

Name of Body	ALCD&CLSB
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	Date	Type of format received	Confirmation of receipt sent?	Document link
Receipt of full application	10-Nov-10	Email and post	Yes	http://www.legalservicesboard.org.uk/Projects/independant_regulation/index.htm

Initial pre-application process including draft documents or correspondence received for assessment against the final application

	Yes or No	Description	Document link	Date received
Was there any correspondence received from the AR prior to the submission of the final application?	Yes	A meeting was held between the Legal Services Board (LSB) representatives and Tony Guise (solicitor leading the work on the submission of the Association of Law Costs Draftsmen (ALCD) application to discuss the details of practising certificate fee (PCF) process for ALCD and the submission date for the final application.	n/a	28-Sep-10
Were any documents received from the AR prior to the submission of the final application?	Yes	Plain English summary of the practising certificate fee for 2011	n/a	29-Sep-10
To what section of the final criteria do these documents relate?	Yes	Transparency with members	n/a	n/a
Do we have any concerns arising from the documentation?		n/a	n/a	n/a
How and what have we communicated back to the AR?		n/a	n/a	n/a
What was the outcome of the exchange for correspondence?	Yes	The final application was received on 06 Oct 2010. This included an incomplete consultation process with ALCD members on the PCF which was due to close on 29 Oct 2010.	n/a	06-Oct-10
Do we have any concerns arising from this exchange?	Yes	We advised that the application will be processed in full once the consultation closes on 29 Oct 2010 and we receive a summary of the main issues and any amendments to the PCF arrangements in light of the responses.	n/a	06-Oct-10
Have these concerns been resolved?	Yes	Lynn Plumbley, CEO, Costs Lawyer Standards Board (CLSB) forwarded a copy of the responses received to the consultation and a	n/a	10-Nov-10

Summary

As an initial assessment of the application an email was sent to Lynn Plumbley, CLSB with a list of queries on the application. A response was received on 23 Nov 2010 answering the outstanding queries and a follow up call was made to Iain Stark on 24 Nov 2010 to confirm the figures on the CLSB budget and PCF level. The LSB now has enough information to assess the full application against the criteria for approving practising fees.

Overall level of concern	No concern
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Section 1: Developing the application and setting the budget

This section of the criteria refers to D10a & D11a /D11d of the Practising fee Rules 2009.

Criteria - application	Yes or No	LSB Assessment
Is there a description of how the application was developed and settled?	Yes	The original application was submitted by Tony Guise, Solicitor on behalf of the ALCD. The ALCD and CLSB are in a transition stage as regards the ALCD's regulatory function.
Is there sufficient detail to make an assessment of 'reasonable care' when settling the application?	Yes	As above.

Criteria - budget	Yes or No	LSB Assessment
Is there a description of how the budget was developed and settled?	Yes	ALCD indicate that the process of setting the budget has taken the characteristics of the profession into account, with a fee and its associated regulation intended to provide a regime which is in proportion to the level of regulatory infraction experienced over the past 9 years being kept firmly in view. ALCD also indicate that by the time of the 2012 PCF approval application a full time staff will have been appointed to CLSB (the CLSB CEO has already been appointed) which will enable the CLSB/ALCD to furnish the Board with much more detailed data as to budget setting, historical data and allocation to permitted purposes/regulatory functions.
Is there evidence that the budget was settled in light of immediate and medium term budgetary needs?	Yes	See above
Is there a description of contingency arrangements?	Yes	A contingency has been provided within the budget for CLSB of approximately £25,000 and the ALCD have committed to establishing CLSB as an independent regulatory body and will provide sufficient funds from ALCD reserves to meet any further contingency requirements above the existing contingency provision.
Does this include a section on the consultation undertaken with practitioners?	Yes	See section 4 for further information.

Is there a description of the revenue raised broken down between functional department and expenditure head for:		
Previous year?		The ALCD has committed to a more detailed process for the 2011 PCF application process when the CLSB has become fully operational.
Forecast year?		See above
Is there a description of a significant variance from the previous year in terms of:		
Total revenue?	Yes	The anticipated funding requirement for 2011 for ALCD including CLSB is approximately £575,000.
Split between functional departments and expenditure heads?		The ALCD has committed to a more detailed process for the 2011 PCF application process when the CLSB has become fully operational.

Overall comments

n/a

Evaluation

The application in terms of developing the application meets Section 1 of the criteria for practising fee applications as issued by the LSB.

Level of concern

No concern

Overall comments

While we acknowledge that the ALCD and CLSB are in a transition stage in regards to the ALCD's regulatory function; we will expect development in protocols between ALCD and CLSB for submitting next year's application. This should include clear arrangements for consultation with the ALCD as the representative body and acknowledgement that managing the allocation of practicing fee income, other than any income for non-regulatory permitted purposes, rightly sits with the CLSB. We are likely to seek greater assurance in next year's exercise about the existence of such protocols and how they have been applied in practice.

Evaluation

The application in terms of developing the budget meets Section 1 of the criteria for practising fee applications as issued by the LSB.

Level of concern

No concern

Section 2: Permitted purposes

This section of the criteria refers to D10b & D11e/D11b of the Practising fee Rules 2009.

Criteria	Yes or No	LSB Assessment
Is there evidence that the revenue raised through practising fee charge are applied solely to the permitted purposes?	Yes	The ALCD has indicated that the PCF income will be spent on the regulatory activities of the CLSB.
Previous year?		
Forecast year?		
Does it include a budget that shows:		
Anticipated income from practising fees		n/a
All other expected income to be applied to permitted purposes		n/a
Planned expenditure of income against permitted purposes		n/a
Does it include an analysis of spend against the permitted purposes?		n/a
Is this broken down by functional department / expenditure head?		n/a

Overall comments

The application sets out that by the time of the 2012 PCF approval application, a full time staff will have been appointed to CLSB which will enable the CLSB/ALCD to furnish the Board with much more detailed data as to budget setting, historical data and allocation to permitted purposes/regulatory functions. The ALCD highlighted that an analysis of total PCF income by authorised person is tentative at this time as there is limited data relating to the numbers of authorised persons paying the PCF. The ALCD indicate an expected funding requirement for CLSB to be approximately £125,000 representing the cost of regulation. Due to the uncertainty in the number of authorised persons who will pay a practising fee for next year, we will seek a level of assurance from the ALCD/CLSB that if the total PCF income collected for next year exceeds £125,000; the extra spend will only be allocated to activities which are permitted purposes. The ALCD sets out in their application that a contingency has been provided within the budget for CLSB of approximately £25,000; the ALCD has committed to establishing CLSB as an independent regulatory body and will provide sufficient funds from ALCD reserves to meet any further contingency requirements above the existing contingency provision.

Evaluation

The application in terms of developing the application meets Section 2 of the criteria for practising fee applications as issued by the LSB.

Level of concern

No concern

Section 3: Regulatory functions

This section of the criteria refers to D10c D10d & D11c of the Practising fee Rules 2009.

Criteria	Yes or No	LSB Assessment
Is there an explanation of how the revenue raised by practising fees is applied to - i.e.		
Permitted purposes which are regulatory functions (not representative)	Yes	The ALCD has indicated that the PCF income will be spent on the regulatory activities of the CLSB.
Permitted purposes which are not regulatory functions	Yes	n/a
Is there clarity and transparency of how the revenue raised is to be applied to - i.e.		
Permitted purposes which are regulatory functions (not representative)	Yes	n/a
Permitted purposes which are not regulatory functions	Yes	n/a

Overall comments

See overall comments in the section 2 above.

Evaluation

The application in terms of developing the application meets Section 3 of the criteria for practising fee applications as issued by the LSB.

Level of concern:

No concern

Section 4: Clarity and transparency

This section of the criteria refers to D10e of the Practising fee Rules 2009 & section 51(b) of the Act

Criteria	Yes or No	LSB Assessment
Consultation with members		
Does the application include a description of their consultation undertaken with their members mandated to pay practising fees?	Yes	A consultation process was conducted which included information sent to members.
If yes, does the description of the consultation process include transparency and clarity of how the fee level has been set and how the money collected will be used?	Yes	The consultation paper included a suite of supporting documents including: the ALCD accounts for the year to 31 Dec 2008, the internal P&L account for ALCD and ALCD training for the year 31 Dec 2009, an explanatory note, a fee note and the terms and conditions.
If yes, does the application also include a description of how that feedback influenced the decision-making and policy development processes?	Yes	A summary of the consultation responses were received from the CLSB.
Is the level of information provided to members similar to what has been provided in the criteria?	Yes	See above
In terms of the level of information provided to members, does the application include the recommended use of the 'Council Tax bill' analogy and/or another form of web-based linked information?	Yes	The explanatory notes, fee note and terms and conditions will be sent to all authorised persons seeking payment of the 2011 PCF.
If yes, when was this information issued to the mandated members paying the practice fees i.e. as the fee note issued or shortly afterward?	Yes	See above
Consultation with representative governing councils or the equivalent		
Alternative to the above, does the application set out that changes to the practising fee arrangements are minimal, and consultation was therefore only involved representative governing councils or the equivalent?		n/a
If yes, is there a description of what consultation that was taken place?		n/a
If yes, does the application also include a description of how that feedback influenced the decision-making and policy development processes?		n/a

Overall comments

n/a

Evaluation

The application meets Section 4 of the criteria for practising fee applications as issued by the LSB.

Level of concern: **No concern**

Section 5: Regulatory and diversity impact assessment

This section of the criteria refers to D11f of the Practising fee Rules 2009

Criteria	Yes or No	LSB Assessment
Does the application include a regulatory or diversity impact assessment?		n/a
If no, does the application include a description of how their proposals were tested against the regulatory principles?		n/a
Does the application include a description of how the proposals have been developed with consideration of any potential impact on diversity issues?	Yes	n/a

Overall comments

Please note the LSB set out in Section 5 of the criteria for practising fee applications that we do not require a regulatory or diversity impact assessment to be completed for this year's practising fee applications. Due to resourcing and the set up of CLSB, the LSB has adopted a proportional approach when processing this year's PCF application. The consideration of wider diversity issues will be dealt with in the small ARs project.

Evaluation

The application in terms of the criteria relating to non-commercial bodies relating to Section 6 of the criteria for practising fee applications as issued by the LSB is deemed acceptable.

Level of concern:

No concern

Section 6: Consultation with non-commercial bodies and the Consumer Panel

This section of the criteria refers to D12 of the Practising fee Rules 2009 & Section 51 (7) (a) of the Act

Criteria - non-commercial bodies	Yes or No	LSB Assessment
Does the application include a description of steps the AR has taken to ensure the impacts of the persons providing non-commercial legal services have been considered when setting the fees?		n/a
Has the AR shared details of the practising fee level with appropriate bodies such as the Law Centres Federation, Citizens Advice and Advice Service Alliance in advance of the submission of the application?		n/a
Have the non-commercial bodies provided any response to the details shared to them by the AR?		n/a

Overall comments

The ALCD conducted a consultation process with members which did not include consultation with non-commercial bodies. The LSB has adopted a proportional approach when processing this year's PCF application and we recognise that parts of the application will require improvements for next year's round. The CLSB has agreed that their consultation process will be open to non-commercial bodies next year.

Evaluation

The application in terms of the criteria relating to non-commercial bodies relating to Section 6 of the criteria for practising fee applications as issued by the LSB is deemed acceptable.

Level of concern: No concern

General Evaluation

Summary of LSB assessment - i.e. Approval and/or approval with conditions or rejection
<i>The PCF team recommends approval of the ALCD/CLSB application for the level of practising fee.</i>

Criteria - Consumer Panel/others	Yes or No	LSB Assessment
Have we provided a copy of the application to the Consumer Panel?	Yes	n/a
What are their immediate concerns or issues raised (if applicable)?		Nil response from the Consumer Panel.
Have we considered if we need to consult with anyone else on this application?	Yes	n/a
If yes, what consultation has taken place and with whom?		n/a
What was the outcome of this exchange i.e. Do we have any immediate concerns that has the potential to delay the approval of the application?		n/a

Overall comments

n/a

Evaluation

The application in terms of the criteria relating to the Consumer Panel and Others meets Section 6 of the criteria for practising fee applications as issued by the LSB.

Level of concern: No concern