

25 October 2024

[Practice]

Licence Number [Licence Number]

X November 2024

Dear **[Name]**

Changes to your regulatory fees and the OLC levy

Each year before the beginning of the licence year, the CLC makes an application to the LSB to approve the regulatory charges payable by the profession for the next licensing year. We are writing to advise you that the CLC's application to the LSB has been approved and this letter is to advise you of your practice's fees for the new licensing year starting on 1 November 2024.

You can find more information about the regulatory fee applications made by the CLC and the LSB's decision [here](#). The applications include information relating to:

- 1) Proposed changes to the regulatory fees
- 2) The reason for making or not making changes to regulatory fees being levied
- 3) The current and forecast expenditure of the CLC
- 4) How your regulatory fees will be applied to the various regulatory functions and regulatory objectives

The Fee rate proposals were subject to an open consultation over the summer. The consultation and responses can be found [here](#).

A summary of the of the CLC's expenditure by cost category and allocation by function for the current and next financial year can be found in annex E.

The regulatory fees payable by CLC regulated practices include:

- 1) **A Practice Fee** – determined by the practice's turnover and a tiered contribution rate (See Annex B for the contribution rates). This fee is used to fund CLC operating activities;
- 2) **A Compensation Fund Contribution** - determined by the practice's turnover and a tiered contribution rate (See Annex B for the contribution rates). This Fee is used exclusively to fund the Compensation Fund operations, including compensation fund claims, interventions and storage of closed practice files and related administration;
- 3) **An OLC Levy** – comprising the costs charged to the CLC by the legal Ombudsman and allocated to practices based on practice fees and cases accepted for investigation by the Lega; Ombudsman. This fee is paid to the Legal Ombudsman and is not used to fund CLC operating activities. (See Annex D for the OLC estimate and the levy calculation).

All practices are required to pay the Practice Fee, Compensation Fund Contribution and OLC Levy as a condition of licence. All practices have the option to pay these charges in 12 monthly, interest free payments, payable by direct debit. Please note that all regulatory fees are due on invoice. Any practice that takes advantage of the instalment payment option and decides to close during the Licensing year, will be required to pay the balance outstanding on notification.

The regulatory charges and any changes to these arrangements are summarised in the table below:

Regulatory Charge	Basis of charge	Changes made
Practice Fee	All practices	Fee rates have been increased by 9%
Compensation Fund contributions	All practices	No change
OLC Levy	All practices	The allocation of cost to practices based on availability and usage has changed from 70% - 30% to 50% - 50%
Individual License fee	All individuals	No change
Administration charges	All applicants	No change

Changes to the OLC levy

The Legal Ombudsman (LeO) costs are recovered from all approved regulators (and by extension the regulated community) through a recharge in accordance with the [Legal Services Act 2007 \(Levy\) \(No.2\) \(Amendment\) Rules 2014](#).

The legal Ombudsman allocates their annual cost to regulators based on the percentage of the total cases accepted for investigation in the previous 3-years. The legal Ombudsman charge to the CLC is then recharged to practices as follows:

- 50% (previously 70%) of the total cost is allocated to all practices proportionate to their practice fee. The service availability charge
- 50% (previously 30%) of the total cost is allocated to practices using the case numbers provided by and used in the Ombudsman's cost allocation. The usage charge

The CLC wrote to all practices in April 2024 advising of changes to the billing arrangements and that we would amend the levy collection invoice (which was initially based on the prior year's actual charge) once we had received the new estimates from LeO. LeO has now issued the estimate for 2024/25 to the CLC and the levy collections will be amended based on the revised allocations between usage and availability, updated case numbers and the new cost estimate.

The number of cases allocated to CLC regulated practices for the 2024/25 billing period has increased to 468 (2023/24: 372) and that the estimated cost for the year will be £1,213,568 (2023/4 £1,039,942). The allocation of these costs between the availability and usage charge has also been

amended as indicated above. The increase in cost being allocated to practices is driven by inflationary increases as well as the increase in case numbers.

We allocate the usage cost based on the cases accepted for investigation because these case numbers are used by the Legal Ombudsman to calculate the overall cost allocated to the CLC.

Regulatory charges for 2024 - 25

Your 2024/25 Regulatory Fees has been calculated using the turnover figures that you declared in your 2024/25 PII proposal form as notified to us by your brokers.

We have used a declared turnover of **£[turnover]** in our calculations. If this figure is incorrect, please contact the CLC finance team (contact details below).

	2024-25 (Current)	2023-24 (Previous)	Change	% change
Declared turnover	1,000,000	800,000	200,000	25%
Practice Fee	5,186.00	4,313.80	872.00	20%
Compensation Fund Contribution	1,753.00	1,509.00	244.00	16%
Fees paid to fund CLC operations	6,939.00	5,822.80	1,116.20	19%
OLC Levy (billed and payable from May 2024 based on legal Ombudsman cost allocate to the CLC)	2,231.59	719.34	1,513.30	210%
OLC availability Fee	1,972.75	719.34	1,254.47	174%
OLC usage fee	258.83		258.83	100%
Total Regulatory Charge	9,170.59	6,542.14	2,629.50	40%
Regulatory cost as a % of turnover	0.92%	0.82%		

[Practice] 3-year average number of OLC cases

0.33

0.33

Number of OLC cases per £1m of turnover

0.33

(Average is 0.80/£1m turnover for practices with cases and 0.40/£1m turnover for all practices)

Total OLC levy to be collected from **[Practice]**

Collected already through direct debit

Remaining levy to be collected between November and April

As your practice is currently paying by direct debit, we will collect the Practice Fee and Compensation Fund Contribution automatically starting in November 2024. The payment schedule detailing the collection dates and amounts of the Practice Fee and Compensation Fund Contribution and OLC Levy can be found in Annex **A**. Please note that the Practice Fee, Compensation Fund contributions and the OLC Levy are non-refundable if the practice ceases trading or exits CLC regulation during the licence period the unpaid balance will become payable before closure.

Queries

If you have any queries in respect of this notification, please contact us on 0203 859 0904 or finance@clc-uk.org.

Yours sincerely

Simone Bota

CLC Finance Team
Council for Licenced Conveyancers

ANNEX A – Payment Schedule for 2023-24

Payment Date	Practice Fund Fee	Compensation Fund Contribution	Total	OLC Levy
Total Fees Payable	£ 227,879.94	£ 43,626.91	£ 271,506.85	£123
1. 19/11/2022	£ 18,990.00	£ 3,635.58	£ 22,625.57	£123
2. 15/12/2022	£ 18,990.00	£ 3,635.58	£ 22,625.57	£123
3. 15/01/2023	£ 18,990.00	£ 3,635.58	£ 22,625.57	£123
4. 15/02/2023	£ 18,990.00	£ 3,635.58	£ 22,625.57	£123
5. 15/03/2023	£ 18,990.00	£ 3,635.58	£ 22,625.57	£123
6. 15/04/2023	£ 18,990.00	£ 3,635.58	£ 22,625.57	£123
7. 17/05/2023	£ 18,990.00	£ 3,635.58	£ 22,625.57	
8. 15/06/2023	£ 18,990.00	£ 3,635.58	£ 22,625.57	
9. 15/07/2023	£ 18,990.00	£ 3,635.58	£ 22,625.57	
10. 16/08/2023	£ 18,990.00	£ 3,635.58	£ 22,625.57	
11. 15/09/2023	£ 18,990.00	£ 3,635.58	£ 22,625.57	
12. 15/10/2023	£ 18,990.00	£ 3,635.58	£ 22,625.57	

Practice licence fees are due on the issue of the licence. Practices are given the option of making payment by direct debit over the remaining period of the licence. Should the entity cease trading or exit CLC regulation (voluntarily surrender its licence) before the next licence renewal point, i.e. 01 November 2024. Any unpaid amounts will be collected by the CLC at the next collection following notification by the practice.

ANNEX B – Fee rate tables

PRACTICE FUND (2023-24)				
Turnover Banding	Practice Fee payable			
£0 – £100,000	£695			
£100,001 – £250,000	£695	plus	0.665%	of turnover in excess of £100,000
£250,001 – £500,000	£1,693	plus	0.635%	of turnover in excess of £250,000
£500,001 – £1,000,000	£3,280	plus	0.587%	of turnover in excess of £500,000
£1,000,001 – £2,000,000	£6,215	plus	0.578%	of turnover in excess of £1,000,000
£2,000,001 – £4,000,000	£11,995	plus	0.569%	of turnover in excess of £2,000,000
£4,000,001 – £8,000,000	£23,375	plus	0.510%	of turnover in excess of £4,000,000
£8,000,001 – £16,000,000	£43,775	plus	0.506%	of turnover in excess of £8,000,000
£16,000,001 and over	£84,255	plus	0.501%	of turnover in excess of £16,000,000

COMPENSATION FUND (2023-24)				
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

ANNEX C – Individual Licence Fees and other charges

Individual Licence Fees

Licence or Application Type	Existing Fee	Revised Fee	Notes
ANNUAL LICENCE FEES			
Individual licence for Conveyancing or probate	£400	£400	No change
Individual licence for Conveyancing and probate	£475	£475	No change

Other administration charges

License or Application Type		Current Fee
INDIVIDUAL APPLICATION FEES		
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 license	£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
PRACTICE APPLICATION FEES		
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 license. (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 license	£160

15	Notification of new branch office	£50
OTHER ADMINISTRATION FEES		
16	Issue of a duplicate licence	£25
17	Amendment to a licence	£75

ANNEX D – Legal Ombudsman estimate of costs for 2024-25

Council for Licensed Conveyancers

WeWork

131 Finsbury Pavement

London

EC2A 1NT

Date 19/07/2024

2024/25		1 April 2024 to 31 March 2025
OLC forecasted expenditure	Forecast	£17,950,000
LESS Case fee income and Sundry income	Forecast	<u>-£996,000</u>
OLC forecasted Levy income	Forecast	£16,954,000
PLUS OLC Prior Year Adjustment	2023/24	<u>£52,000</u>
OLC Levy to be raised		£17,006,000

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3 year average of cases accepted	from 2021/22 to 2023/24	468
	as % of all ARs	7.4%

OLC Levy contribution due **£1,260,344.17**

in accordance with The Legal Services Act 2007 (Levy) (No.2) (Amendment) Rules 2014

This is a Levy estimate for information only.

The Levy demand will follow in February.

The OLC levy has variable factors that can change between the estimate calculated in July and the final calculation in the following February.

1. OLC forecasted expenditure for current year – this can change between July when the estimate is calculated using the Budget and February when the final is calculated from a forecast using 9 months actual expenditure.
2. OLC prior year adjustment - this can change after July when the estimate is calculated if the prior year accounts have not be finalised and signed off when estimate calculated.

Allocation of Legal Ombudsman cost and calculation of case costs

The calculation below illustrates how the total Legal Ombudsman costs are allocated to practices through the availability usage charge.



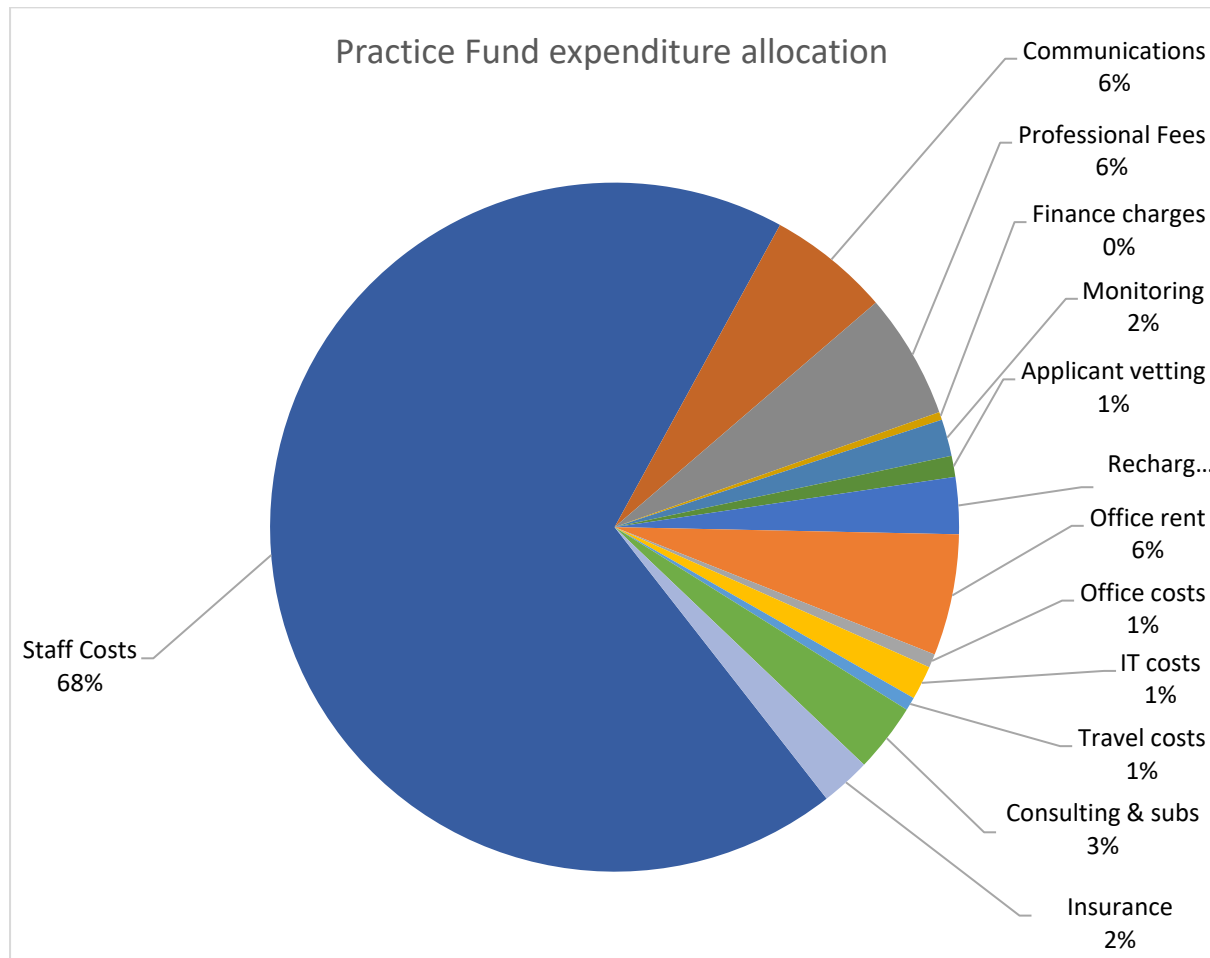
OLC Estimate of costs to be allocated to the CLC		1,213,568
50% of the cost payable by practices as a usage fee		606,784
3 year average case numbers (per OLC)		468
cost per case		1,297
Usage Fee Allocation	Cases	Total Cost Allocation
Cases allocated to closed practices	67	86,869
Cases allocated to currently regulated practices	401	519,917
	468	606,785
50% of the cost allocated to the availability charge		606,784
Add usage cost from closed practices		86,869
Adjusted availability charge (allocated as a % of practice fee)		693,653
Average availability fee per £100k of turnover		207.95

ANNEX D – Forecast expenditure for 2024 and estimated expenditure for 2025

CLC Practice Fund operating cost estimate for 2025

The chart below shows the estimated allocation of operating cost that are recovered through regulatory fees.

CLC operating costs are expected to increase by 6.1% compared to the 2024 forecast (from £2,62m in 2024 to £2,78m in 2025). This increase in cost is largely due to higher staff costs due to additional recruitment and inflationary increases.



Further details of the forecast expenditure for 2024 and the estimated expenditure for 2025 can be found in Annex D and in the LSB fee application and approval [here](#).

The practicing certificate fees levied in 2025 will be used for the following permitted purposes:

ALLOCATION OF THE PRACTICING CERTIFICATE FEES TO PERMITTED PURPOSES (estimate 2025)				
Description of activity	Permitted purpose	Rule	Cost allocated	% Of PCF
Licensing	Accreditation	8a	485,352	18%
Education	Education and training	8a	90,611	3%
Monitoring	Regulation	8a	474,455	18%
Policy	Setting practice standards	8a i.	445,706	17%
Payment of levies	Payment of levy imposed	8b	73,522	3%
Disciplinary	Regulation	8a	326,074	12%
	Setting practice standards	8a i.		
Complaints	Regulation	8a	165,541	6%
	Setting practice standards	8a i.		
Communications	Maintaining & raising standards	8a	196,637	7%
	Law reform & Leg process	8c		
	Promotion of relations	8f		
	Increasing public understanding	8g		
Council and Committees	Maintaining & raising standards	8a	420,441	16%
	Law reform & Leg process	8c		
	Promotion of relations	8f		
Total practicing certificate fees levied			£2,678,340	

RECHARGE TO PRACTICES - OLC Levy				
Description of activity	Permitted purpose	Rule	Cost allocated and % of PCF	
Payment of levy's	Payment of levy imposed	8b	1,354,870	100%
Total OLC Levy			£1,354,870	

The table below summarises the forecast expenditure for 2024 and the estimated expenditure for 2025. The final budget for 2025 will be decided by the Council in January 2025

2024 forecast vs 2025 estimate	2024 Current Forecast	2025 Pre Budget Estimate	Variance £	Variance %
Practice Fee	1,773,206	1,896,504	123,298	7%
Individual License Fee	761,200	781,835	20,635	3%
Other income	81,208	80,320	(888)	-1%
Applicant vetting	27,509	27,480	(29)	0%
TOTAL INCOME	2,643,123	2,786,140	143,017	5%
Staff costs	1,878,898	2,096,897	(217,999)	-12%
Staff cost recharge	-168,666	-190,740	22,074	-13%
Communications	162,905	159,404	3,501	2%
Professional Fees	229,903	163,540	66,362	29%
Finance charges	8,042	10,308	(2,266)	-28%
Monitoring	41,165	48,000	(6,835)	-17%
Applicant vetting	26,887	27,480	(593)	-2%
Recharges	69,622	74,130	(4,508)	-6%
Office rent	142,861	158,400	(15,539)	-11%
Office costs	13,176	17,820	(4,644)	-35%
IT costs	38,076	44,426	(6,349)	-17%
Travel costs	16,163	17,365	(1,202)	-7%
Consulting & subs	99,604	89,618	9,987	10%
Insurance	61,949	64,920	(2,971)	-5%
TOTAL EXPENDITURE	2,620,585	2,781,567	(160,982)	-6%
OLC Levy received	1,205,244	1,354,870	(149,626)	-12%
OLC Levy Paid	-1,205,244	-1,354,870	149,626	12%
OPERATING PROFIT/LOSS	22,538	4,572	(17,966)	-80%

The key variances between the 2024 forecast and the 2025 estimate are summarised below.

Line item	Explanation of the variance
Practice Fee	The practice fee income is expected to increase because of the proposed 9% fee rate increase included in this application. The 9% increase is partially offset by a 1% reduction in practice turnovers due to practice closures and lower declared turnovers. This estimate is based on those practices currently under regulation. We do not factor in revenue from practices entering or exiting CLC regulation during the year. This is because we are not able to accurately estimate the amount or timing. Our assumption is that entrants should offset exits so that any net impact would be neutral or positive. If we were aware of a significant practice exit we would factor that into the estimate.
Individual Licence Fee	The increased revenue is driven by continued growth in the number of licensed conveyancers and full year collections for new licence holders that

Line item	Explanation of the variance												
	<p>joined in 2024. Growth in licence holders during 2025 has been estimated as follows:</p> <table border="1"> <thead> <tr> <th>Licence Type</th> <th>Active licences 1 January</th> <th>Active licences 31 December</th> </tr> </thead> <tbody> <tr> <td>Conveyancing only</td> <td>1,814</td> <td>1,854</td> </tr> <tr> <td>Probate only</td> <td>23</td> <td>23</td> </tr> <tr> <td>Conveyancing and Probate</td> <td>69</td> <td>76</td> </tr> </tbody> </table>	Licence Type	Active licences 1 January	Active licences 31 December	Conveyancing only	1,814	1,854	Probate only	23	23	Conveyancing and Probate	69	76
Licence Type	Active licences 1 January	Active licences 31 December											
Conveyancing only	1,814	1,854											
Probate only	23	23											
Conveyancing and Probate	69	76											
Other income	Other income includes interest and application fees. We have assumed that activity levels and interest rates will remain at similar levels to 2024.												
Applicant vetting	We have assumed similar levels of applicant activity to 2024 in 2025.												
Staff costs	Staff costs are expected to increase due to a planned inflation adjustment (3%) and scale adjustments where appropriate. We are in the process of recruiting additional policy, monitoring, finance and operational staff members to increase capacity.												
Staff cost recharge	The staff cost recharge is a recharge of staff cost to the Compensation Fund to account for the work being performed on the fund. The recharge has increased due to cost-of-living adjustments. We have also included additional provision for staff responsible for the preparation of Compensation Fund Determinations. We are also anticipating additional work in relation to investment property claims and the introduction of a new operating framework.												
Communications	Communication costs for 2025 are expected to be in line with current expenditure. These costs include public relations support, website content development and digital design costs.												
Professional Fees	We expect professional fees reduce in 2025 based on our current pipeline as cases are narrower in focus and unlikely to be contentious. We have assumed that two large ongoing cases will be concluded in 2024 and have allocated cost accordingly. This may however be deferred to 2025 if there are any delays or extensions which would impact the cost in the 2025 estimate. Where we can, we plan to run cases internally and engage counsel directly to reduce cost. This estimate does not factor in any cost recoveries we may be awarded.												
Finance Charges	Finance charges include tax on interest received and merchant fees paid on credit card receipts. The estimate for 2025 has increase as we expect to receive more debit and credit card receipts from individuals.												
Monitoring	We are estimating that 44 monitoring inspections will be undertaken by our external inspectors.												
Recharges	<p>This line item includes all costs recharged to us from other organisations. This includes:</p> <ul style="list-style-type: none"> a) The LSB - £50,324 b) FCA - £17,815 												

Line item	Explanation of the variance
	c) OPBAS - £5,992
Office Rent	We are anticipating an increase in rental when we renew our licence in January 2025. The planned recruitment will also impact the office cost.
Office costs	General office cost estimates have increased due to headcount and inflation.
IT costs	IT costs have been increased due to the headcount increase (additional licences will be required). Supplier inflation increases have also been factored in.
Travel costs	Travel cost has been estimated based on the 2024 forecast.
Consulting and subscriptions	We expect to spend research & survey costs to be lower as we intend to do some of the work internally.
Insurance	We have PII, office contents and cyber insurance policies in force. Inflationary increases have been included in the estimate for 2025.
OLC Levy	We are unable to accurately project the increase in the levy as it is based on CLC practice case numbers, all regulator case numbers and the total Legal Ombudsman cost. We have assumed a 12% cost increase.

The table below summarises the sources of funding for the 2025 operating expenditure estimate as well as the allocation of expenditure by activity. All expenditure was incurred for permitted purposes.

PCF allocation to expenditure	%	2025 Estimate
Total expenditure		(2,781,567)
PCF collected	100%	2,678,340
Licensing	18%	485,328
Education	3%	90,608
Monitoring	18%	474,455
Policy	17%	445,703
Levy collection	3%	73,561
Disciplinary	12%	326,121
Complaints	6%	165,517
Communications	7%	196,666
Council	16%	420,380
Cost not recovered from PCF		(103,228)
Other income		107,800
Addition to reserves		4,572
Total PCF fees collected		2,678,340
Practice Fees		1,896,504
Individual Licences		781,835

CLC Compensation Fund cost estimate for 2025

The Compensation Fund Expenditure and your contributions are ring fenced and used only for:

- Intervention and practice closure related expenditure (this includes costs associated with finalisation of client matters and storage of files)
- Compensation Fund Grant payments (this includes the payment of grants and where appropriate, legal fees associated to claims made).
- Administration and management of the Fund.

The estimated Income and expenditure of the Compensation Fund are included in the table below.

2024 Budget vs Forecast	2024 forecast	2025 Estimate	Variance £	Variance %
Practice Contributions	442,689	439,907	(2,782)	-1%
Interest Received	199,343	179,409	(19,934)	-10%
Aged Balance Receipts	131,592.84	-	(131,593)	0%
Total Income	773,625	619,316	(154,309)	-20%
Compensation Grants	45,805	-	45,805	0%
Intervention Support (3rd Party)	516,088	250,000	266,088	52%
Intervention Cost (Internal)	94,614	60,000	34,614	37%
Staff Cost Recharge	162,492	190,740	(28,248)	-17%
Legal Fees	228,271	190,000	38,271	17%
Storage Costs	65,925	71,840	(5,915)	-9%
Other Costs	40,193	37,688	2,505	6%
Total Expenditure	1,153,388	800,268	353,120	31%
Net Surplus / (Deficit)	(379,763)	(180,952)	198,810	-52%

The fund is currently operating with a deficit budget due to ongoing work on interventions. Once this work is completed the Intervention support costs will end and the fund will return to a net surplus position. 2 interventions that occurred during 2023 are the main drivers of this expenditure, work is ongoing however we anticipate that it will be mostly completed in 2025.

The table below includes further information on the line items and variances.

Budget Line item	2024 forecast vs 2025 estimate variance description
Practice Contributions	Practice contributions are expected to decrease marginally in 2025 due to a reduction in practice turnovers. The estimate for practice contributions is based on the turnover for existing practices under regulation adjusted for known closures.
Interest Received	We are anticipating that the interest rates on deposits will decrease during 2025 and have reduced our interest income estimate.
Aged Balance Receipts	We have not included any aged balance receipts in the 2025 estimate as we are not able to accurately predict the timing and amount of any payments made to the CLC.
Compensation Grants	We do not budget for compensation grants due to the difficulty in determining the amount and timing of any claim.
Intervention Support (3 rd Party)	We currently have five active interventions. We expect that the costs will continue into 2025 and have included an estimate of the costs. We have assumed that the work on existing interventions will reduce during 2025 as the practice's affairs are wound up. Should any issues come to light during the process of completing client matters the cost of the intervention support and/or compensation grants provisions may increase. We have not factored in the possible cost of new interventions occurring in 2025 due to the uncertainty in cost and timing.

Intervention Cost (Internal)	We currently have five active intervention and have assumed that we will be able to reduce the number of active CMS licenses as the volume of work on client matters reduces.
Staff Cost Recharges	<p>A portion of staff costs are allocated to the Fund based on the time being spent managing the Fund. The cost is based on the time spent by specific individuals that manage the operation of the Fund including claim management, updating rules and frameworks, making determinations, reporting and providing clients with files and wills. The charge is assessed regularly and is based on the level of activity.</p> <p>The recharge for 2025 is expected to increase due to a planned cost of living adjustments to existing salaries and the allocation of additional resources to the Fund as we begin the process of investigating investment property claims.</p>
Legal Fees	Legal costs are being incurred in relation to 2 large compensation claims, investment property claims and the Compensation Fund operating framework review. We are anticipating that some of this work will come to an end during 2025 and have reduced the estimate slightly.
Storage Costs	Storage costs are expected to increase as we take on additional files from newly intervened practices. This will be partially offset by destruction of files that have reached the end of their retention period.
Other Costs	<p>This line items includes costs relating to:</p> <p>Scanning of paper files and sending paper files and wills to clients. The cost is determined by the number of files requested by clients and postage/courier costs. The volume of requests usually fluctuates with intervention activity.</p> <p>Corporation tax on interest. A reduction in interest rates is expected to reduce the tax payable in 2025.</p>

Further details of the forecast expenditure for 2024 and the estimated expenditure for 2025 can be found in the LSB application and approval [here](#).