THE FACULTY OFFICE OF THE ARCHBISHOP OF CANTERBURY

NOTARIES (PRACTISING CERTIFICATE) RULES 2012

APPLICATION FOR APPROVAL OF THE PRACTISING CERTIFICATE FEE FOR THE PRACTISING YEAR

1 NOVEMBER 2026 to 31 OCTOBER 2027

By email only: schedule4approvals@legalservicesboard.org.uk

I. Summary and overview This section asks for background information relating to the proposed PCF.
• Briefly summarise the proposed fee structure and levels and state whether the proposal is for an increase, decrease or no change to the PCF relative to the previous year. Include an explanation of why the fee level has changed (if applicable).
1. The Faculty Office (FO) (on behalf of the Master of the Faculties) is proposing to maintain the 2026/27 PCF across all the turnover bands at the same level as for 2025/26 (ie no increase) in order to fund its regulatory and supervisory (AML) responsibilities and duties for the coming year. This has been possible due to better than anticipated year-end figures for the financial year ending 31st March 2026 as a result both of increased income and of prudent budgeting and expenditure controls. 2. The PCF income for the year to 31 March 2026 was £699,481 (up from £592,009 the previous year) and expenditure was lower than budgeted resulting in a larger surplus than budgeted. As at 31 March 2026, the total reserves for the regulatory arm of the FO stood at £425,115 which is very slightly below six months projected expenditure for the relevant year (ie ending March 2027) (£852,669 ÷ 2 = £426.224.50). However, this is before accounting for the special committed reserve for IT. 3. In the PCF year 2024/25 we introduced a new lower band of up to £5,000 turnover at a significantly reduced annual fee to assist those notaries with very low turnover (for example, because they are newly admitted and were building up their practices, or had only practised for part of the year due eg to illness or parental leave, or because they

practise in an area where demand for notarial services is low). In the previous year we had split the £50k-£150k band at £90k in response to feedback from the profession. Both these changes were well received by the profession.

4. The contingency fund maintains a healthy balance (£128,262) and for the seventh year running we will not be seeking any contribution to this fund. Although it is below our nominal target level of £150,000, we are anticipating recovering costs due to the fund over the next twelve months. We do not currently anticipate any further significant claims on the fund although there may be some gradual attrition to the fund when costs are irrecoverable through disciplinary cases. As set out in our consultation response, we will very likely seek a small contribution from the profession in the 2027/28 PCF round and thereafter.

Proposals on which we consulted

Turnover band (with anticipated % of the profession in band)	Current PCF for year 2025/26	Proposed PCF for year 2026/27	Proposed PCF as % of average turnover disclosed at 2025/26 renewal	Increase over current PCF
£0 to £5,000 (15.38%)	£360	£360	21.91%	+ £0
£5,001 to £15,000 (20.77%)	£560	£560	5.50%	+ £0
£15,001 to £50,000 (31.92%)	£695	£695	2.27%	+ £0
£50,001 to £90,000 (15.52%)	£1,000	£1,000	1.43%	+ £0
£90,001 to £150,000 (7.05%)	£1,665	£1,665	1.42%	+ £0
£150,001 to £300,000 (3.98%)	£2,000	£2,000	0.93%	+ £0
Over £300,000 (5.38%)	£4,165	£4,165	0.68%	+ £0

5. In response to this year's PCF consultation there was unanimous support for the proposals set out in the table above. A copy of our response document accompanies this application.

An application by the approved regulator must satisfy the LSB of all the matters in Rule 29 for the LSB to approve the PCF. Rule 30 provides that if the approved regulator fails to satisfy the LSB of any of the matters in Rule 29, the LSB may refuse to approve the entire or part of the practising fee and/or require the approved regulator to resubmit the application addressing the matter(s) set out in Rule 30.

- Explain the arrangements in place for the continued operation of the approved regulator in the event that the practising fee is not approved and as a consequence, collection of practising fees is not authorised within the intended timeframe.

6. In financial terms, the FO would be able to continue to operate for a period of almost six months based on the cash held at the bank and the reserves held across the organisation. However, in practical terms a refusal of the entire (or indeed part) of the practising fee would create very significant logistical difficulties. The notarial practising year runs from 1st November and every notary's current practising certificate expires on 31st October. If we were required to undertake the renewal process without being able to collect all or part of the fee the practicalities of recovering the full fee, or any balance, later in the year without the leverage of the issue of a practising certificate would be difficult and extremely time and resource heavy and thus divert resources away from the principal regulatory functions. This would have a damaging impact on our ability to protect the public/the consumer.

- Please state how this application addresses concerns raised by the LSB in the previous year's PCF application, or under the regulatory performance assessment framework (if applicable).

7. The LSB identified nine specific expectations to be addressed in this application:

1) *We expect the Faculty Office to take significant steps to enable it to produce a programme of activity against which practising fees are allocated to individual areas, including by way of examples: authorisation, supervision, disciplinary, regulatory policy, education and training and governance.*

8. Following the application last year and the feedback received for the LSB, a review was carried out of the way costs are recorded against activities undertaken and funded by the practising certificate fee. It was agreed that the following codes would be set up for staff to recorded their time. Whereas the codes previously used were categorised in broader terms it was agreed that greater analysis would be beneficial. Due to the complexities of

introducing a new time recording system and reporting during a financial year, it was agreed the new system would be implemented from 1 April 2026:

Activity	**Explanation**
General Notaries	All day to day work concerning notaries in England and Wales not falling under any other category including: Website maintenance Responding to enquiries from notaries and the public
Governance and compliance	Faculty Office internal meetings and board meetings Amending and introducing new policies, procedures and control Financial controls Internal HR matters Procurement Risk and compliance Insurance Audit Notes of meetings and agendas
Training	Staff training (both giving and receiving)
Qualification/admission	Enquiries from would be notaries The work of the Qualifications Board Processing admission applications All matters concerning individuals to the point of admission as a notary
Inspections	Allocation of cases to inspectors

		Correspondence and meetings with inspectors Follow up under the Inspection Regulations	
	Discipline and complaints	Both service and conduct complaints Responding to allegations about notaries Allocating for investigation Suspensions Tribunal hearings Follow up NB discrete prosecutions under the Conduct and Discipline Rules will normally be allocated a specific budget code as those costs may be separately recoverable	
	Policy and regulatory matters	Development of new rules Drawing up guidance to notaries and the public Meetings with the Legal Services Board and other regulators Horizon scanning Responding to consultations Developing consultations Research	
	Anti money laundering	All work specifically discharged as the supervisor for notaries under the AML Regulations	
	Projects	All new work streams identified in the Faculty Office Business Plan and align	

		with the Master's Priorities. These are set out below: P1: Practice authorisation P2: Review of insurance arrangements P3: Review of disciplinary arrangements P4: Consolidation of accounts rules P5: Develop and outcomes framework P6: Professional ethics P7: Review inspections work P8: Diversity P9: Post-qualification supervision of probate and conveyancing P10: Wellbeing P11: AI and New technology P12: Rule of law lectures P13: Access to justice P14: Wales	
	Equality, diversity and inclusion	All work on EDI amongst notaries Specific EDI meetings Sampling and surveys	
	Engagement and information sharing	Meeting stakeholders Entertainment Lectures Attending outreach events including the Notaries Society Conference	

2) *We expect the Faculty Office to produce a list of regulatory activities with practising fee income allocated against them. This overview should reflect the expected staff cost allocated to the delivery of different areas.*

9. As noted above the systems for reporting are being developed and it is expected that for the renewal in 2027 there will be a cost base directly related to the activities noted above. The Faculty Office will be in a better position to analyse the practising certificate fee in terms of directly attributable costs and other indirect costs.

3) *We expect the Faculty Office to ensure it provides transparency to its regulated community and to the LSB, on matters which impact the timely delivery of workstreams that are funded by practising fees. We expect the Faculty Office to provide further updates on the progress and funding of these workstreams in next year's practising fee application.*

10. As noted above a significant amount of work has gone into achieving this level of detailed information which has resulted in significant accountancy costs in 2025/2026 and further costs expected in 2026/2027. However, the Faculty Office recognises the importance of this analysis and will continue to develop the accounting for time and costs for the activities identified.

4) *We expect the Faculty Office to, in alignment with the LSB's Rules, clearly demonstrate its assessment of the benefits derived from its programme of activities in 2025/26. This will provide additional transparency and accountability to stakeholders for its fully planned programme of activity.*

11. As noted above much work is being undertaken to ensure that in the future the Faculty Office will be able to report quantitative metrics. However, the qualitative benefits are noted below.

. **Activity**	**Explanation**	**Qualitative Benefits**
. General Notaries	All day to day work concerning notaries in England and Wales not falling under any other category: Website maintenance Responding to enquiries from notaries and the public.	We have previously used this heading to record the majority of our work in relation to the regulatory arm of the FO but this, much reduced, definition will allow us to more readily identify the costs of specific projects and areas of regulatory work.

	. Governance and compliance	Faculty Office internal meetings and board meetings Amending and introducing new policies, procedures and control Financial controls Internal HR matters Procurement Risk and compliance Insurance Audit . Notes of meetings and agendas	This cost head, previously recorded under the generic 'General' head will allow us to identify the time costs associated with the governance of the FO regulatory function.
	. Training	. Staff training (both giving and receiving)	. Identifying the time costs associated with the training given and received by members of the FO team will give us a clearer picture of the time spent on this activity.
	. Qualification/admission	Enquiries from would be notaries The work of the Qualifications Board Admission applications All matters concerning individuals to the point of admission as a notary	Identifying the costs associated with dealing with qualification enquiries and the admission process will enable the FO to confirm that the discrete fees charged associated with these activities are fair and reasonable
	. Inspections	Allocation of cases to inspectors	This new head of time/cost allocation will enable the FO to identify the time and associated

		Correspondence and meetings with inspectors Follow up under the Inspection Regulations	costs of our inspection regime which will offer greater transparency to this key area of our regulatory function
	. Discipline and complaints	Both service and conduct complaints Responding to allegations about notaries Allocating for investigation Suspensions Tribunal hearings Follow up [NB discrete prosecutions under the Conduct and Discipline Rules will normally be allocated a specific budget code as those costs may be separately recoverable]	Again, this key area of our regulatory function will be recorded with increased detail.
	. Policy and regulatory matters	Development of new rules Drawing up guidance to notaries and the public Meetings with the Legal Services Board and other regulators Horizon scanning Responding to consultations Developing consultations Research	This budget category will allow us to track the time spend on policy as opposed to day to day supervision, monitoring and responding to queries. It is an investment in ensuring that the FO keeps up and makes appropriate changes to its regulatory functions.

	. Anti money laundering	All work specifically discharged as the supervisor for notaries under the AML Regulations	We do not make a separate charge for those notaries whom the FO supervise for AML purposes distinct from our LSA2007 regulatory function but identifying the costs associated with our role as a PBS (albeit one that will, in due course, be taken over by the FCA) will be useful in responding to FCA/HMT enquiries more accurately.
	. Projects	All new work streams identified in the Faculty Office Business Plan and align with the Master's Priorities.	As a small regulator with a small staff team most of whom work across the full ambit of our operation rather than having discrete teams working on specific regulatory areas, we have not previously been in a position to allocate specific costs to specific projects. This new head of time/cost recording will enable us to more accurately identify the actual costs associated with specific projects which will then assist us to predict the likely costs of future projects
	. Equality, diversity and inclusion	All work on EDI amongst notaries Specific EDI meetings	Again, this new time/cost head was previously bundled into the general notarial heading. Separating it out will offer

	Sampling and surveys	greater transparency to the costs associated with this important work.
. Engagement and information sharing	Meeting stakeholders Entertainment Lectures Attending outreach events including the Notaries Society Conference	As with EDI, this new time/cost head was previously bundled in to the general notarial heading. Separating it out will offer greater transparency to the costs associated with engaging with our regulated community and beyond.

5) *We expect the Faculty Office to provide a costed narrative that explains how the Faculty Office has budgeted for the delivery of any regulatory performance expectations set by the LSB.*

12. As noted above much work is being undertaken to ensure that in the future the Faculty Office will be able to report quantitative metrics and this will include actions specifically arising from the LSB's new approach to its regulatory performance assessments.

6) *We expect the Faculty Office to provide transparency over the funding of its IT project as a committed reserve.*

13. Our principal regulatory information tool is the NotaryPRO portal through which notaries make application for admission, their annual application for a practising certificate and update their PII cover, Fidelity Insurance and DBS checks as they expire through the year. Introduced in 2019 solely as an online practising certificate renewal portal, NotaryPRO has continued to develop to provide ever greater functionality. The operating system which it uses will require significant upgrade to ensure its longevity. We are therefore building up a specific IT committed reserve through a budgeted annual sum of £50k which will enable the project to be undertaken in due course without recourse to a one-off 'shock' additional contribution collected through the PCF.

7) *We expect that full consideration given to paragraph 87 of the Guidance, is communicated to the LSB in future practising fee applications.*

14. The small, unbudgeted, surplus on the 2025/26 budget has amongst other savings enabled us to maintain this year's PCF at last year's level.

8) *For future applications we expect the Faculty Office to explain variances above 5% in line with the Guidance on Rule 17.*

15. We enclose with this application a spreadsheet setting out the variances of budget versus expenditure with detailed explanation of the differences.

9) As the management charge accounts for circa 50% of practising fee spend, we expect significantly greater transparency over the subcategories such as staff costs and rent which this charge covers, in future applications.

16. Please see the detailed budgets enclosed with this application.

- If any potential issues were identified in informal engagement with the LSB prior to the submission of an application, please state these, and how they are addressed, in the application.

17. Unfortunately, the period between finalisation of the year end accounts and finalisation of the budgetary governance process has not allowed for the submission of a draft/informal application, receiving feedback and lodging a full application in time for approval by the launch of the annual PC renewal round in the first week of October would have been too tight. With an accounting period ending 31st March and the need to launch a practising certificate renewal in early October in time for a 1st November PCF renewal and the need to develop and consult on a PCF proposal once draft results are known, the timescales are always going to be very tight with very little room for movement. We trust, however, that this substantive application adequately addresses the points made by the LSB in previous years and represents a clear and transparent application for this year's overall PCF level.

II. Allocation of practising fee to permitted purposes (rules 8, 14 16)

Section 51(2) of the Act makes clear that an approved regulator may only apply amounts raised by practising fees for one or more of the *permitted purposes.* Further, as a regulatory function the level of the PCF must be set and applied for by the approved regulator in accordance with section 28 of the Act.

- Provide an outline and explanation of the programme of activity to be funded by the PCF during the practising fee year and which permitted purpose(s) each activity within the programme of activity is relevant to. For approved regulators with both representative and regulatory functions, set out the amount of the practising fee which will be allocated to the regulatory body and the amount to be retained. Where there are shared services between the approved regulator and the regulatory body, it should be made clear the costs that are shared services and the basis of the apportionment of cost.

18. The FO, as a smaller regulator, operates with a small staff (a full time equivalent (FTE) of 5.1 across the organisation and 3.4 FTE focussed in the regulatory arm) all of whom work across the full ambit of our regulatory function. All, except the Deputy Chief Clerk (Risk, Compliance and Investigations), also work on the FO's ecclesiastical and other dispensatory functions as well as within the Ecclesiastical Education and Charities Division of Lee Bolton Monier-Williams LLP (by whom all staff are jointly employed). All staff therefore have to be both pro-active in pursing the programme set out by the Master and participating in the work streams forming the LSB's priorities as well as being re-active to issues which arise during the year and which are largely outside of our direct control such as dealing with complaints, disciplinary and enforcement matters if or when they arise.

19. However, as set out in paragraphs 7 to 12 above, we have developed a more detailed approach to recording the time actually spent on discrete areas within our regulatory activities (as well as our other responsibilities) to enable accurate accounting and more quantitative analysis of project costs in addition to the split between the regulatory and ecclesiastical arms. This will enable us to provide greater detail in future applications.

20. The income derived from the PCF is used solely for regulatory functions for the permitted purposes. No part of the income is passed to the two representative bodies who raise their own funding via membership fees. Membership of either society is not a pre-requisite for practising as a notary.

21. The LSB and OLC levy accounts for 3.8% of the PCF income with OPBAS levy accounting for a further 1.4%, a total of 5.2%.

22. The majority of the remainder of the PCF income (some 89%) is attributable to the first of the permitted purposes (the regulation, accreditation, educating and training of relevant authorised persons and those wishing to become such persons) with the balance split between the third (participation by the AR in law reform and the legislative process) and sixth (the promotion of relations between the AR and relevant national or international bodies, governments or the legal professions of other jurisdictions).

23. With our newly introduced (with effect from the beginning of the current financial year) additional time/cost recording heads set out above, we will next year be in a position to provide enhanced quantitative detail of the work falling within the first permitted purpose. But for the current year, the main activities (with an estimate of the percentage of PCF income attributable and the principal regulatory objective(s)) are as follows:

24. Regulation, accreditation and authorisation of notaries, the education and training of notaries and those wishing to become notaries [accounting for some 18% of the total time spent – although some of the administration cost is off-set by a separate appointment fee payable by new applicants]. This remains one of the primary activities and makes up a significant element of the work undertaken by the Chief Clerk and Deputy Chief Clerk (with administrative/secretarial support) over a three to four week period leading up to and immediately after the annual practising certificate renewal on 1st November in each year. Every application is checked to ensure, inter alia, that the notary has the relevant

insurances in place, has completed the required annual CPE requirements and has responded appropriately to other matters raised as part of the renewal process. There is similarly busy period across the Summer, following release of the results of the Notarial Practice Course by UCL, dealing with the administrative and accreditation aspects of the admission of new Notaries following approval of applications by the Master who personally reviews each application. Additionally, members of FO staff participate in CPE events, the UCL open day for potential notaries and provide advice and guidance to those wishing to train to become notaries. Regulatory objectives (a), (c), (d), (e), (f) and (h).

25. Anti-Money Laundering supervisory activities as Professional Body Supervisor for the notarial profession including work on the action plan agreed with OPBAS and participation in the various Sector Affinity Groups and Information Sharing Working Groups, provision of advice, guidance and information dissemination to the profession [accounting for more than 23%]. AML supervisory activity remains a significant part of the work of the FO and although the formal PBS role will be taken over by the FCA in due course, we do not anticipate a significant reduction in the FO involvement for the foreseeable future. Much of the work in this area is necessarily not made public to avoid criminals accessing information on potential or perceived weaknesses in the UK's AML procedures. The FO's work in this area includes participation in and attendance at a number of inter-agency meetings and the preparation and provision of guidance to our supervised community. Regulatory objectives (b) & (h).

26. Other key areas of ongoing regulatory work funded through the PCF include maintaining the ongoing inspection, enforcement and disciplinary work of the FO also accounting for some 20% of resources in terms of time spent, although this will vary depending on the number and complexity of disciplinary cases in particular. The annual inspection regime for notarial practises forms a cornerstone of our monitoring activity. We take a risk-based approach to identifying those practises to be inspected and in identifying, in conjunction with the Master, any follow-up required and/or enforcement action that may be necessary. The disciplinary work of the FO involves an initial assessment of any complaint to identify whether there is, or may be, an allegation of notarial misconduct which requires investigation by a Nominated Notary pursuant to the Notaries (Conduct & Discipline) Rules and providing an administrative function within the Court of Faculties for complaints which proceed to a disciplinary hearing, including to the Commissary and Assessors. Regulatory objectives (a), (b), (d) & (h).

27. We are coming to the end of the first year of the current FO Business Plan and an assessment of where each project has reached was set out in the Consultation document which accompanies this application. The Plan set out 14 priorities falling broadly within six of the eight Regulatory Objectives although most will cross over more than one of the Objectives. As set out in the Master's foreword, these 14 specific priorities both form part of, and enhance, our core regulatory activities and the discrete projects do not have any specific ring-fenced itemised budgetary expenditure allocation (with the exception of the contribution to the expenses of the Legal Choices project which is currently £6,500 per annum or 1.1% of the total PCF income) but together will be funded through the PCF.

28. Although expressed as a plan for the next triennium, it will of course be subject to necessary changes as factors identified in the Master's foreword alongside previously unexpected challenges come into play. The FO continues to formally review progress against the plan on an annual basis (see the Consultation document) and annual assessment reports will be prepared and published. Progress is kept under review by the Master's Quarterly Council Meeting.

29. The fourteen priorities represent a challenging programme of work which we expect to result in clear benefits for both our regulated community and, more importantly, the consumers of their services. Successful implementation of priority 5 will provide a framework for evidencing more effectively the outcomes we aim to achieve.

- Pursuant to Rule 16, if any amounts raised by the PCF will fund an activity for multiple purposes, one or more of which is not a permitted purpose, please explain the basis on which the approved regulator is satisfied that the funding of that activity is nonetheless in compliance with section 51(2) of the Act

30. Not applicable.

- Description of how the activities that the fee will be applied to which are regulatory functions are consistent with the regulatory objectives (as far as reasonably practicable).

31. The regulatory objectives are—
   (a) protecting and promoting the public interest;
   (b) supporting the constitutional principle of the rule of law;
   (c) improving access to justice;
   (d) protecting and promoting the interests of consumers;
   (e) promoting competition in the provision of services;
   (f) encouraging an independent, strong, diverse and effective legal profession;
   (g) increasing public understanding of the citizen's legal rights and duties;
   (h) promoting and maintaining adherence to the professional principles –
      (i) that authorised persons should act with independence and integrity,
      (ii) that authorised persons should maintain proper standards of work,
      (iii) that authorised persons should act in the best interests of their clients,
      (iv) that persons who exercise before any court a right of audience, or conduct litigation in relation to proceedings in any court, by virtue of being authorised persons should comply with their duty to the court to act with independence in the interests of justice, and
      (v) that the affairs of clients should be kept confidential.

32. The work streams outlined in paragraphs 18 to 29 as falling within the permitted purposes to be funded by the PCF fit within the primary regulatory objectives set out at the end of each paragraph although, as noted, many will cut across more than one of the objectives.

III. Financial information (rule 17)

This information must be prepared on the basis of accruals rather than cash, if reasonably practicable.

- **Income and expenditure forecasts**, including practising fee income, for the year in which the PCF will be levied. Where the approved regulator expects a material change in circumstances the income and expenditure forecast will need to cover three years from and including the year in which the PCF will be levied. The income and expenditure forecast should incorporate:
  - total income from all sources (PCF income and other sources), including any commercial income arising from PCF funded permitted purposes.
  - anticipated expenditure, including the payment of levies imposed on the approved regulator and expenditure on non-permitted purpose activities.
  - summary of how the budget was arrived at, including any consultation between the regulatory and representative arms.

- **Financial information for the previous year and actual expenditure**, including a comparison of actual and budgeted income and expenditure. Financial information provided for the previous year should include:
  - forecasted budget and actual expenditure and income
  - PCF income collected and a breakdown of how it was allocated or spent by activity.
  - an explanation of any variation in total PCF spending.

33. The Faculty Office is registered at Companies House under company no. 12221896. The Director's Report and Financial Statements for the year ended 31 March 2026 are included. The regulatory arm of the FO made a total operating surplus of £63,881 (against a budgeted deficit of £2,809) but this includes the budgeted and unspent committed IT reserve of £50k making a net operating surplus of £13,881. This has raised a gross accumulated operating reserve of £425,115.

34. We include a detailed comparison of actual and budgeted income and expenditure for the 2025/26 financial year which included an explanation of identifiable variances.

35. We also include budget forecasts for the financial years ending 31st March 2027, 2028 and 2029 together with a spreadsheet setting out more detailed Income and Expenditure forecasts.

36. As explained in previous years, the accounting year for the Faculty Office and the PCF year are not the same. PCF income is spread across two accounting years and, based on current assumptions, the budgets are expected to produce a small deficits for each of the accounting years ending 31 March 2027/28/29. This would provide a projected operating reserve by 31 March 2029 of £367,716, equivalent to almost 5 months expected expenditure representing a little less than the six months target in our reserves policy but within an appropriate margin. In addition, we will have an IT committed reserve of £200,000.

37. The budget setting process - The budgets are initially produced for the Registrar by the Faculty Office's Finance Officer. These are then discussed internally at one or more of the Faculty Office monthly meetings with the Master after which any amendments are agreed and signed off and submitted to the Master's Audit Committee for questions.

38. Great care is taken to ensure that the budgets are accurate each year and include sufficient provision to enable the work of the office to be carried out well and efficiently and to meet the Faculty Office's obligations to the notarial profession, the public, the LSB, OLC and OPBAS etc. The Faculty Office's long-serving Finance Officer retired last year but has worked as a consultant with her new and very experienced successor to ensure a smooth handover.

39. We remain in a period of unprecedented (in recent years) inflationary pressures caused in large part by matters outside of the control of the UK Government and other institutions responsible for fiscal policy. Budgeting for the short to medium term is therefore fraught with challenges and a degree of uncertainty and it may be that amendments (possibly significant) either up or down will need to be made as the situation develops.

IV. Reserves (rules 18 22)

An approved regulator must hold any reserves generated from surpluses of the practising fee separately from any other funds.

- Explain the reserves policy. In particular, this should address:
    - how the target for the level of reserves is set and managed
    - the different types of reserves held, which must clearly distinguish practising fee reserves from other reserves
    - the target level for committed and uncommitted reserves
    - how the approved regulator will manage any accumulated reserves to date.
- If there was any variance at the end of the previous year between the target level of reserves and accumulated reserves, please provide an explanation of how this has been taken into account as part of this application.

40. We include a copy of the FO Operating Reserves Policy. Funds collected from the regulatory arm are maintained in a separate bank account from those held in the ecclesiastical arm to ensure that there is no cross-subsidy between the discrete functions. We have transferred a proportion of our monetary reserves to an investment account to take advantage of the improved financial position and current higher than normal interest rates. The funds remain accessible should they be required.

V. Consultation and engagement on PCF (rules 23 24)

This section requires information in respect of Rules 23 and 24 which requires approved regulators to consult with relevant authorised persons about the programme of activity to which the practising fee will be applied and the level of the practising fee, and engage effectively with as many relevant authorised persons as reasonably practicable.

- Description of the consultation process conducted with relevant authorised persons on the programme of activity and the level of PCF. To include:
    - length of time the published consultation was open
    - the level of engagement and responses from relevant authorised persons
    - summary of consultation responses
    - summary of how consultation responses have been taken into account, including changes to the PCF proposals as a result of consultation responses
    - details of consultation with non-commercial bodies (e.g. Law centres federation, Citizens Advice etc.) or an explanation of why their views had not been sought.

41. The Faculty Office consulted with the profession in relation to the PCF proposals and the Business Plan progress update. An email was sent to every practising notary on 6th August with a copy of the consultation document which was also publicly available on the Faculty Office website from the same date. The consultation closed on 28th August. We have published a response to the consultation on our website and a copy is provided with this application which incorporates a copy of the consultation document and anonymised

responses.

42. The Registrar and Chief Clerk also presented the annual accounts and draft PCF proposals to the Council of the Notaries Society at a meeting on Wednesday 15th July to which representatives of the Society of Scrivener Notaries were also invited and which provided an opportunity for detailed questions to be asked and answered. In addition, the Registrar and Chief Clerk offered a remote 'drop-in' session via Zoom on Tuesday 11th August to provide members of the profession the opportunity to ask any questions raised by the consultation.

43. The consultation elicited a total of 12 (11 substantive) responses from the profession. We appreciate that notaries will be busy professionally, or away from their work over the Summer, but the consultation launch and closure are on a necessarily tight timescale for the same reasons as outlined in paragraph 17 above.

44. As indicated above, there was unanimous support for the PCF proposals which we presented. Two respondents suggested that we should resume collecting a small contingency fund contribution and it is highly likely that we will do so from 2027/28.

45. We believe that the banding system allows the expense of regulation to be shared in a more equitable way than a flat rate payable by all. It also provides a greater predictability of income to the FO than a fully turnover based system would. The introduction of two additional bands over the last two PCF years have addressed some concerns and, particularly the introduction of the lowest band continues to shield those notaries whose fee income is low due to their location away from commercial centres where demand for their services is lower or for any reason they have not be in a position to work consistently throughout the year.

46. As always, this will be reviewed again in advance of the 2027/28 renewal round to assess whether the introduction of additional bands might achieve our twin aims of equity and predictability referred to above. During the lifespan of the new triennial Business Plan, we will also consider whether another structure altogether might achieve that goal.

47. We will continue to ensure, so far as it is within our gift, that our regulatory regime and, therefore, the costs of regulation are proportionate within the bounds of what is required by oversight bodies.

48. It is worth repeating the definition of notarial turnover for the purpose of charging a practising certificate fee as some notaries have expressed uncertainty: "all the fee income of the notarial practice (and whether or not notarial services as defined in the Legal Services Act) but excluding VAT and disbursements and before deduction of expenses."

49. The Faculty Office definition of turnover is therefore all notarial practice fee income exclusive of disbursements and business overheads.

VI. Impact assessments (rules 25 28)

This section requires information in respect of Rules 25 28 which collectively, stipulate that initial equality assessments must be carried out and set out in the circumstances in which full impact assessment must be conducted. These provisions also require that approved regulators consider the impact of the level of the fee on the conduct of legal services.

- Summarise the initial and (where applicable), full equality impact assessment carried out and the findings. In particular, this summary should cover how the proposed PCF may potentially impact on various groups, especially those with protected characteristics under the Equality Act 2010 within the approved regulator's membership.
- Summarise the consideration – proportionate to the harm as determined by the approved regulator - given to the impact of the level of the fee on the provision of legal services by authorised persons, and any significant circumstance or event impacting on that.
- Provide details of any action taken as a result of findings, or an explanation as to why this was not necessary or practicable.

50. The level of a practising fee has the potential to disadvantage those with a disability or health condition that limits their ability to work full-time or those taking time out due to pregnancy or maternity/paternity leave. In addition, a greater proportion of notaries identifying as female are the primary carer for a child/children which may similarly impact on their ability to work full time and, thereby, reduce their earning capacity. We also acknowledge that those (primarily younger) newly admitted members of the profession who are building up their practices and those (primarily older) members of the profession may have been more significantly affected by limitations on their earning capacity due to health related factors.

51. However, the addition in 2024/25 of the new lowest banding of up to £5,000 turnover was intended to mitigate this by offering a significant reduction for the 15.3% of notaries who benefitted.

52. We have considered our policy not to provide for pro-rata fees for those notaries who, for whatever reason, only wish to practise for part of a year. Historically, this was intended to encourage the relatively small cohort of practising notaries to be available to consumers all year and to apply to renew their practising certificates in a timely manner, combined with the need to ensure a reasonably predictable income for the Faculty Office and to remove the additional administrative burden of calculating pro-rata fees. Although the finances of the Faculty Office are now on a more secure footing we maintain that the benefits to the consumer of having the largest possible number of practising notaries available all year outweighs the potential benefit to a small number of notaries who may wish (or need) to take advantage of the opportunity to practise (and pay to practise) for only part of a year and the costs of making changes to the NotaryPRO portal to facilitate pro-rata fees. Again, this was, and remains mitigated by the introduction of the new lowest turnover band.

VII. Transparency of PCF information to relevant authorised persons

- Description or a copy of the information that will be provided to those who will pay the fee. This should be clear and accessible and include the following:
    - the level of the PCF
    - how the PCF has been set
    - a breakdown of how the PCF income will be allocated to non-regulatory/regulatory and shared services
    - an explanation of why commercial income arising from PCF funded permitted purposes is to be used for non-permitted purposes.
    - an accurate presentation and representation of the LSB and Office for Legal Complaints (OLC) levies so the regulated community is clear about the proportion of PCF attributable to the levies

53. The level of the PCF is set out in the consultation document which was emailed to every practising notary. This included details of the work that will be undertaken under our new triennial Business Plan. None of the PCF fee is used for non-regulatory purposes as the FO does not have, and has never had, any representative function.

54. Our consultation provided details of the PCF income attributable to the LSB and OLC levies (and the OPBAS levy).

VIII. Checklist Enclosures

Income and expenditure forecasts, including practising fee income, for three years from and including the year for which the practising fee is to be levied.	✓Enclosed
Financial information for the previous year, including a comparison of actual and budgeted income and expenditure.	✓Enclosed
Copy of the information that will be provided to fee paying members (if description is not provided in section VII).	☐Enclosed

Details of all supporting documents provided with the PCF application (optional):

- FO Statutory Company Accounts for the year ending 31 March 2026
- Contingency Fund Account for y/e 31 March 2026
- Detailed comparison of actual and budgeted income and expenditure for the y/e 31

March 2026
- FO Budgets for the y/e 31 March 2027/28/29
- Detailed Income and Expenditure forecasts for the y/e 31 March 2027/28/29
- FO Operating Reserves Policy
- FO PCF Consultation and Business Plan update Response incorporating the Consultation Document and full anonymised responses

IX. Compliance Statement

Applications must include the following compliance statement and be dated and signed by a representative of the approved regulator:

✓ I certify that the information provided in this application is accurate and complete to the best of my/our knowledge and I/we have taken reasonable steps to ensure that the application complies with the Rules.

H J DELLAR
Registrar

4th September 2026

Please include contact name(s) for the application.

☐ Enquiries should be sent to:

Howard Dellar
Registrar
The Faculty Office

Email: howard.dellar@1thesanctuary.com

Tel: 020 7222 5381

cc Neil Turpin
Chief Clerk

Email: neil.turpin@1thesanctuary.com

Faculty Office – Equality Impact Assessment:

1. Project Details	
Name of the policy, practice, service or function being assessed, and a brief overview of its aims and objectives	Annual consultation of the Practising Certificate Fees (PCF)
Is it new or existing?	New but annual consultation.
Sub-department or committee/working group applicable?	n/a
Who has been involved in completing the EIA	Neil Turpin (Chief Clerk)
Date of completion	03/09/2026

2. Evidence Gathering and Engagement
a. What **evidence** has been used for this assessment? Data considering the range of turnover based on the information supplied by notaries. This has helped us to develop appropriate banding. We have also considered information offered as part of the consultation which has been used when determining the appropriateness of the proposals.
b. Who have you **engaged and consulted with** as part of your assessment? The notarial profession and their professional representative bodies. As part of the process there was also an opportunity to attend consultation events online (allowing for maximum accessibility)

<table>
<tr><td colspan="2">3. Impact on different groups of FO staff, notaries (including potential future notaries) and consumers</td></tr>
<tr><td>Specific groups to consider</td><td>Potential impact on this group of staff, notaries (including potential future notaries) and consumers and actions taken to mitigate impact and advance equality, diversity and inclusion</td></tr>
<tr><td>General considerations:</td><td>When developing the PCF proposals we have considered the following principles:

- To make the fees structure fair and clear
- To make the fee structure efficient to administer
- To ensure that the Faculty Office has a predictable income
- To be evidence based
- To ensure that the PCF do present a barrier to participation in the profession
- To ensure that the cost of the PCF does not result in negative effects in terms of access for justice for the consumer.

We have established a system in previous years where the fees depend on the turnover. These are separated into various “bands” from up to £5,000 and over £300,000. We propose to maintain the banding system which we consider to be fairer than a single fee across the profession.</td></tr>
<tr><td>Age

Of both notaries, potential future notaries and consumers.</td><td>• There is no direct discrimination against notaries of a certain age in the proposed policy.
Indirectly, notaries at the beginning or end of their careers (who may be older or younger than the average notary) may be more likely to be at the lower end of the “bands”.
However, we have made the fees lower for those bands.</td></tr>
<tr><td>Disability

Disabled notaries, potential future notaries and consumers, including those with mental health issues.</td><td>• The PCF apply to all notaries regardless of their disability.
Where a notary is unable to work full time or has taken a period of leave due to their health their turnover will be lower and therefore their PCF will be lower.
A consultation event was held online to prevent barriers for those with physical and certain mental disabilities.</td></tr>
<tr><td>Gender reassignment

Trans notaries and consumers, and non-binary notaries and consumers</td><td>• There are no identified impacts.</td></tr>
<tr><td>Marriage and civil partnership</td><td>• There are no identified impacts.</td></tr>
</table>

A person has the protected characteristic of marriage and civil partnership if the person is married or is a civil partner.	
Pregnancy and maternity	• For notaries who are pregnant or on maternity leave the PCF is tied to turnover it means that the fees do not present a barrier to returning to work following maternity leave.
Race Notaries and consumers from minority ethnic backgrounds	• There are no identified impacts.
Religion or belief Notaries and consumers with different religions and/or beliefs	• There are no identified impacts.
Sex Both men and women	• There are no identified impacts.
Sexual orientation LGBTQ+	• There are no identified impacts
People with caring responsibilities	• Where people have caring responsibilities, they may not work full time and consequently have lower turnover. To ensure that this does not prevent a barrier to participating in the profession they will be charged a PCF based on their turnover band.

4. Action Planning		
Issue Identified	**Planned Action**	**Lead and Timeframe**
None identified	n/a	n/a

5. Monitoring and Review
How will you monitor the impact of your project once it has been put into effect?
None of the consultation responses pertained to EDI considerations. We are, however, content that the proposed PCF structure adequately mitigates the potential EDI considerations outlined above.