



## **Review Of Licence and Practice Fee Arrangements**

### **Consultation Paper**

**July 2024**

#### **Consultation deadline**

**This consultation will run for 8 Weeks.**

**It will close on 6th September 2024.**

## Background

The CLC's Practice Fee contribution rates, together with the Individual Licence fees and other administration charges are reviewed annually to ensure that revenue collected through these charges is sufficient to cover the forecast expenditure for the next financial year.

Each year in June, CLC regulated practices renew their Professional Indemnity Insurance (PII). As part of this process regulated practices are required to provide turnover figures to the CLC. The turnover declarations are used to calculate the practice fee payable for the next licensing period which runs from November to October.

The Council of the CLC reviews the forecast and proposals prepared by management and if necessary, makes changes to fee rates and/or expenditure to ensure there are sufficient financial resources available to the CLC to deliver its business plan and statutory responsibilities.

The proposed fee rates are then consulted on and interested parties have an opportunity to comment on the fee proposals for the next licensing year. This document sets out the consultation on fee proposals for the year November 2024 to October 2025.

After considering the responses received and if necessary, amending the proposal, the Council of the CLC will agree an application to be made to the LSB for approval.

## Regulatory and administrative fee proposals for 2024 - 25

For the next licensing year beginning on 1 November 2024, the CLC is proposing to make the following changes to the fees charged:

- 1) **Practice Fee rates will be increased by 9%** (The last amendment was in 2023 when the fee rate was increased by 9%). This follows several years of fee rate reductions which reduced fee rates by 60% between 2017 and 2022.
- 2) **The OLC Levy cost allocation formula** will be changed so that 50% (currently 70%) of the cost is allocated to all regulated practices as a service availability charge. The remaining 50% (currently 30%) of the cost will be allocated to practices as a usage charge based on the number of cases accepted for investigation by the Legal Ombudsman. This is intended to provide a stronger incentive for the small number of firms that generate disproportionate levels of referrals to the Legal Ombudsman to reduce those consumer complaints.

The CLC is proposing that the following fees remain **unchanged** for the next licensing year:

- 3) **Compensation Fund Contributions** (The contribution rates were last amended in 2020 when they were reduced by 60%).
- 4) **Individual License Fees remain unchanged** (last amended in 2010).
- 5) **Administration and application fees** (Last amended in 2023).

### **Why this consultation is important**

Because the CLC is funded by the Practices and Individuals that it regulates, it is important that they and other stakeholders have an opportunity to review and comment on the source and application of the funding to ensure the burden on Practices and Individuals is proportionate while ensuring that the organisation has sufficient resources to execute its business plan and statutory objectives to protect consumers and the public interest.

### **Responding to this consultation**

The CLC will publish all responses received and may refer to any of them specifically in any further document it publishes following this consultation. If you wish your response to be treated as confidential, please let us know when you respond.

There are 3 ways to respond to this survey:

- 1) You can complete the consultation questionnaire [online](#).
- 2) You can respond to the consultation by email to [consultations@clc-uk.org](mailto:consultations@clc-uk.org)
- 3) or by post to:

The Council for licensed Conveyancers  
WeWork  
120 Mooorgate  
London  
EC2M 6UR

### **Consultation deadline**

This consultation will run for nine weeks to the close of business on 13<sup>th</sup> September 2024.

### **Next steps**

The Council of the CLC will consider the responses to this consultation and make any necessary amendments to the financial plan. Thereafter an application will be made to the LSB to approve the final fee arrangements. That submission will be published along with consultation responses (noting the caveat about confidentiality above).

**Summary of Consultation Questions:**

- 1) Do you agree that the **turnover bandings** included in paragraph 9 should remain unchanged?
- 1) Do you agree with the CLC proposal to increase the current **Practice Fee rates** by 9% (see rates table annex 2)?
- 2) Do you agree that the **Compensation Fund Contribution rates** should remain unchanged from the current rates (see rates table annex 2)?
- 3) Do you agree with the CLC proposal to amend the **OLC levy** allocation between the availability fee (50% of cost allocated to all practices) and usage fee (50% of the cost allocated to practices with cases accepted by the OLC)?
- 4) Do you agree that the **Individual practising certificate** charges are not amended?
- 5) Do you agree that the **licensing administration** charges are not amended?
- 6) Do you agree with the CLC's initial EDI assessment or the likely equality impact? If not, please explain why?
- 7) Do you anticipate that the proposed increase and variation to the OLC levy will or may result in a disproportionate equality impact for individuals with protected characteristics who own, manage or work for CLC licensed practices? If so, please explain which groups you consider may be impacted and how?
- 8) Do you consider that the proposed increases will have a different impact for individuals who own, manage or work for CLC licensed practices based on their socio-economic status? If so, please explain groups you consider may be impacted and how?
- 9) Do you have any other comments or feedback regarding equality considerations in the context of the proposed fee increase and change to the OLC levy?"

## Introduction

1. The Legal Services Act 2007, s.51(4) specifies the permitted purposes for which fees received by the CLC may be applied (see Annex 1). s.51(5) specifies that 'a practising fee is payable under the regulatory arrangements of an approved regulator (such as the CLC) only if the Board has approved the level of the fee'.
2. The CLC Council met on 25 June 2024 and after careful consideration of the options, agreed that Practice Fees should be increased by 9% and that the allocation of the OLC levy to practices should be amended so that 50% is collected as an availability fee from all practices and 50% as a usage fee allocated to practices with cases accepted for investigation by the Legal Ombudsman. The Council further resolved that there would be no change to any of the other fee rates (Individual License Fees, Compensation Fund Contributions and Administration & Application fees). These proposals are subject to consultation and LSB approval.
3. The CLC is a pure regulator and does not have a representative function. All costs incurred by the CLC are applied only to permitted purposes.
4. The CLC's role is to safeguard consumers and the public interest by regulating providers to deliver high quality and accessible legal services.
5. The CLC's regulatory activities include:
  - setting educational and training standards for entry to the profession
  - issuing licences to practise to those qualified to provide conveyancing and probate services and to Alternative Business Structures
  - maintaining a register of all CLC Lawyers and CLC Practices
  - setting standards to regulate the professional practice, conduct and discipline of CLC Lawyers and CLC Practices
  - setting standards to maintain adequate professional indemnity insurance and a compensation fund to protect consumers
  - monitoring the work and conduct of CLC Practices
  - providing guidance and advice to CLC Practices to maintain compliance with our regulatory requirements
  - investigating allegations of misconduct and where appropriate taking disciplinary action and
  - collaborating with key stakeholders in the legal services market to monitor and shape future policy.
  - Professional body supervision for anti-money laundering and counter-terrorist financing.

6. The CLC’s approach to regulation is proportionate, risk-based and outcomes-focused. Licence holders are required to demonstrate that they:
- act with independence and integrity
  - maintain high standards of work
  - act in the best interest of clients
  - deal with regulators and ombudsmen in an open and cooperative way and
  - promote ease of access and service.

## Turnover Banding

7. The Practice Fee and Compensation Fund contributions are calculated on a sliding scale based on the practice’s turnover.
8. The turnover banding was reviewed and amended in 2021. The number of bands was increased from 4 to 9 and the top turnover band was increased from £3m and above to £16m and above.
9. The table below summarises the number of practices in each turnover band between 2021 and 2024.

Fee bands and practice allocation	Number of Practices July 21	Number of Practices July 22	Number of Practices July 23	Number of Practices July 24
£0 – £100,000	22	20	12	7
£100,001 - £250,000	56	37	36	40
£250,001 – £500,000	61	58	47	45
£500,001 – £1,000,000	49	53	57	45
£1,000,001 – £2,000,000	16	28	29	30
£2,000,001 – £4,000,000	6	9	10	14
£4,000,001 – £8,000,000	6	11	6	7
£8,000,001 – £16,000,000	5	1	4	5
£16,000,001 and over	2	5	5	4
	223	222	206	197

10. We have noted the following trends since implementing the additional turnover bands:
- The number of small practices (turnover under £100k) has decreased significantly. This is mostly due to closure of practices due to retirement.
  - The number of practices in the £100k to £1m bandings has decreased. This is mostly due to mergers, inability to secure PII or moving to a higher turnover band.

- The number of practices with turnovers more than £1m have increased as has the distribution across these bands.
- The total number of practices has decreased over the 4 year period, mostly due to the closure of small practices and merger activities. We have also noted a reduction in the number of new practices being registered.
- Turnover per practice has increased from £1,2m in 2021 to £1,7m in 2024.

11. There is still a good spread of practices across the turnover bands and we are seeing progression of practices into the top 4 bands.

12. Because the distribution of practices across the turnover bands has not changed materially and there is no significant concentration in any single banding, the CLC is proposing not to amend the turnover bandings for the 2024-2025 billing cycle.

**Consultation Question:**

- 1) Do you agree that the **turnover bandings** included in paragraph 9 should remain unchanged?

### **Practice Fee rate setting**

13. The CLC has over the past 6 years released excess reserves back to the profession by reducing fee rates and operating a deficit budget. Reserve levels have now depleted sufficiently that we need to maintain the reserve levels being held and need to operate on a balanced budget going forward.

14. Aggregate practice turnovers have reduced by 4% in 2023 and a further 1% in 2024.

15. Over the same period, we have been faced with rising costs and reducing practice turnovers as a consequence of the COVID pandemic and subsequent economic downturn. This results in lower practice fee billings and income to the CLC.

16. The CLC is also being required to undertake more activity such as enhanced AML supervision, the requirement to meet an additional regulatory objective and responding to more prescriptive regulatory requirements from the LSB and other stakeholders.

17. The outcome of the developments in paragraph 14 - 16 is that the fees collected by the CLC are no longer sufficient to cover the cost of delivering the business plan and regulatory objectives that will provide the consumer protection that we aim to deliver. Because of this the fee rates were increased by 9% in 2023 and the Council is proposing to increase fee rates by 9% again in 2024.

18. The cost to each practice is currently 0.52% of turnover (£5.21 per £1,000 of turnover). Consequent on this proposed increase to the practice fee the cost will increase to 0.57% of turnover (£5.57 per £1,000 of turnover).
19. The increase in the practice fee will be used to finance the recruitment of additional staff to support:
- policy development with a focus on consumer-focused regulation, complaint handling, post completion, handbook and regulatory framework updates.
  - enquiry and complaint handling
  - additional capacity in monitoring and licensing to improve data collection, analysis and interpretation as well as specialist investigation capability
20. The table below illustrates the impact of the increase in fee rates across a range of indicative turnovers.

Turnover	2023 fee rate	2024 fee rate (9% inc)	Annual cost increase	Additional monthly payment
100,000	638	695	57	5
250,000	1,553	1,693	140	12
500,000	3,011	3,280	270	22
1,000,000	5,706	6,215	509	42
2,000,000	11,006	11,995	989	82
4,000,000	21,446	23,375	1,929	161
8,000,000	40,166	43,775	3,609	301
10,000,000	49,446	53,895	4,449	371



21. The income and expenditure forecast for 2023 and estimate for 2024 is summarised in the table below.

Practice Fund Forecast & Estimate							
	Budget 2024	Forecast 2024	Variance to budget		Forecast 2024	Estimate 2025	Variance to forecast
Practice Fees							
Individual Licence Fee	1,745,465	1,771,119	25,653		1,771,119	1,892,576	121,458
Other income	755,646	759,981	4,336		759,981	780,785	20,804
	93,468	113,507	20,039		113,507	107,800	(5,707)
<b>Total Income</b>	<b>2,594,579</b>	<b>2,644,607</b>	<b>50,028</b>		<b>2,644,607</b>	<b>2,781,162</b>	<b>136,554</b>
Staff costs							
Staff cost recharge	1,853,275	1,951,804	(98,529)		1,951,804	2,108,679	(156,876)
Operating expenses	(151,069)	(162,435)	11,366		(162,435)	(189,542)	27,107
	882,269	856,555	25,714		856,555	901,966	(45,411)
<b>Total Expenditure</b>	<b>2,584,475</b>	<b>2,645,924</b>	<b>(61,448)</b>		<b>2,645,924</b>	<b>2,821,103</b>	<b>(175,179)</b>
<b>Surplus</b>	<b>10,104</b>	<b>(1,316)</b>	<b>11,420</b>		<b>(1,316)</b>	<b>(39,941)</b>	<b>(38,625)</b>

Notes on forecast and estimate projections:

- The forecast for 2024 is based on the amended practice fee rate and includes the recruitment of additional staff in Q4 of 2024. Operating expenditure remains in line with the budget expectation.
- The 2025 Estimate includes an increase in staff costs is due to cost-of-living salary adjustments (estimated at 3%) and the recruitment of additional staff to fill key posts.
- OLC charges are not included as the CLC has no control over these costs and they are recovered through a separate charge.
- The increase in the 2025 estimated operating costs are due to inflationary increases and the inclusion of additional consultancy cost provisions.

**Consultation Question:**

2) Do you agree with the CLC proposal to increase the current **Practice Fee rates** by 9% (see rates table annex 2)?

## Compensation Fund Contributions

22. The Compensation Fund financial forecast and estimate for 2024 and 2025 are set out in the table below.

Compensation Fund Forecast & Estimate							
	Budget 2024	Forecast 2024	Variance to budget		Forecast 2024	Estimate 2025	Variance to forecast
Aged balance income	-	65,416	65,416		65,416	-	(65,416)
Interest received	144,509	187,369	42,861		187,369	168,632	(18,737)
Practice fee	442,324	441,895	(429)		441,895	434,244	(7,652)
<b>Total Income</b>	<b>586,833</b>	<b>694,681</b>	<b>107,847</b>		<b>694,681</b>	<b>602,876</b>	<b>(91,804)</b>
Compensation grants	-	37,062	(37,062)		37,062	-	37,062
Legal fees	250,000	247,912	2,088		247,912	170,000	77,912
Staff cost recharge	151,069	162,435	(11,366)		162,435	189,542	(27,107)
Intervention agent cost	225,000	471,533	(246,533)		471,533	200,000	271,533
Storage cost	58,974	60,149	(1,175)		60,149	61,200	(1,051)
Direct intervention costs	31,448	97,319	(65,871)		97,319	18,000	79,319
Other costs	32,917	30,293	2,624		30,293	39,200	(8,908)
<b>Total Expenditure</b>	<b>749,407</b>	<b>1,106,703</b>	<b>(357,296)</b>		<b>1,106,703</b>	<b>677,942</b>	<b>428,761</b>
<b>Surplus/Deficit</b>	<b>(162,574)</b>	<b>(412,023)</b>	<b>(249,448)</b>		<b>(412,023)</b>	<b>(75,066)</b>	<b>336,957</b>

23. Contribution income is expected to decrease in 2025 because of lower practice turnovers. Expenditure is expected to remain at its current level due to the cost of ongoing interventions. These costs are rough estimates and may be significantly higher or lower dependant on the work required to finalise the client matters in progress.

24. New compensation awards and intervention expenditure are not budgeted due to the unpredictable timing and cost. Ordinarily the fund runs a surplus and uses this to fund any new expenditure during the year. Due to the cost of the ongoing interventions the fund is however expected to operate with a deficit for 2025. The Fund is currently fully reserved in line with the current reserving policy and can fund this deficit from accumulated reserves.

25. The CLC has been receiving claims and enquiries for compensation for investment property related losses. These claims are being held in a special category and will be

assessed together once all claims are received. There is a potential that payment of these claims could result in a significant utilisation of reserves held.

26. Because the fund has sufficient reserves to fund the operating deficit and the temporary nature of the deficit (due to the cost of interventions which will reduce once the administration is complete), the CLC is proposing not to amend the Compensation Fund contribution rates for 2023-24.

**Consultation Question:**

- 3) Do you agree that the **Compensation Fund Contribution rates** should remain unchanged from the current rates (see rates table annex 2)?

## OLC Levy

27. **Please note** that the CLC is required by Law to pay the cost levied by the Legal Ombudsman (Legal Services Act 2007 (Levy) (No.2) (Amendment) Rules 2014). We have no say in the cost or how it is allocated to regulators. All regulators that have cases accepted for investigation by the ombudsman relating to practices they regulate share the cost proportionally based on case numbers. This charge is made regardless of the outcome of an investigation.
28. In 2022 the CLC implemented an OLC levy which recharged the Legal Ombudsman costs allocated to the CLC to regulated practices based on availability and usage of the service. At the time of introduction, it was envisaged that the percentage allocation between availability and usage may change year on year. Since introduction the balance has been 70 - 30 between availability and usage allowing for the scheme to bed in and for case numbers to go through a number of cycles.
29. These costs were previously recovered through the Practice Fee and were separated from November 2021. The Practice Fee rates were adjusted downward to account for this change.
30. The CLC implemented this levy to:
- Increase the transparency of the charge which was increasing significantly year on year;
  - Raise awareness of the cost and incentivise better complaint handling;
  - Allocate some of the cost based on usage.
31. The Legal Ombudsman's billing period is April to March. The CLC bills all practices in advance in April of each year. The invoice sent to practices in April is an estimate based

on the final invoice received from the Legal Ombudsman for the previous year. In July the Legal Ombudsman issues regulators with an estimated cost for the current year. This is used by the CLC to adjust the invoice previously sent to practices. Once the final invoice is received at the end of the year adjustments are made for any over or underpayment.

32. The Legal Ombudsman costs are currently allocated to CLC practices via an availability fee (70% of the cost) which is allocated to practices based on their Practice Fee as a % of the total Practice Fee and a usage fee (30% of the cost) which is allocated as a cost per case.
33. 57% of practices currently have had no cases accepted for investigation by the Legal Ombudsman in the last 3 years, however they are proportionally paying for 70% of the legal ombudsman cost which is allocated to the CLC based on the number of cases accepted for investigation (the more cases the higher the cost allocation to the CLC and regulated practices). These practices are unable to influence the cost by reducing case numbers but must nonetheless accept increased cost when case numbers increase.
34. There has been a general increase in case numbers since 2019 as shown in the table below. There is as mentioned above a number of firms who have no cases referred to the Ombudsman. This combination of factors leads us to the conclusion that the cost allocation between the availability and usage charge should change from 70% - 30% to 50% - 50% respectively. The impact of this is that practices with higher cases numbers (cases per £1m turnover) will pay more and practices with no or low case numbers will pay less.

LeO case numbers	
Year	Case numbers
2019	179
2020	326
2021	282
2022	375
2023	466
2024	413

35. Changing the allocation of cost between availability and usage from 70% - 30% to 50% - 50% will have the following impact:
  - 63 of the 85 practices with cases at the OLC will pay slightly less than they currently do (the reduction in the availability charge will offset the increase in usage charge), the remaining 22 practices with high cases per £1m turnover will pay more.
  - Practices with no cases will pay less.

36. The additional cost incurred by the 22 practices with higher than average case numbers is summarised in the table below.

Practice with increased cost if OLC usage fee is increased to 50%			
Practice	Cases per £1m turnover	Increase in cost	Practice turnover band
Practice A	11	(£34,942)	£4,000,001 – £8,000,000
Practice B	4	(£5,747)	£4,000,001 – £8,000,000
Practice C	2	(£4,087)	£8,000,001 – £16,000,000
Practice D	3	(£2,274)	£2,000,001 – £4,000,000
Practice E	3	(£2,114)	£2,000,001 – £4,000,000
Practice F	5	(£1,899)	£1,000,001 – £2,000,000
Practice G	14	(£1,608)	£250,001 – £500,000
Practice H	2	(£1,299)	£8,000,001 – £16,000,000
Practice I	3	(£1,272)	£2,000,001 – £4,000,000
Practice J	3	(£877)	£1,000,001 – £2,000,000
Practice K	4	(£721)	£500,001 – £1,000,000
Practice L	8	(£657)	£100,001 - £250,000
Practice M	4	(£449)	£250,001 – £500,000
Practice N	2	(£287)	£500,001 – £1,000,000
Practice O	3	(£230)	£250,001 – £500,000
Practice P	1	(£157)	£16,000,001 and over
Practice Q	3	(£136)	£100,001 - £250,000
Practice R	2	(£84)	£250,001 – £500,000
Practice S	3	(£68)	£100,001 - £250,000
Practice T	2	(£37)	£100,001 - £250,000
Practice U	2	(£19)	£100,001 - £250,000
Practice V	2	(£2)	£100,001 - £250,000

37. The change in cost allocation will benefit most regulated practices as their cost will decrease and act as an incentive for those with higher case numbers to make changes to their complaint handling arrangements.

38. Lower case numbers will benefit all practices as the cost allocation made by the Legal Ombudsman is based on case numbers.

39. The change to the allocation rate will be implemented for the billing cycle from 1 April 2024 to 31 March 2025.

**Consultation Question:**

- 4) Do you agree with the CLC proposal to amend the **OLC levy** allocation between the availability fee (50% of cost allocated to all practices) and usage fee (50% of the cost allocated to practices with cases accepted by the OLC)?

### Individual Licence Fees

40. Individual licence holders are required renew their licence annually and pay a Practising Certificate Fee.

41. The current individual licensing fees are set out in the table below.

	<b>Individual Annual Licence Fees</b>	<b>Current fee</b>
1	Individual licence for Conveyancing or probate	£400
2	Individual licence for Conveyancing and probate	£475

42. Increasing the individual licence fee may deter individuals from entering the profession. The individual licence fee needs to be proportionate and the current allocation acknowledges that the balance of regulation is being carried out at entity level.

43. The CLC is proposing that the individual licensing fee remains unchanged for the next billing cycle.

**Consultation Question:**

- 5) Do you agree that the **Individual practice certificate cost** remains unchanged?

### Other Fees

44. The table below lists the various licence application and administration charges levied on applicants.

45. These application charge rates were reviewed and amended in 2023 and are still sufficient to recover the cost of processing applications.

46. As the rates were reviewed and updated in 2023 the CLC is proposing that these rates are not amended this year.

Licence or Application Type		Current Fee
<b>INDIVIDUAL APPLICATION FEES</b>		
1	Application fee - Individual licence application	£150
2	Application Fee – Head of Legal Practice (HoLP)	£240
3	Application Fee – Head of Finance and Administration (HoFA)	£240
4	Application Fee – Registered Manager	£180
5	Reinstatement of lapsed CLC licence	£150
6	Reapplication for a CLC Licence after a period of suspension or disqualification	£240
7	Additional fees for complex cases with adverse findings. (The applicant will be notified prior to proceeding and will be updated on progress and cost.)	£80/ph
<b>PRACTICE APPLICATION FEES</b>		
8	New practice application – (Alternative Business Structure)	£1,200
9	New practice application – (Recognised body)	£1,200
10	Additional checks required due to delay in issue of licence. (The applicant will be notified prior to proceeding and will be updated on progress and cost.)	£80/ph
11	New Corporate Investors/Owners notification (to be paid by the incoming party)	£540
12	Change of ownership - existing non corporate owners (to be paid by the CLC Practice)	£280
13	Change of ownership - new non corporate owners (to be paid by the CLC Practice)	£280
14	Addition of a legal service to the licence	£160
15	Notification of new branch office	£50
<b>OTHER ADMINISTRATION FEES</b>		
16	Issue of a duplicate licence	£25
17	Amendment to a licence	£75

**Consultation Question:**

6) Do you agree that the **licensing administration** charges are not amended?

## Equality, diversity and inclusion (EDI)

47. As the CLC is only proposing to increase the Practice Fee rates and vary the OLC availability and usage charge but *not* increase the Compensation Fund Contributions, the Individual Practicing Certificate or licensing administration charges, our initial assessment is that there is a beneficial financial impact for some practices, a potential adverse financial impact for others, and there is unlikely to be any disproportionate equality impact for individuals arising from the detrimental impact of the higher costs proposed in this survey.
48. We have also considered whether the proposed increases are likely to have a disproportionate impact on individuals based on their socio-economic status and concluded that this is unlikely by virtue of the increase being a costs burden on practices rather than individuals. Any impact on practices is however justified in the public and consumer interest which demands a proportionate, risk-based and outcomes focused scheme of regulation for conveyancing and probate practices, and for the reasons set out in this survey, the proposed increase and variation is both reasonable and fair.

### Consultation Question:

- 10) Do you agree with the CLC's initial EDI assessment or the likely equality impact? If not, please explain why?
- 11) Do you anticipate that the proposed increase and variation to the OLC levy will or may result in a disproportionate equality impact for individuals with protected characteristics who own, manage or work for CLC licensed practices? If so, please explain which groups you consider may be impacted and how?
- 12) Do you consider that the proposed increases will have a different impact for individuals who own, manage or work for CLC licensed practices based on their socio-economic status? If so, please explain groups you consider may be impacted and how?
- 13) Do you have any other comments or feedback regarding equality considerations in the context of the proposed fee increase and change to the OLC levy?"



**Annex 1**  
**Permitted Purposes**  
**Extract LSB Practising Fee Rules**

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Monies raised through practising fees must not be applied for any purpose other than one or more of the permitted purposes.

The permitted purposes are:

- (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 [Legal Services Act 2007] and/or the payment of a financial penalty imposed on the approved regulator under section 37 of the Act;
- (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 of the protection by law of human rights and fundamental freedoms;
- (f) the promotion of relations between the Approved Regulator and relevant national or international bodies, governments or the legal professions of other jurisdictions;
- (g) increasing public understanding of the citizen's legal rights and duties.

## Annex 2 Fee Rate tables

PRACTICE FUND (2024-25)			
Turnover Banding	Practice Fee payable		
£0 – £100,000	£695		
£100,001 – £250,000	£695.00 plus	0.665%	of turnover in excess of £100,000
£250,001 – £500,000	£1,692.50 plus	0.635%	of turnover in excess of £250,000
£500,001 – £1,000,000	£3,280.00 plus	0.587%	of turnover in excess of £500,000
£1,000,001 – £2,000,000	£6,215.00 plus	0.578%	of turnover in excess of £1,000,000
£2,000,001 – £4,000,000	£11,995.00 plus	0.569%	of turnover in excess of £2,000,000
£4,000,001 – £8,000,000	£23,375.00 plus	0.510%	of turnover in excess of £4,000,000
£8,000,001 – £16,000,000	£43,775.00 plus	0.506%	of turnover in excess of £8,000,000
£16,000,001 and over	£84,255.00 plus	0.501%	of turnover in excess of £16,000,000

PRACTICE FUND (2023-24)			
Turnover Banding	Practice Fee payable		
£0 – £100,000	£632		
£100,001 – £250,000	£632 plus	0.603%	of turnover in excess of £100,000
£250,001 – £500,000	£1,537 plus	0.578%	of turnover in excess of £250,000
£500,001 – £1,000,000	£2,982 plus	0.535%	of turnover in excess of £500,000
£1,000,001 – £2,000,000	£5,657 plus	0.525%	of turnover in excess of £1,000,000
£2,000,001 – £4,000,000	£10,907 plus	0.517%	of turnover in excess of £2,000,000
£4,000,001 – £8,000,000	£21,247 plus	0.464%	of turnover in excess of £4,000,000
£8,000,001 – £16,000,000	£39,807 plus	0.459%	of turnover in excess of £8,000,000
£16,000,001 and over	£76,527 plus	0.456%	of turnover in excess of £16,000,000

COMPENSATION FUND (2024-25)			
Turnover Banding	Compensation Contribution Payable		
£0 – £100,000	£500		
£100,001 – £250,000	£500 plus	0.165%	of turnover in excess of £100,000
£250,001 – £500,000	£748 plus	0.158%	of turnover in excess of £250,000
£500,001 – £1,000,000	£1,143 plus	0.122%	of turnover in excess of £500,000
£1,000,001 – £2,000,000	£1,753 plus	0.118%	of turnover in excess of £1,000,000
£2,000,001 – £4,000,000	£2,933 plus	0.112%	of turnover in excess of £2,000,000
£4,000,001 – £8,000,000	£5,173 plus	0.079%	of turnover in excess of £4,000,000
£8,000,001 – £16,000,000	£8,333 plus	0.078%	of turnover in excess of £8,000,000
£16,000,001 and over	£14,573 plus	0.077%	of turnover in excess of £16,000,000

<b>COMPENSATION FUND (2023-24)</b>			
<b>Turnover Banding</b>	<b>Compensation Contribution Payable</b>		
£0 – £100,000	£500		
£100,001 – £250,000	£500 plus	0.165%	of turnover in excess of £100,000
£250,001 – £500,000	£748 plus	0.158%	of turnover in excess of £250,000
£500,001 – £1,000,000	£1,143 plus	0.122%	of turnover in excess of £500,000
£1,000,001 – £2,000,000	£1,753 plus	0.118%	of turnover in excess of £1,000,000
£2,000,001 – £4,000,000	£2,933 plus	0.112%	of turnover in excess of £2,000,000
£4,000,001 – £8,000,000	£5,173 plus	0.079%	of turnover in excess of £4,000,000
£8,000,001 – £16,000,000	£8,333 plus	0.078%	of turnover in excess of £8,000,000
£16,000,001 and over	£14,573 plus	0.077%	of turnover in excess of £16,000,000