



## CLC Fee Consultation

October 2023

### Consultation Responses and CLC Commentary

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#### Introduction:

The CLC Fee Consultation for the period 1 November 2023 to 30 October 2024 was launched on 5 August and ran for 6 Weeks.

The proposals made in the consultation document were:

- a) That the **Individual Licence fee** will remain unchanged at £400 for a conveyancing or probate licence and £475 for a dual licence.
- b) That the **OLC Levy to practices** will remain unchanged in that 70% of the cost will be allocated proportionally to all practices and 30% of the cost will be allocated to practices based on case numbers.
- c) That the turnover **bandings** will remain unchanged
- d) That the **Practice Fee rates** will be increased by up to 10%.
- e) That the **Compensation Fund Contribution rates** will remain unchanged.
- f) That **Other administration charges** (applicable to the issue and amendment of licenses and permissions) will be amended, where necessary to reflect recovery of the costs of processing an application.

The consultation was promoted in newsletters to practices and managers and individually sent to key stakeholders. The survey included an option to respond by post, email or by completing an online survey. All respondents to the consultation used the online survey. In total we received 18 responses including a response from a representative body.

#### Summary of Responses

The online survey, which consisted of four questions, yielded the following results:

1. The majority of participants advocated for a 10% increase in Practice Fee rates.
2. There was a strong consensus among respondents to leave the Compensation Fund Contribution rates unchanged.

3. A significant proportion of respondents were in favour of maintaining the current OLC Levy allocation between the Availability Fee and Usage Fee.
4. The overwhelming majority of respondents were in support of not amending the Individual Licensing Fee.

### Detailed Responses and CLC Commentary

<b>Question 1: Do you agree with the CLC proposal to increase the current Practice Fee rates by up to 10%?</b>	
18 responses were received for this question. 10 respondents (56%) agreed with the proposal and 8 respondents disagreed (44%). Of the 18 respondents who participated in the survey, 7 provided further commentary.	
<b>Response Received</b>	<b>CLC Commentary</b>
Subject to consideration of those lawyers that are self employed	The CLC considers all regulated individuals when setting fees. We are conscious of the regulatory burden on individuals and practices and we work towards keeping the fees as low as is compatible with the delivery of the Regulatory Objectives.  Individual license fees have not been increased since 2010 to keep the barrier to entry low for individuals.
Yes, however, this should have been increased slightly over the last few years. Had your plan not been to “Successfully use your surplus” previously then you wouldn’t have to have a large increase this year when the property market is on the decline. This is the wrong thing to have done, this should have been increased each year when the market was good and companies were more likely to be able to afford an increase.	The CLC considered increasing fees earlier, however the impacts of the pandemic and early days of the economic crisis convinced us that we should support practices by keeping fees steady. We funded this through the utilisation of reserves. In hindsight we should have started increasing fees earlier.  The increase this year is driven by 2 factors. Firstly, practice turnovers have dropped by 4% and secondly, we are facing a high inflationary environment (specifically staffing costs) coupled with increased regulatory responsibilities.
The CLC, from the outside, appears to be an organisation of people who know nothing about Conveyancing, taking junkets and using money incompetently as judged by the majority of their forms being poor practitioners	The CLC has and continues to focus on managing and controlling expenditure. Current expenditure is still at 2015 levels which after inflation indicates a real reduction in cost of over £1m a year.  Travel is only authorised for the execution of our regulatory responsibilities and value for money is always considered.
I understand that costs are increasing and all practices will be struggling with the same issues. The cost of doing business continues to	We understand and agree, this is why we have resisted increasing the fee rates for many years. We have only done this now because of

increase with normal overheads, regulatory burdens and PI insurance.	inflationary pressures and increasing regulatory responsibilities. We always try to keep the burden on the regulated community as low as possible.
I think you need to be more vocal to protect qualified staff from non-qualified conveyancers. Buying a property is the biggest financial commitment most people make and to have nonqualified staff is dangerous and detracts from people who have studied and qualified.	There is currently a shortage of conveyancers and high demand for qualified individuals. We continue to promote the qualification to increase the supply of qualified conveyancers.
Times are hard and any increases in fees has an impact on the viability of the firm	We understand and agree, this is why we have resisted increasing the fee rates for many years. We have only done this now because of inflationary pressures and increasing regulatory responsibilities. We always try to keep the burden on the regulated community as low as possible.
with all other costs going up and PI cover it is hard to run a CLC business	We understand and agree, this is why we have resisted increasing the fee rates for many years. We have only done this now because of inflationary pressures and increasing regulatory responsibilities. We always try to keep the burden on the regulated community as low as is compatible with meeting the regulatory objectives.

<b>Question 2:</b> Do you agree that the Compensation Fund Contribution rates should remain unchanged from the current rates?	
18 responses were received for this question. 16 respondents (89%) agreed with the proposal and 2 respondents disagreed (11%). Of the 18 respondents who participated in the survey, 4 provided further commentary.	
<b>Response Received</b>	<b>CLC Commentary</b>
If legal fees and intervention costs are so high, should you not be considering covering this. How are you proposing to make up the deficit in variation to forecast.	The Compensation Fund budget is always set to operate with a small surplus. This surplus can usually accommodate intervention or claims costs during a normal year. When we have large claims or interventions, we rely on reserves to fund the cost and then, if necessary, rebuild the reserve levels over time. This enables us to keep the contribution level steady, prevents fee rate volatility and gives some certainty of cost to practitioners.
They should be higher and basically funded by the factories who are the bane of all Conveyancers live and require proper regulation	The purpose of the Compensation Fund is to protect the consumer. All consumers have recourse to the Fund when other avenues such as insurance are exhausted. The larger conveyancing firms contribute to the fund proportionally to their turnover.

	The CLC monitors all practices based on risk and always welcomes specific intelligence that can help direct and focus our monitoring approach.
I assume that any/all compensation payments for investment property related losses will be recovered from the firms involved, and not from the entire regulated community?	Should PI insurance not cover such claims, the claimant may make an application for a Compensation Fund grant which will be considered against the Funds rules.
Again the fees have an impact on the profitability of the firm	This is undoubtedly true, however we are not proposing any increase in the Compensation Fund Contribution rates. Additionally, the contribution rates were cut by 60% in 2019. We continue to monitor the financial needs of the Fund for the delivery of consumer redress within the terms of the scheme and will reduce contribution rates again should it be warranted.

<b>Question 3:</b> Do you agree with the CLC proposal to <b>not</b> amend the OLC Levy allocation between the <b>Availability Fee</b> (70% of cost allocated to all practices) and <b>Usage Fee</b> (30% of the cost allocated to practices with cases accepted by the OLC)?	
18 responses were received for this question. 15 respondents (83%) agreed with the proposal and 3 respondents disagreed (17%). Of the 18 respondents who participated in the survey, 3 provided further commentary.	
<b>Response Received</b>	<b>CLC Commentary</b>
However, if cases are opened by LEO and then closed without further investigation then surely these shouldn't be counted and no fee charged.	We are seeking clarification from the OLC.
Should be increased especially after the Simplify debacle showed how the lack of proper regulation can affect clients. They were never properly dealt with and are still an accident waiting to happen so they should probably contribute far more than proper professional firms	Large practices contribute proportionate to their turnover and pay a case fee based on the number of cases accepted for investigation by the OLC. By virtue of their size large practices naturally pay more.
firms should pay if they have complaints and cases but should not pay if they have a clean record	We intend over time to increase the usage element of the levy. This will direct more cost to those practices that have cases raised against them. It is however important that all practices pay for the availability of the service as it is an important consumer protection that gives confidence to users of legal services.

**Question 4:** Individual License holders are required renew their license annually and pay a Practicing Certificate Fee as follows: Individual Licence for Conveyancing **or** Probate is **£400**, Individual licence for Conveyancing **and** Probate is **£475**. The CLC is proposing that the Individual Licensing Fee remains **unchanged** for the next billing cycle. Do you agree that the Individual Practice Certificate cost remains **unchanged** from the current fee?

17 responses were received for this question. 15 respondents (88%) agreed with the proposal and 2 respondents disagreed (12%).  
Of the 18 respondents who participated in the survey, 3 provided further commentary.

Response Received	CLC Commentary
Please consider self employed	We have not increased the charge to individuals in the last 10 years as we want to keep the entry barrier as low as possible. Each year the Council assesses all the fee rates against the funding required. We opted not to increase the individual license fee rate this year as we were very conscious of the increased cost burden on individuals.
Increase it and use all cash received wisely to recruit more people who can assist in regulating firms. We know those that require 'special attention' how come you don't?	The CLC welcomes all intelligence that can be used to focus our monitoring and supervision activities. If you have specific information, we urge you to contact us either as a whistleblower ( <a href="mailto:privacy@clc-uk.org">privacy@clc-uk.org</a> ) or by emailing <a href="mailto:monitoring@clc-uk.org">monitoring@clc-uk.org</a>
Reduce the amount	In the current circumstances it is not financially viable for us to reduce the license fee. We do however assess the fee each year and always look to minimise the regulatory burden on individuals.