

## Breakdown of The Law Society (TLS) & Solicitors Regulation Authority (SRA) budgets showing Practising Certificate Fee (PCF) Expenditure

### TLS & SRA - PCF & Levy - Year Ending (YE) 31/12/2012 (based on expenditure figures)

	Amount	%	Comments
SRA	33,500,000	34	Budget allocated to SRA is £53,400,000 excluding shared services (£19.9M).
TLS	13,400,000	14	Budget allocated to TLS is £21,900,000 excluding shared services (£8.5M).
Solicitors Disciplinary Tribunal (SDT)	2,200,000	2	Budget allocated to SDT.
Shared services - SRA	19,900,000	20	This includes the proportion of the SRA budget which is allocated to a shared services fund with TLS.
Shared services - TLS	8,500,000	9	This includes the proportion of the TLS budget which is allocated to a shared services fund with the SRA.
Levy - LSB Start up costs	1,262,028	1	This is the actual Legal Services Board (LSB) start up costs, third instalment.
Levy - LSB Running Costs (LSB RC)	3,787,256	4	This is the actual LSB running costs.
Levy - LeO Running Costs (LeO RC)	15,760,345	16	This is the actual Legal Ombudsman (LeO) running costs.
<b>Total PCF</b>	<b>98,309,629</b>	<b>100</b>	As we have replaced the forecasted Levy costs (£22,900,000) with the <b>actual</b> Levy costs (£20,809,629), the total PCF expenditure is <b>lower</b> than budgeted figure (£100.4M) submitted with the TLS's 2011/12 PCF application. <i>Note on income: Total PCF income predicted for 2011/12 was £100.4M which includes £94.8M from 2011/12 and £5.6M from 2010/11. TLS/SRA predicted no shortfall or surplus in the budget.</i>

### TLS & SRA - Shared Services (S.S) / Central Costs (C.C) - YE 31/12/2012 (based on expenditure figures)

Business	PCF income	PCF income + other income	%	Comments
PCF income (TLS)	8,900,000		30.9	This is a shared services fund for both the TLS and SRA.
PCF income (SRA)	19,900,000		69.1	
<b>Total PCF income</b>		<b>28,800,000</b>		
Other income		3,600,000		
<b>Total S.S/C.C.</b>	<b>28,800,000</b>	<b>32,400,000</b>	<b>100</b>	

#### Source of information

[http://www.legalservicesboard.org.uk/Projects/pdf/2011\\_07\\_15\\_s51\\_lsb\\_application\\_lsb\\_version\\_v1\\_7.pdf](http://www.legalservicesboard.org.uk/Projects/pdf/2011_07_15_s51_lsb_application_lsb_version_v1_7.pdf)

Page 6 - PCF figures & S.S / C.C.

Page 13 - Total S.S / C.C.

### LEVY: the set-up costs for the LSB (the third instalment) and the running costs for LSB & LeO

	Total Levy forecast (AR) 2011/12	LSB Levy forecast running costs 2011/12	LeO Levy forecast running costs 2011/12	LSB Levy actual running costs 2011/12	LeO Levy actual running costs 2011/12	LSB Start-up costs actual (3rd instalment) 2011/12
SRA/TLS	22,900,000	4,010,672	18,990,245	3,787,256	15,760,345	1,262,028

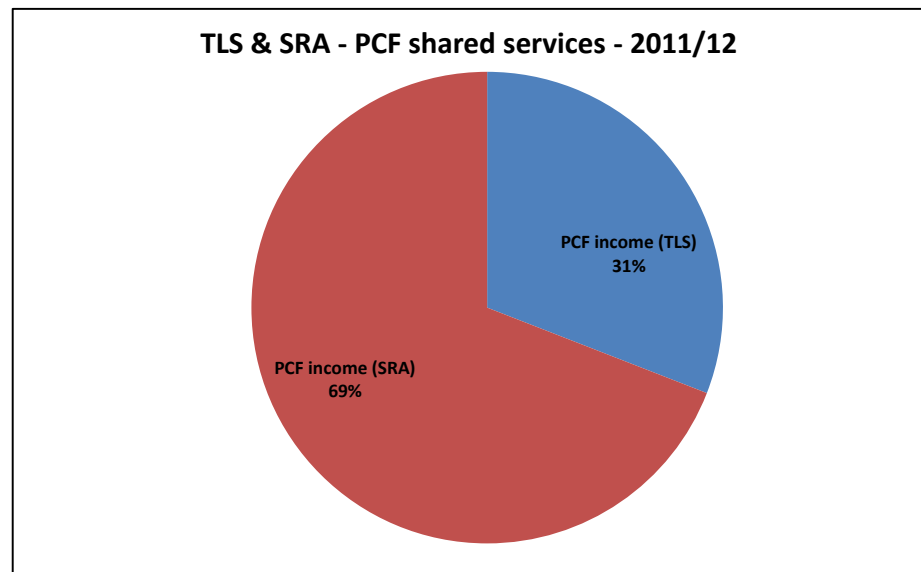
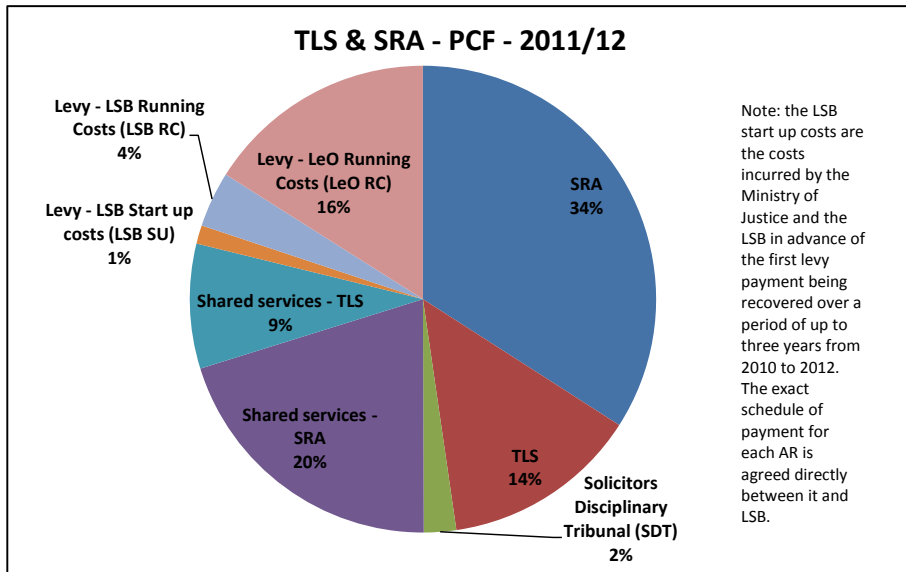
#### Source of information

Legal Services Board.

#### Additional notes:

- The set-up costs for the LSB were charged in three instalments to each approved regulator to be paid in March 2010, March 2011 and March 2012.
- Set-up costs for LeO were shared by the Bar Council, The Law Society & the Council of Licensed Conveyancers over two years and paid in March 2010 and March 2011.

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**PCF breakdown for 2011/12**

	Percentage of total PCF (see graph above for details)	Total PCF paid by each individual	Total PCF paid by all firms
	%	£	£
SRA	34	111.77	19,389,250
TLS	14	44.71	7,755,700
SDT	2	7.34	1,273,324
Shared services - SRA	20	66.39	11,517,793
Shared services - TLS	9	28.36	4,919,661
Levy - LSB Start up costs	1	4.21	730,441
Levy - LSB RC	4	12.64	2,192,002
Levy - LeO RC	16	52.58	9,121,829
<b>TOTAL</b>	<b>100</b>	<b>£328.00</b>	<b>£56,900,000</b>

**Additional notes:**

1. The total income collected through the PCF is split between the individual's fee at 40% of total PCF and, the firm's fee at 60% of the total PCF.
2. The PCF paid by each individual solicitor totalled £328 for 2011/12.
3. The total PCF income to be collected from all firms was £56.9M in 2011/12. Each firm is charged a fee based on their total turnover for a given year; the rate of the fee charged to each firm is based on different bandings of turnover.
4. Alternative Business Structure (ABS) firms will be charged at a turnover based fee which is calculated, with some adaption, on the same basis as traditional firms.
5. Contributions to the compensation fund are collected at the same time as the PCF and in 2011/12 was charged at £60 for an individual solicitor and £772 per firm.

**Source of information**

[http://www.legalservicesboard.org.uk/Projects/pdf/2011\\_07\\_15\\_s51\\_lsb\\_application\\_lsb\\_version\\_v1\\_7.pdf](http://www.legalservicesboard.org.uk/Projects/pdf/2011_07_15_s51_lsb_application_lsb_version_v1_7.pdf)