

News release

Proposed fee levels to remain the same and Compensation Fund contributions drop

28 July 2020

Individual practising fee levels for 2020/21 should again remain at the same level, our Board has decided.

Proposed fees were set at the SRA Board meeting last week and have been submitted to the Legal Services Board (LSB) for final approval. The decision on an individual fee of £278 – the fourth year running fees will be set at that level – is expected in mid-August. Firm fees are calculated on a case-by-case basis.

Practising fees are used to fund our work, and 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.

Fees are set at a level necessary to meet this total funding requirement. For 2020/21, the net funding requirement is £101.2m, which is a 1.3 per cent decrease from £102.5m in 2019/20.

SRA Compensation Fund contributions for the next practising year are set to fall, from £60 last year to £50 this year and for firms holding client money from £1,150 to £950.

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.

The previous rises in contributions reflected forecasts of potentially significant increases in claims on the fund, in particular from solicitor involvement in dubious investment schemes. Fewer than expected claims in recent years have allowed contribution levels to come down.

Paul Philip, SRA Chief Executive, said: "This year has been an uncertain time for everyone and of course it will be some time before the impacts of the pandemic are fully understood.

"That makes our continuing work to control costs all the more important, while still being aware of need to invest in long-term improvements to deliver benefits direct to the profession. Maintaining practising certificate fees at the same level for the fourth year running, while reducing Compensation Fund contributions, can only help the sector.

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

Read our draft Business Plan, which is still out for [consultation](https://beta.sra.org.uk/sra/consultations/consultation-listing/business-plan-2020-21/?s=o) [<https://beta.sra.org.uk/sra/consultations/consultation-listing/business-plan-2020-21/?s=o>].