



**Council for Licensed Conveyancers  
Application to the Legal Services Board  
Under s.51 Legal Services Act 2007  
For Approval of  
Licence and Practice Fees Rates  
August 2014**

## Summary

- Subject to approval of the LSB, the CLC has determined that the CLC Fees Framework 2012 remains unchanged and that the regulatory fees payable for the year commencing 1 November 2014 remain at the same rates as for the year commencing 1 November 2013 as follows:
  - Licence Fees payable by licensed conveyancers remain at £400;
  - Base Rate Practice Fee payable by each CLC Practice remains at 1.4% of turnover applying the current tiers 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

- the other fees levied by the CLC remain unchanged (as set out at paragraph 20).

## Introduction

2. Following the consultation with the profession in February 2010 the CLC introduced the current practising fee structure for the profession which can be summarised 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. The CLC 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 requirements 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.
  
6. At its meeting in July 2014, based on the Forecast for the second six months of 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. A draft Budget for 2015 has since been produced which sets out the effect of maintaining the current rates.

## **Setting the CLC's Budget**

7. 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

8. 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

9. The CLC's annual budget is determined as follows:

- Consider resource needs to meet the strategic priorities and business plan objectives.

- Arrange meetings with directors to discuss their budget requirements.
  - Calculate staff, member, contractor, service and supplier requirements in detail.
  - Include known commitments e.g. payments to LSB.
  - Include known exceptional and ad hoc items.
  - Calculate fees, charges and other income necessary to meet expenditure requirements.
  - Forward draft budgets prepared by Finance in consultation with the CLC's Executive to the Senior Management Team for approval.
  - Forward draft budgets to Council members for challenge and subsequent sign off at the CLC's Council meeting.
  - A review is undertaken after six months and on other occasions depending on circumstances e.g. credit crunch, to ensure that budgets remain realistic.
  - A review of budgetary control arrangements completed by CLC's Internal Auditors in June 2014 reported that *'the Council could take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective'*.
  - External Auditors review and sign off the Annual Report and Accounts. Before signing off the Annual Report and Accounts, the External Auditors assess the quality and robustness of that year's budget against the actuals presented, ensuring reasonableness based on their opinion
  - It is a standing agenda item for Internal and External auditors to have confidential discussions with the Audit Committee with no staff present.
10. The draft budget for 2015 at Annex 1 (determined in accordance with the process set out at paragraph 9) balances the CLC's need to provide an effective system of regulation which protects and promotes the interests of consumers with the need for the CLC to move forward with those it regulates to take advantage of the opportunities and to meet the challenges of the new regulatory framework.

### **Reserves Arrangements**

11. In July 2010 the Council agreed to maintain reserves on Operations at the existing level of three months expenditure and in respect of the Compensation Fund at £2 million. The CLC is in the course of reviewing its Reserves Policy. There has been no change to the reserves in the Practice fund this year, we continue to hold a £300,000 contingency fund

representing six months operating expenses. Based on the Forecast for 2014 and the draft Budget for 2015 (detailed at paragraph 17), the actual and projected movement on reserves for CLC's Operations may be summarised as follows:

2012	2013	June 2014	Dec 2014	Dec 2015
Actual	Actual	Actual	Projected	Projected
£ million	£ million	£ million	£ million	£ million
2.03	2.25	2.12	2.08	2.14

12. Reserves for the Compensation Fund stood at £2.72 million in June 2014 and are budgeted at the end of 2015 to be £2.95 million, in excess of the minimum level of reserves which is currently set at £2 million (see paragraph 11). As explained at paragraph 11, it is anticipated that the CLC will shortly set an upper limit for reserves.

2012	2013	June 2014	Dec 2014	Dec 2015
Actual	Actual	Actual	Projected	Projected
£ million	£ million	£ million	£ million	£ million
3.20	3.00	2.72	2.96	3.04

### Setting the rates

13. Applying the charging structure agreed following the consultations in 2010 and in 2014 (as summarised at paragraphs 2-5 the CLC has determined that for the year commencing 1 November 2014 the charges should remain unchanged as follows:
- Licence Fees payable by licensed conveyancers remain at £400
  - Base Rate Practice Fee payable by each CLC Practice remains at 1.4% of turnover with Fees applying the current tiers (see paragraph 1 above)
  - Compensation Fund contribution payable by each CLC Practice remains at 0.4% of turnover applying the current tiers (see paragraph 1 above)
  - the other fees levied by the CLC remain unchanged (as set out at paragraph 20).
14. Examples of the Practice Fee and Compensation Fund contributions payable on CLC practices are set out at Annex 2.
15. In setting these rates the CLC has not consulted specifically with non-commercial bodies including local government on the basis that the changes in arrangements have a neutral effect on their regulatory costs. Further, the CLC does not regulate any non-commercial body which undertakes either conveyancing or probate services.
16. Annex 1 compares actual expenditure for 2013, the expenditure budget for 2014, forecast outturn for 2014 and the draft expenditure budget for 2015. The changes shown in percentage and monetary terms compare the forecast outturn for 2014 with the expenditure budget for 2015 with brief explanations of the greater variances.

17. The budgeted total funding requirement for 2015 is £2,526,500 (compared to £2,598,855 forecast outturn for 2014 and £2,041,315 for 2013). 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 £61,198.

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

18. The Compensation Fund is budgeted to make a surplus of £88,244.

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

19. The CLC's Reserves on the CLC's Compensation Fund, are budgeted to remain well above £2,000,000. As explained at paragraph 12 above, the CLC is satisfied that the level of reserves (after this reduction) is sufficient to meet the expectations of, and provide confidence to, clients, as well as the mortgage lenders.

20. The other Fees chargeable are as follows (these are unchanged from 2013-2014):

		<b>Fee</b>	<b>Paragraph</b>	<b>Regulatory Arrangements</b>
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

### **Permitted Purposes**

21. Since it has an exclusively regulatory function, none of the costs the CLC incurs fall outside permitted purposes as prescribed at rule 6 LSB Practising Fee Rules 2009. The CLC does not incur expenditure related to the following sub-paragraphs of rule 6:
- the provision of services free of charge (sub-paragraph (d));
  - the promotion of the protection by law of human rights and fundamental freedoms (sub-paragraph (e)); or
  - the promotion of relations between the Approved Regulator and relevant national or international bodies, governments or the legal professions of other jurisdictions (sub-paragraph (f)).
22. The CLC participates to a limited extent in law reform and legislative process (sub-paragraph (c)), but more as part and parcel of developing its regulatory framework and does not have a budget dedicated to that activity. The CLC understands the importance of increasing public understanding of the citizen's legal rights and duties (sub-paragraph (g)). As set out in the summary of the Business Plan (paragraph 8), the CLC will be engaging more closely with the users of legal services to get a better understanding of their experiences and expectations.
23. The CLC is required to pay the levy towards the costs of the Legal Services Board and the Office for Legal Complaints (sub-paragraph (b)).
24. Aside from the contributions it makes to the levy (paragraph 23) the entirety of the costs incurred by the CLC relate directly to:
- (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;

### **Contingency Arrangements**

- 25. Paragraph 1 CLC Compensation Fund Operating Framework expressly reserves to the CLC the right to make a specific levy. It is envisaged that this will only be required when it is anticipated there is likely to be a substantial payment(s) out of the Compensation Fund. The last time the CLC directed the payment of such a levy in addition to the annual contribution was in the mid 1990s. For this purpose, the CLC reserves the right to transfer the balance (assuming sufficient funds were to be available) out of the Practice Fees or Licence Fees collected in the first instance before approaching the profession to recoup those monies at an appropriate stage. This approach reduces the costs associated with the collection of a special levy outside the normal cycle for collection of regulatory fees.

### **Applicability of the Regulatory Objectives**

- 26. The CLC considers that the income generated by these proposals and the way in which contributions are determined are sufficient to ensure that it is able to continue to act in a way which is compatible with the regulatory objectives. There are tensions between the different objectives. For example, protecting and promoting the public interest, protecting and promoting the interests of consumers and promoting and maintaining adherence to the professional principles imply a greater need for resources. Improving access to justice and promoting competition in the provision of legal services suggest a requirement to reduce the cost of regulation (and therefore the financial overheads of individual practices) so that there are more practices offering legal services and the fees they charge can be reduced. The CLC has sought to take these factors into account in determining the fee structure which is the subject matter of this application.

### **Better Regulation Principles**

- 27. In setting the charges payable by the profession the CLC has taken full account of the better regulation principles, namely that the CLC's regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed:
  - They are transparent in that:
    - the way in which charges have been determined is consistent with the 2010, 2013 and 2014 Consultations to which all members of the profession had an opportunity to contribute; and
    - an explanation of the structure of charges and details of the budget which has determined the income required will be published to the profession.. A draft of the information to be published to the profession is at Annex 3

- In setting out the charging structure in this way the CLC has shown itself fully accountable to the profession it regulates, to consumers and to its other stakeholders.
- The way in which the charging structure has been determined is proportionate to (and targeted towards) the risks it perceives as being generated by different elements of the profession. The CLC continues to work to develop a charging structure linked to regulatory activity and risk. .

**Matters arising from LSB Decision Letter of 12 September 2013**

28. No issues arise from the LSB Decision Letter of 12 September 2013.

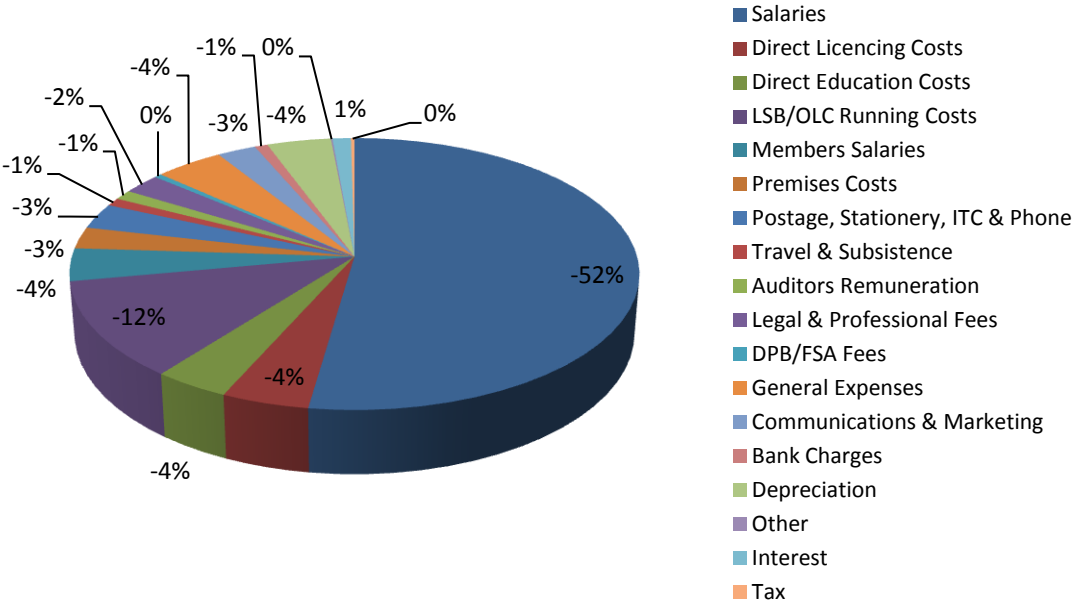


Annex 1

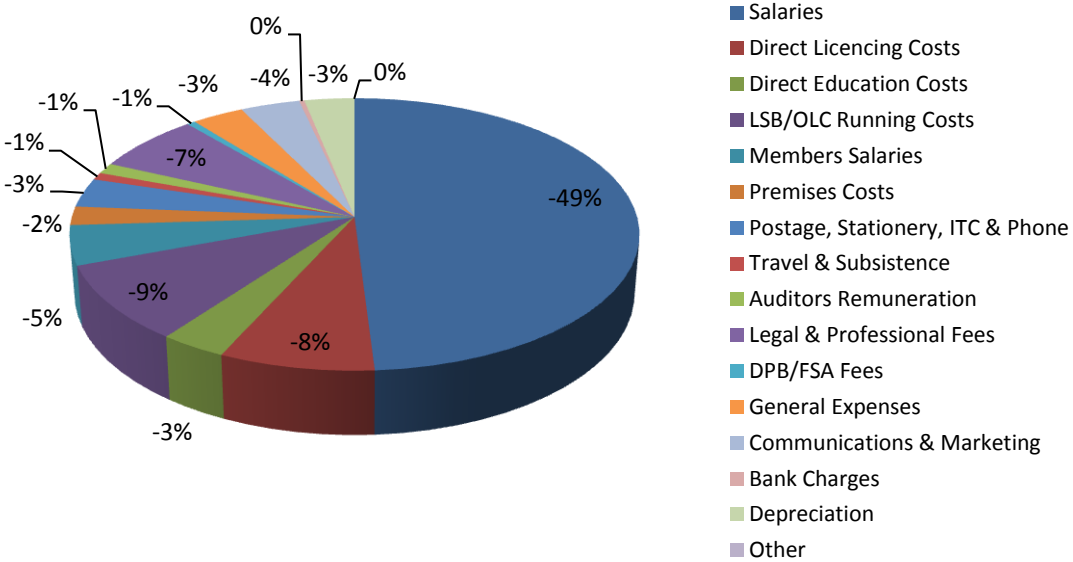
CLC Operational Expenditure

Council for Licensed Conveyancers	Actual	Budget	Forecast	Budget	Variance		Variance		Comments
	2013	2014	2014	2015	Budget 2014 with Budget 2015	Forecast 2014 with Budget 2015	%	Value	
<b>Expenditure</b>					%	Value	%	Value	
Salaries	(1,130,749)	(1,261,904)	(1,237,055)	(1,244,476)	98.62	17,428	100.6	(7,421)	
Direct Licencing Costs	(95,559)	(116,448)	(217,602)	(198,816)	170.73	(82,368)	91.4	18,786	Increase in costs associated to interventions
Direct Education Costs	(82,959)	(85,338)	(82,546)	(85,500)	100.19	(162)	103.6	(2,954)	
LSB/OLC Running Costs	(250,152)	(250,500)	(218,741)	(232,188)	92.69	18,312	106.1	(13,447)	
Members Salaries	(84,163)	(86,485)	(118,572)	(119,320)	137.97	(32,835)	100.6	(748)	Increase in costs reflect additional time spent by Council members
Premises Costs	(55,834)	(65,035)	(56,547)	(56,232)	86.46	8,803	99.4	315	
Postage, Stationery, ITC & Phone	(65,733)	(88,214)	(80,381)	(87,540)	99.24	674	108.9	(7,159)	
Travel & Subsistence	(20,562)	(26,917)	(22,416)	(21,792)	80.96	5,125	97.2	624	
Auditors Remuneration	(25,066)	(12,757)	(34,514)	(32,364)	253.70	(19,607)	93.8	2,150	In 2014 only external Auditors were in this cost. Internal auditors are now also included.
Legal & Professional Fees	(52,196)	(99,200)	(206,261)	(175,920)	177.34	(76,720)	85.3	30,341	All L&P costs are paid out of the Practice fund, rather than out of the Compensation Fund.
DPB/FSA Fees	(10,417)	(12,582)	(13,611)	(13,800)	109.68	(1,218)	101.4	(189)	
General Expenses	(95,585)	(101,058)	(85,342)	(84,636)	83.75	16,422	99.2	706	General Insurance costs expected to reduce
Communications & Marketing	(54,151)	(61,446)	(146,436)	(97,200)	158.19	(35,754)	66.4	49,236	Increase activity , including roadshows and webinars
Bank Charges	(17,911)	(17,877)	(8,223)	(8,400)	46.99	9,477	102.2	(177)	
Depreciation	(89,077)	(74,817)	(85,125)	(81,459)	108.88	(6,642)	95.7	3,666	
Other	(2,118)	0	1,550	0	-	-	0.0	(1,550)	
<b>Total Expenditure</b>	<b>(2,132,232)</b>	<b>(2,360,578)</b>	<b>(2,611,821)</b>	<b>(2,539,643)</b>	<b>107.59</b>	<b>(179,065)</b>	<b>97.2</b>	<b>72,178</b>	
Interest	25,484	29,297	16,207	16,370	55.88	(12,927)	101.0	163	
Tax	(4,940)	(5,470)	(3,241)	(3,227)	58.99	2,243	99.6	14	
<b>Expenditure Plus Interest &amp; Tax</b>	<b>(2,111,688)</b>	<b>(2,336,751)</b>	<b>(2,598,856)</b>	<b>(2,526,500)</b>	<b>108.12</b>	<b>(189,749)</b>	<b>97.2</b>	<b>72,356</b>	

### CLC Operational Expenditure - Actual 2013



### CLC Operational Expenditure - Budget 2015



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

	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

	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  
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:

<b>Turnover £</b>		<b>Banding</b>
<b>From</b>	<b>To</b>	
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.

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**

5. 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.
6. Examples of the effect the Practice Fee rates and Compensation Fund contributions will have on practices are set out at Annex **[numbered]**.
7. 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
8. 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
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- 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
9. 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.
10. 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 £11,690,932 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 £61,198.

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

11. 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 Policy.
12. The Compensation Fund is budgeted to make a surplus of £88,244.



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

13. 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 lenders.
14. The other Fees chargeable are as follows (these are unchanged from 2013-2014):

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