

# Cost Transparency Metrics

2016/17



## Cost Transparency Metrics

The Bar Standards Board is committed to the principle of transparency and has regularly published financial and other transparency metrics as part of Annual Reports and Business Plans. As part of the Legal Services Board's (LSB) Cost of Regulation Project, a review of best practice relating to the availability and accessibility of costs information was undertaken. As a result of their recommendations the BSB is publishing these Cost Transparency Metrics separately in addition to information in the Annual Report. This is to increase transparency about the cost of the legal services regulators in England and Wales.

## Practising Certificate Fees (PCF)

Barristers are only 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 fee (PCF). These fees fund 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	2015/16	2016/17
Total PCF Reported	£10,773 k	£10,885 k

In 2016/17 of the total £10,885k collected £10,167k was for operating expenditures, shared 68% (£6,964k) for the BSB and 32% (£3,203k) for the Bar Council.

Portion of PCF funding 'non-regulatory permitted purposes' <sup>3</sup>	32%	32%
Total Permitted Purposes reserves <sup>4</sup>	(£90 k)	(£367 k)

## BSB Specific Finances

Income - (PCF)	£6,671 k	£6,964 k
Income - Non PCF Sources <sup>5</sup>	£1,994 k	£1,442 k
<b>Total Income</b>	<b>£8,665 k</b>	<b>£8,406 k</b>
<b>Total Regulatory Expenditure<sup>6</sup></b>	<b>£8,734 k</b>	<b>£8,330 k</b>
Surplus / (Deficit)	(£69 k)	£76 k

## The Profession

Number of authorised individuals <sup>7</sup>	15,631	15,853
Number of authorised entities	52	67

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>8</sup>.

Average cost of regulator for each authorised individual	£427	£439
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	2015/16	2016/17
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## Staff Resources

Headcount <sup>9</sup>	89 (86.7 FTE)	77 (75.2 FTE)
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## Remuneration<sup>10</sup> of Officers / Executive

Chair of Board total remuneration	£89,695	£89,264
Vice Chair total remuneration	£35,608	£36,570
Director General total remuneration	£153,228	£158,926

The median salary at the BSB in 2016/17 was £33,290<sup>11</sup>, the ratio between this and the Director General (salary: £138,268) is 1:4.15. As well as the Director General, the Bar Standards Board has four Senior Managers<sup>12</sup> paid in a salary band between £70,000 and £90,000.

## Summary

Staff costs	£ 4,343 k	£ 4,094 k
Board <sup>13</sup> costs	£ 315 k	£ 199 k

<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.

<sup>4</sup> The Permitted Purpose reserves are that part of the General reserves that are attributed to the cumulative surplus and deficits arising from permitted purposes activities undertaken by the Bar Council and the BSB.

<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.

<sup>7</sup> This is the number of barristers holding a practising certificate as of 31 March 2017. In addition, there are approximately 49,000 unregistered barristers who do not hold practising certificates but who are subject to enforcement action for breaches of the Handbook.

<sup>8</sup> <https://www.barstandardsboard.org.uk/regulatory-requirements/entities,-including-alternative-business-structures/fees-and-charges/>

<sup>9</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>10</sup> Total remuneration includes; Salary; Pension Contributions and, for staff members only, a fixed allowance of £1,300.

<sup>11</sup> Median salary in 2015/16 was also £33,290 and ratio 1:4.

<sup>12</sup> Director of Communications and Public Engagement, Director of Regulatory Assurance, Director of Professional Conduct and Director of Strategy & Policy.

<sup>13</sup> Including salary costs for Chair, Vice-Chair and all lay board members.

## 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:

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