

Name
Address
Address
City
Postcode

Our ref: DB/JB

Date

Dear

Annual Practising Certificate Fees

I wrote to you in June asking for your opinion and feedback on the proposed Practising Certificate Fee (PCF) of £275 for 2012. Nearly 8000 letters were sent and 31 replies were received. The Institute's Council met on 15 July and considered the consultation feedback in some detail, taking all views expressed into consideration, alongside our budget and regulatory requirements.

The consultation feedback was very helpful as it reinforced Council's assessment of the current state of the legal services market in terms of pay and benefits, particularly in the local government and conveyancing sectors. Council remains very concerned about the difficult conditions for some members.

The level of the fee was considered in light of the deficit (loss) of £511,304 for the year ended December 2010, the budgeted deficit for the current year of £496,200 and the requirements of the 2012 Group Budget, which even after factoring the PCF at £275, is projected to be a deficit. These deficits have arisen primarily as a consequence of the additional costs of regulation. On this basis, Council set the PCF for 2012 at £275.

The PCF for 2012 of £275, even at this level, does not fully meet the cost of regulation, which we will subsidise again by drawing further from Group reserves. It does however narrow the funding gap considerably. The attached illustration is included to show at a glance, and in a simple and transparent way, how your Practising Certificate Fee is allocated across various functions across the ILEX Group. I should add that it is our intention to achieve a balanced budget in 2013, having taken time to adjust to the additional regulatory costs introduced by the Legal Services Act. Additionally, I have asked our senior Managers to identify in 2012 savings in the region of

£200,000 over expenditure in 2011. At this stage of budget development I cannot guarantee that we will achieve those savings, but we are committed to ensuring that your money is focused on the areas of greatest importance to you.

Our biennial membership research consistently tells us that the three key benefits you want from ILEX are the development of Practice Rights; promotion and representation of yourselves as Legal Executives and of ILEX; and regulation. Council is determined to continue to focus our work on these areas.

Since 2004, ILEX has embarked on a strategic course to ensure that Legal Executive lawyers were granted rights of audience appropriate to their knowledge and skills. Rights of audience have been enhanced and, in addition, over 400 Associate Prosecutors have since become regulated members, with IPS as their regulatory body.

Fellows may become partners in law firms, over 150 of you have since achieved this status, with more to follow. Opportunities now exist for Fellows to be appointed as a Judge. You will recall from recent news articles that we recently celebrated our first judicial appointment earlier this year.

We trust that you will acknowledge that the 2012 PFC represents a valuable investment in your future career as a Legal Executive lawyer. Both ILEX and ILEX Professional Standards are committed to the regulatory objectives set out in the Legal Services Act and will continue to provide regulation and representation on your behalf in the emerging legal landscape.

Yours sincerely

MRS. D. BURLEIGH
CHIEF EXECUTIVE
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