

BAR
STANDARDS
BOARD

REGULATING BARRISTERS

The Bar Standards Board

ANNUAL REPORT

15/16

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

The BSB in numbers: 2015/2016

Over **15,000** registered barristers regulated

Our Board
Chair
8 Lay members (inc the Chair) 7 Barrister members

1,306 applications were considered by the Qualifications Committee.

168 chambers and sole practitioners were visited as part of our supervision visits

Engage with a range of stakeholders

Youth Court advocacy review
Immigration review

We help to protect vulnerable consumers

13 BSB consultations were issued

59 Press Releases

CPD reforms
Publication of the Professional Statement
Future Bar Training changes

We are helping to improve education and training

Survey of women's experiences at the Bar
We seek to promote diversity at the Bar and beyond

433 complaints were opened against barristers

Seven barristers were disbarred and a further **eight** suspended

Over **50**
OWNER
MANAGER
We authorise over 50 entities and hope to authorise ABSs soon

Our values

The Bar Standards Board is the independent regulator of barristers and specialised legal services businesses in England and Wales. Our mission is to regulate the Bar so as to promote high standards of practice, and safeguard clients and the public interest.

INTEGRITY

- ▶ We operate to the highest ethical standards
- ▶ We are honest, open and inspire trust
- ▶ We consider the social and environmental impact of our actions

EXCELLENCE

- ▶ We are committed to quality
- ▶ We are creative, innovative and lead change
- ▶ We are responsive, accessible and accountable for our actions

FAIRNESS

- ▶ We act responsibly, proportionately, and in the public interest
- ▶ We promote equality of opportunity and equal access to justice for all
- ▶ We value inclusion and diversity

RESPECT

- ▶ We respect and support others
- ▶ We value expertise, learning and knowledge-sharing
- ▶ We foster a collaborative and developmental working environment

VALUE FOR MONEY

- ▶ We are cost-effective and accountable for our use of resources
- ▶ We work efficiently with an entrepreneurial and commercial mind-set
- ▶ We strive for clarity, simplicity and straightforwardness

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Introduction

Welcome to the 2015/16 Annual Report of the Bar Standards Board.



This last year marked the third and final year of our 2013/16 Strategic Plan. We are well on our way to becoming the fully modern and efficient regulator that we said we wanted to be at the start of our Strategic Plan in 2013.

Over the course of the past three years, we have transformed nearly every aspect of the way we regulate the Bar. We have become more outcomes-focussed and risk-based in everything that we do. This helps us prioritise our work as we seek to meet the requirements of the Legal Services Act 2007's (LSA07) regulatory objectives while yet providing value for money.

We have accomplished many of the things we set out to achieve three years ago. The timeline running over the first few pages of this report illustrates some of the most significant developments and our main achievements during this time period.

However, I should like to highlight some of the most important developments. For example, in the first year (2013/14) we:

- ▶ published our new BSB Handbook, thereby transforming the rules of professional practice and conduct for all barristers;
- ▶ allowed self-employed barristers to apply to conduct litigation (ie take steps in legal proceedings normally undertaken by solicitors), thus increasing the range of legal services that barristers can provide to the public;
- ▶ prepared to authorise entities (legal services businesses focussed on advocacy, litigation and specialist legal advice); and
- ▶ introduced a new Public Access training regime for barristers, with a view to improving access to justice for the public. One third of the practising Bar is now authorised to provide its services directly to the public.

In the second year (2014/15) we:

- ▶ began authorising entities;
- ▶ started the Future Bar Training programme – a major review of the way in which prospective barristers train and qualify to practise at the Bar;
- ▶ established our new Supervision function in order to monitor the work of barristers in chambers. Initially, we focussed on monitoring high-impact and high-risk chambers. This supervisory approach is a key component of our new approach to regulation. It demonstrates the priority we give to risks and effective outcomes and focuses our attention on preventing something going wrong before it happens, rather than having to take retrospective action.

April
2013

Developments and achievements: 2013/2016

Strategic Plan for 2013/16 published

In the third and final year of the Strategic Plan (2015/16), we built on and consolidated the achievements of the first two years. We:

- ▶ published and launched our first Risk Outlook – an important document which provides an overview of the biggest risks in the legal services market and which sets out our regulatory priorities;
- ▶ made good on our pledge to nurture a dialogue with those we regulate, holding a number of events throughout the year to seek their views on a wide range of topics, such as the future of Bar training and the way in which we communicate with the profession;
- ▶ strengthened our focus on public and consumer engagement;
- ▶ consulted on and then published the new Professional Statement, a concise description of the skills, knowledge and attributes we expect barristers to have at the point we authorise them;
- ▶ conducted a pilot for an improved, more flexible Continuing Professional Development (CPD) regime for barristers in preparation for its expected roll-out in 2017;
- ▶ undertook a major piece of research into women’s experiences at the Bar;
- ▶ commenced a review of immigration advice and services;
- ▶ made significant steps to begin authorising Alternative Business Structures (ABSs), with the Legal Services Board (LSB) approving our application to become a licensing authority in March;
- ▶ commissioned research into Youth Court advocacy standards and adopted the resulting recommendations; and
- ▶ undertook a comprehensive review of our internal governance arrangements.

Consumer and public engagement has taken an ever more prominent role in our activities. Towards the end of the 2015/16 year, we increased our capacity in this area by appointing a dedicated Director of Communications and Public Engagement. As a regulator in the public interest, it is important for us to engage not only with the Bar, but also with the current and potential consumers of the services provided by those we regulate.

During this period, we have significantly strengthened our equality and diversity work, further embedding these principles into every area of our regulation. We have raised awareness of the importance of cross-cultural communication, emphasising that barristers must be able to communicate with the diverse and often vulnerable people with whom they come into contact, such as young defendants, people of different ethnic backgrounds and other groups. We have also reviewed our own equality and diversity processes, and continued to monitor the complaints-handling system to ensure that there can be no bias against anyone in the process.

There remain a number of significant challenges to regulating the Bar. We are keenly aware of the need to keep the cost of regulation as low as possible, whilst not compromising on our resources to do our job properly, and the financial section of this report shows that over the strategic period we managed to reduce the total cost of regulation by two per cent.

We still have some way to go on a number of projects, which are being carried over into the next Strategic Plan for 2016/19 which was published in April. These include the completion of the Future Bar Training programme, licensing ABSs, taking action following the review of immigration legal services and the completion of our governance reform programme.

In our Risk Outlook, we outlined the three themes which pose the biggest risks to our regulatory objectives.

These are:

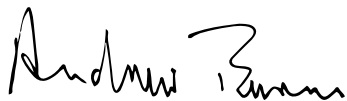
- ▶ an inability to meet consumer needs;
- ▶ a continuing lack of diversity in the profession and inequalities in working culture and practices; and
- ▶ the potentially negative impact of commercial pressures on providers.

We will continue to monitor these risks, as well as engaging constructively with external reviews of the legal services market and robustly defending our independence from both government and the profession.

We look forward to implementing our new Strategic Plan, which outlines three aims for the period from 2016 to 2019. These aims are to regulate in the public interest, to support barristers and those we regulate to face the future, and to ensure we are a strong and sustainable regulator. Each of these aims is of equal importance to the others.

I should like to acknowledge and thank all the staff, Board members, committee members and our stakeholders who have contributed to our success over the last three years. I would also like to say a special word of thanks to Patricia Robertson QC who served for a total of six years on the Board and for three years until the end of 2015 as Vice-Chair. Patricia played an instrumental part in delivering the progress outlined in this report, most notably with the introduction of the BSB Handbook in January 2014. I would like to pay particular tribute to my predecessor, Baroness Ruth Deech QC (Hon), who oversaw the majority of the period which this Strategic Plan covered, and during which much was achieved.

As a Board, we are proud of what we have achieved over the past three years. We look forward to building on that, to continuing to base our regulation on robust, solid evidence and to taking a risk-based approach that will help us concentrate our resources on the areas which will make the most difference.



Sir Andrew Burns KCMG
Chair, Bar Standards Board

What the BSB does: our core work

The BSB regulates barristers and their professional practice, and specialised legal services businesses in England and Wales, in the public interest.

We are responsible for:

- ▶ Establishing the education and training requirements for becoming a barrister and assuring the quality of training;
- ▶ Drawing up continuing training requirements to ensure that barristers' skills are maintained throughout their careers;
- ▶ Setting standards of conduct for barristers;
- ▶ Authorising barristers to practise, as well as organisations that focus on advocacy, litigation, and specialist legal advice;
- ▶ Monitoring the service provided by barristers and entities to assure quality; and
- ▶ Handling complaints against barristers and legal services businesses that we regulate and taking disciplinary or other action where appropriate.

The work that we do is governed in particular by the Legal Services Act 2007 (LSA07) as well as a number of other statutes. Along with the other legal service regulators identified in the Act, our objectives are the same as the regulatory objectives laid down in LSA07. These are:

- ▶ Protecting and promoting the public interest;
- ▶ Supporting the constitutional principle of the rule of law;
- ▶ Improving access to justice;
- ▶ Protecting and promoting the interests of consumers;
- ▶ Promoting competition in the provision of services;
- ▶ Encouraging an independent, strong, diverse and effective legal profession;
- ▶ Increasing public understanding of citizens' legal rights and duties; and
- ▶ Promoting and maintaining adherence to the professional principles.

Find out more about how we undertake our work to regulate legal services in relation to the Regulatory Objectives on our [website](#).

Regulatory Policy

We are a risk and evidence based regulator. Risk-based regulation means that we are constantly monitoring the market for barristers' services. We identify all of the potential risks that could prevent the Regulatory Objectives from being met. When we have done this, we focus our attention as the regulator on the risks that we think pose the biggest threats to the public interest. We then take action to try and prevent those risks from occurring, or to reduce their impact.

You can read more about our risk-based approach to regulation and find out about the risk areas that we are going to be focusing most of our attention on during the early years of our strategy, on our [website](#).

Where necessary, we use this knowledge to set standards and introduce rules and guidance for barristers and entities. These are collated in the BSB Handbook which includes the Code of Conduct. We develop policy on the educational pathways into the profession. In addition we develop policy on conduct of practice in areas such as chambers' complaints handling and direct public access to barristers.

Regulatory Assurance

We oversee the Academic, Vocational, and Pupillage stages of training that must be completed in order to qualify as a barrister.

We also decide on individual applications from people wishing to qualify and/or practise as barristers but who would like to be exempted from some or all of the normal training requirements.

Our aim is to assure, maintain and enhance standards across the profession through the development of measures for assessing the quality of both individual barristers and the chambers and entities in which they practise. This includes a risk-based approach to the supervision of chambers, the authorisation of new entities and the regulation of Continuing Professional Development (CPD).

Enforcement

We investigate complaints about the professional conduct of barristers and others we regulate and take action against those who have breached the provisions of our Handbook.

August
2013

First anniversary of BSB equality rules

Our strategy 2013/2016

Our vision was that by the end of March 2016 we would be a more modern and efficient regulator, operating to externally agreed high standards, fulfilling our mission and upholding and promoting the regulatory objectives and professional principles. How we planned to achieve that vision was set out in our Strategic Plan 2013/16, with key programmes of work and annual milestones for each of them.

This Annual Report reflects on what we have achieved over the three year period of our Strategic Plan. However, the main emphasis within the Report is on what occurred during the final year of our strategy. It looks at each of our aims, explaining what we have done during 2015/16 and the difference it will make to the profession that we regulate and the clients it serves.

Our 2013/16 strategic aims

We developed five strategic aims which encompassed all of the work we intended to undertake over the three years from 2013/14 to 2015/16.

These strategic aims reflected how we wanted to improve our performance against the Regulatory Standards Framework (RSF) laid down by the LSB. That framework had four key pillars: outcomes-focused regulation; risk assessment; supervision; and enforcement – and required a regulator to demonstrate sufficient capacity and capability to regulate in those key areas.



Our high-level achievements between 2013/16

We have achieved a great deal against the five strategic aims over the last three years. However, a lot has changed within the market that we oversee during that period. Inevitably, things have moved on. Some of the things that seemed like priorities three years ago have become less important now, while other matters have become more important. We consider our greatest contributions towards meeting the requirements of the Regulatory Standards Framework to be:

New BSB Handbook

The BSB Handbook was published in January 2014, with a second edition published in April 2015. Some of the biggest changes were:

- ▶ Self-employed barristers were able to apply for an extension to their practising certificate so that they could conduct litigation;
- ▶ Previous rules preventing self-employed barristers from sharing premises and forming associations with non-barristers were removed;
- ▶ Regulated persons were required to self-report misconduct and report others in relation to “serious misconduct”; and
- ▶ Unregistered barristers were included in the Core Duties of the Code of Conduct.

The Handbook is now much less prescriptive, with more focus and guidance on what the outcome of a rule should be, rather than attempting to define how a barrister should act in every situation. This is in keeping with our modern approach to regulation, focusing our rules on what we want to achieve, rather than process.

Establishing a Supervision function

In 2014, our Supervision team was established. This department plays a crucial role in monitoring, and working with, barristers and the management within barristers’ chambers. The team surveyed all chambers and has categorised them in terms of how likely things are to go wrong and how severe the impact would be if something did go wrong. This has helped us to focus supervisory attention on chambers who were assessed as high-risk and high-impact. We have made monitoring visits to all such chambers.

Entity authorisation

We started authorising lawyer-owned entities in April 2015. For the first time, our regulatory remit extended beyond the Bar, and now reaches to other types of lawyers who are operating a BSB-regulated entity. Within the first week of being able to take applications for entity authorisation in April 2015, we had approved 15 businesses. Take-up was lower than initially expected, but new applications are received regularly. We are committed to facilitating innovation in the market, allowing barristers and other lawyers to pool resources and meet the needs of the public.

October
2013

Changes to Public Access rules come into effect
New internal Document Management System launches

It was announced in March 2016 that the LSB had recommended to the Lord Chancellor that we be authorised to regulate ABSs. We are awaiting statutory designation and hope to begin regulating ABSs in 2016/17.

Risk-based regulation

Publishing our Risk Framework, Index and Outlook in 2016 was a huge step in demonstrating how we have been regulating the profession for some time now. It also shows that we are an outward-looking, forward-thinking regulator eager to engage with consumers, the profession and other relevant stakeholders.

Modernising how barristers can practise

As well as having started to regulate entities, we have modernised how barristers can practise by allowing them to conduct litigation and by allowing more barristers to be authorised as “public access” practitioners to accept instructions directly from clients. Newly qualified barristers are now able to do this type of work, after completing appropriate training, which offers more choice for consumers who wish to instruct a barrister directly.

We also want to modernise how employed barristers can work. We think they should be able to work through employment agencies, consultancies or other corporate vehicles as an alternative way of delivering traditional “in-house” services. We currently have rules that prevent this type of working, but we have granted a number of waivers and we consulted in October 2015 on more formal changes to the way “in-house” employed barristers can practise. This will increase choice for consumers of in-house legal services at a time when a number of organisations are seeking to outsource this type of work.

We have also permitted self-employed barristers to apply for authorisation to conduct litigation. This is a reserved legal activity that was traditionally done by solicitors, so the ability to offer litigation services means that public access barristers can now offer a wider range of services to their clients (before this, clients of public access barristers whose cases went to court would have had to act as “litigants in person”).

Future Bar Training

We started the Future Bar Training programme in 2014, with a view to reforming the pathways to qualify as a barrister. The current regime has served the profession well, but the proposed reforms will aim to address the lack of diversity in the profession and increase access to it, especially for people from non-traditional backgrounds. Our reforms will also need to address the cost of qualification and the inflexibility within the current system. Of course, we also need to make sure that any new pathways that we introduce can serve the profession well for many years to come.

During the last year, we consulted on the Professional Statement, which sets out the skills, knowledge and attributes a barrister is expected to have upon being issued a practising certificate. We launched our consultation on Future Bar Training itself, which considers a number of approaches to qualifying for the Bar. We formulated options from the responses we received, which will be the subject of further discussion and consultation in the next strategic period.

Introducing administrative sanctions

As part of the new Handbook, we changed the rules to enable us to impose administrative sanctions, such as fines for conduct that does not amount to professional misconduct. These sanctions are reserved for situations which are unlikely to pose a significant risk to the public. This allows disciplinary action to be rightly reserved for more serious matters.

Achievements in 2015/16

Strategic aim 1

In 2013 we said that we aimed to:

Implement our specialist regulatory regimes for advocacy services which operate in the public interest and in support of the regulatory objectives of the Legal Services Act 2007

The world in which we operate as the regulator of barristers is changing. The legal services market is opening up, competition is increasing and consumers are demanding more from legal services providers. We have to make sure that we are responsive by providing a regulatory structure that enables barristers to meet the developing demands of the market.

At a glance:

Progress before 2015/16

- ▶ The BSB Handbook was published and its provisions embedded across the Bar;
- ▶ The first potential BSB-authorized entities applied and were on the verge of becoming authorised; and
- ▶ We started a review of the cab-rank rule.

During 2015/16

- ▶ Entity authorisation and entity supervision started;
- ▶ New systems for entities' enforcement were introduced;
- ▶ Our application was approved to become a licensing authority for ABSs by the LSB; and
- ▶ We conducted research into the public access scheme.

Entity authorisation

We made further progress in our aim to implement specialist regulatory regimes in 2015/16. These are important because in the long-term they can help open up the market to allow the public to access more flexibly the services traditionally provided by barristers.

We started authorising entities during this year, following our launch of the scheme in April 2015. 13 entities were authorised to provide reserved legal activities on day one. By the end of 2015/2016, 46 entities had been authorised. The number of entities being authorised in the first year was lower than expected, but we are confident that take-up will increase in the future as more and more barristers become aware of the benefits of forming such bodies. We are particularly pleased about the innovative nature of some of the entities. The turnaround time for us to approve applications from prospective entities is within six weeks for 85 per cent of those received.

New systems for entity enforcement

New processes were put in place this year, to enable us to take enforcement action against an entity, should it be necessary to protect the entity's clients. We have not had to use these enforcement processes against an entity yet, but our system of regulating entities includes taking the same risk-based, supervisory approach to regulation that we take with all individual barristers. This helps us work with entities to reduce the risk of anything going wrong rather than acting after the event with enforcement.

We consulted on whether to require single person entities to insure with the Bar Mutual Indemnity Fund. This review has been broadly welcomed by those who responded to the consultation. However, no changes will be made until we have conducted further analysis of any impact on competition and this work is part of our 2016/17 business plan.

Approval to become a licensing authority for ABSs

Towards the end of the year in March 2016, the LSB announced they had approved our application to become a licensing authority for ABSs. We are waiting for Parliament to pass legislation on this. Expanding our regulatory remit to include specialised legal services businesses is testament to our commitment to encouraging innovation in the legal services market.

Public access research

Traditionally, barristers have been instructed by solicitors. However over recent years, authorised barristers have been able to accept instructions directly from the general public, via a scheme known as "public access". During the year, we gathered information and commissioned joint research with the LSB to see how the public access regime is working in the public interest.

Research shows the public-access Bar is growing, to just over a third of the Bar in 2016. This proportion is lower than the prediction we made in 2014, which was that half the Bar would be authorised for public access by the end of 2015. However, the overall finding from the research in the last year is that the benefits for consumers are starting to emerge. These benefits include wider choice, improved timeliness of services and lower costs for some. These benefits can be expected to grow as public access to barristers grows.

In focus: Regulating entities

We have been regulating entities for a year now; the majority of these businesses are single-person entities. We sought feedback from a selection of these entities which has helped us to improve the service we offer. Two of those who participated are solicitor-owned and managed, one is a public access barrister providing pro bono services to vulnerable clients, and another is a barrister who consults for a large firm of City solicitors.

Here is what they said:

“Overall, I think the BSB is better suited and experienced in regulating smaller entrepreneurial legal practices.” – Captivate Legal and Sports Solutions

“The turnaround time of our application was much quicker than it would have been with the SRA - seven weeks from submission of all application forms.” – Evolve Family Law Limited

“As a pro-bono charity, with very limited resources, we have found regulation by the BSB to be cost-efficient, supportive and streamlined. Without such regulation, the Habeas Corpus Project would not exist.” – Habeas Corpus Project

“There are not any real disadvantages that I can see. You need to have proper record keeping and systems and controls, and a good accountant, but these are necessities for all barristers whether they have incorporated or not.” – Jane Walshe Limited

You can read the full case studies on our [website](#).

Further reading

You can read more about some of the topics on our website:

Entity regulation: <https://www.barstandardsboard.org.uk/regulatory-requirements/for-prospective-entities/>

The BSB Handbook: https://www.barstandardsboard.org.uk/media/1731225/bsb_handbook_sept_2015.pdf

The “cab-rank rule”: <https://www.barstandardsboard.org.uk/regulatory-requirements/regulatory-updates-2015/september-2015-issue/changes-to-the-cab-rank-rule/>

In all of our work, we aim for an open and transparent approach. You can monitor all of our progress by reading our detailed Board papers on our website at: <https://www.barstandardsboard.org.uk/about-bar-standards-board/how-we-do-it/our-governance/our-board/board-meetings-2016/>

Strategic aim 2

In 2013 we said we wanted to:

Promote greater public and professional understanding of and support for our role and mission

Understanding and awareness of what we do and why we do it is crucial if we are to be effective. We know from the Biennial Survey in 2013 that there is scope to improve understanding of our role amongst the profession. Judging from feedback and media coverage, we also think that we could improve the information we provide so members of the public are easily able to find out where to find help when things go wrong.

At a glance:

Progress before 2015/16

- ▶ We established an outreach programme with consumers via regular engagement with legal consumer representative organisations;
- ▶ We started publishing press releases in the public interest on disciplinary tribunals where the outcome was disbarment; and
- ▶ We refreshed our monthly newsletter to the profession, our Regulatory Update.

During 2015/16

- ▶ We began work to develop a formal stakeholder engagement strategy;
- ▶ We substantially improved the clarity of information on our website particularly with regard to complaining about a barrister's professional conduct and the process we use to investigate complaints;
- ▶ We started publishing press releases on disciplinary tribunals where the outcome was suspension in the public interest (previously we had only published press releases when a barrister was disbarred); and
- ▶ We established public forums to engage consumers and the Bar.

Development of stakeholder engagement strategy

We began work to develop a stakeholder engagement strategy and sought to build upon our relationships with consumer organisations, equality and diversity groups, other regulators, media, students, education providers and others.

These relationships have been particularly beneficial during the past year as we worked towards publishing our Risk Outlook, Index and Framework. These are important documents because they explain our approach to risk-based regulation, and help us categorise risks and therefore help to shape our strategic priorities. We needed our stakeholders' perspectives and insights to do all of this, so developing and delivering our stakeholder engagement strategy was essential.

Greater clarity of website information

Our Independent Observer made a recommendation to overhaul our website information on how to complain about a barrister's professional conduct and how such complaints are dealt with. We wanted to make information easier to find and to explain our processes more clearly. We completed this project during 2015/16. These pages can be found on our [website](#).

The work that we do to look into complaints about barristers and, where necessary, the disciplinary action that we take, are some of the most high-profile areas of our work.

From 1 September 2015, in addition to disbarments, we began publishing press releases about barristers who have been suspended from practice by independent Disciplinary Tribunals. We also publish a short summary in the Professional Update of Counsel Magazine of both disbarments and suspensions. It is important to inform both the public and profession about the most serious kinds of conduct that have been found to have breached the duties laid down in our Handbook.

Provision of public forums

During the year, we held two public forums in London and one online webinar. These events covered a number of topics as follows:

- ▶ September 2015 – Future Bar Training webinar;
- ▶ October 2015 – An introduction to risk-based regulation and what it means for the Bar; and
- ▶ January 2016 – Cross-cultural communication at the Bar.

In addition, numerous informal discussions and forums took place throughout the year on a range of regulatory topics.

Consultation on future of Bar training

We had a high response rate to our major consultation in 2015 about the future of Bar training. The consultation sought responses on each aspect of qualification required to practise as a barrister – the academic, vocational and pupillage stages. The comprehensive consultation paper took an exploratory approach to issues with the current system and on a range of future possible approaches to qualifying for the Bar. We were very pleased at the level of interest and engagement with stakeholders up and down the country. We held a webinar as well as our usual communications for the issue of a consultation such as press releases, emails to relevant stakeholders and promotion via social media. More than 100 people listened to the webinar, many asked questions on the day and the recording was subsequently published on our website.

Outlining our vision for future regulation at the Bar

In October 2015, we held an event about risk-based regulation at which our Chair, Sir Andrew Burns outlined his vision for the future of regulation at the Bar to a live audience of our stakeholders. He emphasised our commitment to nurture a dialogue with consumers and the profession in the lead-up to the publication of the Risk Outlook and beyond. This dialogue will continue in earnest.

April
2014

All chambers sent Impact Audit survey

Promotion of cross cultural communication at the Bar

In January 2016, we held an event on the importance of cross cultural communication at the Bar. The event was well attended by people from different parts of the profession and beyond. Delegates gave us useful insight into how we and the Bar can better equip barristers to serve the needs of a diverse public. This included considering how barristers should interact with clients and witnesses of different ethnicities, ages, disabilities, gender identities and sexual orientations. We found that delegates, Bar and non-Bar alike, were very engaged with this topic and wanted to have their say. It also gave the Bar delegates in particular cause to reflect upon the culture of the Bar itself and how it affects their interaction with clients and witnesses (for example) who come from different backgrounds.



In focus: Key facts about our communications channels

In the last year, we have improved our communications and public engagement activities. We have moved to planning our announcements more strategically for maximum impact and started measuring our media coverage on a more consistent basis. We have also introduced management systems for our social media platforms, and set up a LinkedIn page to reach an audience whose main goal is professional networking.

- ▶ We had more than 14,000 followers on Twitter at the end of 2015/16, an increase of around 3,000 since last year;
- ▶ We started using LinkedIn more actively in August 2015 and had 2,430 followers at the end of 2015/16;
- ▶ We published 59 press releases during 2015/16;
- ▶ Our press mentions were 296, in 47 different media outlets;
- ▶ Over the course of the year, 60 per cent of the coverage of the issues we raised was positive and 33 per cent was neutral. Negative coverage of the issues has decreased in the last year;
- ▶ We launched 13 consultations during 2015/16 and published responses to five consultations from other organisations.

Why not follow us on Twitter and LinkedIn?



Strategic aim 3

In 2013 we said we wanted to:

Set and maintain high standards of entry to and practice in a diverse profession

High standards of advocacy are crucial to the maintenance of the rule of law and promoting and protecting access to justice. Our role as the regulator is to ensure that those high standards are maintained by setting entry and training requirements, and monitoring standards of practice during the course of a barrister's career.

At a glance:

Progress before 2015/16

- ▶ Our Future Bar Training programme started in 2014;
- ▶ Our Supervision function was established to monitor standards within chambers;
- ▶ We dealt successfully with a series of legal challenges to the Quality Assurance Scheme for Advocates (QASA), but its implementation was nevertheless delayed; and
- ▶ We continued to work to investigate complaints against barristers (see panel on page 19 about the volume of complaints).

During 2015/16

- ▶ A major report was published into the standards of Youth Court advocacy;
- ▶ Our "Professional Statement" was published setting out the standards expected from newly qualified barristers on their first day of practice;
- ▶ Key Statistics about the Bar Professional Training Course (BPTC) were published;
- ▶ A review was undertaken of the centralised assessments for the BPTC;
- ▶ The Bar Course Aptitude Test (BCAT) was reviewed;
- ▶ We piloted a new regime for Continuing Professional Development (CPD);
- ▶ We conducted an Immigration thematic review; and
- ▶ We completed a review of the Disciplinary Tribunal Regulations and published a consultation paper about a revised set of regulations designed to ensure that our Disciplinary Tribunal processes are up to date and reflect best regulatory practice.

Publication of our Professional Statement

We continued our work in the last year to set and maintain high standards of entry to and practice in the profession. Work started on the Future Bar Training Programme in 2014 and the last year has seen the consultation on, and publication of, the Professional Statement. This statement outlines the minimum knowledge, skills and attributes a newly-authorized barrister should have upon being issued with a practising certificate. This was a significant shift in thinking for us and the profession, because it could mean that the pathway to reaching the standards outlined in the Professional Statement becomes far less prescriptive.

June
2014

Approval sought for entity authorisation
New rules on fair recruitment for chambers come into force

Publication of key BPTC statistics

This year, for the first time, we published our data about graduates from the BPTC. Our BPTC Key Statistics report was published in December 2015. The statistics covered students graduating between 2011 and 2014, tracking the career progression of those students including those who were able to gain a pupillage, as well as their backgrounds. We have since published another report with updated information and we propose to publish these reports annually. In this way, we can closely monitor how diversity objectives are being met over the coming years, provide a realistic picture to the barristers of the future about their prospects, and keep the public conversation going about equality and diversity at the Bar.

Other developments in ensuring high standards of entry into the profession have included:

▶ **A review of the BPTC centralised assessments in criminal and civil litigation and professional ethics**

After conducting the review, we decided to abolish the short answer component in two of these assessments and replace them with a type of multiple choice exam known as “single best answer”. From 2017, the professional ethics exam will change to consist of six short answer questions.

▶ **A review of the Bar Course Aptitude Test (BCAT)**

The review found that the BCAT was an excellent predictor as to how a candidate would fare in the BPTC, more so than how a candidate performed in their undergraduate law degree or graduate law diploma. However, as candidates were only informed if they passed or failed, not their actual score, we decided that from 2016 onwards, we would inform students of their mark. We also announced our plans to raise the pass mark in order to exclude students who are not likely to succeed in the BPTC.

We also started an annual “**spot check**” of barristers’ compliance with CPD requirements. In line with our evidence- and risk-based thinking, we selected those barristers that we wanted to “spot check” by focusing on those with a persistent history of failing to comply with CPD requirements (high-risk barristers) and less experienced barristers (New Practitioners). We found that New Practitioners recorded a 96 per cent compliance rate, while high-risk barristers recorded an 86 per cent compliance rate. This analysis enabled us to take appropriate follow-up action.

In June 2014, we proposed further changes to CPD to make it more flexible for barristers. The new scheme will remove the emphasis on barristers having to complete a compulsory 12 hours of CPD per year. Instead, the focus will be on barristers having to undertake a range of CPD activities in order to fulfil their individual learning objectives. We received 82 responses to our consultation on proposed changes to CPD and as a result, a pilot of the new CPD scheme was carried out during 2015/16 with a sample of barristers. The Board approved the new regime which is due to come into force from January 2017.

In the last year, we conducted a **review into immigration services provided by barristers**. We did this because evidence suggests that this is a key area of vulnerability for the public. Our work showed that we need to develop a framework that barristers providing immigration services can use to assess the vulnerability of their clients.



In focus: Youth Courts advocacy

Last year, we published a Youth Proceedings Advocacy Review report. We, along with CILEx Regulation, commissioned the Institute for Criminal Policy Research to conduct the research.

- ▶ 215 barristers and chartered legal executive advocates completed the survey;
- ▶ 34 advocates were interviewed by telephone;
- ▶ 25 young defendants were interviewed face-to-face;
- ▶ 30 youth justice practitioners, namely, legal advisors, youth court magistrates, district judges, court-based youth offending team workers, youth specialist prosecutors and intermediaries were interviewed;
- ▶ 3 young witnesses and 2 Witness Service volunteers were interviewed;
- ▶ 4 youth courts were observed;
- ▶ 5 crown courts were observed; and
- ▶ 3 roundtable discussions were held with senior youth justice practitioners and youth justice policy specialists.

The main findings were:

- ▶ The quality of advocacy in youth proceedings is regarded as highly variable;
- ▶ There was evidence of a lack of specialist knowledge amongst some advocates of the statutory framework for dealing with young people and young offenders;
- ▶ There seemed to be mixed abilities amongst advocates to communicate clearly and appropriately with the young people whom they are representing; and
- ▶ We noted a lack of specialist training for advocates undertaking work in youth court proceedings.

The actions for us include:

- ▶ Clearly setting out the competencies that advocates appearing in the Youth Courts or proceedings involving youths are expected to demonstrate;
- ▶ Providing guidance and advice on how those competencies can be satisfied;
- ▶ Encouraging examples of good practice in youth advocacy to be brought to our attention so that they can be shared across the profession;
- ▶ Looking at ways in which poor performance can be identified; and
- ▶ Raising the status of youth advocacy work. The research indicated that Youth Court advocacy can sometimes be seen as a place for advocates to “cut their teeth” before appearing in the adult courts.



In focus: Key facts about those we regulate

The following figures give a flavour of the scale of the profession we regulate and how competitive it is to become a practising barrister.

- ▶ Over **15,000** barristers regulated;
- ▶ **35 per cent** of UK/EU BPTC graduates attain pupillage;
- ▶ Women and men are attaining pupillage in similar proportions – **47 per cent to 53 per cent**;
- ▶ Approximately **700** barristers practise immigration law, with **582** being public access barristers;
- ▶ **201** expressions of interest for entity authorisation were received by March 2016. Of these **46** have been authorised, predominantly single-person bodies;
- ▶ We conducted a fourth full cycle of centralised assessment for the BPTC;
- ▶ This year **76 per cent** of complaints were concluded or referred to disciplinary action within agreed services standards (10 per cent more than last year);
- ▶ **Seven** barristers were disbarred in 2015/16, compared to **13** last year;
- ▶ **Eight** barristers were suspended, which was the same as last year;
- ▶ **127** Qualified Foreign Lawyers took the Bar Transfer Test;
- ▶ **1,306** applications were considered by the Qualifications Committee, including those relating to pupillage, CPD, transferring qualified lawyers, and applications to become a pupillage training organisation;
- ▶ **433** complaints were opened, of these **182** were referred to enforcement action. Of these **106** resulted in disciplinary action and **76** in the imposition of administrative sanctions.

Strategic aim 4

Become more evidence- and risk-based in all we do in the context of a globalised legal services market

The LSB framework for regulatory standards requires us to identify risk and use evidence as the basis for our regulatory decisions. Becoming more risk- and evidence-based is therefore a priority for the BSB and is a theme that runs through all of our objectives.

At a glance:

Progress before 2015/16

- ▶ The Supervision team began monitoring high-impact and high-risk chambers;
- ▶ A new policy development framework was introduced;
- ▶ We started to develop a regulatory risk index; and
- ▶ We launched a number of consultations and “calls for evidence” on a variety of regulatory policy issues.

During 2015/16

- ▶ Our first Risk Outlook, Framework and Index were published;
- ▶ Risk profiling of medium-impact chambers was completed;
- ▶ A survey was conducted into the experiences of women at the Bar; and
- ▶ We introduced a risk-based approach to enforcement decisions based on our Enforcement Strategy.

Publication of our Risk Outlook

This year saw us make big strides in becoming more evidence- and risk- based in everything that we do. We had been moving in this direction for quite some time, with the publication of the BSB Handbook as one example. However, the publication of our Risk Outlook, which comprehensively scans the environment in which we regulate for risks, is a significant development.

Our Risk Outlook helped to inform our Strategic Plan for 2016/19. We are now able to frame our strategic priorities in the context of our Risk Outlook themes, which are:

- ▶ Failure of those we regulate to meet consumer need;
- ▶ Lack of diversity in the profession and discriminatory working culture and practices; and
- ▶ Commercial pressures on providers.

October
2014

Launch of Future Bar Training programme
Report on trial supervision of chambers reveals positive feedback

Our Risk Framework outlines how we regulate in a risk-based way. We have a clear process to make sure we are aware of, and address, any risks to our regulatory objectives as they come to our attention. Our Risk Index identifies five categories of risk to our regulatory objectives:

- ▶ Client service and delivery;
- ▶ Ethical conduct;
- ▶ Competence to practise;
- ▶ Management and administration; and
- ▶ Market risks.

Risk profiling medium impact chambers

By starting to understand where issues are occurring and the relationships between different risks, we can begin to understand and treat the root problems rather than just the symptoms.

The establishment of the Supervision team in 2014 was one of the more significant changes we made to address regulatory risk. As described in last year's Annual Report, the team carried out an impact assessment on 794 chambers and sole practitioners. We asked them to complete questionnaires called "returns". We assessed these chambers' returns and categorised them into High, Medium and Low Impact. "Impact" is described as what the result could be if something were to go wrong in chambers. Last year, we focussed on chambers that were assessed "High Impact." This year, we issued a second round of supervision returns to enable us to assess risks on 168 Medium-Impact chambers. Feedback from the chambers that we visited as part of our supervision process has been positive, with many saying that they see our engagement as helpful, rather than threatening.

The returns, risk-assessments and on-site visits have provided us with a wealth of evidence that is enabling us to target our resources to the areas of highest risk. They also help us to identify emerging themes which are then informing our regulatory policy and decisions. We have noticed some very constructive engagement developing between us and the profession.

We touched briefly on our Youth Courts advocacy review in our report on Strategic Aim 3. However, the Youth Courts advocacy project also illustrated how we gather evidence in order to be risk-based in the way we develop regulatory policy. Our review has helped us to collect the experiences of those in the justice system aged between 10 and 17, a particularly vulnerable group that often has complex needs and finds that court processes can be alien and frightening.

Surveying women's experiences at the Bar

The experiences of women at the Bar are very important in relation to the Bar achieving gender equality at every level of seniority. We conducted research this year about what effects the Equality Rules of the BSB Handbook are having on women working at the Bar. Currently the majority of the practising Bar is male, with approximately 5,000 of the 15,000+ practising barristers being women. It was one of the most successful surveys we have ever conducted with a third of the practising female Bar responding. We published the results of this research in July 2016.

Assessing our "Regulatory Standards"

The LSB published their Regulatory Standards report about the BSB in 2015/16. We self-assessed our progress at the same time as the LSB did, and our results matched. This showed that we were objective about what we achieved over the last year, and about the work we have yet to do. We improved significantly on the previous year, and we made the most progress in the area of supervision.

In focus: Supervising chambers

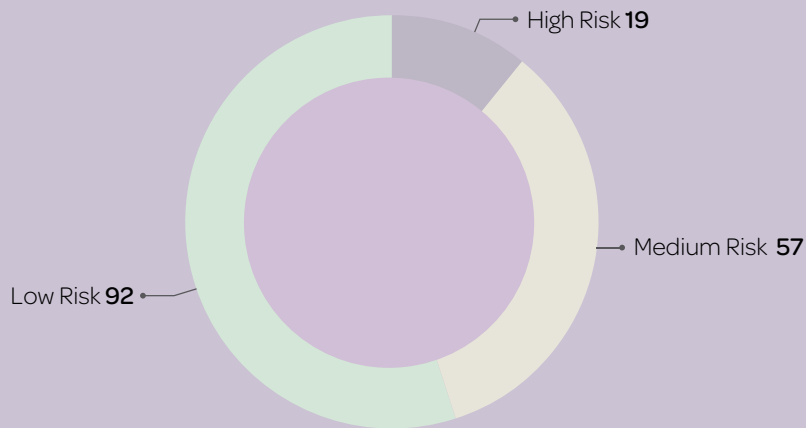
Our supervision team risk-assessed 168 Medium Impact chambers and sole practitioners throughout the year.

“Impact” refers to what the results would be if something were to go wrong in chambers. Our focus on Medium “Impact” chambers during 2015/16, follows the attention we gave to High “Impact” chambers during 2014/15.

Having assessed the possible “Impact” of something going wrong, we then assessed the “risk” of something actually going wrong.

This is how we categorised the risk level for 168 Medium Impact chambers:

Medium Impact Chambers as at 31 March 2016



One sole practitioner told us:

“Several people said that the BSB are all doom and gloom, but I see this as a helping hand....it’s been really helpful. A meeting of the minds.”

All chambers and entities must comply with the regulatory requirements set out in the BSB Handbook. This includes a requirement to have appropriate risk management procedures in place. We have identified five areas where we can expect chambers to manage risk:

- ▶ Governance and administration of chambers;
- ▶ Provision of services to clients;
- ▶ Equality and diversity;
- ▶ Pupillage; and
- ▶ Financial management.

When we visit a set of chambers, we might ask the head of chambers to put some improvements in place to help them to manage these areas better. We have followed up actions agreed with chambers through returns and visits. Risk ratings were reduced for chambers where we could see issues had been addressed.



In focus: Risk-based regulation

What is a risk-based approach to regulation?

Risk-based regulation means that we are constantly monitoring the market for barristers' and advocacy services. We identify all of the potential risks that could prevent our Regulatory Objectives from being met. As we do this, we focus our attention on the risks that we think pose the biggest threats to the public interest. We then take action to try to prevent those risks from occurring in the first place, or to reduce their impact.

We published three documents about regulatory risk:

- ▶ the Risk Framework describes our general approach to identifying and managing risks in the legal system;
- ▶ the Risk Index categorises those risks; and
- ▶ the Risk Outlook prioritises three risk themes which we think should be the current focus of our regulatory attention.

The publication of these documents marks the first time we have publicly defined the risks to fulfilling our regulatory objectives, which are set out in the LSA07.

In the Risk Outlook we explore risks in three important areas:

- ▶ Failure to meet consumer needs;
- ▶ Lack of diversity in the profession and discriminatory working culture and practices; and
- ▶ Commercial and financial pressures on providers.

The purpose of the Risk Outlook is:

- ▶ To guide the development and prioritisation of our regulatory activities;
- ▶ To share insights and expertise concerning areas of significant risk; and
- ▶ To support our ongoing engagement with our stakeholders.

Further reading

You can read more about some of the topics in this section on our website:

Supervision: <https://www.barstandardsboard.org.uk/regulatory-requirements/for-barristers/supervision/>

Public access: <https://www.barstandardsboard.org.uk/regulatory-requirements/for-barristers/public-access/>

CPD: <https://www.barstandardsboard.org.uk/regulatory-requirements/for-barristers/continuing-professional-development/>

Strategic aim 5

In 2013 we said that we would:

Strive for “best practice” as an organisation for those whom we serve and those who work for us

In order to deliver on our strategy and meet our obligations as a regulator, we need people who are equipped to do the job, processes that are efficient and effective, and sufficient resources to support the implementation of our work programme.

At a glance:

Progress before 2015/16

- ▶ We completed The Regulatory Improvement Programme (TRIP) successfully – setting us off on our journey to become a more modern regulator;
- ▶ Key new HR policies were implemented;
- ▶ The Bar Tribunals and Adjudication Service (BTAS), arrangements were agreed and started to deliver effective results;
- ▶ We appointed a new Chief Information Officer, Human Resources Director and Finance Director; and
- ▶ The staff intranet called “verity” was launched.

During 2015/16

- ▶ We launched our new internal ASPIRE programme for staff. ASPIRE stands for Accessing Staff Potential to Inspire Regulatory Excellence – and is intended to help us progress against the LSB’s standards framework;
- ▶ Our governance structure was reviewed; and
- ▶ We published a new Strategic Plan and business plan.

Striving for best practice in the BSB

We continued to make good progress in striving for “best practice” as an organisation in everything we do.

This year, we launched ASPIRE, which is a programme aimed at further embedding our approach to outcomes-focussed, evidence- and risk-based regulation within the organisation, using the talents and energy of all of our staff. There are four areas that are being “championed” by staff throughout our organisation:

- ▶ Risk;
- ▶ Governance;
- ▶ Consumers; and
- ▶ Equality.

Each area of work has a lead “champion” and a group of staff members from different departments sharing and collecting information, to take back to the department in which they work. The four areas of work have been specifically identified as they are areas which are in a state of expansion or significant reform.

February
2015

New method of determining Practising Certificate Fees introduced based on barrister earnings

As we touched on previously, the Strategic Plan 2016/19 was drafted, consulted on and published in the last year. Our business plan for 2016/17 shows that we have reduced our budgeted operating expenditure by four per cent compared with 2015/16.

Early 2016 saw us strengthen our capacity within our Communications and Public Engagement team. This builds on the consumer engagement work we had been doing for some time, however with the addition of a new Director focussed on this area, we will be looking more strategically at how can better explain our work to the public.

Governance structure review

Over the last year, we have been reforming our governance arrangements. In line with our goal to become a more modern and efficient regulator, we have disbanded some of our committee structures and instead empowered staff to take on the decision-making which committees used to perform. This is in keeping with best practice for independent regulatory organisations. We hope this leads to greater staff satisfaction and more career progression opportunities for staff, as well as enhancing the consistency of decision making. Staff will be supported by a new advisory panel of experts (APEX) – including, where necessary, experienced barristers – which staff will be able to call on for advice when required.

The changes are aimed at speeding up case work and policy development and increasing our ability to respond flexibly to new regulatory demands. The new arrangements help to ensure that we are a robust, independent, reliable and optimally-resourced organisation with a clear separation between policy development and implementation or individual regulatory decision-making.

Measuring our success

We use a number of measures to evaluate our work. These include:

- ▶ Regulatory costs;
- ▶ Complaints and authorisation turnaround times;
- ▶ Staff survey results;
- ▶ User satisfaction surveys; and
- ▶ Service complaints data.

Further reading

You can read more about some of the topics in this section on our website:

Our staff: <https://www.barstandardsboard.org.uk/about-bar-standards-board/how-we-do-it/our-governance/our-staff/>

Task completion groups: <https://www.barstandardsboard.org.uk/about-bar-standards-board/how-we-do-it/our-governance/task-completion-groups/>

Strategic and business plans: <https://www.barstandardsboard.org.uk/about-bar-standards-board/how-we-do-it/our-strategic-and-business-plans/>

Equality update

We are committed to encouraging an independent, strong, diverse and effective legal profession. It is important that the composition of the Bar reflects the community it serves and that the public has confidence in the legal system and the role of barristers within it.

We are committed to improving diversity – both externally in the profession and internally within our organisation – and to ensuring that equality is taken into account in everything we do. We have a legal duty to pay due regard to the need to:

- ▶ eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- ▶ advance equality of opportunity between people who share a protected characteristic and those who do not; and
- ▶ foster good relations between people who share a protected characteristic and those who do not.

The protected characteristics are: age, disability, gender reassignment, pregnancy and maternity, race, sex, sexual orientation, religion or belief and marriage and civil partnership.

At a glance:

Progress before 2015/16

- ▶ Equality and diversity considerations were included as part of our monitoring visits with chambers;
- ▶ All of our staff received equality and diversity training;
- ▶ We published diversity at the Bar reports; and
- ▶ We embedded equality and diversity considerations into our new Policy Development Framework.

During 2015/16

- ▶ We conducted research into women’s experiences at the Bar;
- ▶ We published our “Diversity in the profession” report;
- ▶ An in-depth analysis of professional conduct complaints was conducted; and
- ▶ We held a symposium about cross-cultural communication.

Research on impact of equality initiatives

During the year, we made good progress in raising awareness of equality and access to justice at the Bar. We conducted research into the experiences of women at the Bar and the impact of our Equality Rules, looking particularly at progression and retention. Our survey attracted well over 1,300 responses, providing a rich picture which has informed recommendations to our Board for further action.

April
2015

First barrister-led entities are authorised
Launch of a staff intranet
Review of regulation of immigration advice and services announced

Publication of our “Diversity in the profession” report

We published a diversity report on the profession in January 2016. We improved disclosure rates across all categories, and the resulting report identifies key trends at the Bar from pupillage to QC level. However, there is more work to do to continue to encourage the profession to provide complete data across all the protected characteristics. For the first time this year, we have also published extensive monitoring data about vocational training outcomes for BPTC students, and will continue to do so regularly.

Reflecting our commitment to diversity and anti-discriminatory working practices within the Bar was a priority theme for our Board within our first Risk Outlook. The Outlook has been developed through extensive research, analysis and stakeholder engagement and provides an evidence base around diversity and discriminatory issues at the Bar.

New understanding of professional conduct complaints data

We completed in-depth analysis of professional conduct complaints data which identified gender as a significant predictor of the outcome of complaints, whilst ethnicity was not. All cases presented to our Professional Conduct Committee now have gender references removed and refreshed anti-discrimination training has been delivered to the Professional Conduct Department.

Learning to communicate across cultures

In January, we hosted a symposium on Cross-Cultural Communication at the Bar, welcoming a diverse range of experts and interested stakeholders. We were pleased to be able to continue to work with many of them to explore the area further, and to publish our report of the symposium itself.

Further reading

You can read more about some of the topics in this section on our website:

Equality and Diversity: www.barstandardsboard.org.uk/about-bar-standards-board/equality-and-diversity/

Diversity information about the profession (Jan 2016) http://www.legalservicesboard.org.uk/Projects/Reviewing_the_cost_of_regulation/index.htm

Our priority theme on diversity and anti-discriminatory working culture and practices in our Risk Outlook: <https://www.barstandardsboard.org.uk/about-bar-standards-board/how-we-do-it/our-risk-based-approach/our-risk-outlook/>

Governance

We are led and governed by a Board made up of 15 people. The Board has a non-barrister majority and a non-barrister Chair.

The Board met 14 times during the year: there were 10 ordinary meetings, a single-issue governance meeting, a joint meeting with LSB members, and two Away Days.

During 2015/16 the following people sat on our Board:

Chair: Sir Andrew Burns KCMG

Vice-Chair: Patricia Robertson QC (term ended 31 December 2015)

Vice-Chair: Naomi Ellenbogen QC (term commenced 1 January 2016)

Barrister Members:

Aidan Christie QC (term commenced 15 September 2015)

Justine Davidge

Naomi Ellenbogen QC (as Board Member from 15 September 2015 – 31 December 2015)

Judith Farbey QC (term commenced 1 January 2016)

Simon Lofthouse QC (resigned 6 August 2015)

Andrew Mitchell QC

Adam Solomon

Sam Stein QC (term ended 31 December 2015)

Lay Members:

Rolande Anderson

Rob Behrens CBE

Dr Malcolm Cohen JP

Tim Robinson

Prof Andrew Sanders

Nicola Sawford (term commenced 1 September 2015)

Richard Thompson OBE (term ended 31 August 2015)

Dr Anne Wright CBE

Special Advisors to the Board (with no voting powers):

Keith Baldwin

Sarah Brown (until 31 July 2015)

Matthew Nicklin QC (until 31 December 2015)

Emily Windsor

June
2015

Supreme Court judgment ends the legal challenge to QASA
More flexible plans for barristers' CPD announced

Governance Review

During 2015/16 we decided to adopt a new governance structure and made the first of a series of changes needed to implement that new structure. The Board believes that the changes will further strengthen public confidence in the independence of the BSB and its ability to regulate the Bar to a consistently high standard.

The Board wanted to:

- ▶ move to a governance model which supports executive-led decision-making (in keeping with best practice for independent regulatory organisations);
- ▶ ensure appropriate input is obtained from a variety of perspectives, including the profession, consumers and experts; and
- ▶ increase transparency of decision-making.

By the end of 2015, we dissolved the following committees:

- ▶ Standards;
- ▶ Supervision; and
- ▶ Equality and diversity.

The following committees will run as they currently do, for at least the next 18 months:

- ▶ Qualifications; and
- ▶ Professional Conduct.

The Education and Training Committee was revised to make sure it is well-placed to oversee the Future Bar Training programme, as well as the current regime. The Education and Training Committee will only exist until the Board has made the necessary policy decisions on Future Bar Training, and then it is anticipated that it too will be disbanded.

The governance structure will look quite different when the changes are completed. At the time the decisions were taken in principle, the Board anticipated that, in time, it would have only two permanent committees—one focusing on finance and performance and one focusing on risk and assurance. We will also have an independent pool of experts (APEX) with a wide variety of knowledge and skills to draw on, should we need it.

All of these changes will eventually alter the way we operate. This will lead to the Board also reviewing its own size, role and composition as these new governance arrangements take effect.

Accountability

Under the LSA07 the LSB is responsible for overseeing the approved regulators for legal services in England and Wales. The approved regulator for barristers is the General Council of the Bar (GCB), which is also the representative body for the Bar. The LSA07 requires the separation of regulatory and representative activities so the GCB has established the Bar Standards Board to exercise its regulatory functions independently. We have a protocol in place with the GCB to ensure that the professional body's representative functions do not exert undue influence over the regulatory functions.

We independently control our allocated resources, and our operations are monitored quarterly by the Planning, Resources and Performance (PRP) Committee and then reported to the Board. The Committee is also responsible for work relating to the development of our strategic direction and performance monitoring.

The Governance, Risk and Audit (GRA) Committee is responsible for ensuring the maintenance of good governance standards and internal control processes and advises the Board on the corporate risk management framework. The Director General and senior managers are responsible for the areas of risk that relate to their departments. The corporate risk register is reviewed at least quarterly by our Senior Management Team, GRA Committee and the Board as set out in the Risk Management policy. The GRA Committee also conducts in-depth risk reviews at each ordinary meeting.

Our lay Independent Observer provides independent assurance that our enforcement system is operating in line with its aims and objectives; currently Isobel Leaviss is appointed to this role.

Measuring our performance

On the following pages we summarise the progress we have made against the measures we set in 2013.

Strategic aim 1:

What success should look like, now that we are in 2016	Progress made against measure in 2015/16
<p>a) We will be a licensing authority under the Legal Services Act 2007</p>	<p>We expected to have been approved as a licensing authority by the Legal Services Board by the end of the 2013/16 Strategic Plan. Our application was approved in March 2016, with a recommendation that the Lord Chancellor and Parliament pass legislation to enable it.</p>
<p>b) We will be regulating barrister-led / advocacy focussed entities</p>	<p>This was achieved on 8 April 2015.</p>
<p>c) We will undertake the above in a timely and financially sustainable way (both to regulator and regulated)</p>	<p>We review entity applications within the service standards we set ourselves.</p> <p>With regard to financial sustainability, based upon early surveys and research, we had originally estimated that we would receive 400 applications from lawyers hoping to incorporate into single-person entities. We made a policy decision that this work would not be funded by the profession as a whole, but by authorised entities. Our resourcing plans and fees were based upon this application figure. We only received a tenth of our estimates for entity applications so our fee income was significantly lower than our forecasts. We were able to balance this shortfall by reducing the amount of staff time required in this area, thereby cutting the overall cost of the service. This careful management has meant that we can continue to provide this service in a sustainable way, however we will be reviewing resourcing plans and fees going forward for all authorisation functions.</p>
<p>We spent £509k on Strategic Aim 1 during 2015/16 (10 per cent of total BSB direct spend)</p>	

Strategic aim 2:

What success should look like, now that we are in 2016	Progress made against measure in 2015/16
<p>a) An increased percentage of the profession will have a positive view of the role and effectiveness of the BSB</p>	<p>We conducted a joint Biennial Survey with the Bar Council in 2011 and 2013. We did not conduct one in 2015 as the Board decided that we would not proceed with any survey jointly with the Bar Council.</p> <p>The new assurance framework will address the means by which we obtain views of the role and effectiveness of the BSB.</p> <p>The media coverage of the BSB in 2015/16 was markedly more positive than it has been in previous years. We will use this as a benchmark for future reporting.</p>
<p>b) We will have established collaborative relationships with the public and consumers through our user network</p>	<p>The network of consumer organisations, equality and diversity groups and others has been established. We have continued to work with a range of consumer representative organisations to understand the consumer perspective on legal services. This has included meetings with individuals and groups and general day-to-day contact. Research work has contributed to collaborative networks with consumers and consumer organisations via the:</p> <ul style="list-style-type: none"> • Youth courts project (interviews with consumers and round table events); • Immigration thematic review (round table and reference group with consumer organisations); and • Research Forum (engagement with Legal Services Consumer Panel).

We spent £449k on Strategic Aim 2 during 2015/16 (8 per cent of total BSB direct spend)

October
2015

Professional Statement published describing knowledge, skills and attributes expected of newly-qualified barristers

Strategic aim 3:

What success should look like, now that we are in 2016	Progress made against measure in 2015/16
<p>a) We will be supervising and enforcing on the basis of a new Code of Conduct / Handbook</p>	<p>The new handbook was launched in January 2014.</p>
<p>b) The regulated community, including education and training providers, will be achieving high levels of compliance, and delivering quality services to the public</p>	<p>We published the very first set of BPTC key statistics, based on three years of data, by training provider, and by demographics and student progression to pupillage. We plan to continue to publish these statistics on a yearly basis, which will improve transparency.</p> <p>We introduced centralised assessments for the BPTC in ethics, civil and criminal litigation to make sure all students were assessed to the same standard no matter which provider they chose.</p> <p>There were four interventions (triggered visits where we check any issues arising) to BPTC providers) across the 2013/14 and 2014/15 academic years. However, comprehensive processes of annual monitoring have indicated improvement and no interventions have taken place in the 2015/16 academic year.</p> <p>With the establishment and consolidation of the Supervision Department, we are able to improve our regulation of the Bar, entry requirements and entities in a risk-based way.</p> <p>In the last 12 months 100 per cent of chambers supervision reports were produced within five days of a visit taking place.</p>
<p>c) We will have more complete information on the diverse make-up of the regulated community</p>	<p>Diversity information about the make-up of the profession was published in January 2016. There continues to be a proportion of the Bar that does not disclose its diversity information. We are exploring alternative collection methods to improve disclosure rates.</p>
<p>We spent £3,070k on Strategic Aim 3 during 2015/16 (58 per cent of total BSB direct spend)</p>	

Strategic aim 4:

What success should look like, now that we are in 2016	Progress made against measure in 2015/16
<p>a) We will have established systems, including research programmes, for collecting and managing information and evidence to support regulatory policy and decision making</p>	<p>A new internal Document Management System (DMS) went live in 2013.</p> <p>The first phase of the Intranet was completed and it went live in April 2015. Phases two and three are ongoing projects to develop more interactive facilities.</p> <p>In the last quarter of 2013 the Board formally adopted the regulatory risk framework. It was operationally adopted by various BSB teams across the organisation, for example, by the new supervision function and the enforcement function. A fresh and updated framework was approved by the Board in May 2015 and published in April 2016. Training has been taking place throughout 2014, 2015 and 2016.</p> <p>The policy development framework was finalised and agreed by the Board. All staff required to use it have been trained. Training is ongoing for new starters. It is now being used in all policy development activities.</p>
<p>b) We will have attained a “satisfactory” rating against the LSB’s standards framework in this area</p>	<p>The LSB agreed with our self-assessment against the regulatory standards framework. Their May 2016 report showed that we had achieved a “satisfactory” rating for our enforcement and supervision functions. We were pleased that the outcomes-focussed, risk assessment and capability and capacity areas were rated as “undertaking improvement and work is well underway”. The LSB said we had achieved these improvements by implementing an ambitious programme of structural, cultural and procedural change. The LSB went on to talk about a number of our achievements: for example:</p> <ul style="list-style-type: none"> • that for our evidence base, we had commissioned research or evaluated existing research; • that we had embedded our new consumer-focussed approach; and • that we had undertaken a wholesale review of our operational governance structures. <p>Our ASPIRE programme will continue into 2016/17 to ensure that we continue to work towards the standards.</p>

We spend £634k on Strategic Aim 4 during 2015/16 (12 per cent of total BSB direct spend)

December
2015

Self-assessment against LSB Regulatory Standards Framework completed - later ratified by LSB as having made “significant improvements”

Strategic aim 5:

What success should look like, now that we are in 2016	Progress made against measure in 2015/16
<p>a) We will have established a baseline for regulatory costs and steadied the rate of increase compared to the previous three years</p>	<p>We intended to do this comparative work ourselves, but the LSB launched an initiative to look at cost of regulation across all legal services regulators. An initial survey was conducted across the profession and the LSB undertook some more detailed analysis of the responses. The final piece of work involved examining the direct and indirect costs of legal services regulators. A full report on the cost of regulation can be found on the LSB's website.</p> <p>We have reported that over the strategic period the total cost of regulation for the Bar has reduced meaning that we have steadied the rate of increase compared to the previous years.</p>
<p>b) We will have improved turnaround times in relation to case handling in complaints and qualifications and waivers</p>	<p>In terms of case-handling, we have analysed turnaround times over the last three years. The average number of months to conclude complaints has gone down slightly from 8.3 to 8.1 months.</p> <p>In terms of qualifications and waivers, our performance measures for handling Qualifications applications were first reported in 2014 and targets have been met.</p>
<p>c) The organisation will have a different, improved "feel" for users and staff</p>	<p>The General Council of the Bar (the employer) has run three staff surveys in this strategic period. The first one was carried out internally in March 2013, the second was carried out by an external firm in April 2015. The third one, carried out in April 2016 by the same external provider, has just been completed and the results have been analysed. The staff response rate to both 2015 and 2016 surveys has been above the benchmark of 80%. The overall engagement score for BSB staff rose from 65% in 2015 to 71% in 2016. The benchmark for staff in similar organisations in 2016 was also 71%.</p>
<p>We spent £666k on Strategic Aim 5 during 2015/16 (13 per cent of total BSB direct spend)</p>	

Our income and expenditure

Our budget year ran from 1 April 2015 to 31 March 2016. The Bar Council's and BSB's full financial statements can be found on the Bar Council's website (normally published in September).

- ▶ 2015/16 Direct expenditure: £5,328k (meaning we spent 2 per cent less than we had in the budget); and
- ▶ 2015/16 Direct income from sources other than Practising Certificate Fee (PCF): £1,421k (meaning we received 24 per cent less from income sources other than the PCF than we thought we would).

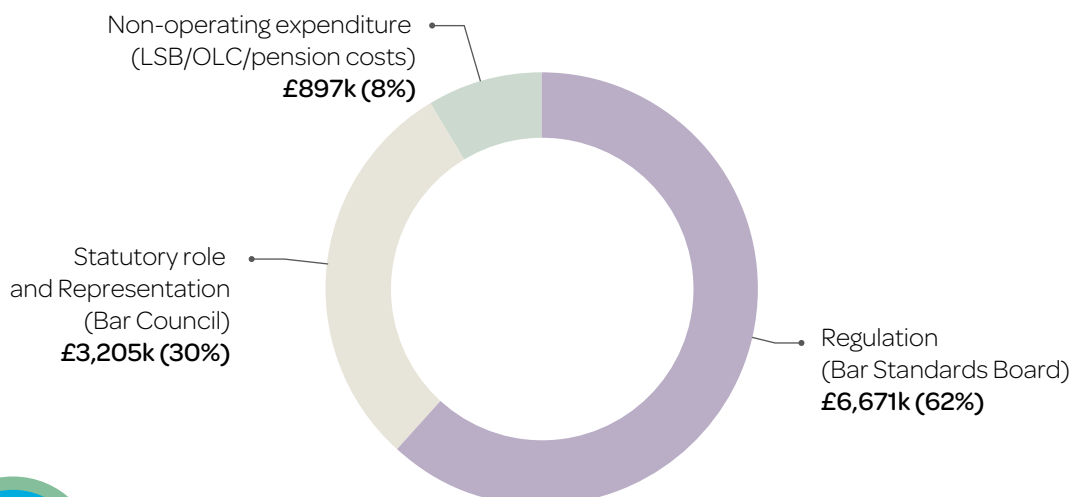
Some financial context

The LSA07 requires the GCB (as Approved Regulator) to provide "such resources as are reasonably required for or in connection with the exercise of regulatory functions". In practice that means that funds are raised by GCB through the PCF to fund the BSB's activities. However, the PCF raises money for some of the BSB's regulatory activity as well as for some of the Bar Council's activities (as permitted under s51 of the LSA07).

How much of the PCF fund did we spend?

As mentioned above, a proportion of the PCF is spent on regulation by the BSB and a proportion is also spent by GCB on its functions.

What was the Practising Certificate Fee spent on?	£k
Regulation (Bar Standards Board)	6,671
Statutory role and Representation (Bar Council)	3,205
Non-operating expenditure (Levies to the Legal Services Board and the Office for Legal Complaints plus pension costs)	897
Total	10,773

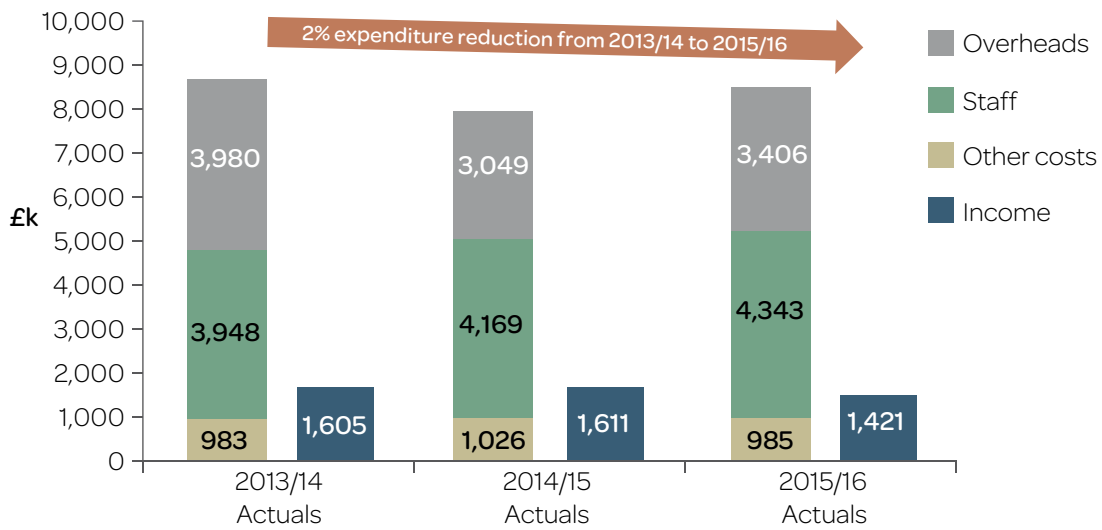


February
2016

Review of the Bar Course Aptitude Test (BCAT) completed

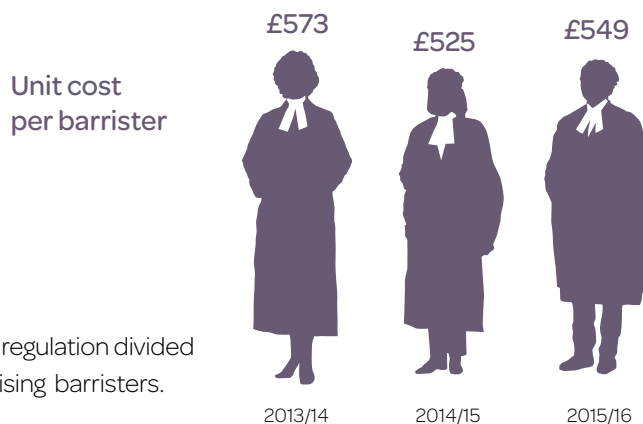
Strategic financial performance

We have managed to reduce the overall cost of regulation even when faced with difficult challenges and much uncertainty. Our overheads over the period became less expensive as our premises costs reduced due to shrinking our office space. Our staff costs increased as we enhanced the executive’s capability and capacity to meet the LSB’s Regulatory Standards Framework. Our directly attributable (non-PCF) income has declined and will continue to do so; this is because our Education and Training regulation has changed and we expect with FBT for it to continue to change in the future. The Inns’ subvention was reduced further this year.



The challenges and uncertainty look set to continue into the future with government and political changes and with possible moves towards greater separation of shared functions. Even with this back-drop we have made a medium-term commitment to maintain the same level of direct operating costs. This is going to be a demanding goal as we expect staff costs to continue to increase during this period and there will be pressure on overhead expenditure as we invest in new IT systems. We will also be moving premises in 2018/19.

We are also mindful of **the work that the LSB has undertaken** with regard to the cost of regulation. This had shown in previous years that the unit cost* had increased. We are pleased that we can demonstrate a cut to this unit cost from an average of £573 (2013/14) to £549 (2015/16) per barrister. Although this is a welcome statistic, we anticipate that this level will not be maintained over the coming years because it is likely that the numbers of practising barristers will fall.



*Unit cost is the total cost of regulation divided by the total number of practising barristers.



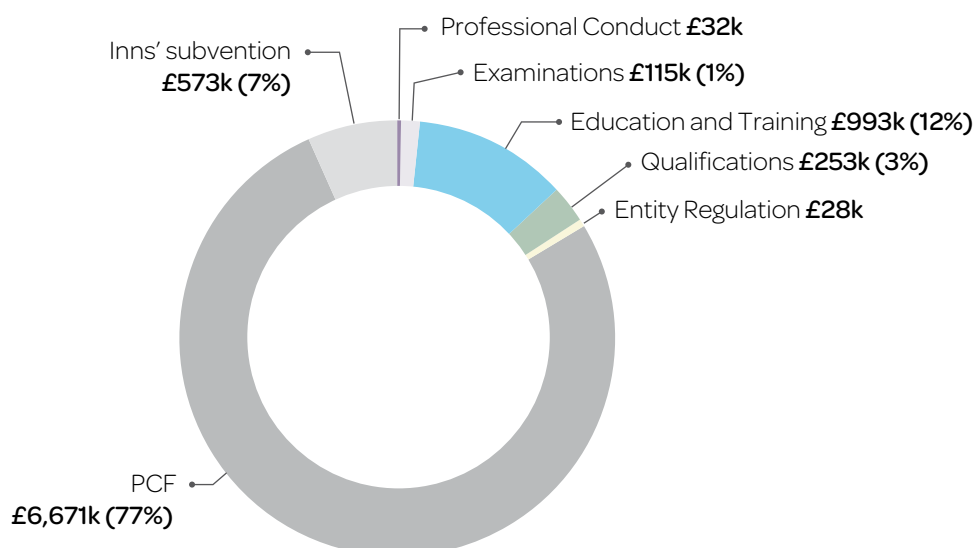
Income

How is the BSB funded?

Part of our income comes from charges we make for the services we provide. We describe this kind of income as “income streams directly controlled by the BSB”. Directly controlled income streams include the fees from Bar Professional Training Course (BPTC) providers, the Bar Transfer Test (BTT) and Continuing Professional Development (CPD) accreditation. The remainder of the BSB’s funding comes from the PCF fees together with contributions from the Inns of Court. These latter two income streams are not directly controlled by the BSB.

Where did the BSB get its income from?

<i>Income streams directly controlled by the BSB</i>	£k
Professional Conduct (fines and cost recovery)	32
Examinations (including BCAT)	115
Education and Training (including BPTC, BTT, CPD accreditation)	993
Qualifications	253
Entity Regulation	28
Total BSB generated income	1,421
<i>Income not directly controlled by the BSB</i>	
PCF contributions	6,671
Inns' subvention	573
Total regulatory income	8,665



NB: Numbers have been rounded

April
2016

First BSB Risk Outlook published

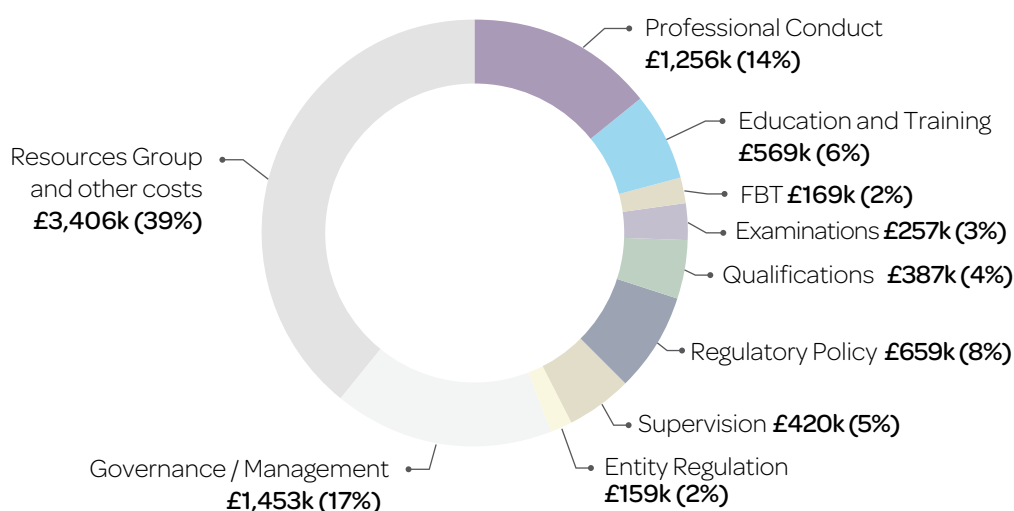
Expenditure

Regulation – the costs explained

The Bar Standards Board spent £5,328k against a budget of £5,438k meaning that we were underspent by two per cent. However, this does not reflect the full cost of regulation. We share the costs of common services with the Bar Council including a share of the premises at 289-293 High Holborn, as well as relying upon the Resources Group to carry out support work (eg HR, IT and Finance etc). The Resources Group budget is managed separately and part of it is apportioned to the BSB.

What is the BSB's budget spent on?

<i>Expenditure budgets controlled directly by the BSB</i>	£k
Professional Conduct (Enforcement)	1,256
Education and Training	569
FBT	169
Examinations	257
Qualifications	387
Regulatory Policy	659
Supervision	420
Entity Regulation	159
QASA	0
Governance / Management (Executive, Strategy and Communications, Research)	1,453
Total BSB Budget	5,328
<i>Expenditure budgets not directly controlled by the BSB</i>	
Resources Group allocation (was central services; includes premises costs)	3,410
Other costs reflecting accounting standards changes	-4
Total cost of regulation	8,734
Surplus/deficit for the period	-69



Commentary on 2015/16 budget performance

Staff costs

Our staff costs budget was overspent for several reasons. We sought to ensure we recruited to our priority regulatory areas, but also had significant staff turnover which led to high recruitment costs. We had a number of staff on maternity leave, all of whose roles were covered fully by temporary staff. There were several redundancies as a result of integrating our authorisation functions and the actual severance payments amounted to more than we had budgeted for. Overall, we carefully managed our underspends in non-staff budgets to offset the staffing cost overruns and ensure we lived within our overall expenditure budget.

Income

We had planned to increase some authorisations and waivers application fees. However this was delayed as we consulted on our fee charging principles. Regarding entity regulation, we had projected that there would be over 400 applications and approvals for these new business structures for the year. However only 50 so far have been fully authorised, meaning our revenue underperformed significantly against our year-end projections.

Non-staff Expenditure

Our research and consultancy budgets were underspent and we have pared back these amounts in the 2016/17 budget. We carried out some of the planned work in-house which helped to reduce research costs. We have been exercising much more control over our contractual arrangements in the examinations team, which led to a reduction in expenditure compared to previous years.

With regard to our Professional Conduct Department costs, we had budgeted relatively large amounts to outsource some casework and to obtain legal advice. The budgeted figures were based on previous years' activity and trends, and it was thought that the number and complexity of cases would increase over time. This turned out not to be the case for 2015/16 and so there was an underspend here.



In focus: Monitoring Expenditure

Since our inception we have always lived within our direct operating expenditure budgets. We pay close attention to what we spend our money on:

- ▶ Our budgets are set annually and our budget envelopes are informed by our business plans;
- ▶ The budget is divided up into departmental budgets which our Directors look after;
- ▶ Each month we receive management accounting reports which enables us to keep a close eye on our business;
- ▶ Each quarter we think about what we might need to spend in the future and produce forecasts;
- ▶ We tightly monitor our largest area of spend which is our staffing costs;
- ▶ We make sure that our resources are directed at our biggest priorities; and
- ▶ Our financial performance is scrutinised by our Planning, Resources and Performance Committee, and it is also reported to the Board in public session.

Remuneration and expenses

	Salary / Fees	Pension	Expenses	Allowance
Sir Andrew Burns KCMG – (Chair)	£89,695	–	£2,302	–
Patricia Robertson QC – (Vice-Chair until 31 December 2015)	£26,644	–	–	–
Naomi Ellenbogen QC (Board member from 15 September 2015 and Vice-Chair from 1 January 2016)	£8,899	–	–	£65
Aidan Christie QC (from 15 September 2015)	–	–	–	–
Justine Davidge	–	–	–	–
Judith Farbey QC (from 1 January 2016)	–	–	–	–
Simon Lofthouse QC (resigned 6 August 2015)	–	–	–	–
Andrew Mitchell QC	–	–	–	–
Adam Solomon	–	–	£163	–
Sam Stein QC (until 31 December 2015)	–	–	–	–
Rolande Anderson	£9,230	–	£27	–
Rob Behrens CBE	£9,230	–	–	–
Dr Malcolm Cohen JP	£9,230	–	–	–
Tim Robinson	£9,230	–	–	–
Prof Andrew Sanders	£9,230	–	£799	–
Nicola Sawford (from 1 September 2015)	£6,372	–	–	–
Richard Thompson OBE (ended 31 August 2015)	–	–	–	–
Dr Anne Wright CBE	£9,230	–	–	–
Keith Baldwin (Special Advisor)	£6,923	–	£301	–
Sarah Brown (Special Advisor - ended 31 July 2015)	£2,302	–	–	–
Matthew Nicklin QC (Special Advisor - ended 31 December 2015)	–	–	–	–
Emily Windsor (Special Advisor)	–	–	–	–
Dr Vanessa Davies (Director General)	£133,270	£18,658	£2,917	£1,300

Notes:

- Barrister Board members are not paid a salary (exception of Vice-Chair)
- Board member positions do not attract a pension
- Expenses include travel and subsistence costs
- International travel expenses were incurred by Chair and Director General (International Conference of Legal Regulators in Canada)
- Special Advisors receive a fee not a salary
- Fees and expenses paid for attendance at BSB committee meetings are not included here
- Fees were paid to prospective lay Board members for their time during induction
- All staff members receive an allowance of £1,300 in addition to basic salary

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.

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