



Dear Colleague

## **2013/14 ANNUAL PRACTISING CERTIFICATE FEES CONSULTATION**

CILEx would like to consult with you over the Practising Certificate (PC) fee for 2013/14. Since consulting with you last May for the 2012/13 PC fee, we have introduced more formal processes for setting this fee, in line with our obligations under the Legal Services Act 2007 (the Act) as an Approved Regulator.

The PC fee setting process is assessed by the LSB annually, along with the review of internal governance rules, to ensure there is proper separation of regulatory and representative functions.

For 2013/14 the process of setting the fee has been led by ILEX Professional Standards (IPS), your regulator, which has identified the costs of providing you with proportionate regulation to support the delivery of high standards of practice. Over the past twelve months, IPS has expanded its capacity and capability to be in the best possible position to secure independent practice rights on behalf of all Chartered Legal Executives. These applications were submitted to the LSB for approval in March 2013. 2014 will see IPS' work switch to implementation of these rights, if the applications are successful, and preparation of an application for CILEx to become a licensing authority. Regulating law practices in 2014 will introduce new costs. IPS believes those costs should be met by the regulated firms, rather than individual Fellows, and they have not been included in the figures which CILEx Council has put forward below.

CILEx has also been focused on delivering increased membership value through an enhanced Careers Service, the development of Special Interest Groups and continued profile raising. We have also been leading the way on developing legal apprenticeship qualifications. We have represented your views on 25 consultation responses and areas of law reform such as the PI reforms and criminal legal aid. Much of the additional cost in delivering these activities has been covered by being as efficient as possible with the resources we have, for example, executing a new investment policy for our

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cash holdings to provide maximum returns within a controlled risk environment.

IPS calculations show that the overall cost of providing regulatory and permitted purposes services and activities for 2014, on a per capita basis is £309. This comprises £109 for the direct expenditure by IPS on its regulatory activities; £31 for the LSB annual levy and £169 for the permitted purposes activities carried out by CILEx. Please see chart attached. However, your Council takes the view that one of the benefits of being regulated by CILEx is that other Group activities can, and should, be used to subsidise the cost of regulation to our Chartered Legal Executives, particularly while so much work is being done to create new opportunities for current and future Fellows. Your Council is also committed to balancing the Group's budget and expects to achieve a break-even position in 2014. We believe we can achieve both aims by restricting the increase in your current PC fee by £9, rather than the £19 needed to recover fully the cost of regulation. This would result in a Practising Certificate fee for 2013/14 of £299 and represents an increase of 3.1%.

In summary, we see three possible levels for the PC fee for 2013/14:

1. £309 - This increase represents the full cost of regulatory and permitted purposes activities; or
2. £299 – An increase of 3.1%; or
3. £290 – No increase.

We would welcome your views on the three possible levels, and which you feel is most appropriate. CILEx Council will take into account your views when it sets the fees at its July meeting. The Chartered Institute of Legal Executives remains committed and focused on enhancing your status and reputation in the legal services sector and increasing your practising rights through the provision of cost-effective regulation, delivered by IPS, and other services.

Please send your comments to us by email to: [jburns@cilex.org.uk](mailto:jburns@cilex.org.uk) or in writing to John Burns, Head of Member Services, at the address below by **7 June 2012**, which is when this consultation on proposed fees will close.

Yours sincerely

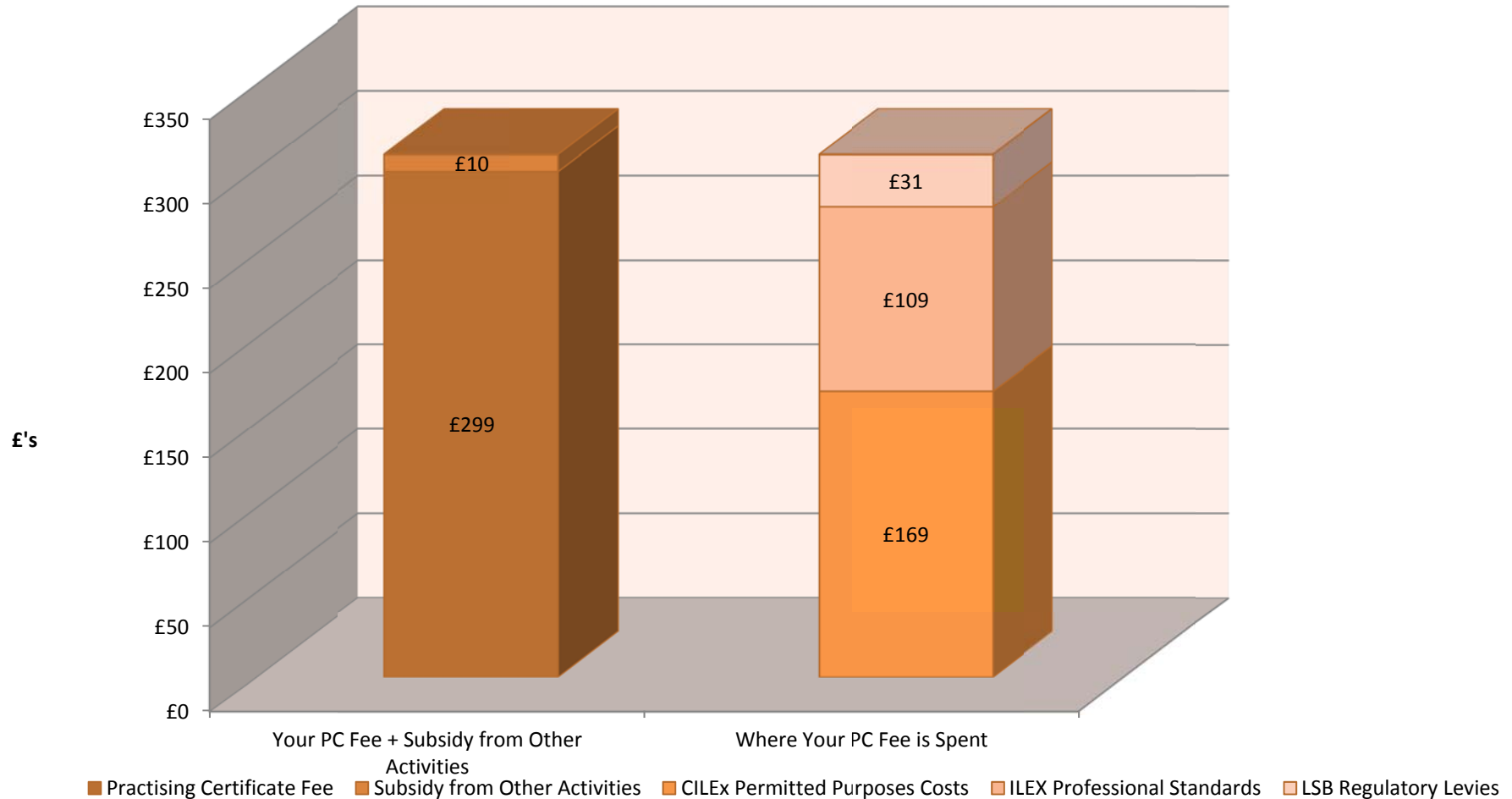


Mrs D Burleigh  
**Chief Executive**  
**CILEx**



Mr I Watson  
**Chief Executive**  
**IPS**

## Where Your Practising Certificate Fee is Spent



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