

Practising Certificate Fee (s51) application assessment

The Faculty Office

Part One: summary and recommendation

Summary

Total budget £420, 660; amount raised from PCF, £399,200 (95%)

Proposed fee for 2013 is £450, an increase of £50 from 2012 fee. Key drivers for the change:

- Reduced number of fee payers (reduction of 46)
- Investment in activities following the regulatory standards self assessment
 - Development of an inspection regime (£20,000 recurring cost)
 - Upgrade to the Faculty Office website (£9,000 one off cost)
- Contribution to the Contingency Fund maintained at £40

Recommendation

- That the application be approved
- That the approval letter comments favourably on the planned activities resulting from the regulatory standards self assessment
- That the approval letter comments on the need provided more forward looking estimates (into 2015) when making the application for the 2014 PCF approval

Part Two: Assessment of the application against LSB acceptance criteria

Pre-submission	
Were there any pre-submission discussions or a draft application; were any issues identified	No meeting or draft application
Were there any areas for improvement or specific issues in the last approval letter	<p><i>Last approval letter 27 July 2012</i></p> <ul style="list-style-type: none">• If proposing “two-tier” fee, should consider distinguishing between those notaries that only carry out notarial activities and those who also undertake reserved instrument and probate activities RESPONSE: decided to stay with a fixed fee at this time; have not found a practical alternative that is fair and acceptable; will be kept under review (page 3 of the letter)• Clarity on how LSB/OLC levy fees are presented in the budget so that we can assess against our own figures (issue arose because of the way that the levies are allocated across the budget and PCF years which have different dates) RESPONSE: The application notes that the LSB/OLC levies have remained broadly static over the last two years; the budget runs for 12 months commencing on 1

<ul style="list-style-type: none"> • Are the contingency fund arrangements clear 	<ul style="list-style-type: none"> • Objective remains to build a contingency fund (which is used to cover the costs of disciplinary cases) to £100k. 2 claims were made on 2012; need to maintain contribution at £40 to recover these costs and continue to build the fund.
<p><i>Consultation</i></p> <ul style="list-style-type: none"> • Has the proposed fee been consulted on – if so summarise • Was the consultation clear about the level of fee and how it will be collected • Has feedback been fully considered 	<p>As in previous years, consulted with the two representative Societies (the Society of Scrivener Notaries and the Notaries Society) who in turn consulted with their membership; it is reported that the profession understands and accepts the need for an inspection regime and welcomes the proposed upgrade to the website and have therefore accepted the need for an increase in fees.</p> <p>The approach of consulting with the representative societies has been accepted before and is consistent with the LSB response document following the consultation on the s51 rules (September 2009)</p>
<p><i>Clear and transparent</i></p> <ul style="list-style-type: none"> • Is the information provided to fee payers on the level of fee clear and transparent • When was/is this issued to fee payers 	<p>Once approval of the fee is granted an explanatory note explaining the changes will be published on the website and will be available on request. There will be reference to this explanatory note in the fee note issued to fee payers</p>
Permitted purposes	
Is there evidence that the PCF income is used solely for permitted purposes	Master of Faculties has solely regulatory functions; all income allocated to permitted purposes
Is any other income to be applied to permitted purposes	PCF income accounts for 95% of the total income. The balance of £21Kk comes from exam fees, exemption certificates and appointments. All income applied to permitted purposes
Regulatory functions	
Is there evidence of how much of the PCF income is applied to permitted purposes that are regulatory functions	Master of Faculties has solely regulatory functions; all income allocated to permitted purposes
Are any shared services clearly explained	No shared services
Regulatory and equality impact assessment (optional requirement)	
<ul style="list-style-type: none"> • Completed and included? • If not included, is there an explanation of the potential impact • Does the application contain commentary on the regulatory objective and the Better Regulation Principles 	<p>Application contains specific commentary that they do not see any impact on the diversity of the profession; in the absence of a variable fee, a single flat fee is considered the fairest system.</p> <p>While light on detail, this degree of detail is</p>

	consistent with that provided on previous applications; recommend that this is sufficient
Consultation with non-commercial bodies	
<ul style="list-style-type: none"> • Does the application include a description of the steps taken • Have the proposed fees been shared with such bodies • What was the response 	Not applicable; Faculty Office does not deal with non-commercial bodies
LSB Review	
Have we consulted with any other body on the application	No other consultation
Were any issues raised by LSB colleagues from the first review	We have noted that there is again, a misalignment between the year presented budgeted year (year to end of December 2013) and the PCF year which starts on 1 November 2013 (NB this was not specifically commented on in last year's approval letter). Propose that in the decision letter we make the point that in the next application we would prefer to see an estimate of costs for 2015 so that we can see how that has been used to determine 2014 fee

Dawn Reid
23 July 2013