

**Consultation by the Costs Lawyer Standards Board (CLSB)
Proposed 2020 Costs Lawyer practising certificate fee (PCF)**

Issued to: Costs Lawyers authorised and regulated by the CLSB as at 24 July 2019

1. Attachments

- (i) CLSB budget for 2020
- (ii) CLSB accounts for year ended 31 December 2018 (abbreviated)

2. Introduction

The remit of the CLSB as an approved regulator under delegated authority of the Association of Costs Lawyers (ACL) is to meet regulatory objectives set out in section 1(1) of the Legal Services Act 2007 (LSA).

The regulatory objectives are:

- protecting and promoting the public interest;
- supporting the constitutional principle of the rule of law;
- improving access to justice;
- protecting and promoting the interests of consumers;
- promoting competition in the provision of services;
- encouraging an independent, strong, diverse and effective legal profession;
- increasing public understanding of the citizen's legal rights and duties;
- promoting and maintaining adherence to the professional principles.

The professional principles are:

- that authorised persons should act with independence and integrity,
- that authorised persons should maintain proper standards of work,
- that authorised persons should act in the best interest of their clients,
- that persons who exercise before any court a right of audience, or conduct litigation in relation to proceedings in any court, by virtue of being authorised persons should comply with their duty to the court to act with independence in the interests of justice, and
- that the affairs of clients should be kept confidential.

Under a Costs Lawyer practising certificate issued by the CLSB, an authorised Costs Lawyer has the following authorised rights under the LSA. These rights are personal to the Costs Lawyer and may not be delegated:

- The exercise of a right of audience.
- The conduct of litigation.
- The administration of oaths.

3. Permitted purposes

The CLSB undertakes permitted purposes only under the LSA. Permitted purposes are defined as being:

- (a) the regulation, accreditation, education and training of applicable persons and those either holding themselves out as or wishing to become such persons including:
 - (i) the maintaining and raising of their professional standards; and
 - (ii) the giving of practical support, and advice about practice management, in relation to practices carried on by such persons.
- (b) the payment of a levy imposed on the approved regulator under section 173 of the LSA and/or payment of a financial penalty imposed on the approved regulator under section 37 of the LSA;
- (c) the participation by the approved regulator in law reform and the legislative process;
- (d) the provision by applicable persons, and those either holding themselves out as or wishing to become such persons, of legal services including reserved legal services, immigration advice or immigration services to the public free of charge;
- (e) the promotion and protection by law of human rights and fundamental freedoms;
- (f) the promotion of relations between approved regulator and the relevant national or international bodies, governments or the legal professions of other jurisdictions;
- (g) increasing public understanding of the citizens legal rights and duties.

4. Proposed PCF for 2020

The CLSB will raise its funding for 2020, to carry out permitted purposes, by way of the PCF. The CLSB has kept the Costs Lawyer PCF at £250 for eight consecutive practising years. Given inflationary pressures over time, as well as increases in the levies that we are required to pay to other organisations, it is now prudent to increase the PCF by £25 to £275. Had the PCF been increased in line with inflation since 2011, the 2020 PCF would be around £308. A proposed PCF of £275 remains considerably below this level.

5. The Association of Costs Lawyers (ACL)

The ACL, the profession's representative body, is a voluntary membership organisation. Its activities are funded separately to those of the CLSB. The PCF is used only for the permitted purposes outlined above.

6. Benefits of a Costs Lawyer practising certificate

Benefits of holding a Costs Lawyer practising certificate issued by the CLSB include:

- (i) Personal (non-delegable) authorised rights under the LSA to conduct the following reserved legal activities:
 - The exercise of a right of audience.
 - The conduct of litigation.
 - The administration of oaths.

- (ii) The ability to claim a better hourly rate grade than those not authorised.
- (iii) The courts and fellow lawyers will be aware that a Costs Lawyer is qualified, regulated, has professional indemnity insurance, offer a complaints handling process and undertake continuing professional development (CPD).
- (iv) Identification on the public domain register of authorised and regulated Costs Lawyers at www.clsb.info.
- (v) Where permission has been given, an employer address and phone number will appear on the public domain register, increasing potential client contact.
- (vi) Eligibility to apply for Accredited Costs Lawyer status for the purposes of providing CPD to fellow Costs Lawyers and other legal professionals.
- (vii) Eligibility to use, free of charge (under licence) the CLSB mark of regulation.
- (viii) Eligibility to use, free of charge the support of LawCare, a confidential service which supports the mental health and wellbeing of legal professionals and their family.

7. Annual financial levies

Out of the 2020 PCF, the CLSB must pay a mandatory annual levy to both the Legal Services Board and Legal Ombudsman. For 2020, this is expected to be £5,000 to the Legal Ombudsman and approximately £13,000 to the Legal Services Board.

8. Tax Relief under SI 1126/2013: The Income Tax (Professional Fees) Order 2013

Tax relief on the PCF can be claimed under the above statutory instrument which covers *“fees payable to the Costs Lawyer Standards Board on applying for a costs lawyer practicing certificate.”*

9. Question asked under this consultation

Do you agree with the proposed 2020 PCF in the sum of £275?

10. How to respond

The closing date and time for responses is **midnight on Monday 9 September 2019**.

Responses may be submitted by:

Email: enquiries@clsb.info

Post: CLSB, Centurion House, 129 Deansgate, Manchester, M3 3WR

Dated: 24 July 2019