



REVIEW OF LICENCE AND PRACTICE FEE ARRANGEMENTS
CONSULTATION PAPER
July 2025

Consultation deadline

This consultation will run until Friday, 12th September 2025.

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 financial 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 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 2025 to October 2026.

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 Legal Services Board (LSB) for approval.

The CLC has reduced fees dramatically over the last decade

For the licence year 2015-16 the average practice fee rate was 1.25% of turnover. Over the last ten years we have been able to reduce that rate very considerably, and the proposal in this consultation for the licence year 2025-2026 will set the average practice fee rate at just 0.58%, or 58p for every £100 of turnover.

The CLC has been able to reduce the financial burden on practices while maintaining high standards of consumer protection through its managed compliance approach, which is highly valued by CLC practices, [as is explained by two practices that have moved into CLC regulation](#).

Proposed changes to regulatory and administrative fees for 2025 - 26

The CLC is proposing to make the following changes to fees for the next licensing year beginning on 1 November 2025:

Fee	Proposed change
Practice Fee	3% Increase in fee rates
Compensation Fund Contributions	6% Increase in fee rates
Licensing Administration Fees	3% increase in set fees

The following fees and charges will not be amended:

- 1) **Individual Licence Fees** (last amended in 2010).
- 2) **The OLC Levy cost allocation formula.** Last amended in 2024. Currently 50% of the cost is allocated to all regulated practices as a service availability charge. The remaining 50% of the cost is allocated to practices as a usage charge based on the number of cases accepted for investigation by the Legal Ombudsman.

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 CLC funding. The purpose is to ensure the burden on Practices and Individuals is proportionate while 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 4 ways to respond to this survey:

- 1) You can complete our online survey which can be found [here](#).
- 2) You can respond to the consultation by email to consultations@clc-uk.org
- 3) You can arrange a discussion with one of the senior management team or your regulatory supervision manager.
- 4) or by post to:

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

Consultation deadline

This consultation will run until Friday, 12 September 2025.

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 banding** included at paragraph 9 should remain unchanged?
- 2) Do you agree with the CLC proposal to increase the **Practice Fee rates** by 3% to offset for the impact of inflation (see rates table annex 2)?
- 3) Do you agree that the **Compensation Fund Contribution rates** should be increased by 6% (see rates table annex 2)?
- 4) Do you agree with the CLC proposal to not make changes to the **OLC levy** cost 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)?
- 5) Do you agree that the **Individual practising certificate cost** remains unchanged?
- 6) Do you agree that a 3% inflationary increase should be applied to the **licensing administration** charges?
- 7) Do you agree with the CLC's initial EIA assessment or the actual or potential impact of the proposed amendments?
If not, please explain why?
- 8) Do you anticipate that the proposed increase and variation to the OLC levy will or may result in any 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?

- 9) Do you consider that the proposed increases will or may have an 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?
- 10) Do you have any other comments or feedback regarding equality considerations in the context of the proposed fees or 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 24 June 2025 and after careful consideration of the options, agreed that
 - The Practice Fees should be increased by 3%
 - The Compensation Fund contributions should be increased by 6%
 - The licensing administration charges be increased by 3%
 - No changes are made to the OLC levy allocation between availability and usage.
 - No changes are made to the individual licence fees.
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 annual business plan supports our 3-year Strategy, and the delivery of the Regulatory Objectives. We do not undertake formal consultation on the annual business plan but engage in a variety of ways both in its development and in reporting of progress. Each business plan is the product of a thorough process that starts with extensive planning at the Executive level, before extensive deliberation and consideration by both the Audit and Risk Committee (ARC) and the Council, which ultimately approves the plan. Throughout this process the CLC engages with representative bodies and the regulated community. and those it regulates directly and any .Policy implementation areas will have already been the subject of consultation with the profession, the Professional Reference Group (PRG) and Consumer Reference Group (CRG) (most recently this has included for example consultation on proposed changes to the Compensation Fund, new Complaints Handling Guidance and proposed revision of the Customer Charter).Suggested areas of policy development will be subject to consultation during the process of development, both informal and formal consultation. Council agendas and papers are published on the CLC website, offering stakeholders, including the regulated community, the opportunity to review and if they wish, to provide comment on the proposed business plan.
7. Planning and prioritisation are informed by informal engagement with stakeholders including the PRG and CRG, as well as horizon scanning activities, monitoring, and enforcement activities, LSB policy statements and other regulatory indicators, and the statutory imperative to deliver on the Regulatory Objectives. The business plan and priorities are also shaped by feedback that we seek from the regulated community via for example, the Annual Regulatory Return, PII claims data, HM Land Registry requisition data and stakeholder perceptions research.
8. The most recent strategy, beginning January 2023, was informed by comments made in the open consultation held over the summer of 2022. The Strategy page of our website explains that the annual business plans set out to deliver the strategy and that the Council monitors progress via the Annual Report/Financial Statements and regular progress updates at Council meetings. Each Business Plan maps activities to the Legal Services Act 2007 Regulatory Objectives, performance standards and certain key risks.

9. During the course of the year, progress on the implementation of the business plan is reported through ARC and Council and these reports are published on our website and followed by a Chair's blog and updates in our regular newsletters to the profession.
10. Whilst the business plan itself is not open to public consultation, the CLC's overarching 3-year strategy is subject to consultation which offers the regulated community the opportunity to provide input into and challenge on the CLC's strategic direction. As outlined above, the governance arrangements and decision making that results in the production of an annual business plan is open and transparent, and each business plan is informed by a process of informal engagement and evidence from various sources. Taken in the round the process of developing a strategy and the business planning that delivers that strategy offers the regulated community transparency, and the opportunity to hold the CLC to account for how their licence and practice fees are spent by their regulator."
11. Perhaps also unsurprisingly for a pure regulator the key areas of the business plan do not change year on year, though there may be a change of emphasis between years – our core functions of licensing, compliance and discipline are at the heart of every year's plan supported by appropriate policy making.
12. 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

13. The Practice Fee and Compensation Fund contributions are calculated on a sliding scale based on the practice's turnover.
14. The turnover bands were last amended in 2021 and have been monitored annually to determine whether there is adequate spread and progression in the bands.
15. 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	Number of Practices July 24
£0 – £100,000	22	20	12	7	8
£100,001 - £250,000	56	37	36	40	30
£250,001 – £500,000	61	58	47	45	40
£500,001 – £1,000,000	49	53	57	45	54
£1,000,001 – £2,000,000	16	28	29	30	33
£2,000,001 – £4,000,000	6	9	10	14	16
£4,000,001 – £8,000,000	6	11	6	7	7
£8,000,001 – £16,000,000	5	1	4	5	7
£16,000,001 and over	2	5	5	4	4
	223	222	206	197	199

16. 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 band is showing a downward trend. This is mostly due to mergers, inability to secure PII or moving to a higher turnover band.
- The number of practices with turnovers greater than £1m have increased (almost doubling since 2021) as has the distribution across these bands.
- The total number of practices has decreased over the 5-year period, mostly due to the closure of small practices and merger activities. Practice numbers have started increasing in the last 2 years.
- Average turnover per practice has increased from £1,2m in 2021 to £2,0m in 2025.

17. There is still a good spread of practices across the turnover bands and we are seeing progression of practices into the higher turnover bands.

18. Because the distribution of practices across the turnover bands has not changed materially and there is no significant concentration in any single band, the CLC is proposing not to amend the turnover bandings for the 2025-2026 billing cycle.

Consultation Question:

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

Practice Fee rate setting

19. The CLC is proposing a 3% increase in Practice Fee rates. The increase is intended to offset inflationary operational cost increases.
20. The inflation rate rose to 3.4% in May 2025 and we anticipate that it will remain broadly in this range for the remainder of the year.
21. CLC operating costs, including staff costs has continued to increase at or above the inflation rate.
22. The CLC has also in recent years been running deficit budgets to minimise fee rate increases passed on to practices. The deficits have been funded by utilising reserves which had grown to be larger than strictly necessary. This has resulted in a reduction in reserve levels to their minimum acceptable level and these levels now need to be maintained.
23. The CLC is also being required to undertake more regulatory activity such as
 - enhanced AML supervision,
 - ongoing enhanced monitoring of a small number of recalcitrant practices, which can increase costs significantly,
 - managing complex and contested disciplinary cases
 - the requirement to meet an additional regulatory objective, and
 - responding to more prescriptive regulatory requirements from the LSB and other stakeholders.

This has necessitated the recruitment of additional staff in 2024 and 2025.

24. The impact of the proposed 3% increase in fee rates is illustrated in the table below.

Practice Turnover	2024 fee	2025 fee (3% increase)	Annual cost increase	Additional monthly payment
100,000	695	716	21	2
250,000	1,693	1744	51	4
500,000	3,280	3,378	98	8
1,000,000	6,215	6,404	189	16
2,000,000	11,995	12,354	359	30
4,000,000	23,375	24,094	719	60
8,000,000	43,775	45,094	1,319	109
10,000,000	53,895	55,514	1,619	135
15,000,000	79,195	81,564	2,369	197

25. The Practice Fee cost to each practice is currently 0.56% of turnover (56p per £100 of turnover). Consequent to this proposed increase to the Practice Fee the cost will increase to 0.58% of turnover (58p per £100 of turnover).

26. The income and expenditure forecast for 2025 and estimate for 2026 is summarised in the table below.

PRACTICE FUND Budget, Forecast & Estimate	Budget 2025	Forecast 2025	Variance to budget		Forecast 2025	Estimate 2026	Variance to forecast
Practice Fees	1,954,731	1,963,087	8,356		1,963,087	2,294,139	331,051
Individual Licence Fee	805,660	801,029	(4,632)		801,029	837,468	36,439
Other income	107,840	116,655	8,815		116,655	114,343	(2,312)
Total Income	2,868,231	2,880,771	12,539		2,880,771	3,245,950	365,179
Staff costs	2,206,768	2,157,237	49,532		2,157,237	2,497,373	(340,137)
Staff cost recharge	(212,594)	(208,953)	(3,640)		(208,953)	(218,503)	9,550
Professional Fees	170,889	237,453	(66,565)		237,453	179,195	58,258
Professional Fee recoveries	-	(180,000)	180,000		(180,000)	-	(180,000)
Communications	159,404	175,913	(16,509)		175,913	180,444	(4,531)
Licensing & Monitoring	94,108	82,832	11,276		82,832	102,512	(19,680)
Office costs	276,268	296,492	(20,224)		296,492	319,263	(22,771)
Research, consulting & subscriptions	96,663	93,815	2,848		93,815	86,836	6,979
Stakeholder recharges	74,130	73,148	982		73,148	77,749	(4,601)
Total Expenditure	2,865,637	2,727,936	137,700		2,727,936	3,224,868	(496,932)
Operating Surplus	2,595	152,834	150,240		152,834	21,081	(131,753)

Notes on forecast and estimate projections:

- The surplus on the forecast for 2025 is expected to be significantly better than budgeted due to the recovery of disciplinary costs incurred in current and prior years. This is however partially offset by higher costs linked to disciplinary matters (legal fees and adjudication panel costs). We expect to see a reduction in disciplinary related costs in 2026, however this is dependent on the number and complexity of cases that arise.
- Staff costs are expected to be below budget in 2025 due to the timing of recruitment, however the impact of this recruitment will result in increased staff costs during 2026. The 2026 staff costs include a provision for a 3% cost of living

increase as well as recruitment costs for multiple Council members that will need to be recruited as existing member terms are ending.

- Licensing and monitoring costs are expected to increase in 2026 as we have planned for more outsourced inspections and travel costs.
- Office costs are expected to increase in 2026 due to increased IT spend, building costs and room bookings for face-to-face adjudication panel hearings and roadshows.
- Office for Legal Complaints (OLC) charges are not included in the operating costs as the CLC has no control over these costs and they are recovered through a separate charge.

27. The summarised results vs the budget of the prior financial year are summarised below.

PRACTICE FUND 2024 Actual results vs the 2024 budget	2024 Budget	2024 Actual	Variance	Variance %
Practice Fee	1,745,465	1,773,133	27,668	2%
Individual License Fee	755,646	766,842	11,197	1%
Other income	93,468	108,893	15,425	14%
TOTAL INCOME	2,594,579	2,648,868	54,289	2%
Staff costs	1,702,206	1,688,701	13,505	1%
Communications	147,700	166,448	(18,748)	(11%)
Professional Fees	224,306	351,691	(127,385)	(36%)
Recharges	66,376	69,594	(3,218)	(5%)
Office costs	180,151	167,188	12,963	8%
Consulting & subs	51,238	102,678	(51,440)	(50%)
Other operating costs	212,498	183,139	29,359	16%
TOTAL EXPENDITURE	2,584,475	2,729,440	(144,964)	(5%)
OLC Levy received	1,213,568	1,193,283	(20,285)	(2%)
OLC Levy Paid	(1,213,568)	(1,193,283)	20,285	2%
OPERATING PROFIT/LOSS	10,104	(80,571)	(90,675)	113%

28. The practice fee income variance mostly due to the increase in fee rates from November 2024. Professional fees were higher than budget due to a contentious case which was concluded in 2025 and resulted in a £175,000 recovery of costs. Consulting cost are higher than budget due to an unbudgeted consultancy agreement to assist with developing new government relationships.

Consultation Question:

- 2) Do you agree with the CLC proposal to increase the **Practice Fee rates** by 3% to offset for the impact of inflation (see rates table annex 2)?

Compensation Fund Contributions

29. The purpose of the compensation Fund is to protect consumers from losses suffered as a result of negligence, failure to account or dishonesty of practices regulated by the CLC.
30. When required the Fund intervenes into practices to protect client interests. As a result of the intervention the CLC incurs costs to finalise uncompleted conveyancing matters, storage of files and compensation to consumers where direct losses are suffered.
31. The CLC also incurs costs relating to the administration, management and protection of the Fund.
32. In the last 2 years the CLC has intervened into 6 practices, 3 of which have resulted in significant expense and employee time and costs that are met by the Fund.
33. The CLC has also received multiple claims relating to investment properties which are currently in the process of being assessed.
34. The impact of the activities outlined above is that the Fund has been running a deficit which has been funded by reserves. Although we anticipate that the current intervention work and costs will reduce in 2026. We cannot however project the timing and cost of future interventions or compensation Fund awards. Because of this we need to take steps to replenish reserve levels.
35. Because of the reasons outlined in the above paragraph, the CLC is proposing to increase the Compensation Fund contribution rates by 6%.

36. The impact of this increase in the contribution rates will have the following cost impact on practices:

Practice Turnover	2024 contribution	2025 contribution (6% increase)	Annual cost increase	Additional monthly payment
100,000	500	530	30	2.50
250,000	748	793	45	3.75
500,000	1,143	1,210	68	5.66
1,000,000	1,753	1,855	103	8.58
2,000,000	2,933	3,105	183	15.25
4,000,000	5,173	5,485	323	26.92
8,000,000	8,333	8,833	515	42.92
10,000,000	9,893	10,501	608	50.67
15,000,000	13,793	14,636	843	70.25

37. The Compensation Fund financial forecast and estimate for 2025 and 2026 are set out in the table below.

COMPENSATION FUND Forecast & Estimate	Budget 2025	Forecast 2025	Variance to Budget		Forecast 2025	Estimate 2026	Variance to Forecast
Aged Balance Income	-	69,141	69,141		69,141	-	(69,141)
Interest received	195,104	162,148	(32,956)		162,148	145,933	(16,215)
Practice Fee	469,411	458,470	(10,940)		458,470	546,069	87,599
Total Income	664,515	689,759	25,244		689,759	692,002	2,243
Compensation Grants	-	41,274	(41,274)		41,274	-	41,274
Legal Fees	250,000	164,654	85,346		164,654	120,000	44,654
Staff cost recharge	151,069	208,953	(57,885)		208,953	218,503	(9,550)
Intervention agent cost	225,000	443,319	(218,319)		443,319	200,000	243,319
Storage cost	58,974	71,420	(12,446)		71,420	72,923	(1,503)
Direct Intervention costs	31,448	107,261	(75,813)		107,261	30,000	77,261
Other costs	32,917	32,233	684		32,233	35,127	(2,894)
Total Expenditure	749,407	1,069,114	(319,707)		1,069,114	666,553	392,561
Deficit	(84,892)	(379,355)	(294,463)		(379,355)	15,449	394,804

38. We expect the Fund to record a deficit in 2025 that is larger than budgeted as a result of the increased cost of work arising from interventions. It is difficult to estimate the extent of the work required and cost of remediation following an intervention. The compensation grants are generally linked to intervention activity. We do not budget for Compensation Grants due to the difficulty in estimating the value and timing of grants.
39. The estimate for 2026 includes fund administration cost as well as the ongoing cost of past interventions. We anticipate that the ongoing work from recent interventions will tail off significantly during 2026. The estimates for 2026 ongoing intervention work include a high degree of uncertainty. We do not include estimates for potential future interventions due the difficulty in estimating the timing and cost of new interventions.
40. The CLC is currently assessing claims for compensation relating to investment property related losses. We have received 406 claims associated to work performed by 6 practices. These claims are being held in a special category and are being assessed by property development. There is a potential that payment of these claims could result in a significant utilisation of reserves held.

Because the continued and significant deficits incurred over the last 2 years, the reserves of the Fund have reduced. In addition, there is a risk that Compensation Fund grant applications currently being assessed could result in material successful grants and subsequent reduction in reserves.

41. To supplement the reserves, we are proposing that the Compensation Fund contribution rates are increased by 6%. This will help with the accumulation of surplus funds and over time, the increase in reserves.
42. The results vs the budget for the prior financial year are summarised below.

2024 Budget vs 2024 Actual	2024 Budget	2024 Actual	Variance £	Variance %
Aged Balance Receipts	-	145,006	145,006	-
Interest Received	144,509	216,783	72,274	50%
Practice Contributions	442,324	443,192	868	0%
Total Income	586,833	804,981	218,148	37%
Compensation Grants	-	144,531	(144,531)	-
Intervention Support (3rd Party)	225,000	582,874	(357,874)	(159%)
Intervention Cost (Internal)	34,568	88,149	(53,581)	(155%)
Staff Cost Recharge	151,069	161,490	(10,421)	(7%)
Legal Fees	250,000	180,065	69,935	28%
Storage Costs	61,314	74,178	(12,864)	(21%)
Other Costs	27,457	41,189	(13,732)	(50%)
Total Expenditure	749,407	1,272,474	(523,067)	(70%)
Net (Deficit)	(162,574)	(467,494)	(304,919)	(188%)

43. Income for 2024 was higher than budgeted due to the receipt of age balances and interest received on reserves. Due to several significant interventions during the period operating costs were significantly higher than budgeted. Compensation Fund grants include grants paid and provided for. Aged balance receipts and Compensation Fund grant payments are not budgeted for due to the uncertainty of values and timing. Our budget only includes estimates for ongoing intervention. We do not budget for new interventions due to uncertainty around timing and cost.

Consultation Question:

- 3) Do you agree that the **Compensation Fund Contribution rates** should be increased by 6% (see rates table annex 2)?

OLC Levy

44. **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.
45. In 2022 the CLC implemented an OLC levy which recharged the Legal Ombudsman costs allocated to the CLC to practices regulated by the CLC based on availability and usage of the service. At the time, it was envisaged that the percentage allocation between availability and usage may change year on year. The initial allocation between usage and availability was 70% - 30%. In 2024 the allocation of cost between usage and availability was amended to 50% - 50% due to increasing case numbers.
46. The CLC implemented this levy to:
- Increase the transparency of the Legal Ombudsman 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.
47. 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.

48. It appears that the number of cases generated by CLC regulated practices has stabilised and may be reducing. However, due to insufficient data from the Legal Ombudsman we are unable to analyse further at this time.
49. Due to the significant amendment to the allocation rates made in the prior year and the lack of data to guide further change, the CLC is proposing that the cost allocation rates for 2025-26 remain unchanged at 50% of the cost being allocated to the availability of the service and 50% allocated to usage.

Consultation Question:

- 4) Do you agree with the CLC proposal to not make changes to the **OLC levy** cost 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

50. Individual licence holders are required renew their licence annually and pay a Practising Certificate Fee.
51. The current individual licensing fees are set out in the table below.

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

52. Approximately 30% of individuals pay their own licence fee (as opposed to their employer). We suspect that these individuals work for smaller practices and may thus also be paid less. Any increase in these fees would directly and negatively impact these individuals.
53. These fees have remained unchanged for more than 10 years and the current fee rates are broadly in alignment with other regulators fees for individuals.
54. 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.

55. 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 practising certificate cost** remains unchanged?

Other Fees

56. Individuals and practices applying for a new licence, authorisation or amendment pay an administration charge to cover the cost of processing the application.

57. These administration charges were last reviewed and amended in 2023.

58. The time taken to process these applications has not changed, however the cost of processing has increased due to salary inflation and increases to the cost of IT services such as DocuSign.

59. The CLC is proposing that the administration charges are increased to account for inflationary cost increases.

60. Each charge has been increased by 3% which is below the May 2025 CPI rate of 3.4% and then rounded up to the nearest whole number. In some cases the rounding up has increased the percentage increase to 4%.

61. The table below lists current administration charge rates, the increase proposed and the new fee rates to be levied on applicants.

Licence or Application Type		Current Fee	Increase	New Fee	% Increase
INDIVIDUAL APPLICATION FEES					
1	Application fee - Individual licence application	£150	£ 5	£155	3%
2	Application Fee – Head of Legal Practice (HoLP)	£240	£ 8	£248	3%
3	Application Fee – Head of Finance and Administration (HoFA)	£240	£ 8	£248	3%
4	Application Fee – Registered Manager	£180	£ 5	£185	3%
5	Reinstatement of lapsed CLC licence	£150	£ 5	£155	3%
6	Reapplication for a CLC Licence after a period of suspension or disqualification	£240	£ 8	£248	3%

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	£ 3	£83/ph	4%
PRACTICE APPLICATION FEES					
8	New practice application – (Alternative Business Structure)	£1,200	£40	£1,240	3%
9	New practice application – (Recognised body)	£1,200	£40	£1,240	3%
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	£3	£83/ph	4%
11	New Corporate Investors/Owners notification (to be paid by the incoming party)	£540	£20	£560	4%
12	Change of ownership - existing non corporate owners (to be paid by the CLC Practice)	£280	£8	£288	3%
13	Change of ownership - new non corporate owners (to be paid by the CLC Practice)	£280	£8	£288	3%
14	Addition of a legal service to the licence	£160	£5	£165	3%
15	Notification of new branch office	£50	£2	£52	4%
OTHER ADMINISTRATION FEES					
16	Issue of a duplicate licence	£25	£1	26	4%
17	Amendment to a licence	£75	£3	78	4%

Consultation Question:

6) Do you agree that a 3% inflationary increase should be applied to the **licensing administration** charges?

Equality Impact Assessment (EIA)

62. The CLC is proposing to increase the Practice Fee rates, Compensation Fund Contributions and Application administration charges. No changes are being proposed to the OLC Levy or Individual Licence fees.
63. Our Initial assessment is that there is financial impact for all practices but no impact on existing licensed individuals. Individuals applying for a first licence or returning to the profession will be impacted by the higher licensing and administration charges, but this will not be disproportionate.

64. 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 predominantly 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 is both reasonable and fair.

Consultation Question:

- 7) Do you agree with the CLC's initial EIA assessment or the actual or potential impact of the proposed amendments?
If not, please explain why?
- 8) Do you anticipate that the proposed increase and variation to the OLC levy will or may result in any 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?
- 9) Do you consider that the proposed increases will or may have an 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?
- 10) Do you have any other comments or feedback regarding equality considerations in the context of the proposed fees or the OLC levy?"

Annex 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] 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.
- (i) Promoting the prevention and detection of economic crime.

Annex 2

Fee Rate tables

PRACTICE FUND

PRACTICE FUND (2025-26) - PROPOSED			
Turnover Banding	Practice Fee payable		
£0 – £100,000	£716		
£100,001 – £250,000	£716 plus	0.685%	of turnover in excess of £100,000
£250,001 – £500,000	£1,744 plus	0.654%	of turnover in excess of £250,000
£500,001 – £1,000,000	£3,379 plus	0.605%	of turnover in excess of £500,000
£1,000,001 – £2,000,000	£6,404 plus	0.595%	of turnover in excess of £1,000,000
£2,000,001 – £4,000,000	£12,354 plus	0.587%	of turnover in excess of £2,000,000
£4,000,001 – £8,000,000	£24,094 plus	0.525%	of turnover in excess of £4,000,000
£8,000,001 – £16,000,000	£45,094 plus	0.521%	of turnover in excess of £8,000,000
£16,000,001 and over	£86,774 plus	0.516%	of turnover in excess of £16,000,000

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

COMPENSATION FUND

COMPENSATION FUND (2025-26) - PROPOSED			
Turnover Banding	Compensation Contribution Payable		
£0 – £100,000	£530		
£100,001 – £250,000	£530 plus	0.175%	of turnover in excess of £100,000
£250,001 – £500,000	£793 plus	0.167%	of turnover in excess of £250,000
£500,001 – £1,000,000	£1,210 plus	0.129%	of turnover in excess of £500,000
£1,000,001 – £2,000,000	£1,855 plus	0.126%	of turnover in excess of £1,000,000
£2,000,001 – £4,000,000	£3,115 plus	0.119%	of turnover in excess of £2,000,000
£4,000,001 – £8,000,000	£5,495 plus	0.084%	of turnover in excess of £4,000,000
£8,000,001 – £16,000,000	£8,847 plus	0.083%	of turnover in excess of £8,000,000
£16,000,001 and over	£15,463 plus	0.082%	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