

If you would like a version of this publication in hard copy, or in an alternative format please contact the Equality and Access to Justice (E&AJ) Team by telephone on 020 7611 1305 or: [equality@barstandardsboard.org.uk](mailto:equality@barstandardsboard.org.uk)

# Cost Transparency Metrics

2018-19



## Cost Transparency Metrics

The Bar Standards Board (BSB) has a strong commitment to the principle of transparency and publishes financial and other transparency metrics as part of the Annual Report and Business Plan in accordance with the recommendations of the Legal Services Board's (LSB) Cost of Regulation Project.

## Practising Certificate Fees (PCF)

Barristers are only legally entitled to undertake reserved legal activities if they are authorised to do so by the BSB. They do so by holding a current Practising Certificate renewed annually via a process known as Authorisation to Practise, which includes payment of a Practising Certificate Fee (PCF). The PCF funds the expenditure that falls within the 'permitted purposes' as defined by the Legal Services Board<sup>1</sup> (LSB). The PCF is shared between the Bar Standards Board who deliver the regulatory functions, the Bar Council who deliver non-regulatory permitted activities, and a provision for non-operating costs<sup>2</sup>.

Metric	£ thousands	
	2017-18	2018-19
Total PCF Reported	12,627	12,720

In 2018-19 of the total £12,720,000 collected £11,324,000 was for operating expenditures, shared 72% (£8,195,000) for the BSB and 28% (£3,129,000) for the Bar Council. Non-operating expenditure totalling £1,396,000 is made up of the PCF allocation towards the costs of the Legal Services Board (£158k) and the Legal Ombudsman (£238k) as well as the contribution towards the defined benefit pension scheme (£1,000k).

Portion of PCF funding 'non-regulatory permitted purposes' <sup>3</sup>	39%	36%
Total Permitted Purposes reserves <sup>4</sup>	(584)	(1,222)

## BSB Specific Finances

Income - (PCF)	7,695	8,195
Income - Non PCF Sources <sup>5</sup>	1,469	1,565
<b>Total Income</b>	<b>9,164</b>	<b>9,760</b>
<b>Total Regulatory Expenditure<sup>6</sup></b>	<b>9,208</b>	<b>9,925</b>
Surplus / (Deficit)	44	(165)

## The Profession

Number of registered barristers <sup>7</sup>	16,258	16,618
Number of authorised entities <sup>8</sup>	89	108

In April 2015, the BSB began authorising entities. These are owned and managed by lawyers only, including barristers, solicitors and other legally qualified persons. From April 2017, the BSB began authorising licensed bodies or Alternative Business Structures (ABSs) which are entities owned by both lawyers and non-lawyers. The entity and ABS regulation schemes at the BSB operate on a full economic cost recovery (FECR) model and fees are published on our [website](#)<sup>9</sup>.

## Staff Resources

Headcount <sup>10</sup>	81 (79.2 FTE)	77 (73 FTE)
-------------------------	---------------	-------------

## Remuneration<sup>11</sup> of Officers / Executive

£

Chair of Board total remuneration	89,773 <sup>12</sup>	91,300
Vice Chair total remuneration	36,570	39,364
Director General total remuneration	170,397	186,593

The median staff salary at the BSB in 2018-19 was £34,865, the ratio between this and the Director General (salary: £156,234) was 1:4.5. As well as the Director General, the Bar Standards Board has four Senior Managers<sup>13</sup> paid in a salary band between £70,000 and £90,000.

## Summary

£ thousands

Staff costs	4,336	4,483
Board <sup>14</sup> costs	189	247
Average cost of regulator for each authorised individual	473	493

All figures in this document have been rounded to the nearest £1,000.

<sup>1</sup> In accordance with s51 of the Legal Services Act 2007 (LSA) and the rules made thereunder.

<sup>2</sup> Currently provision for the LSB (Legal Services Board), OLC (Office for Legal Complaints) operating costs and pension liabilities shared between the Bar Council and the BSB.

<sup>3</sup> All BSB activities are considered regulatory activities under the definition in the LSA07. Non-regulatory permitted purposes include Bar Council permitted purposes activities, and non-operating activities such as the LSB / OLC levy.

<sup>4</sup> The Permitted Purposes reserve shows the cumulative position with regard to permitted purpose funds (derived from the PCF). The current deficit means that some permitted purpose costs have been funded through the general reserves of the General Council of the Bar.

<sup>5</sup> Part of our income comes from charges we levy for the services we provide. Directly controlled income streams include the fees from the Bar Professional Training Course (BPTC) providers, the Bar Transfer Test (BTT), fees related to waivers and entity & ABS authorisation fees.

<sup>6</sup> This includes a share of the premises at 289-293 High Holborn, as well as support staff and costs from the Resources Groups (e.g. HR, Finance and IT). The Resources Group budget is managed separately and part of it is apportioned to the BSB. This figure excludes a cost in 2018-19 of approximately £600,000 paid by the Council of the Inns of Court to fund the independent Bar Tribunals and Adjudication Service (including Tribunals and Inns' Conduct Committee hearings).

<sup>7</sup> This is the number of barristers holding a practising certificate as at 31 March 2019. In addition, there are approximately 50,000 unregistered barristers who do not hold practising certificates. We regulate these barristers reactively (i.e. we will take enforcement action against them for breaches of the Handbook).

<sup>8</sup> Licensed Bodies (ABS): 10, Authorised Bodies (Entities): 98.

<sup>9</sup> <https://www.barstandardsboard.org.uk/regulatory-requirements/entities,-including-alternative-business-structures/fees-and-charges/>

<sup>10</sup> Snapshot of direct headcount at end of each financial year, this does not include support staff in the shared Bar Council / BSB Resources Group.

<sup>11</sup> Total remuneration includes; Salary; Pension Contributions and, for staff members only, a fixed allowance of £1,300.

<sup>12</sup> Baroness Tessa Blackstone (Chair): £91,300

<sup>13</sup> Director of Communications and Public Engagement, Director of Regulatory Assurance, Director of Professional Conduct and Director of Strategy & Policy.

<sup>14</sup> Including salary costs for Chair, Vice-Chair and all Board members. From 1 April 2018, barrister Board member positions began to attract a salary. This was not the case before this date.

## Contact us

We are committed to providing a high standard of service and dealing with everyone in a way that is fair, transparent and proportionate. We welcome feedback on our services, particularly where the level of service has exceeded or fallen below expectations. Comments and suggestions are important to us as they will help us to meet our obligations and improve our performance.

### Write to us:

**Bar Standards Board**  
**289-293 High Holborn**  
**London WC1V 7HZ**

**DX: 240 LDE**

**Tel: 020 7611 1444**

**Fax: 020 7831 9217**

[contactus@barstandardsboard.org.uk](mailto:contactus@barstandardsboard.org.uk)

[www.barstandardsboard.org.uk](http://www.barstandardsboard.org.uk)

**Twitter: @barstandards**

[www.linkedin.com/company/the-bar-standards-board](http://www.linkedin.com/company/the-bar-standards-board)