



Review of Licence and Practice Fee Arrangements

CLC Consultation Paper

May 2015

Submission Deadline: 26 June 2015

Responding to this Consultation

1. You are invited to respond to the question at page 5. The CLC also welcomes comments on the proposals as a whole including alternative proposals to achieve the policy objectives outlined in this Consultation Paper.
2. When you respond could you please give your name and address and whether you are a licensed conveyancer. If you are not a licensed conveyancer, could you please state, if relevant, your status or professional qualification. The CLC reserves the right to publish any response and to refer to it specifically in any further document it publishes following this Consultation. If you wish your response to be treated as confidential could you please let us know when you respond.
3. You can respond by email to consultations@clc-uk.org or by post to

The Council for Licensed Conveyancers
16 Glebe Road
Chelmsford
Essex CM1 1QG

Or by to DX 121925 CHELMSFORD 6

4. [Respond online now](#)

Submission Deadline: 26 June 2015

Setting the regulatory fees for 2015-2016

1. For the 2014-2015 year we intend to set regulatory fees applying the model which has been in force since 1 November 2010:

- 1) Licence fee payable by individuals – though there may be some variation from the current fee charged of £400
- 2) Practice Fee payable by entities licensed by the CLC – based on turnover. The current intention is to continue to apply the bandings used since 1 November 2010

Turnover £		Banding
From	To	
0	100,000	110% Base Rate
100,001	500,000	Base Rate
500,001	3,000,000	80% Base Rate
3,000,000	and over	70% Base Rate

- 3) Compensation Fund contributions payable by entities licensed by the CLC – based on turnover. The current intention is to continue to apply the bandings used since 1 November 2010 (set out above)
2. Until it has determined its expenditure budget for the year commencing 1 January 2016 (expected by August 2015), the CLC will not be in a position to decide the exact level of fees payable from 1 November 2015 (subject to LSB approval).
3. The factors the CLC will take account in determining the level of fees will remain the same as in previous years
- 1) All CLC's expenditure is applied for Permitted Purposes (as required by rule 6 LSB Practising Fee Rules 2009 – see Schedule 1) and in accordance with the Regulatory Objectives
 - 2) The income requirement is equal to budgeted expenditure including the levy payable by the CLC towards the costs of the LSB and the Legal Ombudsman (ie there is no surplus or deficit of income over expenditure)
 - 3) The level of reserves for both Operations and the Compensation Fund are in line with the CLC's Reserves Policy
 - 4) Paragraph 1 of CLC Compensation Fund Operating Framework expressly reserves to the CLC the right to make a specific levy
4. The CLC anticipates that the actual fees it will charge will be broadly in line with the fees charged in the current licence year (and set out in the CLC Fees Framework 2012):
- the same licence fee (currently £400) is payable by all individual licensees
 - CLC entities pay a Practice Fee based on turnover determined as follows

Turnover Banding			Practice Fee payable				
			Minimum Fee in Band				
Between	0 and	£100,000	£1,070	or	1.5%	of Turnover	Whichever is the greater
			Minimum Fee in Band			Turnover in excess of	
Between	£100,001 and	£500,000	£1,500	plus	1.4%	£100,000	
Between	£500,001 and	£3,000,000	£7,100	plus	1.2%	£500,000	
Over	£3,000,000		£37,100	plus	1.1%	£3,000,000	

- Compensation Fund contribution payable by each CLC Practice remains at 0.4% of turnover applying the current tiers as follows:

Turnover Banding			Compensation Fund contribution			
			Minimum Fee in Band			
Between	0 and	£100,000	£500			
			Minimum Fee in Band			On Turnover in excess of
Between	£100,001 and	£500,000	£500	plus	0.4%	£100,000
Between	£500,001 and	£3,000,000	£2,100	plus	0.3%	£500,000
Over	£3,000,000		£9,600	plus	0.2%	£3,000,000

- other fees are payable as set out in the CLC Fees Framework 2012.

5. The Information provided to CLC licensees in September 2014 is at Schedule 2 (with additional footnotes comparing the results set out in the Financial Statements 2014 with the 2015 Budget), Annex 3 has been updated to include financial information currently available. Notification of the fees payable for the licence year starting 1 November 2015 as approved by the LSB will be published in September 2015.

Payment by Instalments

6. The majority of CLC practices elect to pay the Practice Fee and contribution to the CLC's Compensation Fund by instalments. The CLC makes no additional charge by way of interest or otherwise for allowing payments to be made by instalments. Since 1 November 2014, instalment payments have been spread over 12 months (not 10 months which was previously the case).

Questions

- Do you think that the individual licence fee of £400 is set at a reasonable level?
- Do you think the bands suggested for determining fees for entities are appropriate?
- Do you think the bands suggested for determining compensation fund contributions for entities are appropriate?
- Do you think that the calculation of entity fees should continue to be based on turnover levels reported to insurers?

Background

Statutory Framework

7. The CLC was established by the Administration of Justice Act 1985 (AJA) to regulate licensed conveyancers in the provision of conveyancing services. With effect from November 2008 the CLC has regulated probate services (which includes the administration of estates). It has no representative function. It was the first Approved Regulator to be designated as a Licensing Authority authorised to license Alternative Business Structures from October 2011.
8. As an approved regulator the CLC “must, so far as is reasonably practicable, act in a way..., which is compatible with the regulatory objectives”¹ as follows:

Protecting and promoting the public interest;

 - a. Supporting the constitutional principle of the rule of law;
 - b. Improving access to justice;
 - c. Protecting and promoting the interests of consumers;
 - d. Promoting competition in the provision of services by ‘authorised persons’²;
 - e. Encouraging an independent, strong, diverse and effective legal profession;
 - f. Increasing public understanding of the citizen’s legal rights and duties;
 - g. Promoting and maintaining adherence to the professional principles³.
9. The “professional principles” are—
 - (a) that authorised persons should act with independence and integrity,
 - (b) that authorised persons should maintain proper standards of work,
 - (c) that authorised persons should act in the best interests of their clients,
 - (d) 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
 - (e) that the affairs of clients should be kept confidential.⁴
10. The CLC is also required to “have regard to...the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed”⁵.

¹ S.28(2) LSA 2007

² defined at s.18 LSA

³ s.1(1) LSA

⁴ s.1(3) LSA

⁵ s.28(3) LSA

CLC's Approach to Regulation

11. The CLC's role is to safeguard the public interest and consumers by regulating providers to deliver high quality and accessible legal services.
12. The CLC fulfills its responsibilities by undertaking a range of activities:
 - Set educational and training standards for entry to the profession;
 - Issue licences to practise to those qualified to provide conveyancing and probate services to consumers;
 - Maintain a register of all Licensed Conveyancers and approved Regulated Entities;
 - Set standards to regulate the professional practice, conduct and discipline of Licensed Conveyancers and Regulated Entities;
 - Set standards to maintain adequate professional indemnity insurance and a compensation fund to protect consumers;
 - Monitor the work and conduct of Regulated Entities and to determine whether they are meeting the required standards.
 - Provide guidance and advice to Regulated Entities to maintain compliance with the standards and those regulations relevant to our duty of consumer protection;
 - Investigate allegations of misconduct against a Licensed Conveyancer, Manager and/or Regulated Entity and where appropriate take disciplinary proceedings;
 - Collaborate with key stakeholders in the legal services market to monitor and shape the impact of proposed regulations on the conduct of Licensed Conveyancers and Regulated Entities in order to maintain adequate consumer protection.

Fee Approval Process

13. Under s.51(5) LSA 2007 "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". As required by s.51(4) LSA those rules specify the permitted purposes for which fees received may be applied (see Schedule 1).
14. The Submission Deadline for this Consultation is 26 June 2015. This allows a short period for the responses to the Consultation to be assessed before a final proposal is put to the Council for determination at its meeting at the end of July 2015.
15. A formal application for approval will then be made to the LSB with a view to consent to the CLC's Fees Rules being granted by September 2015, so allowing a reasonable period for the profession to be notified of the new arrangements for Licence and Practice Fees in time for the licence year commencing 1 November 2015.

Current Funding Arrangements for the CLC

16. The CLC is wholly funded by the profession and, through the profession, by consumers. Since 1 November 2010 the regulatory charges have been as follows:

- a. The same licence fee payable by all licensed conveyancers
- b. A Practice Fee payable by all CLC Regulated Entities (determined as a percentage of turnover with bandings)
- c. A contribution to the CLC's Compensation Fund payable by all CLC Regulated Entities (determined as a percentage of turnover with bandings).

The scale of charges is dependent on the CLC's forecast income requirements as set out in the budget which is approved by the Council at its meeting in July for the financial year commencing the following January. As explained at paragraph 15 above, an application is then made to the LSB to approve the Fees Rules made by the Council.

Regulatory Fees

- 17. The CLC recognises that its obligations under the LSA require it more explicitly to adopt a regulatory approach which increasingly shifts the focus of its regulatory activities to the 'regulated entity'. Consequently the regulatory fees required to enable the delivery of the CLC's responsibilities need to reflect more closely the costs attributable to the regulation of individual licence holders and regulated entities. Otherwise there is a risk that the burden of regulatory costs may fall unfairly on some members of the regulated community.

Emerging Views

- 18. In its Fees Consultation Paper of February 2010 the view expressed was that the Practices with higher levels of turnover proportionately pay more than Practices with lower levels of turnover and that the CLC's preferred position should be that each Practice makes a contribution to the costs of the CLC directly in proportion to the level of regulatory supervision required for each Practice and more generally for the risk of default each Practice poses.
- 19. The CLC has carried out a number of investigations into how it could modify the way in which regulatory fees are calculated based on the time spent by the CLC in supervising individual practices or by its assessment into the risks evidenced by particular practices or types of practice. However, whilst the CLC continues to work and test different models, to date none of them have yet evidenced a robustness which the Council is satisfied will ensure they are accepted by the CLC's paying community.
- 20. In particular the CLC is not yet satisfied that any of the models have been developed to such a stage that they meet the better regulation requirement to be transparent, accountable, proportionate, consistent and targeted.
- 21. At its meeting on 30 October 2014 Council agreed not to apply a risk based approach to setting its fee structure and agreed the following principles should underpin the review process.
 - a. Predictability – the CLC has a reasonable expectation that the revenue in terms of the licence and practice fee income will cover the costs incurred by the CLC;
 - b. Simple – the fee structure is easy to understand and explain (the CLC's expenses should be presented in a similar way to the charge levied by local authorities);

- c. Low cost to administer;
 - d. Fair – the regulated community feel they are not treated unfairly and they do not bear an unfair proportion of the total cost.
22. The CLC now anticipates publishing a paper in autumn 2015 reviewing the options for regulatory fees with a view to the Council making a final decision by spring 2016.

Schedule 1

Permitted Purposes Extract LSB Practising Fee Rules

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];
- (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.

Schedule 2
Information to the profession
CLC regulatory charges
2014-2015

1. This notification sets out the CLC's determination about:
 - The licence and practice fee structure and the way in which Compensation Fund contributions payable by licence holders will be applied; and
 - the licence and practice fees and the contribution the CLC has determined are payable for the licence year starting on 1 November 2014.

The CLC's licence and practice fee structure, and contributions to the CLC Compensation Fund

2. Following the consultation with the profession in February 2010 the CLC introduced the current practicing fee structure for the profession which can be summarized as follows:
 - 1) Licence fee (a fixed sum);
 - 2) Practice fee (as a percentage of turnover subject to a minimum fixed fee); and
 - 3) Contributions to the Compensation Fund (as a percentage of turnover subject to a minimum fixed fee) to be applied solely for purposes relating specifically to the CLC's Compensation Fund.

3. The Practice Fee and contributions to the Compensation Fund have been subject to tiered banding as follows:

Turnover £		Banding
From	To	
0	100,000	110% Base Rate
100,001	500,000	Base Rate
500,001	3,000,000	80% Base Rate
3,000,000	and over	70% Base Rate

4. Council has agreed that charges should be linked with regulatory activity and risk. The CLC has trialled a number of models. The Council is not yet satisfied that any of the models have been developed to such a stage that they meet the better regulation requirement to be transparent, accountable, proportionate, consistent and targeted. The Council has agreed to undertake a further review of its current fee structure with a view to consulting the profession in May 2015 and finalising proposals at its meeting in July 2015. The current intention is to make an application for a revised fee structure to the Legal Services Board in the summer of 2015.

5. At its meeting in May 2014 the Council agreed that the CLC should publish a consultation on the current fee structure. The Consultation Period ended on 27 June 2014. The CLC received 5 responses: 2 were in favour of the current charging structure, one respondent suggested that there should be additional charging bands in the £500,000 to £3 million range. All respondents were in

favour of the number of instalments for payment of regulatory fees being increased from ten to twelve

Licence and Practice Fee and Compensation Fund contributions payable for year starting 1 November 2014

6. At its meeting in July 2014, based on the Forecast for 2014, Council agreed, subject to the approval of the LSB, that the practicing fee rates to be charged for the year commencing 1 November 2014 should remain unchanged. Accordingly, the CLC Fees Framework 2012 at Annex **[numbered]** remains unchanged.
7. Examples of the effect the Practice Fee rates and Compensation Fund contributions will have on practices are set out at Annex **[numbered]**.
8. The CLC's Corporate Strategy 2011-2013 and its Business Plan 2013-2014 have been informed by the regulatory objectives, and are consistent with the approach developed by the Legal Services Board. The Business Plan builds on its previous plans and is in three sections.
 - Protecting the Consumer
 - Supporting Innovation
 - Strengthening Infrastructure
9. The CLC will

Protecting the Consumer

- Identify property related areas that might be regulated/accredited to create broader and deeper protection for consumers
- Continue to work for a compensation fund and professional indemnity approach across the legal services sector that is more responsive to the needs of consumers
- Develop a formal regulatory response to persistent low level non-compliance
- Continue to deepen our knowledge of the regulated community
- Seek greater consumer engagement and feedback
- Strengthen our working relationships with other relevant bodies to prevent and detect inappropriate activities

Supporting Innovation

- Provide a regulatory regime that supports the legitimate needs of new business models
- Engage effectively with the review of regulation of legal services to drive positive change for the consumer and the legal sector
- Continue to work with LSB and MoJ to build a statutory framework for the CLC and the profession which enables evolution of our role
- Move away from the direct provision of professional education and to be a standard-setter and accreditor of third party providers
- Develop a new, more flexible and modular qualifications framework

Strengthening Infrastructure

- Build current capacity and capability
- Continue review of regulatory fee structure
- Implement effective CRM and knowledge management
- Improve financial management and management information
- Embed a risk-based approach to regulation

- Secure the right to regulate lawyers other than Licensed Conveyancers
 - Continue to prepare an application to regulate property-related litigation
10. Annex [numbered] compares the audited expenditure for 2013, the expenditure budget for 2014, the forecast outturn for 2014 and the provisional expenditure budget for 2015. The changes shown in percentage and monetary terms compare the expenditure forecast for 2014 and the expenditure budget for 2015, with comments explaining the greater variances.
11. The budgeted total funding requirement for 2015 is £2,526,500. It is estimated that setting the Practice Fee at 1.4% (as determined by Council) will generate an income of £1,690,932 based on the turnover of those practices currently regulated by the CLC. Taken with the Licence Fee Income and Other income there will be a Total Budgeted Income for 2015 of £2,587,698 leading to a budgeted surplus of income against expenditure of £61,198⁶.

Operations	
	1.4% current
Practice Fee	1,690,932
Licence Fee	499,200
Other Income	<u>397,566</u>
Total Income	2,587,698
Funding Req (see Annex 1)	(2,539,643)
Less Interest	16,370
Plus Tax	<u>(3,227)</u>
Total Funding Req	(2,526,500)
Surplus (shortfall)	61,198

12. The net result is a small budgeted increase in the CLC's Reserves on Operations though the CLC is satisfied that the level of reserves at the end of 2015 will be well in excess of the lower limit of the CLC's Reserves Policy⁷.
13. The Compensation Fund is budgeted to make a surplus of £88,244⁸.

⁶ In the CLC's Financial Statements 2014 the Operating Fund made a deficit of £144,595

⁷ In the CLC's Financial Statements 2014 the accumulated reserves for the Operating Fund are stated at £1,628,451 (a reduction of £144,595 from the 2013 Financial Statements accumulated reserves of £1,773,046) against the Council's policy to hold £1 million accumulated reserves

⁸ In the CLC's Financial Statements 2014 the Compensation Fund made a surplus of £124,025

Compensation Fund		
Contributions	431,004	
Other Income	<u>430,000</u>	
Total Income		861,004
Compensation Fund Grants	(384,000)	
LCs Run Off Cover	(119,256)	
Compensation Fund Insurance	(302,100)	
Total Funding Requirement		(805,356)
Interest		38,250
Tax		(7,654)
Surplus (shortfall)		88,244

14. The CLC is satisfied that the level of reserves (currently estimated to be £3.04 million at the end of 2015) will be sufficient to meet the expectations of, and provide confidence to, clients, as well as the mortgage lenders⁹.
15. The other Fees chargeable are as follows (these are unchanged from 2013-2014):

		Fee	Paragraph	Regulatory Arrangements
1.	Probate Licence	£75	3(a)(ii)	Licensed Conveyancer – Licensing Framework
2.	First Manager Licence	£150		
3.	Duplicate licence	£50	17 & 25	Licensed Conveyancer – Licensing Framework
4.	Amendment to licence	£75	27	Licensed Conveyancer – Licensing Framework
5.	Failure to submit Accountant's Report in time	£100	16.2	Accounts Code and Guidance

⁹ In the CLC's Financial Statements 2014 the accumulated reserves for the Compensation Fund are stated at £3,131,928 (an increase of £124,025 from the 2013 Financial Statements accumulated reserves of £3,131,928) against the Council's policy to hold £2 million accumulated reserves



The CLC Fees Framework 2012

Made 4 September 2012 by the Council for Licensed Conveyancers with the approval of the Legal Services Board in accordance with s.14, 32 and 38 Administration of Justice Act 1985 and s.51 Legal Services Act 2007.

CITATION, COMMENCEMENT AND REVOCATION

1. This Framework may be cited as the CLC Fees Framework 2012 and shall come into force on 1 November 2012 on which date the Council for Licensed Conveyancers' Fees Rules 2011 shall cease to have effect.
2. "CLC Body" is a Recognised Body or a Licensed Body regulated by the CLC.

LICENSED CONVEYANCERS

3. The fees payable as provided by the CLC Licensed Conveyancers – Licensing Framework shall be as follows: -
 - (1) under paragraph 3(a)(ii) for the issue of a licence:

for the first time, or where such a licence is not in force at the time of the application (and has not been in force for at least 12 months prior to that date): £150;
to provide Conveyancing Services: £400
to provide Probate Services: £75;
 - (2) under paragraph 17 and 25 for an amendment to a licence: £75;
 - (3) under paragraph 27 for a duplicate licence, where chargeable: £50.
4. The additional fee of £100 is payable for failure to submit an Accountant's Report within the time limited (see paragraph 16.2 of the Accounts Code and Guidance).

CLC BODIES

Practice Fee

5. The fee payable by a CLC Body as provided by

- (1) paragraph 5(a)(ii) of the CLC Recognised Bodies – Recognition Framework; and
- (2) paragraph 7.10 of the CLC Licensed Body (ABS) Licensing Framework

shall be the turnover declared by the CLC Body for the purpose of determining the applicable annual premium payable in accordance with 10.1 of the CLC Professional Indemnity Insurance Code & Guidance as follows:

Turnover Banding			Practice Fee payable				
			Minimum Fee in Band				
Between	0 and	£100,000	£1,070	or	1.5%	Of Turnover	Whichever is the greater
			Minimum Fee in Band			Turnover in excess of	
Between	£100,001 and	£500,000	£1,500	plus	1.4%	£100,000	
Between	£500,001 and	£3,000,000	£7,100	plus	1.2%	£500,000	
Over	£3,000,000		£37,100	plus	1.1%	£3,000,000	

Compensation Fund Contribution

6. The Compensation Fund contribution payable by a CLC Body as provided by

- (1) paragraph 5(a)(iv) of the CLC Recognised Bodies – Recognition Framework; and
- (2) paragraph 7.11 of the CLC Licensed Body (ABS) Licensing Framework

shall be the turnover declared by the CLC Body for the purpose of determining the applicable annual premium payable in accordance with paragraph 10.1 of the CLC Professional Indemnity Insurance Code & Guidance as follows:

Turnover Banding			Compensation Fund contribution			
			Minimum Fee in Band			
Between	0 and	£100,000	£500			
			Minimum Fee in Band			On Turnover in excess of
Between	£100,001 and	£500,000	£500	plus	0.4%	£100,000
Between	£500,001 and	£3,000,000	£2,100	plus	0.3%	£500,000
Over	£3,000,000		£9,600	plus	0.2%	£3,000,000

WAIVER

7. The CLC may in writing waive or vary any of the provisions of this Framework and may revoke any waiver in any particular case.

Annex 2
 Examples of the Practice Fee and
 Compensation Fund contributions payable
 (unchanged from 2012-2013)

Practice Fee

	Current and Proposed
	PF
Turnover	Base 1.4%
30,000	1,070
50,000	1,070
150,000	2,200
550,000	7,700
1,500,000	19,100
3,500,000	42,600
15,000,000	163,700

Compensation Fund

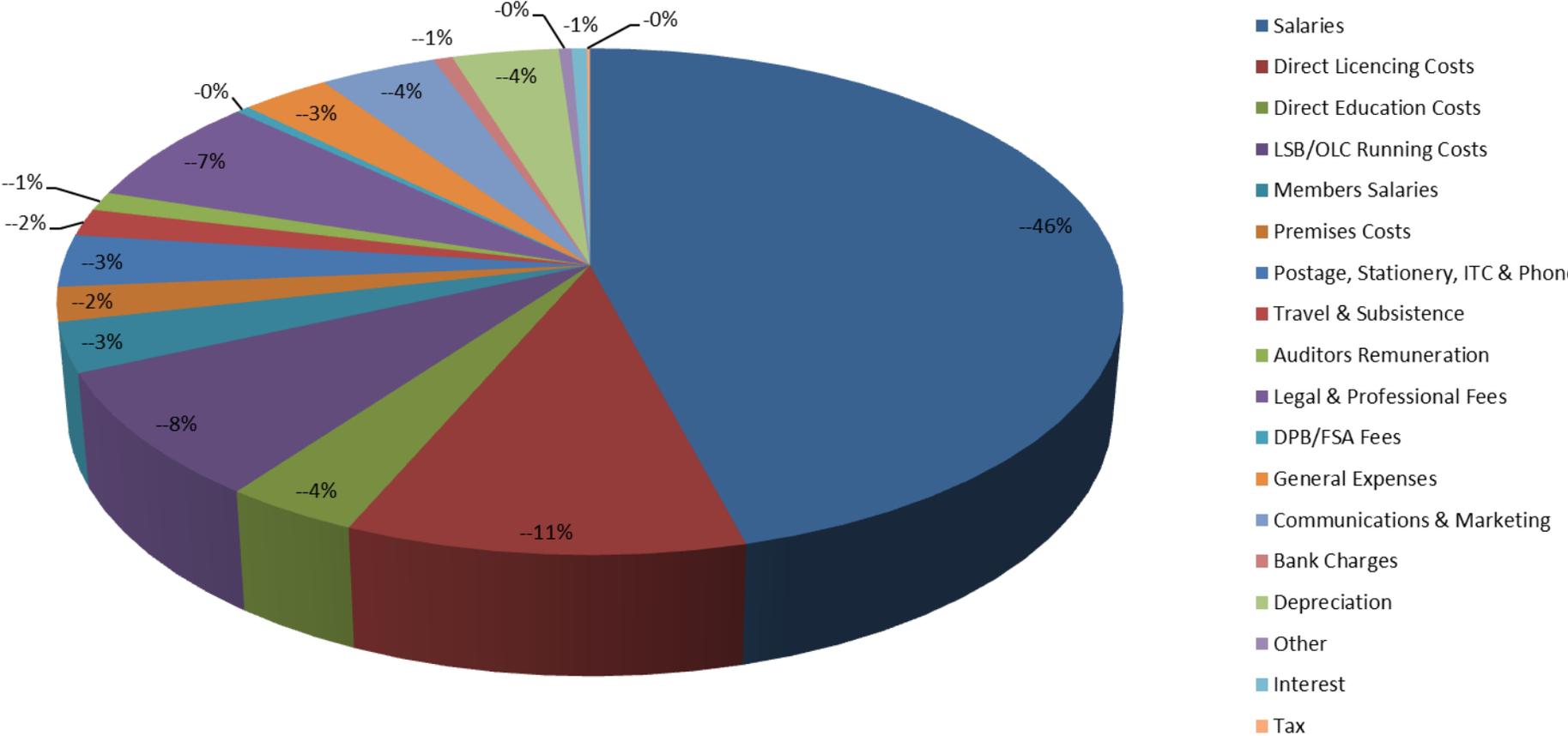
	Current and Proposed
	CF
Turnover	Base 0.4%
30,000	500
50,000	500
150,000	700
550,000	2,250
1,500,000	5,100
3,500,000	10,600
15,000,000	33,600

Total

	Current and Proposed
Turnover	Total
30,000	1,570
50,000	1,570
150,000	2,900
550,000	9,950
1,500,000	24,200
3,500,000	53,200
15,000,000	197,300

Annex 3 CLC Operational Expenditure									
Council for Licensed Conveyancers	Actual	Budget	Actual	Budget	Variance		Variance		Comments
	2013	2014	2014	2015	Budget 2014 with Budget 2015	Actual 2014 with Budget 2015	%	Value	
Expenditure					%	Value	%	Value	
Salaries	(1,130,749)	(1,261,904)	(1,223,046)	(1,526,091)	120.94	(264,187)	124.8	(303,045)	Includes Restructuring and Redundancy payments
Direct Licencing Costs	(95,559)	(116,448)	(282,365)	(170,329)	146.27	(53,881)	60.3	112,036	Less interventions expected in 2015
Direct Education Costs	(82,959)	(85,338)	(95,499)	(89,600)	104.99	(4,262)	93.8	5,899	
LSB/OLC Running Costs	(250,152)	(250,500)	(218,741)	(241,975)	96.60	8,525	110.6	(23,234)	Costs increased
Members Salaries	(84,163)	(86,485)	(84,052)	(90,640)	104.80	(4,155)	107.8	(6,588)	More Council members
Premises Costs	(55,834)	(65,035)	(58,341)	(60,060)	92.35	4,975	102.9	(1,719)	
Postage, Stationery, ITC & Phone	(65,733)	(88,214)	(88,986)	(170,316)	193.07	(82,102)	191.4	(81,330)	Investment into IT and support
Travel & Subsistence	(20,562)	(26,917)	(46,426)	(49,950)	185.57	(23,033)	107.6	(3,524)	
Auditors Remuneration	(25,066)	(12,757)	(32,370)	(39,564)	310.14	(26,807)	122.2	(7,194)	More internal audits expected
Legal & Professional Fees	(52,196)	(99,200)	(185,478)	(122,000)	122.98	(22,800)	65.8	63,478	More L&P costs will be allocated directly to the Comp fund
DPB/FSA Fees	(10,417)	(12,582)	(12,486)	(11,556)	91.85	1,026	92.6	930	
General Expenses	(95,585)	(101,058)	(82,415)	(78,270)	77.45	22,788	95.0	4,145	
Communications & Marketing	(54,151)	(61,446)	(108,587)	(90,400)	147.12	(28,954)	83.3	18,187	Marketing cost is expected to slow now the CLC has some traction
Bank Charges	(17,911)	(17,877)	(17,741)	(8,400)	46.99	9,477	47.3	9,341	Reduced number of bank accounts
Depreciation	(89,077)	(74,817)	(99,303)	(101,959)	136.28	(27,142)	102.7	(2,656)	
Other	(2,118)	0	(11,702)	0	-	-	0.0	11,702	Bad Debt write off, trying to recover intervention costs
Total Expenditure	(2,132,232)	(2,360,578)	(2,647,538)	(2,851,110)	120.78	(490,532)	107.7	(203,572)	
Interest	25,484	29,297	14,139	18,013	61.48	(11,284)	127.4	3,874	
Tax	(4,940)	(5,470)	(2,978)	(2,944)	53.82	2,526	98.9	34	
Expenditure Plus Interest & Tax	(2,111,688)	(2,336,751)	(2,636,377)	(2,836,041)	121.37	(499,290)	107.6	(199,664)	

CLC Operational Expenditure - Actual 2014



CLC Operational Expenditure - Budget 2015

