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**PROFESSIONAL  
STANDARDS  
DEPARTMENT**

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# **2025 PROBATE FEES AND RESERVED LEGAL SERVICES PLAN CONSULTATION**

**DEADLINE 27 AUGUST 2024**

## CONTENTS

Summary .....	2
Reserved Legal Services Business plan and recent activities.....	2
2024 budget analysis.....	3
2025 budget .....	5
Proposed 2025 fee scales .....	7
Authorised firms: probate fees .....	7
Authorised firms: levy (no change).....	7
Licensed firms: probate fees .....	7
Licensed firms: levy (no change) .....	7
How we set probate registration fees.....	9
Annual governance process to finalise probate fees .....	9
Annual firm levy .....	10
Reserves .....	10
Equality, diversity and inclusion .....	10
Consultation questions .....	11
How to respond .....	11
Timeline.....	11

## SUMMARY

Recognising inflationary pressures and to continue to deliver our ongoing programme of activity to fulfil these objectives and those of the Legal Services Act, we propose no change to 2025 probate registration fees for firms with 5 or fewer principals, and a 3% increase for all other firms.

Please review the information below including the budget, our medium-term business plan and the 2025 fee scale which sets out the impact of the change, and respond to our proposed fee levels for 2025.

This consultation will run for 6 weeks from 16 July to 27 August 2024.

As an approved regulator and licensing authority for probate services, our activities are guided by and support the Legal Services Board's strategic themes: fairer outcomes, stronger confidence and better services.

## RESERVED LEGAL SERVICES BUSINESS PLAN AND RECENT ACTIVITIES

Building on the strong results and firm foundation of our work in previous years, our probate activities in 2024 have been busy and focused on the following key areas which the fees, and the 2024 increase, have also helped facilitate:

- Ensuring that the Professional Standards Department is best set up to deliver legal services regulation
- Ensuring regulated firms deliver a good service
- Investigation of complaints
- Improvements in firms' transparency
- Development of policy
- Support in terms of both resource and financial contribution in relation to Legal Choices website development and future plans
- Maintenance of the compensation scheme arrangements
- A new, more easy to understand disciplinary framework which will provide greater efficiency by improving the speed of investigations and disciplinary proceedings
- Issuing and responding to consultations, for example a review of professional indemnity insurance arrangements
- Keeping our firms and wider community informed via [Probate News](#), [Regulatory and Conduct News](#) and our [dedicated LinkedIn channel](#)
- 'Future of reserved legal services regulation' research
- Consumer research project planning

Our 2024-2026 Reserved Legal Services Plan describes our strategic and operational approach – what ICAEW does in relation to the regulation of reserved legal services – and how this aligns with the best interest of the consumer, our values, work with the LSB and our statutory duties.

[Download and review our 2024-2026 plan](#)

## 2024 FINANCIAL PERFORMANCE AND ACTIVITIES

£ cost of operations analysis	2024 Forecast		2024 Budget	
Staff	(486,341)		(428,599)	
Committee	(21,000)		(21,333)	
Comp scheme insurance / tfr	(47,000)		(68,000)	
Projects, research and change	(49,000)		(61,000)	
Design and surveys	(4,688)		(2,808)	
Quality assurance review travel	(750)		(2,000)	
LSB, Office for Legal Complaints, Legal Choices	(39,000)	(647,779)	(39,000)	(622,740)
	Activity		Activity	
Regulatory, policy and engagement	35%	(226,723)	33%	(205,504)
Registration and supervision	25%	(161,945)	24%	(149,458)
Discipline and conduct	4%	(25,911)	4%	(24,910)
Governance and scheme top up	15%	(97,167)	20%	(124,548)
Education, research and projects	21%	(136,034)	19%	(118,321)

Over 90% of expenditure is considered core/business as usual activities. Good progress is being made against challenging targets.

### **Regulatory policy and engagement, great progress.**

This includes for example, ICAEW's revised Continuing Professional Development Regulations launched in Autumn 2023.

We work with consumer groups and with our fellow regulators on research and continue our support of the Legal Choices website.

Extensive consultation and communication continues through the website, Regulatory & Conduct News, Probate News and our LinkedIn site.

### **Registration of firms, records change management and annual return and quality assurance supervision work, great progress.**

Such as, applications processed within target time, and data collection, compliance assurance and firm visits to target and cycle.

The annual probate monitoring report and R&C annual report provides more details.

### **Compliance and complaint conduct work achieved, for example, investigations and committee work to a high quality.**

#### **Governance and compensation scheme related work achieved.**

This includes strong financial management and the 2024 change application to the LSB and meeting scheme cash reserve target.

### **Education and communication, very good progress to targets.**

Communications have been extensive, we consult widely, educational topics and guidance have achieved successful engagement.

LinkedIn followers pleasingly continue to increase.

## **Projects**

ICAEW has contributed to the Regulatory Information Service central register project and participated in research with some of the other legal service regulators.

Guidance for consumers on their rights and responsibilities in the event they are an executor/trustee or beneficiary of an estate.

ICAEW has funded a tool to enable firms to collect diversity data on all of their employees.

The diversity survey included responses from c10,000 members of staff. Consumer feedback functionality added to the website.

ICAEW has completed its own development and updates to systems including the decommissioning of the old core system, Pro, and adoption of Microsoft Dynamics 365.

Updates made to Professional Indemnity Insurance Regulations, information sharing and Annual Returns questions.

This year we've also worked in partnership with the Milton Keynes Citizens Advice team and our staff volunteer as trustees of such local charities.

## **Financial variances 2024 forecast to 2024 budget**

Greater staff requirement; including senior staff required to support policy and engagement matters in particular as related to LSB initiatives, liaison and change management. Wage inflation slightly higher than planned. Conduct matters remain low.

The compensation levy income is transferred to the scheme. Any operational surplus, in part as insurance of the scheme is not available, is planned to be transferred to the scheme cash balance. As operational costs, such as staffing, increase any such exceptional surplus is reduced.

A busy projects year in 2024 including as related to governance and the regulatory board, central registers, customer feedback, professional indemnity insurance and enhancements to continuing professional development and professional behaviours policies.

This year we're also very pleased to be working more closely with Citizens Advice, the local Community Foundation and the team at MK Pride.

## 2025 BUDGET

The budget is targeted to self-finance and make a small surplus of £14k to return, over time, the start-up costs of becoming a regulator and licensing authority. Costs have increased largely due to inflation and salary increases, plus costs in relation to policy and governance have increased due to Legal Services Board requests for further administrative processes, project work, consultations, and information returns.

<b>£ excluding comp scheme levy</b>	<b>2025 Budget</b>		
Registration fees (+0%, 3%)	614,442		94.8%
Regulatory penalties	33,825	648,267	5.2%
Staff	(460,721)		72.6%
Committee	(36,333)		5.7%
Comp scheme insurance / tfr	(50,000)		7.9%
Projects incl. Legal Choices	(78,154)		12.3%
Design and surveys	(7,688)		1.2%
QAD review travel	(472)		0.1%
Office	(1,201)	(634,569)	0.2%
<b>Surplus: Return in investment</b>		<b>13,698</b>	

<b>£ including comp scheme</b>	<b>2025 Budget</b>		
Income: Registration fees	614,442		
Income: Regulatory penalties	33,825	648,267	
Income: Levy	101,482		
Cost: Levy	(101,482)		0
Cost: Staff	(460,721)		
Cost: Committee	(36,333)		
Cost: Insurance (or scheme top up)	(50,000)		
Cost: Projects incl Legal Choices	(78,154)		
Cost: Design and Surveys	(7,688)		
Cost: Travel	(472)		
Cost: Office	(1,201)	(634,569)	
<b>Surplus: Return in investment</b>		<b>13,698</b>	

**£ cost of operations analysis**      **2025 Budget**

Staff	(460,721)		72.6%
Committee	(36,333)		5.7%
Comp scheme insurance / tfr	(50,000)		7.9%
Projects incl. Legal Choices	(78,154)		12.3%
Design and surveys	(7,688)		1.2%
QAD review travel	(472)		0.1%
Office	(1,201)	(634,569)	0.2%

	Activity	
Regulatory, policy and engagement	33%	(209,408)
Registration and supervision	24%	(152,297)
Discipline and conduct	4%	(25,383)
Governance and scheme top up	20%	(126,914)
Education, research and projects	19%	(120,568)

**Return on investment**      **£k**      **£k**

Application and set-up costs      (170)      (170)

P&L surplus

2017	23	
2018	15	
2019	15	
2020	17	
2021	12	
2022	14	
2023	15	
2024 forecast	14	
2025 budgeted	<u>13</u>	138

Outstanding to be returned in future years      (32)

**Return on investment**      **£k**      **£k**

Outstanding to be returned  
post 31/12/24      (32)      (32)

Projected P&L surplus

2025	16	
2026	16	32

Return on investment estimated to be end 2026      0

## PROPOSED 2025 FEE SCALES

### Authorised firms: probate fees

Principals	Offices		
	1	2-10	10+
Sole*	£414	£734	£1,288
2 – 5*	£734	£1,288	£2,263
6 - 9	£1,327	£2,331	£4,089
10 - 50	£2,331	£4,089	£7,176
51+	£4,662	£8,181	£14,354

\*No change

### Authorised firms: levy (no change)

Principals	Offices		
	1	2-10	10+
Sole	£105	£143	£194
2 - 5	£143	£194	£265
6 - 9	£194	£265	£361
10 - 50	£265	£361	£492
50+	£530	£720	£982

### Licensed firms: probate fees

Principals	Offices		
	1	2-10	10+
Sole*	£414	£734	£1,288
2 – 5*	£1,467	£3,863	£9,050
6 - 9	£2,652	£6,991	£16,361
10 - 50	£4,662	£12,270	£28,706
51+	£9,322	£24,543	£57,413

\*No change

### Licensed firms: levy (no change)

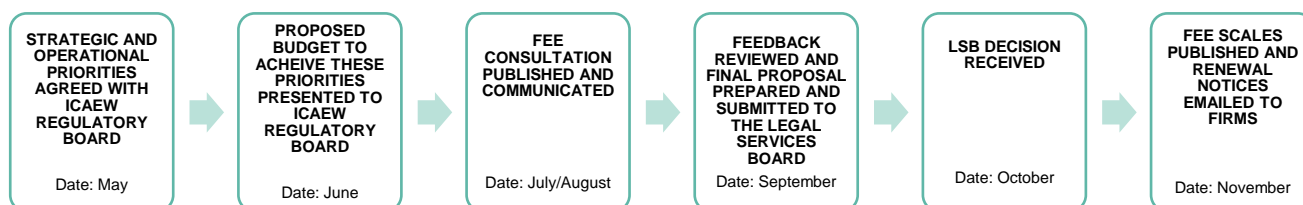
Principals	Offices		
	1	2-10	10+
Sole*	£105	£143	£194
2 – 5*	£286	£581	£1,060
6 - 9	£387	£795	£1,440
10 - 50	£530	£1,081	£1,964
51+	£1,060	£ 2,160	£3,927





## HOW WE SET PROBATE REGISTRATION FEES

### Annual governance process to finalise probate fees



The review of probate registration fees begins in May each year. The strategic and operational priorities are discussed with the ICAEW Regulatory Board and a business plan and budget to deliver these are developed.

ICAEW operates a self-financing principle (also known as the ‘user pays approach’), which ensures all probate registration income is used for probate specific ‘permitted purposes’. Permitted purposes are prescribed regulatory activities as listed in Rule 6 of the Legal Services Board’s Practising Fee Rules. These permitted purposes are described in detail in the document [What your fee pays for](#) and include, for example, application and registration, policy and education, monitoring and conduct.

The detailed budget estimates and analyses costs to deliver to our RLS Regulatory Plan including staff, insurance, legal, project, office and overhead costs, and contributions required to fund other activities such as the Legal Services Board (LSB) and Legal Choices website. The total cost of operations is then compared to our registered population of firms to ensure that income then matches expected expenditure.

The proposed new levels of registration fees are reviewed by the ICAEW Regulatory Board. We then consult with probate registered firm representatives for feedback on the proposed fees. The fees are adjusted as appropriate in response to feedback received.

The fee proposal must then be approved by the Legal Services Board under its Practising Fee Rules. This involves a detailed application process including sharing the strategy and priorities, budget and details of any fee changes. This application is published by the Legal Services Board.

In November, following these governance steps, the full probate registration fee scale is published at [icaew.com/regulatoryfees](https://icaew.com/regulatoryfees) and registration renewal notices are then sent by email to current probate accredited firms.

We continue to carefully consider strategic, operational and oversight needs and associated funding and set the level of registration fees and levies as cost effectively as possible and on a year to year basis.

The Legal Services Compensation Scheme was last reviewed during 2024 and the outcome is subject to a separate consultation and LSB approval process.

Fees may need to continue to rise in future years particularly considering inflation and the requirements placed on our organisation by the LSB. This will ensure that costs of regulatory operations, 'permitted purposes', are funded by an appropriate level of registration fees. We will, of course, consult about any such changes each year.

### **Annual firm levy**

The annual levy funds the operation and building of a reserved legal services compensation scheme fund. The levy for 2025 is again unchanged.

### **Reserves**

As part of its financial strategy, ICAEW holds reserves to provide financial strength, and as mitigation against unexpected events.

The level of probate reserves is specifically targeted as not to be too high or too low. The policy is therefore 'reserves should be set at a level equivalent to between three and six months of expenditure through the income statement; and cash and investment balances should be at least sufficient to cover between three and six months of annual budgeted/forecast gross cash expenditure'.

Current reserves are in line with policy and therefore there is no requirement or element of 2025 fees which plans to draw on reserves or increase reserves.

[View the ICAEW 2023 operating and financial results](#)

## **EQUALITY, DIVERSITY AND INCLUSION**

We do not believe the proposed changes will result in a worse outcome or quality of service for anyone due to their background or life circumstances. Please tell us if you think your firm or any of your clients will be adversely impacted by the proposals due to a protected characteristic (such as age, disability or race).

## CONSULTATION QUESTIONS

1. Do you agree that ICAEW's 2025 probate fee scales are reasonable and appropriate?  
Please provide any further comments that support your response below.
2. Do you agree with the 2025 probate compensation scheme levy?  
Please provide any further comments that support your response below.
3. Do you agree with ICAEW's proposed budget for 2025?  
Please provide any further comments that support your response below.
4. Are you or your clients adversely impacted by the plan or fees in terms of a protected characteristic under the Equality Act 2010 (such as age, disability or race)?  
Please explain how you are impacted and how we can assist in meeting your needs.
5. Do you have any feedback or comments on our 2024-2026 business plan?

## HOW TO RESPOND

You can [respond to the consultation online](#)

Or write to us with your response at: Matthew Downton, Director Finance, Operations and Projects  
Professional Standards Department ICAEW, Metropolitan House, Avebury Boulevard, Milton  
Keynes MK9 2FZ.

Please [contact us](#) if you need anything further (for example for accessibility reasons) to enable you to submit your response.

## TIMELINE

The consultation deadline is Tuesday 27 August.

Your feedback will then be reviewed and incorporated into our fee application to the Legal Services Board. The final 2025 fee scales will be published in November.

## ICAEW's regulatory and conduct roles

Our role as an improvement regulator is to strengthen confidence and trust in those regulated by ICAEW. We do this by enabling, evaluating and enforcing the standards expected by the profession, oversight regulators and government.

ICAEW's regulation and conduct roles are separated from ICAEW's other activities through internal governance so that we can monitor, support and take steps to ensure change if standards are not met. These roles are carried out by the Professional Standards Department and overseen by the ICAEW Regulatory Board and oversight regulators including the Financial Reporting Council, Office for Professional Body Anti-Money Laundering Supervision, the Insolvency Service and the Legal Services Board.

We:

- **authorise** firms and individuals to undertake work regulated by law: audit, local audit, investment business, insolvency and probate;
- **support** professional standards in general accountancy practice through our Practice Assurance scheme;
- **provide** robust anti-money laundering supervision and monitoring;
- **monitor** registered firms and individuals to ensure they operate in accordance with laws, regulations and expected professional standards;
- **investigate** complaints and hold ICAEW Chartered Accountants and students, ICAEW-supervised firms and regulated and affiliated individuals to account where they fall short of the required standards;
- **respond** and comment on proposed changes to the law and regulation; and
- **educate** through guidance and advice to help ICAEW's regulated community comply with laws, regulations and expected professional standards.

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Chartered accountants are talented, ethical and committed professionals. ICAEW represents more than 202,450 members and students around the world. All of the top 100 global brands employ ICAEW Chartered Accountants.\*

Founded in 1880, ICAEW has a long history of serving the public interest and we continue to work with governments, regulators and business leaders globally. And, as a world-leading improvement regulator, we supervise and monitor around 12,000 firms, holding them, and all ICAEW members and students, to the highest standards of professional competency and conduct.

We promote inclusivity, diversity and fairness and we give talented professionals the skills and values they need to build resilient businesses, economies and societies, while ensuring our planet's resources are managed sustainably.

ICAEW is the first major professional body to be carbon neutral, demonstrating our commitment to tackle climate change and supporting UN Sustainable Development Goal 13.

ICAEW is a founding member of Chartered Accountants Worldwide (CAW), a global family that connects over 1.8m chartered accountants and students in more than 190 countries. Together, we support, develop and promote the role of chartered accountants as trusted business leaders, difference makers and advisers.

We believe that chartered accountancy can be a force for positive change. By sharing our insight, expertise and understanding we can help to create sustainable economies and a better future for all.

[charteredaccountantsworldwide.com](https://www.charteredaccountantsworldwide.com)

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\*includes parent companies. Source: ICAEW member data  
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