

## News release

# Fee levels and compensation fund contributions fall

19 August 2021

Individual practising fee levels for 2021/22 are to fall, the Legal Services Board (LSB) has agreed.

Proposed fees were set by our Board in July and the LSB has approved these recommendations. The individual fee will be £266, down £12 from last year. Firm fees are calculated based on turnover.

Practising fees are used to pay statutory levies to the LSB, the Legal Ombudsman, the Solicitors Disciplinary Tribunal and Office for Professional Body Anti-Money Laundering Supervision, and to fund representation by the Law Society, as well as our work.

Fees are set at a level necessary to meet this total funding requirement. Our funding requirement for 2021/22, is £56.8m. The funding requirement for all organisations is £104.3m, a £3.1m increase from £101.2m in 2020/21. However, the continued rise in the number of practising solicitors means that individual fees will be less than last year.

Compensation fund contributions for the next practising year are also set to fall, from £50 last year to £40 this year and for firms holding client money from £950 to £760.

The fund makes discretionary payments to those that have lost money in certain circumstances, when a solicitor misappropriates or fails to account for money when providing legal services. It is a key part of the regulatory framework and helps to maintain trust and confidence in regulated law firms.

**Paul Philip, SRA Chief Executive**, said: 'This has been the second year of what has been a difficult time for everyone. I am pleased to confirm a fall in both practising fees and compensation fund contributions at a time when we know that the long-term implications of the pandemic are uncertain for many businesses.'

Our agreed budget and funding will allow us to pursue the priorities laid down in our 2021/22 Business Plan and our three-year [Corporate Strategy](https://consultations.sra.org.uk/sra/corporate-strategy/) [https://consultations.sra.org.uk/sra/corporate-strategy/]. The consultation on the Business Plan included the budget and our element of practising fee. More than 8,000 people and 50 organisations responded to the consultation.

Practising Fees and compensation fund contributions are collected in October as part of the annual renewals process.

This table shows the most recent individual PC fees and compensation fund contributions for individuals and firms.

<b>Practising year</b>	<b>Individual PC fee</b>	<b>Compensation Fund, individual contribution</b>	<b>Compensation Fund, firm contribution</b>
2015/16	£320	£32	£548
2016/17	£290	£32	£548
2017/18	£278	£40	£778
2018/19	£278	£90	£1,680
2019/20	£278	£60	£1,150
2020/21	£278	£50	£950
2021/22	£266	£40	£760