

Question 1 - We noted that the cover letter from the Bar Council Treasurer to Chris Kenny described that while the amount payable as part of the levy fee would increase, it would be made clear to those paying the fee that this was a result of changes to collection arrangements and not as a result of increases by LSB. There was no reference to this particular description of the increase in the draft communications submitted with the application. We would suggest that for transparency, the explanation should be shown with the fee schedule itself. Could you please let us know how this will be dealt with and provide a copy of the proposed text?

Question 2 - ...my query to you earlier this week about the levy is one that has resonated with colleagues. As well as an explanation, we would like to see the levy figure separated out between the actual LSB/OLC levy charge and the administrative cost.

1. The GCB makes no deduction towards administration costs of collection from the LSB/OLC Levy collected from the profession. If there are differences between the amounts collected in the year and the amounts paid to LSB/OLC, these balances are held over to the following year to offset or adjust the levy levels at that time.
2. The GCB has been able to keep all of the fees payable in line with last year with the exception of the LSB/OLC levy. This has had to increase to ensure that sufficient funds are collected this year (estimated at £525k) to meet the expected charge of £858k in March with the balance made up of retained funds from the previous year. The letter refers to this fact and that we will convey the point that the change in levy is due to the historic collection arrangements administered by the GCB and not a change in the LSB/OLC cost estimates.
3. This message is included in draft form in the Policy and Guidance document (section 5.3 page 38 of the application pack). We will revise the text as point 4 below.
4. "The Bar Council has a statutory obligation to collect a share of the operating costs of both the LSB and the Office of Legal Complaints (including Legal Ombudsman, LeO). Since start up, these operating costs are consistently of the order of £850,000 annually.

The Bar Council sets a levy rate based on the expected costs and adjusted for retained funds if any from previous years. The 13/14 levy was raised £332,000 and utilised retained funds from the earlier start-up period to meet the costs of the LSB/OLC.

The total sum to be raised in 2014/15 is £525,000. This increase in 14/15 ensures that the combination of fee raised and retained funds will be just sufficient to meet the expected charges for the current year."

Question 3 - ... with reference to the remuneration (fees collection) work described on p28 and p29, we would welcome an explanation as to how 0% of fees collection activity and in particular, point (i), is in keeping with the third undertaking given by the Bar Council following the LSB investigation last year. The text of the undertaking is below for reference (the full document I refer to is here:

[http://www.legalservicesboard.org.uk/Projects/pdf/20140109 Bar Council Investigation - Final Undertakings \(From 17Oct13\).pdf.](http://www.legalservicesboard.org.uk/Projects/pdf/20140109%20Bar%20Council%20Investigation%20-%20Final%20Undertakings%20(From%2017Oct13).pdf)

Implement measures to ensure that the funding of the process whereby a barrister can complain about unpaid fees will only be via the Practising Certificate Fee from April 2014. This must remove the requirement that a barrister must have paid the Bar Council Member Service Fee, or any other voluntary fee, in order to complain about non payment of fees by a solicitor or other authorised person under the rules relating to the list of defaulting solicitors and other authorised persons 2012 (approved 2 March 2013) and the scheme for complaint to the Bar Council for publicly funded matters 2012 (approved 2 March 2013). For the avoidance of doubt the Bar Council may not impose any voluntary fee, levy or percentage charge for considering whether to or adding a solicitor or other authorised person to the list of defaulting solicitors as defined in Part X of the BSB's Code of Conduct.

It is possible that the timing of the application means this was overlooked or that the cost of the process is considered de minimis so the Bar Council is unconcerned about recouping the costs but we would welcome your comments.

5. We have reviewed the allocation of PCF towards non-regulatory permitted purposes activities and revised schedules 3.1 and 3.3 accordingly. These changes amend the funding arrangements from funding by Bar Council to being funded solely by PCF.
6. The service described is free of charge with no requirement for a barrister to have paid the MSF, any additional fee, levy or other charge to access the service and that the Bar Council does not make a charge for the exercise of its role in respect of Part X of the BSB's Code of Conduct.

Question 3 - we would be grateful for a description of what the 'corporate' area of spend specifically covers.

7. The Corporate areas include the salary and on-costs of the Chair, Vice Chair and Chief Executive of the Bar Council, their associated support costs including office based support staff, travel expenses, budgets for their professional activities and donations to appropriate causes. This area including an apportionment of shared central services costs and excluding donations is part funded by PCF as indicated in schedules 3.1 and 3.2.

Question 4 - The application does not reflect the recent changes to the methodology for calculating the Bar practising fee. The application approved by the LSB in October 2013 stated that the new methodology would apply from the 2014/15 renewal. Please could you explain why the fee remains calculated under the 'old' methodology and when the decision to do this was taken?

8. The decision was made in November 2013 by GMC, on the recommendation of the SLT and with the agreement of the BSB, that we should defer the implementation until the 2015/16 renewal period in order to ensure that the necessary system and operation changes could be managed effectively and without undue risk.

Question 5 - In our [letter last year approving the PCF](#), we asked to be kept updated on plans to review the level of charges that make up the directly attributable income. I could not see specific reference to this in the application – please could we could have an update on where you are with these plans?

9. A review of the levels of fees and charges for directly attributable income is the subject of a current and on-going programme across the organisation but initiated and starting with the regulatory activities within the BSB. The review is expected to report in stages to BSB from February to April 2014. The dates for the subsequent review with other Bar Council representative activities will follow during the summer of 2014.

Question 6 - P14 of the application states that a reserve of £625k will be designated to relocation and a further contribution of £325k will be made to the general reserves. However, the table on p19 suggests that the amount paid into the general reserves will be £287k (total contribution £911,834 – £625,000). Please could you confirm the correct figure?

10. The table on page 19 includes the consolidated reserves including the in-year P&L loss of £50k from the subsidiary organisation (labelled "BARCO Trading"). The underlying Bar Council movement in General Reserves is therefore expected to be £337k favourable.