

LEGAL SERVICES ACT 2007

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 7: Further Provisions Relating to the Board and the OLC

Section 173: The levy

399. This section makes provision for a levy. The purpose of the levy is to cover:
- expenditure by the Board under or for the purposes of the Act or any other enactment;
 - expenditure by the OLC under or for the purposes of the Act; and
 - expenditure of the Lord Chancellor on the establishment of the Board and the OLC.
400. This expenditure is met in the first instance by sums paid by the Lord Chancellor's grant under section 172. The levy, which is paid into the Consolidated Fund, recoups this expenditure from the "leviable bodies". The leviable bodies are the approved regulators, the person designated as the regulator in relation to claims management services under the Compensation Act 2006, and such other persons as the Lord Chancellor may prescribe by order (*section 173(5)*). The Board must be satisfied that the rules concerning the apportionment of the levy are fair and proportionate. To ensure that expenditure is not recovered twice, the expenditure to which the levy relates is the difference between the total of the expenditure of the Board and OLC and the expenditure of the Lord Chancellor (for the establishment of the Board and OLC) and the total of any sums received by the Board and OLC as:
- application fees;
 - charges for providing statements, guidance, rules;
 - sums received in the Board's capacity as approved regulator;
 - sums received in the Board's capacity as licensing authority;
 - amounts received by the OLC by way of charges paid by respondents;
 - costs paid to the OLC in relation to complaints;
 - amounts paid to the Board in respect of voluntary arrangements; and
 - amounts paid to the Board under paragraph 7(g) of the Schedule to the Compensation Act 2006.
401. The OLC's leviable expenditure excludes any cost incurred that may reasonably be attributed to the exercise of its functions under sections 164, 165 and 166.