

## Practice Fee & Compensation Fund Contributions for the 12 months starting 1 November 2023

<b>Purpose:</b>	<b>Approval</b>
<b>Author:</b>	<b>Director of Finance and Operations</b>
<b>Approver:</b>	<b>Chief Executive</b>

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### Summary

The CLC consults annually and seeks approval from the LSB for the Practice Fee, Compensation Fund contribution and application Fees charged.

A fee rate proposal has been prepared based on the most recently notified practice turnovers, the forecast expenditure for the remainder of the 2023 financial and estimate for the 2024 financial year.

The proposed fee rates are based on the operating costs requirements and the need to either maintain or increase reserve levels.

### Recommendations

Council is asked to approve:

1. Approve that the fee bandings remain unchanged
2. Approve the Practice Fee rate proposed for 2023-24
3. Approve the Compensation Fund contribution rate for 2023-24
4. Approve the OLC Levy allocation for 2023-24
5. Approve the other licence and administration fee rates

### Risk management

Insufficient revenue would reduce reserve levels and require unplanned expenditure cuts which could hamper our ability to deliver effective regulation.

### Financial impact

Any changes (or lack thereof) to the fee rates can have an impact on the financial viability of the CLC. The CLC needs to take a prudent approach to fee setting to ensure that any decisions taken now do not have any unintended consequences due to future economic instability.

## **Regulatory Objectives**

The following regulatory objectives are served by the decisions requested in the paper:

- RO1 - protect and promote the public interest
- RO3 - improve access to justice
- RO4 - protect and promote the interests of consumers
- RO5 - promote competition in the provision of legal services
- RO6 - encourage an independent, strong, diverse and effective legal profession
- RO7 - increase public understanding of the citizen's legal rights and duties
- RO8 - promote and maintain adherence to the professional principles

## **Diversity and inclusion impact**

In putting this proposal forward we understand that in line with the normal fee setting process the calculation of the fee will be done on a historic basis which may not be aligned to current practice revenue. There is no reason to believe that this will impact regulated individuals with protected characteristics differently than others.

## **Communications requirements**

The regulated community will be consulted on the proposed fee rates before an application is made to the LSB. The fee rates and charges will be communicated to all practices at license renewal.

## **Publication**

This paper is not for publication as the proposals agreed by the Council will be published in a consultation and the CLC's submission to the LSB for approval.