



**TREASURER
ANDREW MITCHELL QC**

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Chief Executive, Legal Services Board
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Victoria House
Southampton Row
London WC1B 4AD

18 October 2010

Dear Chris,

**Bar Council Practising Certificate Fees increase for 2011/12 –
submission for approval by the Legal Services Board**

I attach the application made by the Bar Council and the Bar Standards Board to the Legal Services Board, required by Section 51 of Legal Services Act 2007 for the Legal Services Board's approval of Practising Certificate Fee levels for 2011/12. This includes a separate commentary, which serves also as an Executive Summary, and full supporting documentation with the BSB's 2011 Business Plan as an annex.

The Chair of the Bar Standards Board and the Chairman of the Bar consider that this application has been prepared in a manner consistent with the regulatory independence of the Bar Standards Board.

Yours ever,

Andrew

Enclosure:

1. Bar Council Practising Certificate Fees increase for 2011/12 - submission for approval by the Legal Services Board.

THE BAR COUNCIL
www.barcouncil.org.uk

**BAR COUNCIL PRACTISING CERTIFICATE FEES INCREASE FOR 2011/12 –
SUBMISSION FOR APPROVAL BY THE LEGAL SERVICES BOARD**

This note is intended to guide the reader through the main issues addressed by the joint Finance and Audit Committee (FAC) of the Bar Council and Bar Standards Board in determining the budget and consequent PCF levels to be recommended for the 15-month period January 2011 to March 2012.

Generally, the note follows the same chronological order as the issues themselves; for example, the consultation process was followed by the risk and equalities impact assessment, which was then followed by the FAC's decision to recommend a PCF increase for decision by the LSB.

Overview

Under the arrangements agreed formally between the Bar Council and Bar Standards Board (BSB), it is for the Finance and Audit Committee (FAC) of the Bar Council to prepare a single overall budget for the Bar Council and the BSB that provides the level of resources reasonably required to carry out the BSB regulatory functions.

The BSB confirmed that the budgetary provision is sufficient for their regulatory purposes, and the Bar Council recommended that the range of any increase to the core PCF should be between 2.5% and 7.5%. The Bar Council invited the FAC to regulate the acceptable level of risk in the budget settlement by adjusting the PCF to be paid by self-employed barristers and employed barristers. The FAC decided on 12 October 2010 to seek the LSB's agreement to a 5% rise in the core PCF for 2011/12, for all practising self-employed barristers and employed barristers.

Whilst this does result in a risk of a deficit, the whole Bar Council has under-spent over the prior 3 years (including the current year) and it was felt that the 5% rise struck the right balance.

Supporting Paperwork

The index on page 7 covers the key material required by the LSB.

Self-explanatory commentaries on the main functional areas of Bar Council activity run from pages 8 to 12, and routine details of the Budget process from our Finance Manual run from pages 13 to 16.

Full details of the PCF proposals, including consultation and impact assessment analysis are from pages 18 to 22.

Summaries of Income and Expenditure, and accompanying notes are from pages 23-26, and the treatment of Permitted Purposes under s.51 of LSA2007 is shown at pages 27-28.

The recommended PCF rates for 2011/12, and the attribution of the funds, are at pages 29 to 30.

The latest draft of the 2011 BSB Business Plan is at pages 31 to 49.

Financial Analysis

It is important to note that the breakdown of Income and Expenditure, shown at pages 23 to 25 of the attached papers for (i) 2009 actual, (ii) calendar year 2010 forecast, and (iii) the forecast for a 15-month budget period from January 2011 to March 2012, has been prepared on the same accounting basis as that used for the Annual Report and Accounts. However, the financial analysis used by the FAC in making its PCF recommendations was based on the accounting policies used for the preparation of (a) the Bar Council Management Accounts, and (b) the Bar Council budget process, initially for calendar year 2011, and by extension for the 15-month budget for January 2011 to March 2012.

Some minor differences in accounting assumptions have no material effect in influencing the FAC's recommendation for PCF levels. The analysis set out below is based on a 12 months income and expenditure assumption as in order to accommodate the decision to move the accounting year to the 31st March we have broadly extrapolated a further 25% income and expenditure for the final 3 months of this 15-month financial period to finalise the budget figures. The reasons for this change and the basis of calculation are discussed in more detail below.

Expenditure

The total budgeted expenditure for the 12-month period to 31 December 2011 is £12.250m. The BSB expenditure is £3.617m (29.5%) and Central Services (which provides services to the BSB as well as the representation and policy function) provision is £ 5.273m (43.0%). The balance of £3.360m (27.4%) comprises Corporate and Representative expenditure.

Income

The total budgeted income has been calculated on the basis that the core PCF for 2011 is 5% higher than the 2010 level.

The core PCF excludes the LSB and OLC levies, the Defined Benefit pension scheme levy, and the voluntary Members Services Fee (MSF).

Income for the 12-month period comes from the following sources:

- The Core PCF income of £7.176m;
- Voluntary MSF income of £1.394m, and
- Other Representative receipts of £0.499m;
- A subvention from the Inns of Court of £1.442m;
- Central Services income of £0.121m; and
- Regulatory income of £1.374m.

This total budgeted income amounts to £12.006m.

Deficit

The resulting balance for the 12-month period is a budgetary deficit of about £0.244m.

Change to the Bar Council Financial Year

At present the Practising Certificate year for self-employed barristers runs from 1 January to 31 December, and for employed barristers from 1 April to 31 March.

The desire of many self-employed practitioners to de-conflict their PCF payment from the expensive Christmas and New Year period, and the logistical difficulties of resolving practitioners' queries and payment process issues over the same Bank Holiday period, argues for moving the self-employed barristers' PC period to an April to March year (such a change required Code of Conduct amendments, which have been approved by the BSB under delegated authority from the LSB).

If the Bar Council changes its PCF year for self-employed barristers to match the traditional financial year, it must go through a transition process. Either a 3-month PCF, or a 15-month PCF, would be needed to bridge the inevitable gap between January and April in the year of change. The former option would, in effect, involve the disproportionate effort of a full additional renewal cycle, whereas the 15-month option would involve only a 3-month extension to an existing cycle.

The Bar Council has chosen the 15-month PC period, to run from January 2011 to April 2012.

Calculating the 15-month Budget Deficit

At its simplest, a 15-month budget can be calculated by adding 25% to every item of the 12-month budget. At its most complex, the 3-month increment can be formally re-costed and then added to the 12-month budget.

A sensible compromise is to add 25% to every item except where past performance or future evidence suggests otherwise. For example, some items of income and expenditure been treated historically as one-off annual events, whereas others have historically been brought to book on an equivalent monthly or quarterly basis. To avoid unwarranted new peaks or troughs in the 15-month budget, the budget has maintained a consistency of approach throughout the period.

On this basis, the revised 15-month deficit is £0.402m, up from £0.244m for 12 months.

For reference, note at page 23 that, **based on the Annual Report and Accounts accounting standards, the 15-month deficit is very similar at £0.415m.**

Consultation and Equalities Impact Assessment

An analysis of our extensive consultation process with all self-employed barristers and employed barristers, and the equalities impact of our original PCF proposals, can be seen from

pages 18 to 22. For reference, the most recent consultation with practitioners can be found by a Control/Click on www.barcouncil.org.uk/news/newsarchive/566.html

In summary, the FAC had been sufficiently persuaded by the results of an earlier, albeit poorly-supported, consultation in March 2010 to seek to remove the differential between the size of the PCF paid by self-employed and employed barristers, and also to seek to remove a number of the PCF bands thereby introducing a flat fee for the core PCF for the majority of practitioners. An element of cross-subsidy would remain, with QCs paying a higher core PCF, and the most junior practitioners paying a lesser figure.

However the FAC made it clear in the consultation that the overall effect of flattening the core fee structure would be to penalise junior barristers relatively more than senior barristers. Given that women represent a higher proportion of junior barristers than senior barristers, the proposal would also relatively disadvantage women more than men. In certain of the new PCF bands, BME practitioners might also have been relatively disadvantaged, particularly employed practitioners, though it was difficult to be sure of any causal effect. Notably however, the Bar's low income waiver scheme could be expected to favour those groups whose disadvantage led to lower income. Thus the low income waiver had an ameliorating effect on any adverse features of the proposals.

Responses to the consultation proposals came mainly from the cross section of the Bar that stood to pay more as a result, such as the Young Bar Committee. However, a number of individuals and representative bodies, such as the Criminal Bar Association and Crown Prosecution Service, balanced the relative merits of the proposals, and concluded that the low income waiver was too crude a tool to offset the likelihood of very real damage to most of the Young Bar and discrete elements of the employed Bar.

Consequently, the FAC decided to revert to the *status quo ante* for the PCF bands for this coming PCF round. The proposals to move to a revised PCF financial year for all practitioners, with a 15-month transition period for the self-employed Bar, were supported by the consultation, and recommended by the FAC subject to application for rule changes to the LSB.

A further full consultation on the funding of Bar Council activities will be carried out in 2011, and will include a number of additional parameters not relevant to this submission.

Risk and the budget deficit

A 15-month deficit of £0.402m is equivalent to 2.6% of budgeted expenditure. But it would require a further increase in the core PCF of 4.6% (from 5% to 9.6%) to eliminate the deficit.

The question then arose as to whether and to what extent the Bar Council could manage a deficit budget without recourse to a further increase in core PCF. On the positive side, there has been a tendency in recent years to over-provision for the growing BSB. This has manifested itself in annual under spends since 2006. Again on the positive side, additional income from both the BSB and the Representative Bar Council has grown slightly faster than budgeted.

However, on the negative side, the wider picture looks decidedly bleak.

- First, the size of the publicly-funded profession looks to have passed its peak, as a result of the remorseless reductions in legal aid income; and prospects for future legal aid look dire, which will add to the likely decline in PCF income and voluntary MSF income, as people leave the publicly-funded Bar.
- Second, the Bar Council faces a large and growing deficit in its staff DB pension scheme past service liabilities. Notwithstanding the Trustees' existing recovery plan and last year's pension levy, the net pension liabilities remain unaffordable without further pension levies and a new, more costly, recovery plan.
- Third, the regulatory costs faced by the Bar Council seem set to rise further: the OLC and LSB levies, the need to plan for entity regulation, the need for a working QAA system, and the essential procurement of a new core database to ensure regulatory delivery by the BSB.
- Finally, the state of the broader economic climate is an uncomfortable backdrop, with a 2.5% VAT rise to be absorbed soon, and further belt-tightening in prospect.

The FAC considered where this difficult balance should lie, and concluded that much as it might wish to add further to the core PCF 5% increase, the risk posed by the £0.402m deficit was manageable until April 2012.

Permitted Purposes

Expenditure qualifying as Permitted Purposes is shown on page 27. For each of the PC Rules References on page 27, the Expenditure costs for the 15-month period are shown in the spreadsheet on page 28. The left-hand headings show the source of funding under (A) and (B), respectively, for those regulatory and non-regulatory activities that are wholly or partially Permitted Purposes.

As examples, under (A) the Professional Conduct/Disciplinary costs of £3.705m are funded primarily by the PCF (£2.759m), secondly by the Inns of Court (£0.741m), and thirdly by directly attributable income (£0.205m). Under (B) the costs of Remuneration policy are met equally by the PCF and directly attributable income (£0.357m each), and by a small contribution of £0.0255m from the Inns.

Impermissible purposes are shown under (C), for which no PCF income is available. The costs are met from directly attributable income.

Finally, the LSB/OLC levy costs and the Pension levy costs are grouped under separate headings at the top of the spreadsheet, and show that the levy costs are met from discrete non-core PCF charges.

A brief summary of the breakdown of costs by permitted purposes, entitled 'Where does the money go' is at page 30. The 29% attributed to the last category, 'Promotion of relations between the AR and relevant national/international bodies, governments and other legal jurisdictions' includes Corporate expenditure.

PCF Rates for 2011/12

The recommended 15-month core PCF rates for the self-employed Bar, together with the equivalent 12-month figures for 2011 and 2010 are shown at page 29.

The new 12-month 2011 core PCF rates for the employed Bar, together with the equivalent figures for 2010, are also at page 29.

The LSB/OLC levy costs for 2011/12 have been attributed to practitioners on the same basis as 2010, i.e., with a cross subsidy from senior to junior, to reflect ability to pay.

The pension levy costs for 2011/12 have been set at £12 per year of Call, capped at 37 years to reflect the start date of the Bar Council Defined Benefit scheme in 1974. This 15-month levy compares with the 2010 12-month levy of £9 per year of Call, also capped back to 1974.

Subject to the LSB's approval of the PCF for 2011/12, the Bar Council intends to send every practitioner a thorough analysis entitled 'How your PCF is compiled'. This approach to communicating with the profession worked well for the 2010 PCF, and will be developed further. The analysis, akin to a householder's Council Tax explanation, will include a letter from the Chair of the BSB explaining in detail the breakdown of the BSB's budget, and its functional attribution. It will also include a letter from the Chairman of the FAC outlining the financial context and the various obligations faced by the Bar Council.

Recommendation

It is recommended that

- (i) the LSB notes the Bar Council's projected budget deficit of £0.4m for the 15-month period of 2011/12;**
- (ii) the LSB authorises a 5% increase in the core PCF for all self-employed barristers and employed barristers; and**
- (iii) the LSB agrees the proposed structure for the charging of the core PCF, the LSB and OLC levies, and Pension Levy (being all for permitted purposes) to the Authorised Persons to enable them to receive their Practising Certificates for 2011/12.**

David Hobart

17 October 2010

Chief Executive

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Regulatory Commentary

The Bar Standards Board’s (BSB) income and expenditure relates to the activities it carries out, as described in its business plan and the strategic plan 2010-2012.

The BSB is primarily responsible for carrying out permitted purposes. It is the regulatory arm of the Bar Council responsible for all regulatory functions (as defined in section 27 (1) of the Legal Services Act 2007), as specifically provided in paragraph 4 of the Bar Standards Board’s Constitution. All of the BSB’s activities fall within Rule 6 of the Practising Fee Rules 2009 made by the Legal Services Board on 15 December 2009 in that they relate to the

- “regulation, accreditation, education and training of applicable persons and those either holding themselves out as or wishing to become such persons, including
- a. The maintaining and raising of their professional standards; and
 - b. The giving of practical support, and advice about practice management, in relation to practices carried on by such persons.”

The BSB’s business plan shows the aims of BSB, which serve as an overarching framework articulating what the BSB is here to do. The BSB’s aims are as follows:

| Regulation | People |
|---|--|
| <p>Aim 1. Our standards continuously ensure high quality practice</p> <p>Aim 2. All those whom we regulate live up to our standards</p> <p>Aim 3. Clients receive effective advocacy and legal representation from those we regulate</p> <p>Aim 4. We research, design and implement a regulatory framework that reflects the regulatory objectives</p> | <p>Aim 9. The public understands the standards they are entitled to expect from those whom we regulate</p> <p>Aim 10. The profession understands the standards they are required to meet</p> <p>Aim 11. Public, ‘relevant third parties’ and those we regulate have confidence in us</p> <p>Aim 12. Our people add value</p> |
| Accountability | Values |
| <p>Aim 5. Excellent governance & management ensure effective independent regulation</p> <p>Aim 6. We raise our resources responsibly,</p> | <p>Aim 13. Fair and just: we act responsibly in the public interest</p> <p>Aim 14. Innovative: we lead change for</p> |

| | |
|--|--|
| <p>use them efficiently and effectively and account for our spending decisions</p> <p>Aim 7. We set performance standards, monitor progress and report transparently</p> <p>Aim 8. We have an Information Strategy that ensures we deliver good customer service</p> | <p>better regulation or partner with others to do so</p> <p>Aim 15. Responsive and proactive: we listen, reflect and act; we set the agenda strategically and deliver it</p> <p>Aim 16. We support the development of a profession that reflects the diversity of society and provides equal access to justice for all</p> |
|--|--|

The business plan then shows the objectives we have to achieve each of these aims by 2012, providing an overall strategy. Finally, the activities planned in 2011-12 to meet these aims and objectives are identified, together with deadlines. The BSB's Business Plan is devised each year, within a 3 year context. In terms of process, the Business Plan is developed to identify work to be undertaken in each year. A budget is then devised to support the Business Plan.

The BSB's Business Plan is a comprehensive document showing all of the work undertaken by the BSB. It reflects both the "core" work of regulation and the changes needed to ensure the system works effectively in the future. Core work includes activities such as checking compliance with CPD requirements, checking pupillage registration requirements, maintaining a barristers' register of practising barristers and making this available to the public, undertaking the CPD accreditation process, oversight and quality assurance of BPTC providers and complaints management. The BSB also has a comprehensive programme of activities in addition to our core work which is aimed at improving the regulatory framework and implementing the Legal Services Act 2007 reforms. During 2011-12, key areas of work within that programme are:

- (1) Education – within the Education and Training area there are significant work streams underway to complete implementation of the BPTC Review (including the Aptitude Test and centralised examinations), implementation of the Pupillage Review and completion of the CPD Review, with implementation also being commenced during 2011-12.
- (2) Complaints – the majority of the changes necessary in this area for the transition following the introduction of the Legal Ombudsman will have been completed by the end of 2010 but 2011-12 will be when all of these changes come into full effect. This will particularly relate to the operation of the Legal Ombudsman and how our two organisations interact.
- (3) Standards and Quality – 2011-12 will see considerable work undertaken in relation to the Quality Assurance for Advocates scheme, decisions being taken regarding the BSB's approach to the regulation of entities, completion of the Code Review and increased emphasis on the Chambers Monitoring programme.

The BSB budget shows expenditure in all these areas to successfully achieve business plan. Resources are also allocated to the organisational activities that are needed to support these workstreams. The BSB is examining and improving its governance arrangements as well as responding to the Legal Services Board's requirements such as independence and regulatory reviews plus responding to consultations issued by other organisations. The degree of change in all areas of the legal profession requires significant resources to understand the effect of all these changes and respond accordingly. The BSB is also mindful of the need to inform people about its work and the impact it has, whether the public, barristers regulated by us or others involved in our work. Resources are therefore also allocated to a wide variety of communications activities. Good processes are also necessary to ensure that day to day operations run well and are effective. The BSB has a Performance and Best Value Committee to focus on the BSB's operations. Under its oversight, a comprehensive risk framework has been put in place, the business plan and budget are scrutinised and it monitors financial performance during the year through analysis of the management accounts.

It will be necessary to have new systems in place to support the BSB's work with much of this expenditure reflected in Central Services budget. The BSB's activity levels represent a very high percentage of the business demands placed on Central Services. In particular, 2011-12 will see significant investment in IT systems to support BSB work as well as the Project Office and Research Manager providing considerable input into BSB work. Equality and Diversity aspects are also funded from Central Services, as well as the usual corporate support functions of HR, Finance, Records and Office Services. Service Level Agreements are in place to govern the relationship with Central Services.

The BSB also raises income from regulatory activities, as outlined in this application. Income is raised where it is reasonable to expect others to contribute to the costs of regulation, thereby decreasing the amount requested from the profession through practising fees. In particular, the BSB raises income from validation fees in relation to the BPTC, application fees from students using BPTC Online, fees for accreditation of CPD providers and courses as well as fees for applications to the Qualifications Committee. Fines and cost recovery contribute further funds.

A draft BSB Business Plan 2011 can be found at page 31.

Representation and Policy Commentary

1 The budgeted income and expenditure includes provision for a number of strands of the Bar Council's representative activity which fall within the permitted purposes (as defined in Rule 6 of the PCF Rules) to which monies raised through the Practising Certificate are planned to be applied in 2011. The application of these funds will enable the Bar Council to fulfil its mission to represent, or as the case may be promote, the interests of barristers (self-employed and employed) of England and Wales within the meaning of section 27(2) of the Legal Services Act 2007, to which Paragraph 6 of the Bar Council's Standing Orders relate.

- 2 Accordingly, the budget proposes expenditure on:
- (a) the giving of practical support and advice about practice management to barristers through the Professional Affairs Department;
 - (b) the participation by the Bar Council, mainly through its Law Reform Committee and European Committee, and where appropriate in collaboration with relevant Specialist Bar Associations, in the process of law reform (for example, in response to invitations to participate in consultation exercises from the Law Commission, the European Commission and other government agencies);
 - (c) the work of the Bar Council, mainly through its Remuneration and Policy and Communications Departments, in the legislative process by providing information and advice to Government, Parliamentarians and other stakeholders in the legislative process; and
 - (d) through the Bar Council's International Department and its Representative Office in Brussels, promoting relations between the Bar Council and its counterparts in other jurisdictions including with supra-national bodies such as the International Bar Association (IBA), Commonwealth Lawyers' Association (CLA) and the Confederation of European Bar Associations (CCBE) as well as with national and regional bar associations.
- 3 Expenditure is planned in response to:
- (a) a combination of rolling three-year strategic plans developed by the relevant Bar Council representative committee (which will be reviewed to reflect the objectives and priorities of the Chairman-Elect, to be announced in December 2010, and to take account of other developments); and
 - (b) possible or planned policy changes in the external environment as announced, for example, in The Queen's Speech for the 2010-11 Session and the European Commission's 2010-2014 Programme.

Central Services Commentary

Central Services provides the Bar Council and the BSB with their core support services.. Some services are principally inward-facing, such as HR and IT, while others, especially Member Records, are outward-facing to the Bar and general public.

The present range of support services is as follows:

- Member Records
- Office Services including Printing & Distribution
- Information Technology (IT)
- Finance
- Human Resources (HR)
- Research

- Equality & Diversity
- Project Support

The business objectives for Central Services are wholly determined by, as outlined above, the business plans and associated requirements of the Bar Council's regulatory and representative arms. The latter are, in turn dependent upon Central Services departments, individually and collectively, for the achievement of their aims. SLAs determine expectations relating to performance as between Central Services and the BSB. This is supported in practice through the attendance of the Director of Central Services at a large number of meetings of key policy-making groups and committees to ensure that appropriate resources requirements are understood and, funding permitted, are secured. The Director of Central Services is also charged directly by the BSB with the leadership of certain cross-cutting projects such as that relating to authorisation to practise. The Directors of the BSB and Representation & Policy can and do liaise with and task Central Services staff directly.

Central Services costs are attributable entirely to permitted purposes and are allocated within the Annual Report & Accounts to the representation and regulatory functions on a calculation that takes into consideration such factors as actual consumption of resources, utilisation of space, number of employees and the level and nature of activity including projects.

Preparation of Annual Budgets

It is the Accounting Officer's responsibility to ensure that an annual budget is drawn up for each financial year, which is from 1 January to 31 December. The Accounting Officer is the Chief Executive. Planned expenditure must conform to the functions of the Bar Council as both Approved Regulator and Representative body.

Annual expenditure is to be driven by regulatory and representative objectives as articulated in annual plans that are prepared and agreed ahead of each financial year.

The Budget will be prepared by the Chief Accountant in consultation with the Chief Executive, Directors and other budget holders who will consult as necessary with the BSB and committee chairmen. All staff will co-operate fully in the timely completion of budget bidding forms and in providing the Chief Accountant with all financial, statistical and other relevant information necessary for the preparation of budgets, estimates and forecasts. The first draft will be prepared in June and will form the basis of screening meetings to be conducted variously by the Chief Executive, respective Directors and the Chief Accountant.

The BSB will consider and provisionally agree those parts of the budget which relate to its areas of responsibility. The BSB will declare that the resources bid for will be adequate to ensure delivery of its regulatory objectives and plans for the coming year.

The Chief Executive will consult the Under/Sub-Treasurers of the Inns of Court during the preparation of the Budget. A provisional estimate will be provided in early July of the subventions for charitable activities likely to be sought for the forthcoming budget year.

By early September the draft Budget will be forwarded to the Finance and Audit Committee for comment. The Finance and Audit Committee may refer back any parts of the budget to relevant parties for further consideration and if necessary the identification of priorities between proposed expenditure and possible areas of savings. Thereafter the Finance and Audit Committee will finalise the proposed Budget prior to submitting it for approval by the Bar Council by the September/October meeting, when Practising Certificate Fees (PCF) and the Members Services Fee (MSF) for the forthcoming calendar year will also be agreed, subject to the ratification of the LSB.

The Treasurer, on behalf of the Bar Council, will at the same time follow any process agreed with the LSB, in order to obtain the latter's approval of the following year's proposed PCF levels.

Budgetary Control

The Chief Executive, as Accounting Officer, is to exercise overall budgetary control on behalf of the Treasurer. The Officers, Chief Executive and Directors have overall responsibility for the control of funds within their budgetary allocations and for the financial control and formal approval of expenditure.

The Chief Executive and Directors are to render outcome based quarterly reports to the Finance and Audit Committee on the performance of their budgets. The impact of any significant (+/- 5%) underspend/overspend upon the fulfilment of the objectives of the plan that the respective budgets relate to must be reported in full.

Each budget holder has the responsibility for monitoring expenditure, keeping his or her respective line manager fully informed of current spending and, in advance, of any future commitments or proposed activity likely to lead to budget allocations being exceeded. All orders and liability to incur expenditure must be made within approved levels of delegated authority and in accordance with the Procurement Policy.

No Officer, the BSB, committee chairman, Council member or official of the Bar Council has any authority to exceed the approved budget.

Requests for Additional Expenditure

Any requests for additional expenditure must conform with regulatory and representational business plans. Written requirements for additional Secretariat staff are to be put to the Finance and Audit Committee by the relevant Director, through the Chief Executive, following exploration of the scope for any offsetting savings in staff resources. If time is of the essence, a mechanism exists whereby any reasonable need can be resourced – see below.

Officers, Board and committee chairmen, members or officials requiring authorisation for additional expenditure are to submit their applications to the Finance and Audit Committee or the Treasurer detailed below. In every case an effort must be made to identify compensating savings. Requests for additional expenditure will be considered as follows:

- a. Up to £7,500 (seven thousand five hundred pounds)

Power of approval delegated by the Finance and Audit Committee to the Treasurer, with appeal against refusal to the Finance and Audit Committee. All approvals are to be reported to the next Finance and Audit Committee meeting.

- b. Over £7,500 (seven thousand five hundred pounds)

To be considered for approval by the Finance and Audit Committee.

- c. Over £7,500 (seven thousand five hundred pounds) but in emergency only.

Power of approval delegated by the Finance and Audit Committee to the Treasurer, who shall make such informal consultation, if any, with members as he deems appropriate, with report of approvals at the next Finance and Audit Committee meeting.

Virement

Virement is the process of transferring financial resources that have been identified and agreed as attributable to a particular activity and related budget heading to a different existing or new activity.

It is recognised that at the point at which budget bids are finalised and approved there is not always either sufficient data or absolute clarity of priorities to be precise in identifying the associated financial requirements. Equally, unanticipated events may arise which dictate alternative courses of action. In consequence, there may either be funds that become surplus to the original requirements and/or a need to identify additional funds in order to implement a new or revised objective. In such circumstances virement becomes an option.

All proposals for virement must first be considered in the context of the individual corporate, central, regulatory and representational budget groupings and secondly against the overall Bar Council budget performance. It may be that an underspend in one area may be required as an offset elsewhere in order to avoid an overall overspend.

Consequently, any virement proposal must be approved by the Finance and Audit Committee. Any such bid must include an explanation as to how the associated underspend has arisen and/or why the activity for which funds were originally provided is no longer a priority and the associated short and long implications of the removal of funding. Given that there may be competing demands for virement funds, the Finance and Audit Committee must also be advised as to the revised order of departmental priorities and the implications of failure to fund the new or enlarged initiative.

Budget Overspends/Underspends

Budgeting is not an exact science and both over and under spends are to some degree inevitable. However, all significant variations (+/- 10% or £5k whichever is the lesser figure) require explanation and overspends are to be avoided. Quarterly reports on budget performance are to be rendered, by the Chief Executive and Directors, to the Finance and Audit Committee, via the Management Accounts. In addition, reports on BSB performance are provided regularly to its Performance & Best Value Committee. The reports are specifically to identify any significant variations, provide an explanation of both the cause and the implications of both over and under spends. Offsets are to be identified for overspends unless otherwise authorised by the Finance and Audit Committee.

Unspent balances are not carried forward into the following financial year unless it is against an agreed programme of work that spans one or more financial years.

Assumptions & Risks

Income

1. The levies for the pension fund and LSB/OLC will be set at a level so as to be equal to the expected expenditures.
2. The Inns Subvention has been uplifted by the RPI at June, and less £30.0k for the cost of tribunals held in the Temple. The rebate for costs incurred may need to be adjusted.
3. No account has been taken of any possible new income streams or whether the rates for any existing ones should be reviewed, especially from the point of view of ensuring full recovery of activity-specific costs.

Expenditure

1. The general staff pay review has been assumed at 0%, as at 1 April 2011. There is provision for a general increment in the allowance paid to staff, which is non-pensionable, a global provision made for the possibility of individual merit awards, and some salary alignment to recognise changes in personal responsibilities.
2. Pension funding for those members of the DB Scheme continues at 26.3%. At this time, no account has been taken of possible scheme closure to future accrual.
3. A triennial valuation of the defined benefit was due on 1 October 2009. No agreement has yet been reached between the Bar Council and the scheme Trustees about the assumptions to be used for this purpose, although this must be reached by 31 December 2010. Until this objective has been achieved, a recovery plan to address the past service deficit cannot be put in place. For the present purpose, the assumption has been that the previous rate of funding will continue.
4. The business case for all new posts/appointments has been subject to approval by the FAC on a case-by-case basis. In the majority of these, it has been assumed that employment will commence on 1 January 2011.
5. The increase in premises costs from the Bar Pro Bono Unit's vacation of part of the Sixth Floor has been included in 2011. Owing to the increase in staff numbers, the Bar Council itself will make use of the space, rather than seek to find a replacement tenant.
6. FAC will be asked to approve a major IT project to implement a new core database. The anticipated cost is in the region of £300-500k. For this Budget, the lower figure has been taken, with the expenditure split 50/50 between 2010 and 2011. For present purposes, all of the costs have been treated as capital expenditure, rather than revenue. This initiative has the full support of the BSB and should address all anticipated regulatory requirements.
7. An in-house Research Department Manager has been appointed to oversee the co-ordination and progression of an ever-increasing number of research initiatives for

both the regulator and the representative body. However, it is difficult at this stage to be specific about any requirement for the acquisition of research resources and the funding of projects. General provisions for both have been made, which will be refined as soon as circumstances permit.

8. No specific provision has been made for the resources likely to be required in order to undertake entity regulation. As BSB policy development shapes the direction of travel, the scoping of resources required and detailed financial modelling will be undertaken. The FAC has committed to funding this in 2011/12, if necessary from reserves.
9. A global assessment of the impact of the rise in the rate of VAT (to 20%) has been included. (Although VAT-registered, the Bar Council is severely restricted in its ability to recover input tax on purchases.) Similarly, there is an adjustment for the increase in the level of the Employer's NIC from April next year.
10. It is anticipated that the Bar Council will have no Corporation Tax liability arising from any of its taxable activities.

Consultation process on PCF proposals/Impact Assessment

In anticipation of the setting of the 'core' element (i.e. excluding ring-fenced sums raised for the OLC, LSB and Pension levies) of the Practising Certificate Fee (PCF) for 2011 and beyond, in March/April 2010, the entire profession was invited to contribute to a consultation on structural issues rather than actual levels of the PCF. Regrettably the low level of response necessarily rendered any findings inconclusive. Nevertheless, the Finance and Audit Committee (FAC), which is made up of representatives of the Bar Council, the Bar Standards Board and independent lay members, were sufficiently impressed with arguments made in the margins of the consultation to postulate a number of new proposals for the PCF 2011/12.

The FAC considered that there was limited justification in maintaining the current fee bandings arrangements predicated on the twin assumptions that those who could afford to pay more for their practising certificate should do so and that the numbers of years of Call necessarily equated to ability to pay. Moreover, the FAC took the view that there was no longer a reason to have a differential between the self-employed and employed Bar PCF (an employed member of the Bar pays about 70% of the figure paid by a self-employed counterpart).

While there was a preference that, in common with the majority of other professional bodies, there should be a flat fee applicable to all, it was accepted that a transitional step and some recognition of the ability of the most junior to pay was necessary. Consequently, the FAC opted for three payment bands (1 -4 years Call, 5 years Call and over and QC) paying a core fee of £250, £500 and £1000 respectively with no differentiation as between the fee paid by members of the employed and self-employed Bar. This approach, if accepted, would have meant that about 82% of the profession (versus the current 40%) would pay the same PCF. The FAC also, to accommodate the Bar's complaints on the coincidence of PCF payment and year-end expenditure (following up proposals contained within the Authorisation to Practise consultation), recommended changing the employed and self-employed Bar PCF collection to 1 April as of 2012. This would mean a PCF covering a 15-month period (1 January 2011 - 31 March 2012) for the self-employed Bar.

Prior to initiating consultation the FAC identified the following equalities impact arising from the above proposals:

- The extant banding arrangements which relate the PCF paid to years of Call benefit, in general, the younger members of the profession at the expense of older members of the profession. By definition, flattening the fee structure means that younger members (up to 13 years Call) are penalised while those who are older (over 13 years Call) benefit from the change;

- Women represent a higher proportion of the profession within the under 13 years Call group than they do as % of the profession as a whole. Consequently, a higher proportion of women than men will be penalised by the proposed PCF banding arrangements;
- Women and Black, Minority and Ethnic (BME) groups represent a higher proportion of the employed Bar than they do as a percentage of the profession as a whole. Consequently, the decision to align the PCF paid by the self-employed and employed members of the Bar could penalise both a higher percentage of women than men as well as those in BME groups as compared to the white ethnic group. Understanding the implications for this group is further complicated by the fact that, for the majority of employed barristers, respective employers pay the PCF on the individual's behalf;
- It should also be noted that practitioners in the 4 to 7 years Call group are most at risk of leaving the profession, accounting for nearly one quarter of all leavers but only 15% of the overall number of current practitioners. The gender profile of leavers demonstrates that women are more likely than men to leave or change practice status. Similarly, those in the BME groups are also disproportionately likely to leave, making up 11% of current practitioners but accounting for 17% of all leavers. It is possible that the increase in PCF will exacerbate this trend;
- Provided that there was a mechanism for collecting spreading the payment of the PCF in two tranches, it was not considered that there was an equalities impact.

The mitigation of the above, as proposed by the FAC, was the maintenance of the current well-established system of waiver based upon income for which the threshold is £40k for the self-employed Bar and £30k for the employed Bar. Under the proposed new arrangements, the waiver would entitle the applicant to pay 50% of the core PCF that would otherwise apply i.e. a self-employed Barrister of 6 years Call with gross earnings of less than £40k in the preceding calendar year would pay a core PCF of £250 rather than £500. It was noted that the most recent Bar Council/Legal Services Commission QA survey indicated that in general women and BME group practitioners earn less than their white male counterparts. Therefore, the waiver system potentially benefits a greater proportion of women and of BME practitioners. Specifically, during both 2009 and 2010, about 7% of the profession were granted waivers of whom there was a higher percentage of women than men, as compared to their proportion within the profession as a whole.

The consultation prompted a total of 233 responses from on behalf of both individuals as well collective responses of the CBA, YBC, BACFI and the CPS. In summary, the main themes of the responses were as follows:

- Overwhelmingly more attention was paid to the proposed PCF levels than to the Budget proposals for income and expenditure that drive the eventual levels of PCF;

- Equally overwhelmingly, and as anticipated, the dominant theme was the differential impact of the proposals as between the Young Bar (1 – 7 years of Call) and their more senior colleagues. The impact on former was articulated first in terms both of the rate of increase and the actual level of the PCF, and secondly in terms of the impact on retention in the profession of Juniors - and particularly for women and BME practitioners. For those earning less than £40k, the income waiver gave some relief; but there was nothing to alleviate the impact on those earning more than £40k. The unwelcome context of past and likely future legal aid cuts was a huge concern to all publicly-funded practitioners including the longer established members of the Bar who were also suffering significant cuts. The consequent predominant request was a reversion to the status quo with regard to PCF banding arrangements;
- Consideration should be given to finding a mechanism to link the level of PCF more precisely to ability to pay;
- The CPS and other employed Bar representatives were concerned about the financial impact of amalgamating the self-employed and employed Bar practising certificate fees. Additionally, it was suggested that the dramatic increases could call into question the necessity for a significant number of employed barristers actually to hold practising certificates;
- The decision to move to a 1 April collection date for employed and self-employed Bar did not excite comment;
- The pension levy whilst unwelcome was on the whole recognised as an important step in continuing to de-risk the pension liabilities to staff; and
- The OLC and LSB levies were of themselves uncontroversial save that there was a lobby from the Young Bar for the cost to be allocated in the same ratio as the extant bandings based on years of Call rather than being passed on to the profession on a pro rata basis as was being proposed.

Having taken the above responses into consideration and evaluated the impact, the Bar Council at its meeting on 2 October 2010 agreed:

- That, with effect from 2012, the financial year be moved from 1 January to 31 December to 1 April to 31 March;
- That, with effect from 2012, the PCF renewal date for both the self-employed and employed Bar be moved to 1 April;
- That in order to achieve the foregoing for the self-employed Bar there will be a 15-month (1 January 2011 - 31 March 2012) PCF, MSF, Pension, OLC and LSB levies collection period which can be paid in 2 tranches;

- That the Budget for 2011/12 is approved for a 15-month save that it was remitted back to the FAC to determine the % increase (up to a maximum of 7.5%) in the core PCF relative to the FAC's appetite to manage the risks attendant with a deficit budget, the unknown cost of funding both entity regulation and a QA role for the Advocacy Training Council plus a new database;
- That both the core PCF and OLC/LSB levies are to be raised on the same basis as collected in previous years namely 5 bandings based upon years of Call plus a QC band;
- That the differential between the employed and self-employed Bar be maintained;
- That the administrative discounts discount (which is 5% for a chambers payment and 10% for any employer paying for more than 100 Barristers) be set at 2.5% and 5% respectively;
- That the Pension Levy be collected in the same way that it was collected in 2010 by reference to years of Call capped at the 1974 call year. For the 12-month period the figure will be £9 per year of Call and for the 15-month period £12 per year of Call;
- That the MSF be fixed at the same level for 2011/12 as it is for 2010 with the necessary adjustments to reflect the 15-month billing period;
- That the LSB and OLC levies for 2011/12 will be raised by adding 25% to the 2011 budgetary provision in order to achieve a 15-month income stream for the 15-month financial year;
- That the income-based waiver, which permits an applicant (except for those in the 1-4 years of Call brackets) to drop to the PCF banding below that which they would otherwise pay be retained and at present income levels; and
- That, early in 2011, there should be a further full and extended consultation which examined the structural issues relating to the future financing of the Bar Council.

In considering the impact of retaining the status quo, pending the outcome of the consultation in 2011 referred to above, it was noted that the present PCF banding system based upon years of Call had been in place for many years and was a reflection of the values of the profession in wishing to spread the cost of both regulation and representation broadly in relation to income. While it may disadvantage some, such as those winding down practices leading to retirement, it is overall an equality and diversity benefit. Specifically, it assists new entrants to the profession who invariably emerge from the associated training carrying a heavy burden of debt. Moreover, the evidence clearly indicates the importance of the first seven years in the profession in establishing a successful and financially viable future at the Bar. Therefore, the setting of fees at very modest levels for the lowest three bands promotes diversity.

All concerned are aware that, as a proxy for income, years of Call are not wholly accurate. Call date does not necessarily equate to actual experience and the latter is not always reflected in earnings. However, the Bar Council holds little by way of substantive information on individual earnings. Equally, banding by years of Call relatively disadvantages those who, for whatever reason, leave then return to the profession. That said, a number of barristers who are called subsequently qualify and practise as solicitors before returning to the Bar with a greater earning potential than more recently called counterparts. Interestingly, the Bar Council's Equality and Diversity Committee particularly encourages women to retain their practising certificates in parallel with raising a family - as staying in touch with the profession eases the path to a full return to work - a significant % of those who take such career breaks do not retain their Practising Certificates. An alternative to banding by years of Call that would favour those who took a career break is banding by numbers of practising certificates. However, as Practising Certificates have only been mandatory since 2001, Bar Council records are necessarily incomplete so that option is impractical for the time being.

As to other matters, it was not considered that applying a 5% increase to the core PCF across all bandings made a material difference to the impacts identified above.

In the light of the foregoing, the importance of mitigating, through the income waiver concession, any practical inequality arising from the application of fee bandings according to years of Call was acknowledged. The income waiver entitles any practising barrister, who is of 5 years' Call and over who self certifies that their annual gross fee income is less than £40k (if self-employed) or £30k (if employed), to a reduced PCF based upon the band immediately below that which would normally apply.

THE BAR COUNCIL

SUMMARY OF INCOME & EXPENDITURE

2011budgeti&epublished151010

| | | <u>Budget</u> | <u>Forecast</u> | <u>Actual</u> |
|---------------------------------------|--------------|-------------------------|------------------------|------------------------|
| | | <u>Period to</u> | <u>Year to</u> | <u>Year to</u> |
| | Notes | <u>31/03/12</u> | <u>31/12/10</u> | <u>31/12/09</u> |
| | | £000 | £000 | £000 |
| Income | | | | |
| From professional activities: | | | | |
| Practising Certificate Fee | | 14,786.1 | 7,509.4 | 6,500.8 |
| Inns Contributions | | 1,802.2 | 1,370.4 | 1,379.4 |
| | | ----- | ----- | ----- |
| | | 16,588.3 | 8,879.8 | 7,880.2 |
| Directly attributable: Representation | | 2,383.3 | 1,948.8 | 1,951.5 |
| Directly attributable: Regulation | | 1,587.0 | 1,309.0 | 1,309.4 |
| | | ----- | ----- | ----- |
| | | 20,558.6 | 12,137.6 | 11,141.1 |
| Other | | 149.0 | 121.0 | 143.6 |
| | | ----- | ----- | ----- |
| Total | 1 | 20,707.6 | 12,258.6 | 11,284.7 |
| | | ----- | ----- | ----- |
| Expenditure | | | | |
| Corporate | | 2,316.1 | 1,792.2 | 1,650.8 |
| Representation | | 5,002.8 | 3,572.5 | 3,214.9 |
| Regulation | | 7,977.0 | 5,727.6 | 5,289.5 |
| | | ----- | ----- | ----- |
| Total - "Core" activities | 2 | 15,295.9 | 11,092.3 | 10,155.2 |
| LSB/OLC Levies | 3 | 1,367.5 | 677.6 | 0.0 |
| Pension Fund: De-risking | | 4,458.9 | 0.0 | 0.0 |
| | | ----- | ----- | ----- |
| Total | | 21,122.3 | 11,769.9 | 10,155.2 |
| | | ----- | ----- | ----- |
| Operating (Deficit)/Surplus | | -414.7 | 488.7 | 1,129.5 |
| | | ----- | ----- | ----- |

This Budget has been prepared under the historic cost convention and excludes data relating to the Bar Council Scholarship Trust.

The accounting policies adopted are the same as those used to prepare the Annual Report & Accounts, except that no attempt has been made to adjust data for FRS17 Retirement Benefits. The 2009 figures have been similarly restated. Pension payments included in staff costs are those contracted for - a voluntary contribution of £0.5M has been eliminated from 2009.

No account has been made for any possible taxation charge in the Forecast/Budget.

The Forecast is for the year ending 31 December 2010.

The Budget is for the fifteen months to 31 March 2012.

There is a timing difference of £185.0k between 2010 and 2011/2 in respect of the levy on the profession for the establishment and running costs of the LSB/OLC and the relevant payments to the Regulator (See Note 3).

Notes

1. ANALYSIS OF INCOME

| | | <u>Budget</u> | <u>Forecast</u> | <u>Actual</u> |
|--|-------|------------------|-----------------|-----------------|
| | | <u>Period to</u> | <u>Year to</u> | <u>Year to</u> |
| | Notes | <u>31/03/12</u> | <u>31/12/10</u> | <u>31/12/09</u> |
| | | £000 | £000 | £000 |
| Practising Certificate Fee: | | | | |
| Fund "core" activities | | 8,959.7 | 6,831.8 | 6,500.8 |
| LSB/OLC Levy | 3 | 1,182.5 | 862.6 | 0.0 |
| Pension Fund Levy | | 2,250.0 | 2,208.9 | 0.0 |
| | | ----- | ----- | ----- |
| Total: Collected in year | | 12,392.2 | 9,903.3 | 6,500.8 |
| LSB/OLC Levy deferred: 2010 to 2011/2 | | 185.0 | -185.0 | 0.0 |
| Pension Fund Levy deferred: 2010 to 2011/2 | | 2,208.9 | -2,208.9 | 0.0 |
| Inns Contributions | | 1,802.2 | 1,370.4 | 1,379.4 |
| | | ----- | ----- | ----- |
| | | 16,588.3 | 8,879.8 | 7,880.2 |
| | | ----- | ----- | ----- |
| Representation | | | | |
| Member Services Fee | | 1,759.9 | 1,544.3 | 1,569.7 |
| Affinity Portfolio | | 344.6 | 201.2 | 170.0 |
| SBA Administration | | 166.3 | 128.3 | 136.8 |
| Counsel magazine | | 112.5 | 75.0 | 75.0 |
| | | ----- | ----- | ----- |
| | | 2,383.3 | 1,948.8 | 1,951.5 |
| | | ----- | ----- | ----- |
| Regulation | | | | |
| Education Standards: | | | | |
| Validation | | 600.0 | 600.0 | 677.4 |
| Accreditation | | 295.0 | 220.0 | 174.7 |
| BPTC | | 140.0 | 116.0 | 81.2 |
| Qualifications Committee Applications | | 250.0 | 160.0 | 145.4 |
| Other | | 97.0 | 63.0 | 66.4 |
| | | ----- | ----- | ----- |
| | | 1,382.0 | 1,159.0 | 1,145.1 |
| Disciplinary: | | | | |
| Fines & Cost Recoveries | | 205.0 | 150.0 | 164.3 |
| | | ----- | ----- | ----- |
| | | 1,587.0 | 1,309.0 | 1,309.4 |
| | | ----- | ----- | ----- |
| Other | | | | |
| Investment | | 75.0 | 60.0 | 75.4 |
| Videoconferencing & Room-Hire | | 50.0 | 40.0 | 40.0 |
| Sundry | | 24.0 | 21.0 | 28.2 |
| | | ----- | ----- | ----- |
| | | 149.0 | 121.0 | 143.6 |
| | | ----- | ----- | ----- |
| Total | | 20,707.6 | 12,258.6 | 11,284.7 |
| | | ----- | ----- | ----- |

2. ANALYSIS OF EXPENDITURE

| | <u>Budget</u> <u>Direct:</u> <u>Staff</u> £000 | <u>Budget</u> <u>Direct:</u> <u>Other</u> £000 | <u>Budget</u> <u>Alloc.:</u> <u>Premises</u> £000 | <u>Budget</u> <u>Alloc.:</u> <u>Manage.</u> £000 | <u>Budget</u> <u>Alloc.:</u> <u>C.Serv.</u> £000 | <u>Budget</u> <u>Period to</u> <u>31/03/12</u> £000 | <u>Forecast</u> <u>Year to</u> <u>31/12/10</u> £000 | <u>Actual</u> <u>Year to</u> <u>31/12/09</u> £000 |
|-------------------------|---|---|--|---|---|--|--|--|
| Corporate | 879.7 | 453.0 | 419.3 | | 564.1 | 2,316.1 | 1,792.2 | 1,650.8 |
| Representation | | | | | | | | |
| Prof. Affairs | 528.2 | 197.1 | 91.5 | 116.1 | 508.7 | 1,441.6 | 1,103.9 | 959.8 |
| Remuneration | 441.0 | 233.2 | 73.2 | 92.9 | 407.0 | 1,247.3 | 928.3 | 907.4 |
| Int./Europe | 261.3 | 369.3 | 27.4 | 46.4 | 203.5 | 907.9 | 604.0 | 590.3 |
| Member Services | 374.7 | 82.3 | 35.3 | 69.6 | 305.2 | 867.1 | 586.9 | 524.4 |
| Communications | 147.1 | 247.0 | 19.9 | 23.2 | 101.7 | 538.9 | 349.4 | 233.0 |
| | 1,752.3 | 1,128.9 | 247.3 | 348.2 | 1,526.1 | 5,002.8 | 3,572.5 | 3,214.9 |
| Regulation | | | | | | | | |
| Prof. Conduct | 1,546.5 | 184.8 | 272.7 | 545.6 | 1,155.4 | 3,705.0 | 2,949.2 | 2,589.4 |
| Education Stds. | 518.4 | 472.5 | 78.7 | 218.2 | 462.2 | 1,750.0 | 1,113.0 | 1,222.7 |
| Qualifications | 291.8 | 32.9 | 35.0 | 109.1 | 231.1 | 699.9 | 551.3 | 454.9 |
| Prof. Practice | 656.7 | 134.2 | 78.7 | 305.5 | 647.0 | 1,822.1 | 1,114.1 | 1,022.5 |
| | 3,013.4 | 824.4 | 465.1 | 1,178.4 | 2,495.7 | 7,977.0 | 5,727.6 | 5,289.5 |
| Total | 5,645.4 | 2,406.3 | 1,131.7 | 1,526.6 | 4,585.9 | 15,295.9 | 11,092.3 | 10,155.2 |
| Central Services | | | | | | | | |
| Finance | 306.7 | 424.4 | 42.2 | 38.9 | | 812.2 | 601.6 | |
| Print & Distrib. | 199.0 | 294.4 | 126.0 | 48.6 | | 668.0 | 515.6 | |
| Office Services | 218.7 | 38.4 | 506.3 | 38.9 | | 802.3 | 603.5 | |
| IT | 184.8 | 210.5 | 37.3 | 29.2 | | 461.8 | 301.2 | |
| Diversity | 349.5 | 99.5 | 58.3 | 58.3 | | 565.6 | 459.6 | |
| Member Records | 253.2 | | 86.4 | 38.9 | | 378.5 | 285.6 | |
| HR | 137.4 | 2.1 | 29.2 | 19.4 | | 188.1 | 122.2 | |
| Research/Registry | 211.4 | 196.5 | 74.6 | 29.2 | | 511.7 | 248.6 | |
| Project Support | 147.6 | 10.8 | 19.9 | 19.4 | | 197.7 | 72.0 | |
| | 2,008.3 | 1,276.6 | 980.2 | 320.8 | | 4,585.9 | 3,209.9 | |
| Allocated: | | | | | | | | |
| Corporate | | | | | | -564.1 | -389.2 | |
| Representation | | | | | | -1,526.1 | -1,099.2 | |
| Regulation | | | | | | -2,495.7 | -1,721.5 | |

Premises costs have been apportioned on the basis of floor area occupied.

Departmental Management Costs have been allocated on a headcount basis.

Central Services costs have been allocated on a usage/headcount basis.

3. LSB/OLC Levies

| | <u>Budget</u> <u>Period to</u> <u>31/03/12</u> £000 | <u>Forecast</u> <u>Year to</u> <u>31/12/10</u> £000 | <u>Actual</u> <u>Year to</u> <u>31/12/09</u> £000 |
|--------------------------------|--|--|--|
| Receipts from the Bar: | | | |
| Collectable/collected | 1,182.5 | 862.6 | 0.0 |
| Deferred: 2010 to 2011/2 | 185.0 | -185.0 | 0.0 |
| | ----- 1,367.5 | ----- 677.6 | ----- 0.0 |
| Payments to Regulator : | | | |
| LSB Establishment costs | 153.3 | 357.7 | 0.0 |
| LSB Running costs | 491.5 | 122.9 | 0.0 |
| OLC Establishment costs | 191.2 | 197.0 | 0.0 |
| OLC Running costs | 531.5 | 0.0 | 0.0 |
| | ----- 1,367.5 | ----- 677.6 | ----- 0.0 |

BAR COUNCIL

Expenditure qualifying as "the Permitted Purposes"

2011budgetpermittedpurposesexpenditures

Expenditures by the Bar Council as an Approved Regulator that may be regarded as Permitted Purposes are classified, as follows:

| PC Rules Reference | Permitted Purpose | Expenditure |
|--------------------|--|--|
| 6 (a) | The regulation, accreditation, education and training of applicable persons and those either holding themselves out as or wishing to become such persons | Professional Conduct/Disciplinary; Education Standards; Qualifications |
| 6 (a)(i) | The maintaining and raising of professional standards | Professional Practice |
| 6(a)(ii) | The giving of practical support and advice about practice management, in relation to practices carried on by such persons | Professional Affairs |
| 6(c) | The participation by the Approved Regulator in law reform and the legislative process | Professional Affairs |
| 6(f) | The promotion of relations between the Approved Regulator and relevant national or international bodies, governments or the legal professions of other jurisdictions | Approved Regulator (= Corporate); International/Europe |

BAR COUNCIL
STATEMENT UNDER s.51 LEGAL SERVICES ACT 2007:
2011/2 BUDGET
2011 budget permitted purposes

| | I. & E.: Total Expend. £000 | Re- Analyse £000 | Directly Attribut. (Income) £000 | Inns Contribs. (Income) £000 | PCF: "Core" (Income) £000 | PCF: LSB/OLC (Income) £000 | PCF: Pensions (Income) £000 | Finance/ Other (Income) £000 | I. & E.: Total (Income) £000 | I. & E.: Deficit for Period £000 |
|--|--------------------------------------|------------------------|---|---------------------------------------|------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|---|
| (A) Regulation: | | | | | | | | | | |
| <i>Professional Conduct/Disciplinary</i> | 3,705.0 | | -205.0 | -741.0 | -2,759.0 | | | | | 0.0 |
| <i>Education Standards</i> | 1,750.0 | | -1,382.0 | -368.0 | | | | | | 0.0 |
| <i>Qualification Regulations</i> | 699.9 | | | | -699.9 | | | | | 0.0 |
| <i>Professional Practice</i> | 1,822.1 | | | -364.4 | -1,457.7 | | | | | 0.0 |
| | <u>7,977.0</u> | | <u>-1,587.0</u> | | | | | | | |
| (B) Other Permitted Purposes: | | | | | | | | | | |
| Approved Regulator: Corporate | 2,316.1 | -303.3 | -112.1 | | -1,337.0 | | | -149.0 | | 414.7 |
| Donations: FRU/BPBU/BHRC * | | 303.3 | | -303.3 | | | | | | 0.0 |
| | <u>2,316.1</u> | <u>0.0</u> | | | | | | | | |
| Representation: | | | | | | | | | | |
| <i>Professional Affairs</i> | 1,441.6 | | | | -1,441.6 | | | | | 0.0 |
| <i>Remuneration</i> | 1,247.3 | -1,247.3 | | | | | | | | 0.0 |
| <i>Remuneration: Policy</i> | | 738.8 | -356.7 | -25.5 | -356.6 | | | | | 0.0 |
| <i>International/Europe</i> | 907.9 | | | | -907.9 | | | | | 0.0 |
| <i>Communication</i> | 538.9 | | -538.9 | | | | | | | 0.0 |
| | <u>4,135.7</u> | <u>-508.5</u> | | | | | | | | |
| (C) Member Services: | | | | | | | | | | |
| Remuneration: Fees Collection | | 508.5 | -508.5 | | | | | | | 0.0 |
| <i>Member Services</i> | 867.1 | | -867.1 | | | | | | | 0.0 |
| | <u>5,002.8</u> | <u>0.0</u> | | | | | | | | |
| Total "Core" Expenditure | 15,295.9 | | | | | | | | | |
| LSB/OLC Levies | 1,367.5 | | | | | -1,367.5 | | | | 0.0 |
| Pension Fund: De-risking | 4,458.9 | | | | | | -4,458.9 | | | 0.0 |
| | <u>21,122.3</u> | | <u>-2,383.3</u> | | | | | | | |
| Income | | | <u>-3,970.3</u> | <u>-1,802.2</u> | <u>-8,959.7</u> | <u>-1,367.5</u> | <u>-4,458.9</u> | <u>-149.0</u> | <u>-20,707.6</u> | <u>414.7</u> |

Notes

Expenditure in categories (A) & (B) above are deemed to fall within the definition of "permitted purposes" as per the Practising Fee Rules 2009. Expenditure in category (C) falls outside of this definition and can only be funded by directly attributable income and/or the voluntary members services fee (MSF).

The Inns' Contributions may only be applied for charitable purposes.

Abbreviations used:

FRU = Free Representation Unit
BPBU = Bar Pro Bono Unit
BHRC = Bar Human Rights Committee

PCF Rates: 2011/2

Self-Employed Bar

1 January -31
2010 - 12 Months

| Banding | Core Fee | LSB/ OLC Levy | MS Fee | Pension |
|---------------------|----------|---------------|--------|--|
| Queen's Counsel | 931 | 120 | 150 | £9 Per Year of Call Capped at 36 (1974) Years £324 |
| Over 13 Years Call | 629 | 81 | 100 | |
| 8-12 Years from | 322 | 41 | 100 | |
| 5-7 Years from Call | 172 | 22 | 100 | |
| 3-4 Years from Call | 62 | 8 | 100 | |
| 0-2 Years from Call | 62 | 8 | 50 | |

1 January 2011 to 31 December 2011
2011 - 12 Months

| Banding | Core Fee | LSB/ OLC Levy | MS Fee | Pension |
|---------------------|----------|---------------|--------|--|
| Queen's Counsel | 978 | 161 | 150 | £9 Per Year of Call Capped at 36 (1974) Years £333 |
| Over 13 Years Call | 660 | 109 | 100 | |
| 8-12 Years from | 338 | 56 | 100 | |
| 5-7 Years from Call | 181 | 30 | 100 | |
| 3-4 Years from Call | 65 | 11 | 100 | |
| 0-2 Years from Call | 65 | 11 | 50 | |

1 January 2011 to 31 March 2012
2011/12 - 15 Months

| Banding | Core Fee | LSB/ OLC Levy | MS Fee | Pension |
|---------------------|----------|---------------|--------|---|
| Queen's Counsel | 1222 | 201 | 188 | £12 Per Year of Call Capped at 37 (1974) Years £444 |
| Over 13 Years Call | 826 | 136 | 125 | |
| 8-12 Years from | 423 | 69 | 125 | |
| 5-7 Years from Call | 226 | 37 | 125 | |
| 3-4 Years from Call | 81 | 13 | 125 | |
| 0-2 Years from Call | 81 | 13 | 63 | |

Employed Bar

6 April 2010 to 5
2010/11

| Banding | Core Fee | LSB/ OLC Levy | MS Fee | Pension |
|---------------------|----------|---------------|--------|--|
| Queen's Counsel | 660 | 85 | 150 | £9 Per Year of Call Capped at 36 (1974) Years £324 |
| Over 13 Years Call | 440 | 60 | 100 | |
| 8-12 Years from | 260 | 34 | 100 | |
| 5-7 Years from Call | 140 | 18 | 100 | |
| 3-4 Years from Call | 62 | 8 | 100 | |
| 0-2 Years from Call | 62 | 8 | 50 | |

6 April 2011 to 31 March 2012
2011/12 - 12 Months

| Banding | Core Fee | LSB/ OLC Levy | MS Fee | Pension |
|---------------------|----------|---------------|--------|--|
| Queen's Counsel | 693 | 114 | 150 | £9 Per Year of Call Capped at 37 (1974) Years £333 |
| Over 13 Years Call | 462 | 80 | 100 | |
| 8-12 Years from | 273 | 45 | 100 | |
| 5-7 Years from Call | 147 | 24 | 100 | |
| 3-4 Years from Call | 65 | 11 | 100 | |
| 0-2 Years from Call | 65 | 11 | 50 | |

2011/2 BUDGET:

WHERE THE MONEY GOES

2011budgetwhereitgoes

It is estimated that for every £1 received in PCF, the analysis of the amount spent on the various permitted purposes is as follows:

| | Pence |
|---|------------|
| Regulation, accreditation and education | 39 |
| Maintaining and raising professional standards | 16 |
| Practical support and advice about practice management | 16 |
| Promotion of relations between the AR and relevant national/international bodies, governments and other legal jurisdictions | 29 |
| | ----- |
| | 100 |

BSB Business Plan 2011 – Draft v6 01 October 2010

| Regulation | People |
|---|---|
| <p>Aim 1. Our standards continuously ensure high quality practice</p> <p>Aim 2. All those whom we regulate live up to our standards</p> <p>Aim 3. Clients receive effective advocacy and legal representation from those we regulate</p> <p>Aim 4. We research, design and implement a regulatory framework that reflects the regulatory objectives</p> | <p>Aim 9. The public understands the standards they are entitled to expect from those whom we regulate</p> <p>Aim 10. The profession understands the standards they are required to meet</p> <p>Aim 11. Public, 'relevant third parties' and those we regulate have confidence in us</p> <p>Aim 12. Our people add value</p> |
| Accountability | Values |
| <p>Aim 5. Excellent governance & management ensure effective independent regulation</p> <p>Aim 6. We raise our resources responsibly, use them efficiently and effectively and account for our spending decisions</p> <p>Aim 7. We set performance standards, monitor progress and report transparently</p> <p>Aim 8. We have an Information Strategy that ensures we deliver good customer service</p> | <p>Aim 13. Fair and just: we act responsibly in the public interest</p> <p>Aim 14. Innovative: we lead change for better regulation or partner with others to do so</p> <p>Aim 15. Responsive and proactive: we listen, reflect and act; we set the agenda strategically and deliver it</p> <p>Aim 16. We support the development of a profession that reflects the diversity of society and provides equal access to justice for all</p> |

Bar Standards Board
BSB Business Plan 2010 and 2011

| Regulation | | | | |
|---|---|--|--|--------------------------------------|
| Aims | Objectives for 2012 | Activities in 2011 | Completed | C or A |
| 1 Our standards continuously ensure high quality practice | a) We define the standards and competencies which barristers must satisfy at key stages of their education and training, qualification and professional development | Bar Professional Training Course implementation a) Analysis of advisory use of test for entry 2011 (formal requirement for entry 2012) b) Pilot of centralised exams c) Aptitude test second pilot completed d) Full centralised exams e) Pupillage review implementation completed f) Continuing Professional Development (CPD) Review completed g) CPD Review implementation commenced h) Joint Academic Stage Board management (oversight of all qualifying law degrees in conjunction with Solicitors' Regulation Authority) | Mar 2011 Apr 2011 Jul 2011 Dec 2012 Dec 2011 May 2011 tbc 2012 onwards Aug 2011 | C C C C A A A A |

| Regulation | | | | |
|------------|--|---|--|----------------------------|
| Aims | Objectives for 2012 | Activities in 2011 | Completed | C or A |
| | | i) Monitoring of existing pupillage and education requirements j) Obtaining the approval of the Legal Services Board for amendments to the Bar Training Regulations | All year JD to advise | C C |
| | b) Standards are set in a way that ensures continuous development and improvement for barristers | a) The practical implementation of an authorisation to practise regime b) Revised Practising Rules incorporated into final version of the full Code of Conduct c) Final version of the Conduct Rules incorporated into the full Code of Conduct d) Review responses e) Committee and Board approve revised Code | All year Sep 2011 Jan – Sep 2011 Apr 2011 Jun 2011 | A A C A C C |

| Regulation | | | | |
|-------------|--|---|--|---|
| Aims | Objectives for 2012 | Activities in 2011 | Completed | C or A |
| | | <ul style="list-style-type: none"> f) Publish new Code g) Equality and diversity provisions to be inserted into the Code of Conduct | <ul style="list-style-type: none"> Sep 2011 Sep 2011 | <ul style="list-style-type: none"> C A |
| | <ul style="list-style-type: none"> c) Standards are publicised in an easy to understand and explicit manner | <ul style="list-style-type: none"> a) 'Awareness' programme on new Code completed (running in conjunction with roadshows) b) Annual revision of JASB, BPTC and Pupillage handbooks c) Publish new Code d) Further development of the monitoring scheme in the light of the monitoring undertaken in 2010 e) Further Chambers monitoring exercise | <ul style="list-style-type: none"> Sep 2011 Sep 2011 Sep 2011 Sep 2011 Jul 2011 | <ul style="list-style-type: none"> C C C C C |

| Regulation | | | | |
|---|--|---|--|---|
| Aims | Objectives for 2012 | Activities in 2011 | Completed | C or A |
| 2 All those whom we regulate live up to our standards | <p>a) We give the public a comprehensive positive assurance that barristers meet the standards required for registration and at key stages throughout their career relative to whether they are in employment or self-employed</p> | <p>a) CPD Compliance</p> <ul style="list-style-type: none"> • Monitor compliance of CPD for all barristers • Review processes and procedures in light of CPD Review <p>b) Review of QA activities undertaken by BSB</p> <p>c) Existing CPD Accreditation process</p> <p>d) Consider effect on CPD Accreditation process as part of CPD Review</p> <p>e) Barristers' register</p> <p>f) Other routine monitoring and quality assurance activity</p> <p>g) Targeted regulatory responses</p> <p>h) Respond to regulatory reviews by the LSB</p> | <p>All year</p> <p>Dec 2011</p> <p>Dec 2011 All year</p> <p>May 2011</p> <p>All year</p> <p>All year</p> <p>All year</p> <p>As required by LSB</p> | <p>C</p> <p>A</p> <p>A C</p> <p>A</p> <p>C</p> <p>C</p> <p>C</p> <p>A</p> |

| Regulation | | | | |
|------------|--|---|-------------------------------|------------|
| Aims | Objectives for 2012 | Activities in 2011 | Completed | C or A |
| | <p>b) Fair and rigorous processes protect the public when registrants fail to live up to standards</p> | <p>a) Review the complaints and hearings restructure and revised processes</p> <p>Continue to deal with complaints and disciplinary cases in accordance with the revised procedures and standards</p> | <p>Later than July 2011</p> | <p>C</p> |
| | | <p>b) Ensure service complaints are concluded prior to March 2011</p> | <p>March 2011</p> | <p>A</p> |
| | | <p>c) Monitoring the new arrangements for service complaints handling, ensuring they are working effectively and barristers/complainants are properly signposted to the correct organisation.</p> | <p>Dec 2011/ All year</p> | <p>A/C</p> |
| | | <p>d) Liaison with the Legal Ombudsman regarding conduct complaint referrals and general trends in complaints handling</p> | <p>All year</p> | <p>C</p> |
| | | <p>e) Independent Observer monitors the operation of the complaints system and reports regularly to the Board providing assurance that processes are being</p> | <p>All year</p> | <p>C</p> |

| Regulation | | | | |
|--|--|---|----------------------|---------------|
| Aims | Objectives for 2012 | Activities in 2011 followed and identifying areas for improvement | Completed | C or A |
| | c) BSB standards apply evenly and fairly to those whom we regulate working in employment and self employment | a) Code Review fully completed and new Code published | Sep 2011 | C |
| | | b) Continue to monitor complaints using 'Diversity Indicators' | All year | C |
| | d) Equality is embedded into all aspects BSB standards. | a) Diversity Action Plan implementation <ul style="list-style-type: none"> 6 monthly updates against Action Plan Impact assessments | All year Dec 2010 | A |
| | | b) LSB activity impacts – draft measurement framework project | April 2011 | A |
| | e) The same standards are maintained even where specific requirements are relaxed for individuals | a) Applications to the Qualifications Committee continue to be determined against criteria that maintain the BSB's standards | All year | C |
| 3 Clients receive effective advocacy and legal representation from those | a) The public is able to identify a practising barrister online | <i>Needs update from Barristers' register working group – part of IT programme?</i> | | |

| Regulation | | | | |
|--|--|---|---|---|
| <p>Aims we regulate</p> | <p>Objectives for 2012</p> <p>b) A quality scheme is in place that will allow assessment of a barrister's capability and performance.</p> | <p>Activities in 2011</p> <p>a) Development of Quality Assurance Scheme</p> <p>b) Agreement on standards for criminal advocacy across all regulators</p> <p>c) Implementation of new standards including consultations to establish Quality Assurance for Advocates structure</p> | <p>Completed</p> <p>??</p> <p>Dependent on SRA involvement</p> <p>Dependent on SRA involvement</p> | <p>C or A</p> <p>C</p> <p>C</p> <p>C</p> |
| <p>4 We research, design and implement a regulatory framework that reflects the regulatory objectives</p> | <p>a) Agreed approach to LDPs and entity regulation</p> <p>b) Agreed approach with other regulators</p> | <p>a) Analysis of consultation on entity regulation</p> <p>b) Develop code/licensing rules</p> <p>c) Submit licensing authority application</p> <p>a) Liaison with LSB's ABS Implementation Group</p> <p>b) Liaison with Bar Council as AR</p> <p>c) Liaison with SRA and other ARs including regular Approved Regulator Forum meetings</p> | <p>??</p> <p>Apr 2011</p> <p>Aug 2011</p> <p>All year</p> | <p>C</p> |

| Regulation | | | | |
|------------|---------------------|---|-----------|--------|
| Aims | Objectives for 2012 | Activities in 2011 | Completed | C or A |
| | | d) Engaging in debate with LSB and other ARs on interpretation and application of regulatory objectives | | |

| Accountability | | | | |
|---|--|--|---|--------------|
| Aims | Objectives for 2012 | Activities in 2011 | Completed | C or A |
| 5 Excellent governance & management ensure effective independent regulation | <p>a) A high performance Board - sound framework supported by strong management team</p> | <p>a) Management of consultation response activity</p> <p>b) Reports on our KPIs presented on a 3-monthly to the Board</p> <p>c) Governance Handbook completed and published</p> <p>d) Risk management processes in place to provide Board with assurance that risk actions are being monitored</p> <p>e) Effective management reporting supported by good IT systems</p> <p>f) Equality and Diversity training carried out for all Board members, committee members and staff</p> | <p>As required by consultation deadline</p> <p>Q1 in May 2011; Q2 in Sept; Q3 in Nov; Q4 in Feb 2012; YE in May 2012</p> <p>March 2012</p> <p>Reported 3-monthly to the Board (see above dates)</p> <p>Quarterly reports to Board (see above dates)</p> <p>All year</p> | <p>All C</p> |

| Accountability | | | | |
|--|---|---|---|-------------------|
| Aims | Objectives for 2012 | Activities in 2011 | Completed | C or A |
| | <ul style="list-style-type: none"> b) Clear demarcation and articulation of responsibilities between BSB and BC | <ul style="list-style-type: none"> a) Monitoring of first year of operation of new constitutional arrangements b) Responding to LSB Regulatory Reviews | <p>Report to the Board in March 2012</p> <p>When scheduled by LSB</p> | <p>C</p> <p>C</p> |
| <p>6 We raise our resources responsibly, use them efficiently and effectively and account for our spending decisions</p> | <ul style="list-style-type: none"> a) Annual strategic review and rolling 3 year strategic plan | <ul style="list-style-type: none"> a) Away days for Board to set strategic direction, including review of previous year b) Strategic and business plan produced | <p>April and October 2011</p> <p>March 2012</p> | <p>C</p> <p>C</p> |
| | <ul style="list-style-type: none"> b) Resources based on activity based costing and budgeted annually. | <ul style="list-style-type: none"> a) Finance policy applied when budget setting b) Business Plan informs our Budget setting and fully integrated | <p>All year</p> <p>March 2012</p> | <p>C</p> <p>C</p> |
| | <ul style="list-style-type: none"> c) Fee levels are set equitably across barristers and within overarching parameters for current and out years, and are set transparently using sound fee setting policy | <ul style="list-style-type: none"> a) Fees and Charges review scope defined b) Fees and Charges review completed | <p>Mar 2011</p> <p>May 2011</p> | <p>A</p> <p>A</p> |

| Accountability | | | | |
|----------------|---|--|---|---------------------|
| Aims | Objectives for 2012 | Activities in 2011 | Completed | C or A |
| | d) We publish unqualified audited accounts annually | a) BSB contributes to Bar Council's completion of accounts | April 2011 for June 2011 publication | C |
| | e) Spending decisions are in line with BSB strategic aims and the corporate plan | a) Board sets priorities for allocation of resources b) Board, Governance and Audit Committee, Resources Committee and management oversight of finances and resources | Away Days in April and Oct 2011 3-monthly meetings (see above dates) | C C |
| | f) Staff recruitment and deployment decisions are in line with BSB strategic aims and the corporate plan as well as reflecting equality and diversity | a) BSB HR Strategy & training plan developed b) Implementation of salary review methodology c) Equal pay audit completed | Mar 2012 Dec 2011 Nov 2010 | A A C |
| | g) "best value" principles of resource acquisition and implementation are followed including productivity and performance of our human, financial and other resources | a) All acquisitions in line with Finance Manual, Strategic plan and business plan | All year | C |

| Accountability | | | | |
|---|--|--|---|---|
| Aims | Objectives for 2012 | Activities in 2011 | Completed | C or A |
| 7 We set performance standards, monitor progress and report transparently | <ul style="list-style-type: none"> a) KPI framework established b) Regular reporting to Board and public | <ul style="list-style-type: none"> Reports on our KPIs presented on a 3-monthly to the Board a) Publication of Annual report | <ul style="list-style-type: none"> See reporting dates above May 2011 | <ul style="list-style-type: none"> C C |
| 8 We have an Information Strategy that ensures we deliver good customer service | <ul style="list-style-type: none"> a) Clear articulation of information use and needs of the strategic and business plans | <ul style="list-style-type: none"> a) Work with CIO to develop/review Information Strategy b) Contribution to IT programme including core database c) Sub-group oversight | <ul style="list-style-type: none"> Sept 2011 All year All year | <ul style="list-style-type: none"> C C C |

| People | Objectives for 2012 | Activities in 2011 | Completed | C or A |
|--|--|---|--|------------|
| 9 The public understands the standards they are entitled to expect from those whom we regulate | a) Market research shows general public awareness of BSB as the regulatory body for the barristers' profession | a) Business Plan informs Research Strategy and 2011 Research activities completed b) Complaints user satisfaction survey | Mar 2011 All year | A C |
| | b) Market research shows awareness of BSB as the regulatory body for the barristers' profession among relevant partners in corporate clients | Business Plan informs Research Strategy and 2011 Research activities completed | Mar 2011 | A |
| | c) The website is our main tool for communicating with the public | a) Launch the redeveloped website | All year (complete by September 2011?) | A |
| 10 The profession understands the standards they are required to meet | a) Research of profession's awareness and understanding of BSB | Business Plan informs Research Strategy and 2011 Research activities completed | Mar 2012 | A |
| | a) Research of satisfaction with BSB effectiveness by those whom we regulate | Business Plan informs Research Strategy and 2011 Research activities completed | Mar 2012 | A |

| People | Objectives for 2012 | Activities in 2011 | Completed | C or A |
|---|---|--|--|--|
| 11 The public, relevant third parties and those we whom we regulate have confidence in us | <ul style="list-style-type: none"> a) Satisfactory compliance achieved in LSB regulatory reviews | <ul style="list-style-type: none"> a) Annual IGR self certification completion b) Participation in regulatory reviews | <ul style="list-style-type: none"> As set LSB - April 2011? As required by LSB | <ul style="list-style-type: none"> C C |
| 12 Our people add value | <ul style="list-style-type: none"> a) We have a Human Resources Strategy in line with the strategic aims and corporate plan for both Board members and staff b) We have an Information Strategy which supports the delivery of the corporate plan c) Staff satisfied with working at BSB | <ul style="list-style-type: none"> d) BSB HR Strategy & training plan developed a) | <ul style="list-style-type: none"> ?? | <ul style="list-style-type: none"> A |
| | | <ul style="list-style-type: none"> a) Information strategy developed | <ul style="list-style-type: none"> As for 8(A)a Nov 2011? | <ul style="list-style-type: none"> C |
| | | <ul style="list-style-type: none"> a) Staff satisfaction survey results analysed and resulting actions fed into the BSB HR Strategy | <ul style="list-style-type: none"> Oct 2011 | <ul style="list-style-type: none"> C |

| Values | Objectives for 2012 | Activities in 2011 | Completed | C or A |
|---|--|---|---------------------------------------|--------|
| 13 Fair and just: we act responsibly in the public interest | a) Positive objective assessment of complaints system | Reports on our KPIs presented on a 3-monthly to the Board a) IO oversight | see reporting dates above All year | C C |
| | b) "Good decisions" | Reports on our KPIs presented on a 3-monthly to the Board a) | see reporting dates above | C |
| | c) Feedback from members of the public and barristers who have been involved in our regulatory processes shows that more than half of them have subjectively experienced our processes and our behaviour as being fair | a) Investigate data to feed into the information strategy and put in place any plans to address necessary improvements | All year | C |
| | d) We publish the key performance indicators and service standards we aspire to, and those we actually achieve | Reports on our KPIs presented on a 3-monthly to the Board | see reporting dates above | C |
| | e) We have created a culture of openness within the organisation in relation to information | a) Publication in line with publication scheme b) Website to be primary method of publication in first instance when a new website is introduced | All year All year | C C |

| Values | Objectives for 2012 | Activities in 2011 | Completed | C or A |
|---|--|---|--|---------------------|
| 14 Innovative: we lead change for better regulation or partner with others to do so | a) We continuously question and challenge our own policies and processes | Business Plan informs Research Strategy and both are fully integrated a) LSA 2007 implementation effects evaluated b) Impact assessments undertaken | Dec 2011 Dec 2011 All year | C C C |
| | b) We have an influential voice in public policy debates about professional regulation | a) Continue to update the Communications strategy and carry out 2011 comms activities | March 2012 | C |
| 15 Responsive and proactive: we listen, reflect and act; we set the agenda strategically and deliver it | a) Members of the public, clients, barristers and stakeholder organisations are actively involved in all aspects of our work and our decision-making | a) Develop and monitor effectiveness of consultation policy b) Continue to update the Communications strategy and carry out 2011 comms activities b) Implement Consumer engagement strategy | All year Jan 2011 Jan 2011 | A C C |
| | b) We continually review and refresh our strategy, plans and policies proactively | a) Reviews scheduled for year (CPD, Code review, chambers monitoring, QA activity, website etc, Handbooks) | All year | A |
| | a) We will support the profession in ensuring that services provided by the profession are accessible to | a) Publish revised Equality and Diversity Code b) Conference for Equal Opportunities | Sep 2011 Nov 2011 | C A |

| Values | | | | |
|---|---|---|--|---------------|
| Aims | Objectives for 2012 | Activities in 2011 | Completed | C or A |
| provides equal access to justice for all. | <p>a) all and sensitive to clients' differing needs</p> <p>b) We will promote greater diversity in the profession at senior levels and across different areas of practice</p> | <p>Officers on Code</p> <p>c) Include E&D in the development of the chambers monitoring scheme</p> <p>a) Provide access to training for the Bar in fair and effective recruitment</p> | <p>September 2011</p> <p>June 2011</p> | C |
| | <p>c) We will ensure that equality and diversity issues are taken into account in our own working practices</p> | <p>a) Contribute to the development of the Bar Council's Single Equality Scheme</p> | <p>April 2011</p> | C |

