



**LEGAL SERVICES
BOARD**

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Vanessa Davies
Director
The Bar Standards Board
289-293 High Holborn
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30 January 2014

Dear Vanessa,

Approval of 2014/15 Practising Certificate Fee (PCF) application made by the Bar Council to the Legal Services Board (LSB) under section 51 of the Legal Services Act 2007

I am pleased to inform you that the 2014/15 PCF levels set out in your application received by us on 2 January 2013 have been approved by the LSB. We are content that the information provided meets the criteria of the LSB's Practising Fee Rules 2009, subject to the comments below. This decision has been made under the authority delegated to me by the LSB. I have sent a letter in identical terms to Stephen Collier, Treasurer of the Bar Council, and we will publish it on the LSB's website in the next few working days.

Allocation of PCF to non-regulatory permitted purposes

We welcomed the increased transparency about how the PCF is spent on the areas of Bar Council work which are non-regulatory permitted purposes. However, we want to better understand how the Bar Council allocates the PCF to the non-regulatory permitted purposes. The Bar Council should therefore consider how it will evidence its use of PCF for non-regulatory permitted purposes in next year's application.

LSB/Office for Legal Complaints (OLC) levy

We noted that the figures in the application show that the amount being charged under the levy has increased since last year and that this is because a lesser amount was collected last year due to there being an over collection in 2012. We note that the explanation about the levy for fee payers has been revised.

Review of directly attributable income

In last year's decision letter, I asked to be kept updated on the Bar Council's plans to review the level of all charges that make up the directly attributable income. While this was

not covered by the application, we welcomed the update provided subsequently and would ask to be kept updated on progress with the review during the year, perhaps after the review has reported to the BSB in April?

Implementation of the new fee methodology

We note that the new methodology for calculating the PCF based on income has not yet been implemented. As you are aware one of our key concerns is that you are transparent with those paying the fees and you may therefore wish to mention the upcoming change in methodology to fee payers in your communications with the profession.

Consultation

Given that there were no responses to the consultation on the budget, we remain of the view that the Bar Council and the BSB should review how they engage with the profession in the development and setting of the PCF. This will be particularly important next year, given the implementation of the new methodology for calculating the PCF.

Bar Council investigation

As you will be aware, one of the outcomes of the LSB's investigation into the Bar Council was an undertaking to ensure that from April 2014, the funding of the process whereby a barrister can complain about unpaid fees will only be via the PCF.¹ This undertaking was not reflected in the original PCF application, which allocated the cost of administering the service to directly attributable income. However, we have now received a revised version of the relevant part of the application that allocates the cost of the service to the PCF. I therefore intend to report to my Board that I consider the action complete.

We look forward to maintaining dialogue during the year about progress in the areas highlighted by this letter. I will ask for a formal update mid-way through the year.

Finally, I am grateful to David Botha for his work with my team during the process to reach this decision.

Yours sincerely,



Chris Kenny
Chief Executive
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¹ Full information about the investigation, including the Bar Council and BSB's agreed undertakings, is available on the LSB's website at: http://www.legalservicesboard.org.uk/Projects/independent_regulation/investigations.htm