

BY EMAIL (under section 203 of Legal Services Act 2007)

Lynn Plumbley
Chief Executive
Costs Lawyer Standards Board
Centurion House
129 Deansgate
Manchester
M3 3WR



The Chief Executive's Office
Legal Services Board
7th Floor
Victoria House
Southampton Row
London WC1B 4AD

T 020 7271 0050
F 020 7271 0051

www.legalservicesboard.org.uk

4 October 2013

Dear Lynn,

Application by Costs Lawyer Standards Board (CLSB) under section 51 of the Legal Services Act 2007 for the approval of the level of the practising fee 2014

On 13 September, we received your application under section 51 of the Legal Services Act 2007 seeking approval of the 2014 practising certificate fees for Costs Lawyers.

I am pleased to inform you that the 2014 practising fee has been approved. This decision has been made under the authority delegated to me as Chief Executive by the LSB.

In reaching our decision, we had several observations, which I set out below and which we would expect you to consider for future applications.

Transparency of LSB and Legal Ombudsman levy

We noted that there appeared to be a potential over collection in what you have allowed for in respect of the LSB and Legal Ombudsman levy in 2014, with any excess funds being paid to the reserve of the CLSB. As you know, we consider transparency of how PCF income is allocated is critical and welcome your proposal to include an explanatory note in the Fee Note to set out how the PCF for 2011 and 2012 was used. We would appreciate a similar breakdown to be included in Fee Notes going forward each year.

Budget

Last year your application did not include any analysis of the 2012 budget and actual figures compared to anticipated 2013 costs. We suggested that a summary, which shows all of the figures for the coming years budget against all of the budgeted and actual figures for the current year would be a helpful addition to future applications. Unfortunately this information was not provided with your application for 2014 and we were directed to the accounts provided. Whilst this information is helpful, for the 2015 PCF we will expect an analysis of the 2014 budget and actual figures compared to the anticipated 2015 costs. A


copy of the accounts will not be sufficient to meet our requirements in this area going forward.

Breakdown of estimated spend on prescribed purposes

I referred last year to the breakdown of estimate spend on permitted purposes and our surprise at the amount of resources spent on non-regulatory activities and anticipated that going forward this would be reduced. We note that the figures in the 2014 application remain unaltered. From your meeting with Dawn Reid I understand that the data you provide each year actually relates to time spent rather than actual spend. Whilst the information you have provided gives an interesting insight, going forward we would ask that this breakdown is by estimated spend rather than time. If next year the proportion of monies spent on non-regulatory activities has not been reduced we would expect your application to contain a clear justification for this.

We will be publishing a copy of this letter on our website in the next few working days. Please contact Matt Daykin, Regulatory Associate, (matthew.daykin@legalservicesboard.org.uk or 0207 2710054) if you have any questions.

Yours sincerely



Chris Kenny
Chief Executive

chris.kenny@legalservicesboard.org.uk