lawyers