



**THE FACULTY OFFICE OF THE ARCHBISHOP OF CANTERBURY**

**NOTARIES (PRACTISING CERTIFICATE) RULES 2012**

**Consultation Practice Fees 2020/21– July 2020**

***The Faculty Office is consulting on its intention to maintain the current net practising certificate fees and bands for the practising certificate year 2020/21.***

***The consultation will close on 31 July 2020.***

**Introduction**

Following two consultations in March 2018 and May 2019 the Faculty Office introduced a new formula for the calculation of the annual practising certificate fee. This resulted in the introduction of five fee bands for the practising certificate year 2019/2020. The bands were based on turnover in the notary's accounting year immediately preceding practice renewal. The vast majority of notaries (81%) were in the two lowest bands.

The fees for 2019/20 were:

<b>Turnover</b>	<b>Practising Certificate Fee</b>	<b>Contingency Fund contribution</b>	<b>Total</b>
Up to £15,000	£450	£20	£470
Up to £50,000	£560	£20	£580
Up to £150,000	£800	£20	£820
Up to £300,000	£1,000	£20	£1,020
Over £300,000	£2,250	£20	£2,270

This generated an income of £461,080

In the practising certificate year 2019/20 the Faculty Office lowered the contribution to the Contingency Fund for all notaries from £40 to £20. This was possible due to the recovery of costs in disciplinary cases ordered to be repaid to the Contingency Fund.

## Proposals

### Contingency Fee

The Faculty Office Contingency Fund now has achieved a sufficient and proportionate balance of £154,414<sup>1</sup>. In light of the other financial demands imposed upon notaries as a result of the Covid-19 pandemic (on which, see below) the Faculty Office therefore considers it unnecessary to require a contribution to the Contingency Fund in this practising certificate year and intends to reduce the Contingency Fee from £20 to £0 across all bands.

### Practising Certificate Fee

The Faculty Office proposes to increase the practising certificate fee across all bands by £20. In conjunction with the reduction of the Contingency Fee by £20, this will result in no net change in the total fee required from the profession.

Increasing the practising certificate fee element by £20, has been proposed for two reasons. The first is to recoup the historic notarial deficit. In 2016 the accounting policy was changed from a cash basis to an accruals basis and the year end was changed to 31st March. Prior to the change income was recognised in the accounts when it was received with the result that practically the entire income arising from the practising certificate fees was included in the year in which the income was received when in fact only 2 months (Nov & Dec) related to that accounting year and 10 months to the following year. The Faculty Office considered that to be an inaccurate reflection of the income generated from the practising certificate fees and so the decision to change to an accruals basis was made. As a result of the change, a prior year adjustment was made to years 2014 and 2015 which resulted in a deficit of £268,549 in 2014 and which currently stands at £242,996. The annexed breakdown of the notarial deficit and budgets show how the Faculty Office proposes to reduce this deficit to £68,620 in three years.

The second reason is that the introduction of the new model banded system in 2019/20 did not generate as much income as the Faculty Office had anticipated. Rather than changing the bands themselves for 2020/21, the Faculty Office is proposing a small increase of £20 across all bands, which (in view of the reduction of the Contingency Fee contribution) would result in no net change in fee for the profession.

The proposed fees for 2020/21:

<b>Turnover</b>	<b>Practising Certificate Fee</b>	<b>Contingency Fund contribution</b>	<b>Total</b>
Up to £15,000	£470	£0	£470
Up to £50,000	£580	£0	£580
Up to £150,000	£820	£0	£820
Up to £300,000	£1,020	£0	£1,020
Over £300,000	£2,270	£0	£2,270

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<sup>1</sup> As at 31 March 2020

## Working with the Faculty Office

The Faculty Office will welcome enquiries from individual notaries how they are to calculate their annual turnover.

Sole practitioners practising through a company (or other corporate structure) will be treated as having generated the declared turnover personally.

The Faculty Office is confident that notaries will act with integrity when assessing the own turnover and agreeing the amount with those notaries with whom they are in partnership. But we are seeking your views.

## Covid-19

The Faculty Office is aware that the Covid-19 pandemic is likely to have had an impact on many (although by no means all) notarial practices with a likely downturn in business. In order to properly assess this impact we are keen to understand the profession's best estimate of the likely impact the pandemic has had or will have on individual turnover.

We are therefore also requesting your best estimate of any likely reduction in turnover, caused by Covid-19 in your financial year.

## HOW TO RESPOND

Please respond in writing by 5pm on 31 July 2020 to The Faculty Office:

By email to:

[consultations@1thesanctuary.com](mailto:consultations@1thesanctuary.com)

Please put "PRACTICE FEES CONSULTATION RESPONSE" in the subject line of your email

## Questions about the proposed fees

1.	Do you agree with the proposed fees?
2.	Do you agree the reduction in contingency fee?
3.	Any estimated potential reduction in turnover caused by the Covid-19 pandemic

## Annex – Faculty Office breakdown of the notarial deficit

### BREAKDOWN OF NOTARIAL ACCUMULATED DEFICIT @ 31/3/2020 & PROJECTED SURPLUSES FOR YEARS 2020/21; 2021/22; 2022/23

		£
Retained surplus @ 31/12/2006		6,033.00
Y/e 31/12/2007	Shortfall	-15,764.00
Y/e 31/12/2008	Shortfall	-26,090.00
Y/e 31/12/2009	Surplus	15,767.00
Y/e 31/12/2010	Surplus	2,412.00
Y/e 31/12/2011	Surplus	28,260.00
Y/e 31/12/2012	Shortfall	-3,534.00
Y/e 31/12/2013	Surplus	20,119.00
Y/e 31/12/2014	Shortfall	-268,549.00
Y/e 31/12/2015	Surplus	6,220.00
15 months ended 31/03/2017	Surplus	26,383.00
Y/e 31/03/2018	Surplus	9,886.00
Y/e 31/03/2019	Shortfall	-10,945.00
Y/e 31/03/2020	Shortfall	-33,194.00
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<b>Accumulated deficit @ 31/3/2020</b>		<b>-£242,996.00</b>
Y/e 31/03/2021	Projected Surplus	36,645.00
Y/e 31/03/2022	Projected Surplus	70,601.00
Y/e 31/03/2023	Projected Surplus	67,130.00
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<b>Projected accumulated deficit @ 31/3/2023</b>		<b>-£68,620.00</b>
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## Annex - Faculty Office Budgets 2020/21, 2021/22 & 2022/23

### FACULTY OFFICE BUDGET YEAR ENDED 31 MARCH 2021

#### NOTARIES

##### Income:

##### Practising Certificates:

##### England & Wales & Overseas

Accrued income April-October 2020	268,963	
725 Certificates (Nov 2020-March 2021)	187,942	
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		456,905

##### Channel Islands

Accrued income April-December 2020	9,375	
52 Certificates @ £275 (Jan 2021-Mar 2021)	3,575	
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		12,950

UK Appointments		
30 x £625		18,750

Overseas Appointments		
10 x £700		7,000

Notarial Packs		3,200
Certificates of Exemption		9,000

<b>Total Income</b>		<b>507,805</b>
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##### Less Expenditure:

Management Charge (64%)	300,160	
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Direct Expenditure	171,000	
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<b>Total Expenditure</b>		<b>471,160</b>
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**Projected Notaries Surplus 2020/21**

**£36,645**

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**FACULTY OFFICE BUDGET  
YEAR ENDED 31 MARCH 2022**

**NOTARIES**

**Income:**

**Practising Certificates:**

**England & Wales & Overseas**

Accrued income April-October 2021 263,118

725 certificates (Nov 21-March 2022) 194,033

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457,151

**Channel Islands**

Accrued income April-December 2021 10,725

52 Certificates £275 (Jan 2022-March 2022) 3,575

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14,300

UK Appointments

30 x £625

18,750

Overseas Appointments

10 x £700

7,000

Notarial Packs

3,200

Certificates of Exemption

9,000

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509,401

**Total Income**

**Less Expenditure:**

Management Charge (65%) 280,800

Direct Expenditure 158,000

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438,800

**Total Expenditure**

**Projected Notaries Surplus 2021/22**

**£70,601**  
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**FACULTY OFFICE BUDGET  
YEAR ENDED 31 MARCH 2023**

**NOTARIES**

**Income:**

**Practising Certificates:**

**England & Wales & Overseas**

Accrued income April-October 2022	271,647	
725 certificates (Nov 2022-March 2023)	194,033	
	-----	465,680

**Channel Islands**

Accrued income April-December 2022	10,725	
52 Certificates @ £275 (Jan 2023-March 2023)	3,575	
	-----	14,300

UK Appointments		14,300
30 x £625		18,750

Overseas Appointments		
10 x £700		7,000

Notarial Packs		3,200
Certificates of Exemption		9,000

**Total Income** ----- **517,930**

**Less Expenditure:**

Management Charge (65%)	290,550	
Direct Expenditure	160,250	
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**Total Expenditure** ----- **450,800**

**Projected Notaries Surplus 2022/23** ----- **£67,130**  
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