

REGULATING BARRISTERS

# Cost Transparency Metrics 2020-2021

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The Bar Standards Board regulates barristers and specialised legal services businesses in England and Wales in the public interest.

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# **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 Board¹ (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 levies for the Legal Services Board and the Legal Ombudsman.

	thousands	thousands
Metric	2019-20	2020-21
Total PCF Reported	£14,878	£15,747

In 2019-20, the total £15,747k collected was shared 62% (£9,687k) for the BSB and 26% (£4,048k) for the Bar Council, with 7% (£1,150k) being allocated to the defined benefit pension scheme. An additional 5% (£862k) is made up of the PCF allocation towards the costs of the Legal Services Board (£360k) and the Legal Ombudsman (£502k).

Portion of PCF funding 'non-regulatory permitted purposes' <sup>2</sup>	37%	38%
Total Permitted Purposes reserves <sup>3</sup>	£185	£3,302

# **BSB Specific Finances**

PCF Income	£9,315	£9,687
BSB Generated Income <sup>4</sup>	£1,597	£2,524
Total Income	£10,912	£12,211
Total Regulatory Expenditure⁵	£9,268	£10,191
Surplus / (Deficit)	£1,644	£2,020

#### The Profession

Number of registered barristers <sup>6</sup>	16,915	17,123
Number of authorised entities <sup>7</sup>	130	138

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.

#### Staff resources

Headcount <sup>8</sup>	75 (72.4 FTE)	81 (78.5 FTE)

#### Remuneration<sup>9</sup> of Officers / Executive

Chair of Board total remuneration	£91,300	£84,419
Vice Chair total remuneration	£39,717	£31,499
Director General total remuneration	£181,404	£140,914

The median staff salary at the BSB in 2020-21 was £36,135, the ratio between this and the Director General (salary: £150,000) was 1:3.9. As well as the Director General, the Bar Standards Board has four Senior Managers<sup>10</sup> paid in a salary band between £80,000 and £110,000.

### Summary

Staff costs	£4,408,000	£4,485,000
Board costs <sup>11</sup>	£242,000	£336,360
Average cost of regulator for each authorised individual	£551	£566

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

- 1 In accordance with s51 of the Legal Services Act 2007 (LSA) and the rules made thereunder.
- 2 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.
- 3 The Permitted Purposes reserve shows the cumulative position with regard to permitted purpose funds (derived from the PCF).
- 4 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.
- 5 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.
- 6 This is the number of barristers holding a practising certificate as at 31 March 2021. In addition, there are approximately 54,000 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).
- 7 Licensed Bodies (ABS): 12, Authorised Bodies (Entities): 126.
- 8 Snapshot of direct headcount at end of each financial year, this does not include support staff in the shared Bar Council / BSB Resources Group.
- 9 Total remuneration includes; Salary; Pension Contributions and, for staff members, Chair and Vice Chair, a fixed allowance of £1,300. The total remuneration paid to the Chair, Vice-Chair and Director-General was less in 2020-21 than it was in 2019-20. This is because they agreed to reduce their remuneration in response to the financial pressures faced by the BSB as a result of the pandemic.
- 10 Director of Communications and Public Engagement, Director of Regulatory Operations, Director of Legal and Enforcement, and Director of Strategy & Policy.
- 11 Including salary costs and expenses for Chair, Vice-Chair and all Board members.



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# Contacting 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:

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