

## Ratification of Decision Taken Outside of Council meetings

**Purpose:** For approval

**Author:** Head of Executive Office

**Approver:** Chief Executive

---

### 1. Summary

- 1.1 The CLC consults annually and seeks approval from the Legal Services Board (LSB) for the Practising Fee, Compensation Fund contribution and application fees charged.
- 1.2 The Council considered the notified practice turnovers, forecast expenditure for the remainder of the 2024 financial year and estimate for the 2025 financial year at its workshop meeting on 25 June 2024.
- 1.3 After considering the strategy, stakeholder requirements and operational requirements of the organisation, the Council agreed to the basis on which to consult on its fee rate proposals.
- 1.4 The Council is requested to ratify the decision taken outside of a Council meeting to consult on the Practising Fee rates and Compensation Fund contributions.

### 2. Recommendations

The Chair will request the Council formally to ratify the following decision to consult on the following basis:

- (1) That the Practice Fee rate is increased by 9%
- (2) That the Compensation Fund contribution rate remains unchanged
- (3) That the Office for Legal Complaints (OLC) levy allocation for 2024-25 is changed from 70%/30% (availability/usage allocation) to 50%/50% (availability/usage allocation)
- (4) That individual licence fees remain unchanged
- (5) At all other charges and fees remain unchanged

### 3. 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

#### **4. Risk management**

- 4.1 Insufficient revenue would result in the CLC running a deficit budget which would lower reserve levels and potentially require expenditure cuts which could hamper our ability to deliver effective regulation.

#### **5. Financial impact**

- 5.1 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 there are sufficient resources available to execute its regulatory obligations.

#### **6. Diversity and inclusion impact**

- 6.1 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.
- 6.2 The Practising Certificate and Compensation Fund Fee Consultation document includes diversity and inclusion questions to help understand any impact on individuals with protected characteristics.

#### **7. Communications requirements**

- 7.1 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.

#### **8. Publication**

The fee rate consultation is published [here](#).