



**LEGAL SERVICES
BOARD**

The Chief Executive's Office
Legal Services Board
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Victor Olowe
Chief Executive
Council for Licensed Conveyancers
16 Glebe Road
Chelmsford
Essex
CM1 1QC

16 September 2011

Dear Victor

Approval of the application made by the Council for Licensed Conveyancers (CLC) to the Legal Services Board (LSB) under section 51 of the Legal Services Act 2007 (the Act) for the level of practising fees for 2011/12

I am pleased to inform you that the 2011/12 Licence Fee and Practice Fee levels as set out in your application of 26 August 2011 have 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 indicated that the criteria within the LSB's Practising Fee Rules 2009 have been met. I am grateful to Simon Blandy, Director of Policy and Standards, CLC who has worked with my staff during the process to reach this decision.

We note that the level of the Licence Fee charged to individual Licensed Conveyancers will remain the same as the previous year and there is a reduction in the CLC Bodies Practice Fee. In light of this approach, we understand why you have not consulted with your regulated community this year. We however expect a more extensive consultation to be carried out on a periodic basis so that the CLC are in touch with stakeholder views on the levels and approach.

In assessing the application we have discussed your strategy in relation to reserves. Simon confirmed that, although your Board has concluded that two months' expenditure represents the minimum level of reserve necessary, it is not your intention to manage them down to this level. It was also confirmed that that the figure for revenue to be drawn from reserves was based on very conservative assumptions about the number of fee payers and that past experience indicates there are normally more fee payers which means there is little need to use the reserves.

We have also noted that you intend to commission some work on whether the basis of fee calculation can take into account the risk assessment of the fee payers. We look forward to hearing the results of this review in due course.

Having considered the proposed level of contribution to the Compensation Fund (which is not covered by the section 51 approval process) against our significance, impact and risk framework, we have determined that this should be exempt from the full approval process for changes to the regulatory arrangements. An Exemption Direction to this effect is enclosed with this letter.

We look forward to maintaining dialogue going forward to ensure that we continue to improve the process for next year.

Please contact Sonya Gedson, Regulatory Associate
sonya.gedson@legalservicesboard.org.uk or 020 7271 0073 if you have any questions.

Yours sincerely



Chris Kenny
Chief Executive

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Direction 26 issued under Part 3 of Schedule 4 to the Legal Services Act 2007 to the Council for Licensed Conveyancers (CLC)

1. This is a direction issued pursuant to paragraph 19(3) of Schedule 4 to the Legal Services Act 2007 (the "**Act**").
2. Unless stated otherwise, words defined in the Act have the same meaning when used in this direction.
3. In accordance with paragraph 19(3) of Schedule 4 to the Act, the Board hereby directs that the following alterations to regulatory arrangements are exempt alterations for the purposes of paragraph 19(2)(c) of Schedule 4:
 - CLC Compensation Fund contributions for the practising year commencing 1 November 2011
4. This direction is to be deemed made on and to be effective from 16 September 2011

For and on behalf of the Legal Services Board

16 September 2011