



Dear Colleague

## **2012/13 ANNUAL PRACTISING CERTIFICATE FEES CONSULTATION**

CILEX would like to consult with you over the Practising Certificate (PC) fee for 2012/13. Since consulting with you last June for the 2011/12 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 processes continue to be assessed annually by the Legal Services Board (LSB), which includes a review of our internal governance rules, which separate our regulatory and representative functions. We have been successful in meeting these obligations under the Act for the past three years.

For 2012/13 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 been expanding its capacity and capability to demonstrate its ability to become a licensing authority for entity regulation and importantly, to be in the best possible position to secure independent practice rights on behalf of all Chartered Legal Executives. We anticipate these applications will be submitted to the LSB for approval in October 2012.

CILEX has also been focused on delivering increased membership value; most notably all practising Fellows are now recognised as chartered professionals. Our ethics advice service has proved very popular with you and we have represented your views on 25 consultation responses and areas of law reform, such as the Legal Aid Bill. 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 cash holdings to provide maximum returns within a controlled risk environment.

### **THE CHARTERED INSTITUTE OF LEGAL EXECUTIVES**

Kempston Manor, Kempston, Bedford MK42 7AB

T +44 (0)1234 841000 | E [info@cilex.org.uk](mailto:info@cilex.org.uk) | [www.cilex.org.uk](http://www.cilex.org.uk)

Incorporated by Royal Charter – Company Number RC000850

IPS calculations show that the overall cost of providing regulatory and permitted purposes services and activities for 2013, on a per capita basis is £324. This comprises £117 for the direct expenditure by IPS on its regulatory activities; £37 for the LSB annual levy and £170 for the permitted purposes activities carried out by CILEx. Please see chart below. 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. Your Council is also committed to balancing the Group's budget by achieving a break-even position in 2013. We believe we can achieve both aims by restricting the increase in your current PC fee of £275 by £15, rather than the £49 needed to recover fully the cost of regulation. This would result in a Practising Certificate fee for 2012/13 of £290 and represents an increase of 5.5%. An increase in line with inflation of 3.6% would result in an additional £10, to £285.

In summary, we see three possible levels for the PC fee for 2012/13:

1. £324 - This is the full cost of regulatory and permitted purposes activities; or
2. £290 - This is the level that will help us achieve a balanced budget in 2013; or
3. £285 - This is an increase in line with inflation.

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. We will propose that Council increases the Practising Certificate fee to £290 for 2012/13. In making this proposal, it is recognised that whilst it does not cover the full cost of providing the range of regulatory and permitted purposes activities and services, it represents a reasonable and proportionate increase to your PC fee. 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, at the address below by **1 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**

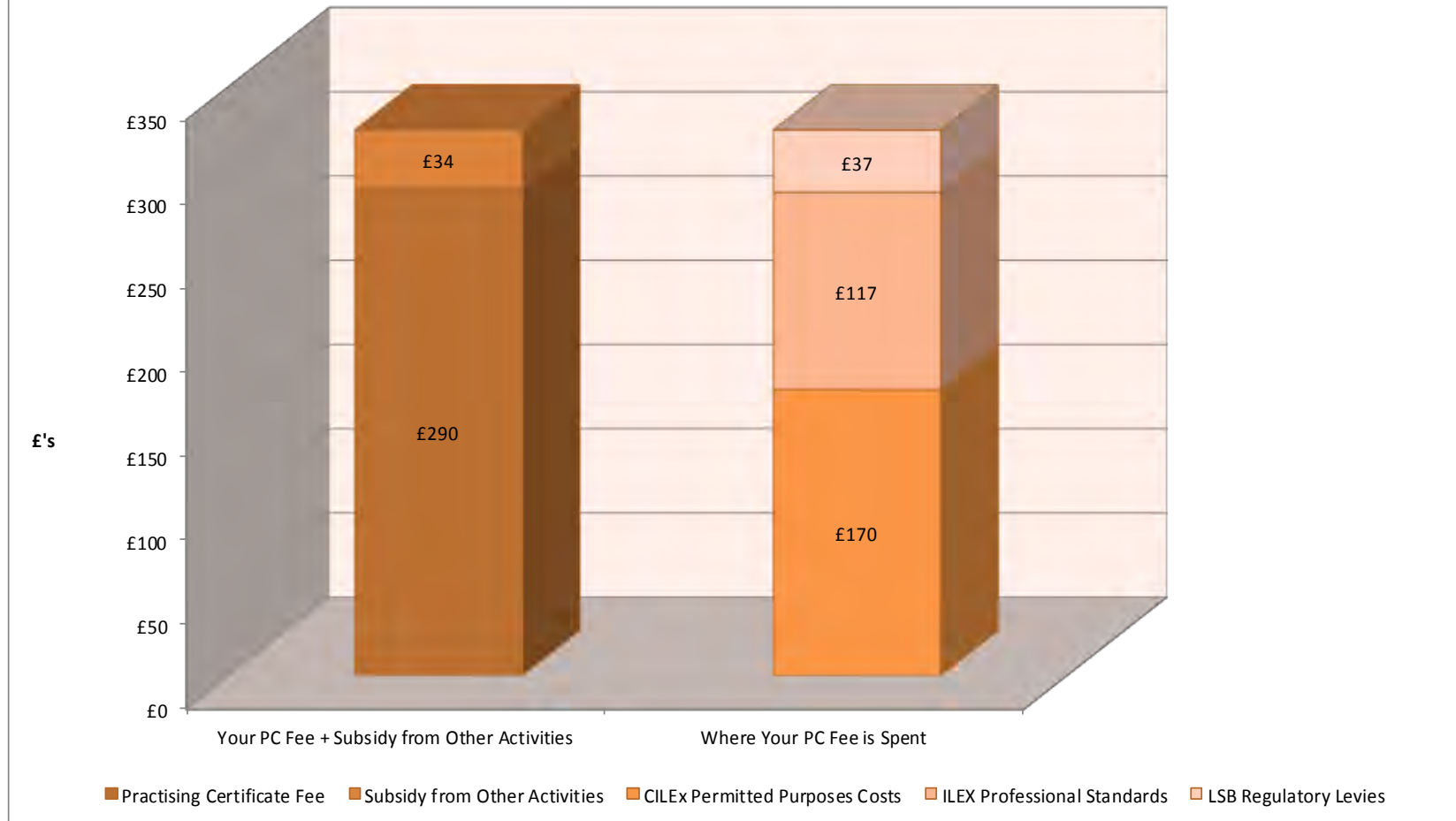
**THE CHARTERED INSTITUTE OF LEGAL EXECUTIVES**

Kempston Manor, Kempston, Bedford MK42 7AB

T +44 (0)1234 841000 | E [info@cilex.org.uk](mailto:info@cilex.org.uk) | [www.cilex.org.uk](http://www.cilex.org.uk)

Incorporated by Royal Charter – Company Number RC000850

## Where Your Practising Certificate Fee is Spent



### THE CHARTERED INSTITUTE OF LEGAL EXECUTIVES

Kempston Manor, Kempston, Bedford MK42 7AB

T +44 (0)1234 841000 | E [info@cilex.org.uk](mailto:info@cilex.org.uk) | [www.cilex.org.uk](http://www.cilex.org.uk)

Incorporated by Royal Charter – Company Number RC000850