

Karl Cerski
Director of Group Services & Chief Financial Officer
The Chartered Institute of Legal Executives
Kempston Manor
Kempston
Bedfordshire
MK42 7AB



**LEGAL SERVICES
BOARD**

The Chief Executive's Office
Legal Services Board
3rd Floor
One Kemble Street
London WC2B 4AN

T 020 7271 0043

www.legalservicesboard.org.uk

25 September 2017

Dear Karl

Application by the Chartered Institute of Legal Executives (CILEx) and CILEx Regulation under section 51 of the Legal Services Act 2007 for the approval of the level of the practising fee 2018

On 25 August 2017, we received your application under Section 51 of the Legal Services Act 2007 seeking approval of the 2018 practising certificate fees.

I am pleased to inform you that the 2018 practising certificate fees have been approved. This decision has been made under the authority delegated to me as Chief Executive by the LSB.

I acknowledge that the 15% increase in PCF for Associate Prosecutors is in the context of CILEx Regulation working towards a model of full cost recovery, where the costs of regulatory and permitted purposes activities are met from practising certificate fee income. I also note that the PCF for all other fee payers is remaining at 2017 levels. In respect of the Associate Prosecutor fee, I am aware that this is paid by the Crown Prosecution Service and not Associate Prosecutors themselves.

Although it is not obligatory to consult on proposed PCF if the fees are not increasing, I would still encourage you to consult with your members and fee payers. The lack of consultation assumes that PCF contributors are happy to pay the same fees as the previous year, when in fact they may have views that the PCF should be reduced.

We appreciate that your PCF application provided additional information on the systems the CILEx Group has put in place for accounting and management oversight as requested in last year's approval letter. This was requested in order for us to have full confidence in the budgeting arrangements and forecasting. I welcome the statement that these arrangements provide a robust framework for the regular review of financial performance against budget and forecast for the SMTs, committees and board of each CILEx Group company.

I note that your PCF application also provided additional information in relation to the progress being made regarding entity regulation as requested in the approval letter last year. We acknowledge that the application states CILEx Regulation expects to be in a position to provide accurate and complete costs for the delivery of entity regulation by the end of 2018.

We appreciate that your application has acknowledged the additional costs relating to work necessitated by the Competition and Markets Authority and the Office for Professional Body Anti-Money Laundering Supervision. We will be interested to see how these costs are apportioned across the CILEx membership in future years.

On the Compensation Fund contribution for 2018, this is not within the definition of permitted activities and so does not require approval under section 51. I enclose an Exemption Direction (issued under paragraph 3 of Schedule 4 to the Act) approving this contribution level.

We will be publishing a copy of this letter on our website in the next few working days.

Please contact Stephanie Borthwick (stephanie.borthwick@legalservicesboard.org.uk or 020 7271 0089) if you have any questions.

I have copied this letter to:

Helen Whiteman, Chief Executive, CILEx Regulation

Vicky Purtill, Director of Authorisation and Supervision, CILEx Regulation.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Neil Buckley', with a long, sweeping horizontal line extending to the right.

Neil Buckley
Chief Executive

E neil.buckley@legalservicesboard.org.uk