



2024/25 Budget and Practising Certificate Fees (PCF) Proposal November 2023 – Consultation

INTRODUCTION

1. As the Approved Regulator (AR) under the Legal Services Act 2007 (LSA07)¹, the General Council of the Bar (GCB) is obliged to consult the profession about the planned budget for the coming financial year, and the implications for changes to the PCF, before submitting the PCF proposal to the Legal Services Board (LSB) for approval. The budget covers the business plans of both the representative body (the Bar Council (BC) and the regulatory body, the Bar Standards Board (BSB).

2. The LSB is obliged by the LSA07 (Section 30) to make ‘Internal Governance Rules’ (IGR)² setting out requirements to be met by approved regulators for the purpose of ensuring that the exercise of an approved regulator's regulatory functions is not prejudiced by its representative functions. IGR Rule 9 (regulatory resources) states that *‘Each approved regulator must provide such resources as are reasonably required for its regulatory functions to be efficiently and effectively discharged.’* Rule 10 (Budget) states that: *‘The regulatory body [the BSB] shall independently ...formulate its own budget in accordance with its priorities and strategy.’* **The Bar Council cannot accept or reject the BSB’s budget but can seek further information** under IGR Rule 3 where it has reasonable grounds to do so, to assure itself that the required resources and budget required are ‘reasonable’. The inclusion of reasonable *‘requires that the resources can be objectively justified as necessary and proportionate’*.³ In *‘seeking to influence the regulatory body the role of the AR is strictly limited to when it is acting in its representative capacity’*.

3. The other set of rules that the GCB, as the AR, has to follow, are the Practising Fee Rules made by the LSB under Section 51 of the LSA07⁴ and the accompanying guidance.⁵

¹ <https://www.legislation.gov.uk/ukpga/2007/29/section/51>

² <https://legalservicesboard.org.uk/wp-content/uploads/2019/07/IGR-2019.pdf>

³ <https://legalservicesboard.org.uk/wp-content/uploads/2019/07/IGR-Guidance-July-2019.pdf>

⁴ <http://legalservicesboard.org.uk/our-work/lsb-rules-and-guidance/attachment/pcf-final-rules-2021-accessible>

⁵ <https://legalservicesboard.org.uk/wp-content/uploads/2021/02/Final-PCF-Guidance-2021.pdf>

4. The Practising Fee Rules oblige the GCB, as AR, following consultation with the profession, to set out in detail in a PCF submission to the LSB, the planned programme of 'permitted purpose' activity to which the practising fees will be applied. This submission needs to address the criteria of Transparency, Accountability and Proportionality. *'Proportionality. The practising fee should be adequate to effectively discharge the approved regulator's regulatory functions in an efficient and cost-effective manner.'* The AR must give detailed income and expenditure forecasts for three years, from and including the year for which the fee is to be levied, *'where the approved regulator expects a material change in expenditure or income'*. The BC therefore needs to provide sufficient information, not only about its own programme of work but, that of the BSB too. Please see Annex A for the detail of the BSB's budget.

5. The proposed budgets for 2024/25 include a substantial increase in expenditure and therefore the levy on the profession will need to increase. Operating costs have increased by 11% (£2.5m). The largest part of the increase relates to the BSB, which accounts for 71% (£1.78m) of the total increase. Annex A has been written by the BSB independently, and only formatted to fit with this paper.

6. These increases are driven by changes in staff and non-staff costs, mainly in the BSB. This is the second year of the BSB five-year plan to level up the pay of regulatory staff to the median of other regulators, to assist staff retention and recruitment. The non-staff costs include £300k for half the cost to COIC of providing the Bar Tribunals and Adjudication Service (BTAS), an estimated one-off cost of £225k to implement the BSB end-to-end Enforcement review, and £110k to implement holiday pay for those re-classified as 'workers'. These increases are much greater than anticipated and, together with the non-recurrent additional expenditure in the current year, means that the GCB will have to raise the PCF more than it anticipated. Since 2021 the GCB has used its reserves to help mitigate the effect of PCF increases on the profession. The strategy was instigated to try and shield the profession from the recent extreme economic events; COVID, the impact of war in Europe and cost of living pressures, with the return of high inflation. The strategy led to there being no increase in 2021, a 4.5% increase in 2022 and a 5% increase last year. In the same period to this autumn, inflation rose by 21%. In the face of the sustained increase in costs the GCB must maintain and replenish its reserves to provide financial stability. Therefore, mitigation of the required increase will not be as great as in previous years but will still amount to over £1m support from the GCB reserves to mitigate the proposed increase from 13.5% down to 9.5%.

7. You are urged to consider this consultation and respond as indicated under 'Next Steps' below.

PCF USAGE

8. Total PCF income is split between the BC and the BSB, taking into account the joint liability of the levies from the LSB and Legal Ombudsman (see the detail at para. 28). The split is variable but is predicted to be 29.47% Bar Council / 70.53% BSB in 2024/25.

9. PCF bands and fees since 2016 are shown below.

Band	Income Band	2016 Fees	2017 Fees	2018 Fees	Band	Income Band	2019 Fees	2020 Fees	2021 Fees	Band	Income Band	2022 Fees	2023 Fees	Band	New Banding	2024 Fees
1	£0 - £30,000	£110	£123	£123	1	£0 - £30,000	£100	£100	£100	1	£0 - £30,000	£100	£100	1	£0 - £35,000	£109.5
2	£30,001 - £60,000	£220	£216	£216	2	£30,001 - £60,000	£216	£216	£216	2	£30,001 - £60,000	£253	£256	2	£35,001 - £60,000	£291
3	£60,001 - £90,000	£441	£494	£494	3	£60,001 - £90,000	£494	£494	£494	3	£60,001 - £90,000	£509	£534	3	£50,001 - £90,000	£585
4	£90,001 - £150,000	£803	£899	£899	4	£90,001 - £150,000	£899	£899	£899	4	£90,001 - £150,000	£926	£972	4	£90,001 - £150,000	£1,064
5	£150,001 - £240,000	£1,219	£1,365	£1,365	5	£150,001 - £240,000	£1,365	£1,365	£1,365	5	£150,001 - £240,000	£1,406	£1,476	5	£150,001 - £240,000	£1,616
6	£240,001 and above	£1,659	£1,890	£1,890	6	£240,001 - £500,000	£1,890	£1,890	£1,890	6	£240,001 - £500,000	£1,906	£2,011	6	£240,001 - £500,000	£2,191
7					7	£500,001 - £1,000,000	£2,500	£2,500	£2,500	7	£350,001 - £500,000	£2,017	£2,138	7	£350,001 - £500,000	£2,341
8					8	£1,000,001 and above	£3,000	£3,000	£3,000	8	£500,001 - £750,000	£2,375	£2,704	8	£500,001 - £750,000	£2,961
9					9					9	£750,001 - £1,000,000	£2,725	£2,851	9	£750,001 - £1,000,000	£3,133
10					10					10	£1,000,001 - £1,500,000	£3,090	£3,245	10	£1,000,001 - £1,500,000	£3,553
11					11					11	£1,500,001 and over	£4,700	£4,844	11	£1,500,001 and over	£4,760

PCF INCOME FORECAST AND PROPOSAL FOR 2024/25

10. Our latest projections for PCF show the income for 2024/2025 would be £19.5m based on the current fees, up from £18.6m (actual) this year. The increase is mainly due to new barristers joining the profession and barristers moving up through the income bands (demographic changes). This projected increase in PCF income will be insufficient to cover the projected increase in recurrent total expenditure of 12% (excluding the release of the remaining £650k from the DB Pension deficit recovery plan).

11. **If the proposed increase in costs were to be covered solely by increases in the PCF this would translate into an increase in the PCF fees for 2024/25 of 13.5%.** However, if this increase in operating expenditure is approved by the LSB, we will to mitigate the effect on the Bar by using the GCB reserves and the release of the remaining part of the funds previously set aside to support the DB Pension deficit to **limit the overall increase in PCF to barristers of 9.5% for the coming year.** This will help the GCB deliver a balanced budget. However, the BSB would still run a deficit budget with the difference being supplemented by reserves until it achieves a balanced budget. The proposed 9.5% increase in PCF means the expected PCF gross income for 2024 /25 will rise to £21.4m.

12. In order to deliver a 9.5% increase in forecast PCF income, we are proposing that that it be applied to every band. We are also proposing to increase the top of Band 1 to £35,000 to help some of those who would otherwise be in Band 2.

13. The proposed PCF bands and fees for 2024/25 are:

Band	Income Band	2023 Fees	9.5% Increase	Increase
1	£0 - £35,000	£100	£109.5	£9.5
2	£35,001 - £60,000	£266	£291	£25
3	£60,001 - £90,000	£534	£585	£51
4	£90,001 - £150,000	£972	£1,064	£92
5	£150,001 - £240,000	£1,476	£1,616	£140
6	£240,001 - £350,000	£2,001	£2,191	£190
7	£350,001 - £500,000	£2,138	£2,341	£203
8	£500,001 - £750,000	£2,704	£2,961	£257
9	£750,001 - £1,000,000	£2,861	£3,133	£272
10	£1,000,001 - £1,500,000	£3,245	£3,553	£308
11	£1,500,001 and over	£3,434	£3,760	£326

14. The PCF income will increase by 14.7% consisting of a 5.2% demographic increase in PCF (based on budgeted not actual PCF collection) together with the proposed 9.5% PCF increase. Other income will increase by 2%. This gives a total increase in income of 12%.

General Council of The Bar

Budget 2024-2025

P&L

	Bar Council 2024-25 £000's	BSB 2024-25 £000's	Budget 2024-25 £000's	Budget 2023-24 £000's	Variance to 2023-24 £000's	Variance to 2023-24 %
Income						
PCF Income	6,297	15,071	21,369	18,625	2,744	14.7%
Non-PCF Income	2,553	2,203	4,755	4,648	108	2%
Total Income	8,850	17,274	26,124	23,272	2,852	12%
Total Staff-Related Expenditure	4,470	9,792	14,262	12,912	(1,350)	-10%
Total Non-Staff Costs	3,257	7,033	10,291	9,150	(1,141)	-12%
Total Operating Costs	7,727	16,825	24,552	22,062	(2,491)	-11%
Total Non-Operating Expenditure	365	873	1,238	1,647	409	25%
Total Expenditure	8,092	17,698	25,790	23,709	(2,082)	-9%
Surplus/(Deficit)	758	(424)	334	(436)	770	

15. Since 2021 the GCB has used its reserves to help mitigate the effect of PCF increases on the profession. The strategy was instigated to try and shield the profession from the recent extreme economic events; COVID, the impact of a war in Europe and the cost of living, with the return of high inflation. The strategy led to there being no increase in 2021, a 4.5% increase in 2022 and a 5% increase last year. In the same period to this autumn, inflation rose by 21%. In the face of the sustained increase in costs the GCB must maintain and replenish its reserves to provide financial stability. Therefore, the mitigation of the PCF increase will not be as great as in

previous years but will still amount to over £1m support from the GCB reserves to reduce the effects of the increase.

16. In the 207/18 PCF application the PCF was increased by 12% to raise funds for the DB Pension Scheme deficit recovery plan. This raised an annual sum of £1.3m that was to be ringfenced for the Pension Deficit with the aim that it would lead to lower practising fees when no longer needed. The latest defined benefit pension scheme valuation has moved from a deficit to a surplus and means that the annual £1.3m GCB contribution to the scheme, under the recovery plan, is not required for the next 3 years. Last year the GCB released half of these funds to accelerate the repayment of the CBILS loan, which has now been achieved. This year the GCB considers that it is prudent to release the remaining half (£650k) of the earmarked money for the DB Pension to limit the PCF increase.

17. The GCB proposes using the permitted purposes reserve (funding a deficit budget in the BSB), and the £650k, to mitigate the PCF increase. This will mean that the PCF increase to the profession for 2024/25 will be limited to 9.5% (individual income bands may differ slightly). This is higher than we anticipated last year and is due to the additional increase in overall costs. The increase in PCF in the coming years will be dependent on costs and the need to maintain financial stability. This is revisited on an annual basis.

OPERATING EXPENDITURE (variance to 2024/25)

18. The proposed increase in operating expenditure for the GCB is a £2.5m (an 11% increase on the current year's budget):

	Operating Cost variance to last years budget			Total Variance to Budget	% of Total Operating Costs
	Bar Council 2024-25	RGP 2024-25	BSB 2024-25		
Total Staff-Related Expenditure	(265)	(246)	(839)	(1,350)	54%
%of Total staff cost increase	20%	18%	62%	100%	
Total Non-Staff Costs	(36)	(168)	(937)	(1,141)	46%
% of total non staff cost increase	3%	15%	82%	100%	
Total Operating Costs	(301)	(414)	(1,775)	(2,489)	100%
% of Total Operating Expenditure increase	12%	17%	71%	100%	

RGP stands for Resources Group, comprising the services shared by the BC and BSB.

19. The main drivers for the proposed increase in operating costs are explained below:

- Staff costs are 54% of the total increase, and have increased by £1,350k. One of the main drivers is that this is the second year of the BSB five-year plan to level up the pay of most staff to the median of other regulators, to improve staff

retention and recruitment. The rest of the increase is due to; out of cycle salary increases, restructuring teams and a 7% base contingency for all salary-related expenditure. This will be reviewed, and the actual annual salary increment agreed before April next year, depending on inflation, the labour market etc.

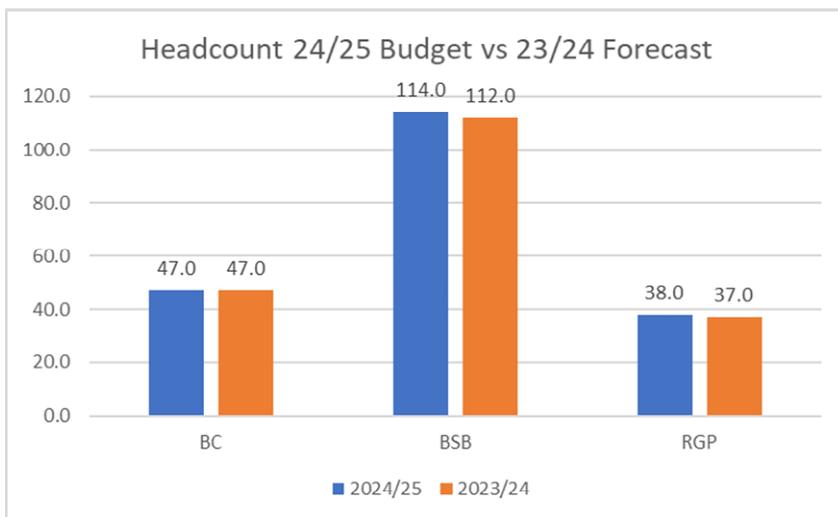
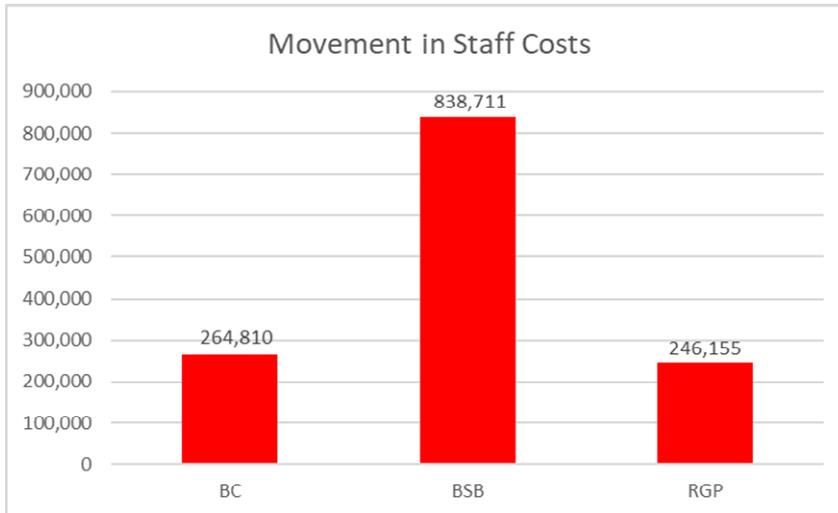
- Non-staff costs are 46% of the total increase and have increased by £1,141k, a 12% increase on the 2023/24 budget. The BSB portion of this increase represents £937k. Additional cost pressures have contributed to the increase in BSB non-staff expenditure notably; an additional £300k for half the cost of the Bar Tribunals and Adjudication Service (BTAS). COIC have asked the BSB to pay half the costs for the tribunal service as it is a regulatory expenditure. Also, in the BSB there is an estimated one-off cost of £225k to implement recommendations of the end-to-end Enforcement review, which should be completed in Spring 24. This is expected to produce productivity and efficiency improvements. The joint cost of the Resources Group is increasing by £168k (due to cybersecurity and cost of living increases). Representation and Policy non-staff costs have increased by £36k.
- Non-operating costs have increased by £241k. LSB costs have increased by £276k, while tax on investment income is budgeted to reduce by £35k.

STAFF COSTS 2024/25

Expenditure	23/24 £000's	24/25 £000's	Change £000's	% Change	
Staff Costs					
Bar Council	3,437	3,702	(265)	8%	↑
BSB	7,115	7,953	(839)	12%	↑
Resources Group	2,360	2,607	(246)	10%	↑
	<u>12,912</u>	<u>14,262</u>	<u>(1,350)</u>	<u>10%</u>	↑ cost increase

GCB

20. Staff costs have increased by £1,350k due to additional staff, out of cycle salary increases and includes a 7% base contingency for all salary-related expenditure. This will be reviewed and the actual annual salary increment agreed before April next year, depending on inflation and the labour market. This also includes the annual pay-rise being moved forward one month, to April, to align with the financial year. The following graphs chart the change in costs and headcount compared to the previous year's budget.



Bar Council

21. An 8% increase in staff costs, including a 7% base contingency for all salary-related expenditure. This will be reviewed and the actual annual salary increment agreed before April next year, depending on inflation and the labour market. This also includes the annual pay-rise being moved forward one month, to April.

BSB

22. Staff-related expenditure will increase by £839k (12%) compared to the 2023/24 budget. £523k of this relates to the proposed pay reward reform costs to align regulatory salaries with market rates (it was agreed last year that the pay reward should be spread over 5 years). There have been additional new in-year posts and fixed term contract extensions. £134k relates to two new roles in the Regulatory Risk team for 24/25. There is also an increase to Temp/recruitment costs and other staff costs of £75k. These costs include the annual pay-rise being moved forward one month, to April.

Resources Group

23. Staff costs increase by 10% (£246k). This includes a 7% base contingency for all salary-related expenditure. This will be reviewed, and the actual annual salary increment agreed before April next year, depending on inflation and the labour market. The remaining increase is due to additional FTEs including the CRM product owner role and moving the pay rise forward one month to April.

NON-STAFF COSTS 2024/2025

GCB

	23/24	24/25	Change	% Change	
Non Staff Costs	£000's	£000's	£000's		
Bar Council	1,603	1,639	(36)	2%	↑
BSB	2,223	3,161	(937)	42%	↑
Resources Group	5,323	5,491	(168)	3%	↑
	9,150	10,291	(1,141)	12%	↑ cost increase

24. Non-staff costs have increased by £1,141k, a 12% increase on the 2023/24 budget.

Bar Council

25. A 2% increase in non-staff costs, £37k.

BSB

26. Non-staff costs increase by £937k (42%) compared to the 2023/24 budget. The main reasons are:

- An estimated £300k for BSB's 50% contribution to the Bar Tribunal and Adjudication Services (BTAS) which is delivered by the Inns of Courts and has, until now been provided without a charge to the BSB.
- An estimated £225k to implement recommendations of the end-to-end Enforcement review, which should be completed in Spring '24.
- £111k for the Contractors holiday pay which is now factored into the budget.
- £132k as the volume of Tribunal cases has increased: there are two ongoing complex litigation files and a requirement for additional legal advice.
- £74k due to uplift in the daily rate for non-executives and various other increases across departments.
- £46k for a new Legal Choices website contribution.
- £49k due to switching to paper exams from August '23.

Resources Group

27. Non-staff costs have increased by £168k (3%) from the 2023/24 budget.

- £101k increase in IS costs which includes cyber-security improvements and inflationary increases on licensing and support costs.
- £79k increase in facilities costs for increased energy costs, couriers, rates, and service charges.
- £52k increase in corporate overheads.
- £69k saving on depreciation to reflect lower capital additions and depreciation.

NON-OPERATING EXPENDITURE

	23/24	24/25	Change	% Change
Non Operating Expenditure	£000's	£000's	£000's	
DB Pension	650	0	650	100%  release of funds
LSB/OLC Costs	922	1,198	(276)	30% 
Other Costs	75	40	35	47% 
	1,647	1,238	409	25%  cost decrease

Non-operating costs have increased by £241k. LSB costs have increased by £276k while tax on investment income is budgeted to reduce by £35k.

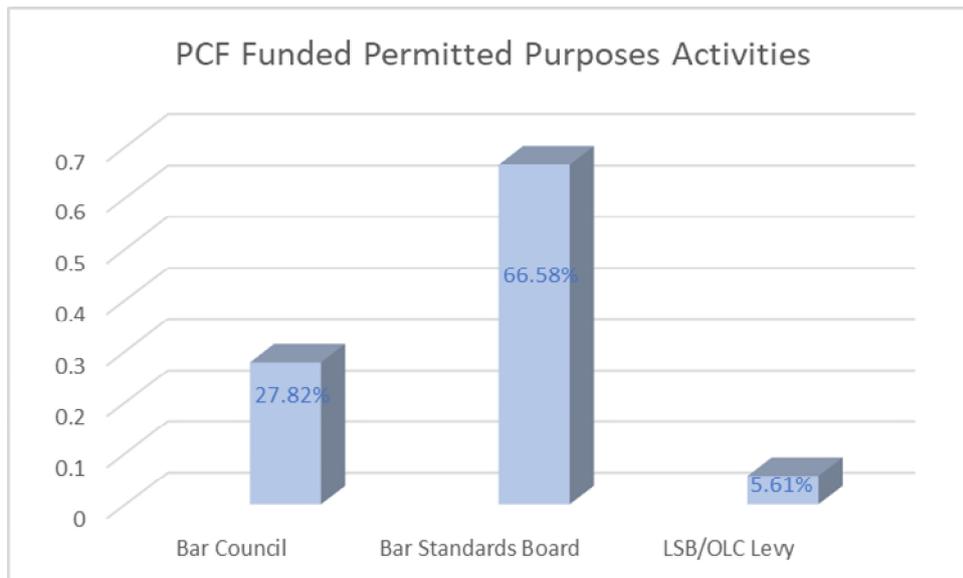
SPLIT OF PCF INCOME

28. The GCB organisational overheads and those of the LSB/OLC levy and the DB Pension scheme are split between the BC and BSB, based on the relative size of each (see below).

	<i>PCF Funded Permitted Purpose Activities</i>	<i>PCF Funded LSB/OLC</i>	<i>Legacy DB Pension Scheme</i>	<i>Total Scheme PCF</i>	
	£000's	£000's	£000's	£000's	
2023/24 Forecast	Bar Council	5,018	310	192	5,520
		26.66%	1.65%	1.02%	29.32%
	Bar Standards Board	12,106	741	458	13,305
		64.31%	3.94%	2.43%	70.68%
	Total	17,124	1,051	650	18,825
2024/25 Proposed	Bar Council	5,944	353	-	6,297
		27.82%	1.65%	0.00%	29.47%
	Bar Standards Board	14,226	845	-	15,071
		66.58%	3.95%	0.00%	70.53%
	Total	20,170	1,198	-	21,368

* Please note %'s are of the Total PCF

29. The graph below also shows the allocation of PCF to Permitted Purposes activities.



PERMITTED PURPOSES PROGRAMME OF ACTIVITY:

Proportion of activity that is for Permitted Purposes								
Functional Area	Permitted Purposes Gross Cost (£m)	51(4)(a)	51(4)(b)	51(4)(c)	51(4)(e)	51(4)(f)	(Max 100%)	Not in Scope of PP
Levies								
Legal Services Board	0.480		100%				100%	
Legal Ombudsman	0.718		100%				100%	
Tax/Interest Expense	0.040						100%	
Bar Standards Board								
Authorisations	0.631	100%					100%	
CAT	1.119	100%					100%	
Supervision	0.942	100%					100%	
Examinations	1.380	100%					100%	
Corporate Services/Governance	1.076	100%					100%	
Board	0.477	100%					100%	
Communications	0.214	100%					100%	
Public Engagement	0.238	100%					100%	
Programmes	0.355	100%					100%	
Regulatory Risk	0.270	100%					100%	
Equality & Access to Justice	0.181	100%					100%	
Policy & Research	1.243	100%					100%	
Enforcement	1.818	100%					100%	
Legal Support	0.644	100%					100%	
HR	0.525	100%					100%	
Overheads - Resources Group	5.712	100%					100%	
Bar Council								
Policy Directorate	0.603	90%					90%	10%
Equality, Diversity & CSR	0.677	90%					90%	10%
EU Law	0.210			40%		60%	100%	
International	0.489					80%	80%	20%
Law Reform, Regulatory & Ethics	0.296	60%		25%	10%	5%	100%	
Remuneration & Legal Practice	0.391	45%		45%		5%	95%	5%
Communications	0.663	15%		30%	15%	15%	75%	25%
Corporate	2.211	45%		15%	15%	15%	90%	10%
Total Gross P&L Expenditure	23.603							

The Bar Council

30. The Bar Council provides a broad range of services to barristers. The PCF supports these activities under a number of the permitted purposes as follows:

Permitted purpose 51a - the regulation, accreditation, education and training of applicable persons.

31. A significant proportion of the Bar Council's work is allocated to this permitted purpose. A notable example of our work in this area is diversity and inclusion, in particular promoting equality, diversity and inclusion (including social mobility) in the profession. We provide advice and support, training and guides for individual barristers and their chambers. In addition, specific positive action programmes cover (i) access, (ii) retention and (iii) progression at the Bar.

32. A significant area of work relates to the education, training, and provision of leadership to the profession on the regulatory environment in which barristers and chambers operate, including raising awareness of key regulatory developments. This work supports our strategic aim of providing services, guidance, information and training to maintain and raise professional standards and overcome challenges that hinder practice at the Bar.

33. Our work on providing practical advice and support on practice management falls under this permitted purpose, including drafting practice management guidance for the Bar and arranging practice management seminars on both new areas of interest and updates on existing matters (for example, an ongoing priority area is income monitoring and fair work distribution). Similarly, policy work relating to remuneration and legal practice, including issues focused on access to justice and the administration of justice, fall under this permitted purpose.

This work supports our strategic aim of supporting barristers, chambers and alternative business models with practice management disciplines in the interests of statutory and regulatory compliance.

34. In addition to the policy work outlined above, our policy work in relation to the Bar's ethical standards and obligations, which includes management and provision of the Ethical Enquiries Service, also falls under this permitted purpose. As well as maintaining an up-to-date and growing online ethics guidance resource (www.barcouncilethics.co.uk), a team of Ethics Advisers respond to some six thousand telephone and email enquiries from barristers each year. We also deliver seminars to support barristers in understanding their ethical obligations, on the likes of common ethics issues when practising at the Criminal Bar.

This work supports our strategic aim of providing services, guidance, information and training to maintain and raise professional standards, and striving to ensure that the work of the Bar remains committed to the highest ethical standards.

Permitted Purpose 51c - participation in law reform and related legislative process law reform, legal practice and permitted purpose 51e - the promotion of the protection by law of human rights and fundamental freedoms law reform.

35. Our work allocated to these permitted purposes covers a broad range of issues including civil, family, and criminal justice and a variety of areas of law. Aspects of our research work are allocated to this permitted purpose so that we may inform the legislative and law reform process from a firm evidence base. We also include a proportion of our European work under this purpose which continues to be important following the UK's departure from the European Union since the EU has a significant and ongoing programme of law reform.

36. Much of our law reform work relates to monitoring and responding to consultations that impact on the administration of justice. This includes working on matters covering a broad range of legislative matters, contributing to the Law Commission's programmes of law reform and raising awareness of current law reform issues through the likes of our annual law reform lecture. An example of a significant focus of ongoing law reform work relates to Strategic Lawsuits Against Public Participation, which is likely to continue for some time.

This work supports our strategic aim of championing the rule of law and access to justice for all.

Permitted purpose 51d - the provision of applicable persons of legal services or reserved legal services, immigration advice or immigration services to the public free of charge.

37. We have a Pro Bono and Social Responsibility stream of work which involves leading work in promoting pro bono volunteering, in particular by liaising with pro bono charities and organisations involved in promoting access to justice. We support Advocate (formerly the Bar Pro Bono Unit) which provides a vital service to people who would otherwise have no access to justice.

This work supports our strategic aim of championing access to justice for all.

Permitted purpose 51f - promotion of relations between the approved regulator and national or international bodies, governments or the legal professions of other jurisdictions.

38. We carry out a wide range of international engagements liaising with national, regional and global level organisations. We also work closely with the legal professions and, as appropriate, governments of other jurisdictions across the world. A key aspect of our work under this permitted purpose is to support and promote the rule of law internationally and the development of the standards of the legal profession at the international level, bearing in mind that these also have an impact on the practice of our own profession. This work supports our strategic aim of championing the rule of law.

Bar Standards Board

39. The BSB's programme of activity 2024/25 (authored by the BSB) is at Annex A.

INCOME (REGULATORY AND NON-REGULATORY)

	23/24 £000's	24/25 £000's	Change £000's	% Change
Total Income				
PCF Income	18,625	21,369	2,744	15% 
Non PCF Income	4,648	4,755	108	2% 
	<u>23,272</u>	<u>26,124</u>	<u>2,852</u>	12%  increase

40. Total income is forecast to be £26.1m. This represents a 12% increase on the amount budgeted in 2023/24 of £23.2m.

Changes in Non-PCF income:

	23/24 £000's	24/25 £000's	Change £000's	% Change
Non PCF Income				
Bar Council	2,476	2,553	77	3% 
BSB	2,171	2,203	31	1% 
	<u>4,648</u>	<u>4,755</u>	<u>108</u>	2%  increase

- The changes in income forecast for the non-PCF income of the Bar Council and BSB are not expected to be significantly different from the previous year.

NEXT STEPS

41. We welcome views from the profession on the planned budget for 2024/25 and the proposal to increase PCF and invite you to consider the questions below.

Please use the following link to give your feedback via the online form:

<https://r1.dotdigital-pages.com/p/4CGD-V7U/practising-certificate-fee-and-budget-consultation-202425>

42. The consultation will close on Friday 5 January 2024 at 17:00.

Consultation Questions

- Do you agree with the GCB's proposal to increase the 2024/25 PCF as detailed in the consultation document? If not, please explain why.
- Do you think the PCF for 2024/25 represents value for money?
- Are you adversely impacted by the level of the practising fee due to a protected characteristic under the Equality Act 2010 (such as age, disability or gender) or due to your individual practising arrangements? If so, please tell us why and how we could meet your needs. Do you agree with our initial Equality Impact Analysis (EIA) of the practising fee, which we have provided with this consultation (Annex B)?

4. Do you have any other comments regarding PCF or the General Council of the Bar budget for 2024/25?

If you would prefer to respond via email, please send your responses to:

treasurer@barcouncil.org.uk

Malcolm Cree CBE
Chief Executive, The General Council of the Bar

Bar Standards Board programme of activity 2024/25 (authored by the BSB)**Overview**

1. The proposed Bar Standards Board's budget for 2024/25 reflects the completion of the BSB's current three-year strategy. Plans for the next year are to continue to improve operational delivery, to deliver the reforms to which we committed publicly and to the Legal Services Board in April 2023, and to take forward existing strategic projects aimed at improving the Bar's standards, diversity and access.
2. In the final year of the current strategy, the BSB is proposing only a marginal change in the number of our people for 2024/25 in order to strengthen our regulatory risk team. The significant increase in people costs nevertheless reflect continuing implementation of the pay reforms approved by the Board in 2022. The costs of implementing those pay reforms continue for the 2024/25 year and the following three years. Significant and unavoidable increases in non-staff costs (some of which will be recurrent) also contribute to the rise in expenditure for the BSB.
3. This explanatory note accordingly, sets out:
 - i. The increases in staff and non-staff costs, including the continuation (second year) of the BSB's approved reforms of pay and reward to place the setting of pay on a long-term sustainable basis;
 - ii. How resources will be allocated across the BSB functions in 2024/25 and how those functions will support the regulatory objectives; and
 - iii. How the BSB oversees regulatory performance and evaluates its performance.

Proposed expenditure in 2024/25

4. The provisional Bar Standards Board's budget for 2024/25, which was approved by the Board at its meeting on 5 October 2023 after scrutiny by the Performance and Strategic Planning Committee, provides for a 10% increase compared to 2023/24 budget.
5. The budget presented reflects continuing implementation of our pay reforms which aim to bring pay into line with the median for equivalent regulatory roles over five years. The 2024/25 year will be the second of those five years. The costs of pay reform are 3% of the 10% increase in total costs.
6. The reforms of pay and reward were agreed by the BSB Board in the light of independent advice which showed that pay at the Bar Standards Board last year was lagging by nearly 20% of the median benchmark for equivalent roles in other regulators. As a result, the BSB was experiencing severe difficulty in recruiting and retaining people with the skills and of the calibre the organisation needs. This was particularly acute in the investigations team and

contributed to the low performance in completing investigations in a timely manner.

7. Our experience is that the first year of implementation of the pay reforms has (although not completely) mitigated the extent of our previous difficulties with recruitment and retention. Last year we reported that during the period 1 August 2021 – 31 July 2022 **52%** of all external recruitment campaigns failed. This year for the same period (1 August 2022 – 31 July 2023) the failure rate dropped to around **20%** of external recruitment campaigns. Voluntary turnover (resignation rates) has reduced from 19% as at 30 June 2022, to 13.3% as at 30 June 2023. Nevertheless, it is essential to continue with the pay reforms to ensure that we do not lose the ground gained and can continue to recruit and retain people who are competent to deliver our regulatory functions.
8. The Board believes that the BSB must take pay off the table as a positive disincentive to joining or staying at the BSB if it is to be effective and judges that, to do so, pay at the BSB should be pitched for the medium-term at around the median for comparable regulatory roles.
9. The reforms approved by the Board (over five years) achieve that by:
 - retaining broadly the current pay bands, but linking those bands to regulatory sector median pay rates;
 - providing consolidated (i.e. pensionable) market supplements for regulatory policy and legal roles which the benchmarking analysis shows attract higher salaries at other regulators;
 - retaining non-consolidated performance related pay through a refreshed system of recognition awards that reward excellence both for delivery and behaviours.
10. In its assessment of the BSB's regulatory performance for the current period, the Legal Services Board notes the continuing issues with capacity and resourcing which have been experienced by the BSB for some years and states that it shares our hope that these pay reforms will improve staffing challenges (and encourages us to analyse the effects of enhanced pay on improving recruitment and retention, which we had already planned and have monitoring in place.)
11. The change to headcount in the 2024/25 budget is for revised staffing in the Regulatory Risk team in order to implement our reforms of our approach to regulatory risk (an additional two posts). This reflects a general focus on being more proactive and risk-based in our approach to regulation by using effective insights derived from data and intelligence.
12. Other increases in our people costs (other than pay reform) reflect changes to the staffing complement that were agreed in the current financial year, to strengthen our operational teams in the face of rising volumes and complexity of casework. We have also brought forward implementation of the annual

salary review in this year and next (from 1 June to 1 April) so that it will align with the financial year.

13. The single largest component of the increase in non-staff costs is the addition of £300k to the recurrent budget as a contribution to the cost of the Bar Tribunals and Adjudication Service (BTAS). We currently contract for this service with the Inns of Court which has previously met the full cost. The Council of the Inns of Court (COIC) has proposed a 50/50 share of the costs for running the tribunal service. Given that this is clearly a regulatory function (and one borne by most, if not all, other regulators), we can see no reason for any in principle disagreement.
14. We have appointed the leading law firm Fieldfisher LLP to carry out an end-to-end review of our enforcement system in this year, and it will present final recommendations to the BSB's Board in April. We have allocated £225k for the implementation of any of the recommendations that might be agreed by our Board and anticipate that this will achieve efficiencies in the following years.
15. There is an increase of £132k in our budget for the Legal and Enforcement Department, primarily to meet anticipated legal defence costs and the increased costs of prosecution of disciplinary tribunals as a direct consequence of our efforts to clear cases under investigation over the past year (which has created a peak in the number of matters referred to tribunal).
16. The budget for Examinations has increased by £85k, and the substantial component of this is an increase in costs for printing (now that we have reverted to pen and paper exams) and an associated increase in fees for the use of test centres, as well as increased costs for standard setting.
17. Our non-staff costs have also increased because £111k has been allocated to the BSB to meet our historic liabilities for holiday pay for contractors who are deemed to be workers.

Allocation of resources across BSB functions

18. The Bar Standards Board's strategy includes a commitment to the following priorities:
 - **Efficiency:** delivering its core regulatory operations quickly, economically and to a high standard. The Board's top priority is to improve performance in core regulatory operations;
 - **Standards:** ensuring that barristers provide a high quality and responsive service throughout their careers;
 - **Equality:** promoting equality, diversity and inclusion at the Bar and at the BSB, and the profession's ability to serve diverse consumers;
 - **Access:** promoting consumer understanding of legal services and choice, and good value in using those services; and

- **Independence:** strengthening the BSB's independence, capability, self-confidence and credibility.
19. In drawing up a Business Plan for 2024/25, we have considered how to deploy our capability to maximise the Bar Standards Board's public interest objectives and to further the five strategic aims⁶ we set for the current three year period.
 20. In deciding priorities, we have borne in mind that the Bar Standards Board advances the public interest as a regulator in two main ways.
 - We act as the gatekeeper and the disciplinarian for the barrister profession and, in those roles, carry out important operational responsibilities: assessing reports; undertaking investigations; handling applications; administering examinations; and so on. It is important we discharge these responsibilities efficiently and responsively, while also, above all, maintaining the high standard of our decision-making.
 - In discharging our regulatory functions, we analyse how effectively the profession as a whole is serving the public interest, as defined by the regulatory objectives of the Legal Services Act 2007 and, in the light of our intelligence and analysis, take forward interventions designed to address risks to the public interest. The potential interventions take a wide range of forms, including rule changes, the publication of guidance, the undertaking of research and proactive work by our Supervision Team.
 21. These different dimensions of our work are equally important, but inter-dependent. Much, though not all, of the intelligence informing our analysis of risk derives from the work of our operational teams. Our proactive interventions to address regulatory risks, including any rule changes, must be informed by the experience and insights of the operational teams. The Supervision Team both takes forward operational issues raised by our gatekeeping and disciplinary functions and proactively develops intelligence on the operation of the market and takes forward interventions into the market.
 22. There is, accordingly, a high degree of overlap in resource demands.
 23. To inform decisions on how to balance these demands, we have consulted internally with the wider Leadership Group. We also held a useful session on 24 October with our Advisory Pool of Experts (APEX) which we now intend to regularise as half-yearly sessions. The clear consensus is that our business plan for 2024/25 should focus on completing work that we have already begun rather than starting anything new. We have also decided to push some
-

planned work into the second half of the decade because it is better taken forward as part of the next multi-year strategy. For example, we remain committed to undertaking a review of the future supply of barristers – both generally and in each main specialism – but judge that this should now form one element of a wider market study of competition for barristers’ services which looks at both supply and demand.

24. We therefore propose a provisional programme of work for next year under the following broad headings:

- i. **Access:** we shall take forward the existing programme of work to understand whether on-line comparison can usefully empower consumers and to extend the choice and information available to consumers.
- ii. **Standards – assuring competence:** we have recently undertaken a stocktake of this programme: our focus in 2024 will be on building our capacity to collect and analyse intelligence about professional standards and on promoting feedback to barristers on their performance to inform their reflection and Continuing Professional Development.
- iii. **Equality:** the revision of the *Equality Rules* will continue to be the main focus, although we also plan to commission research as to how consumers from minority backgrounds experience the service of barristers.
- iv. **Bar training:** working in partnership with a Trailblazer Group, we aim to establish an apprenticeship route to qualification as a barrister and to complete outstanding elements of the Future Bar Training Programme.
- v. **Culture and engagement:** we shall complete our review of performance management and implement a strategy for racial equality now in development.
- vi. **Handbook Review:** we shall continue the updating of the BSB Handbook and improve its accessibility and navigability.
- vii. **Regulatory capacity:** we shall take forward implementation of the reforms to which we committed last April, including the reviews of enforcement and authorisation, the enhancement of our intelligence and regulatory risk capability and our initiative to clarify the role of chambers.
- viii. **Technology:** we shall continue our work to understand the opportunities and risks of new technologies, including AI.

25. This programme of work will be taken forward through the BSB’s functions and associated budgetary provision as follows.

How the BSB functions support the regulatory objectives and strategic priorities

Supervision (8% of budget)

26. The Supervision function has responsibility for the BSB’s risk-based regulation of chambers, employers, BSB authorised entities, individual

barristers and authorised training providers. It includes supervision of activities such as pupillage, the transparency rules, equality and diversity compliance, anti-money laundering and bullying and harassment. In doing so, its supervision work protects consumers and promotes the diversity, independence and quality of the profession.

27. The BSB's Supervision work is central to the development of its strategic priorities. The relationships the BSB has with its regulated communities through its proactive supervision provides evidence to support innovation and the use of technology by barristers and helps target regulation where it is needed. It enables the BSB to understand how work is allocated within chambers, how standards of practice are maintained and how governance and decision making within chambers are undertaken.

Examinations (12% of budget)

28. The BSB's Examinations Team is responsible for the setting and marking of two assessments during the vocational component of Bar Training (Civil Litigation and Criminal Litigation) and of Professional Ethics during the pupillage component. The budget is set to ensure that we have sufficient resources to commission question-writers, and to engage standard setters, markers and those who provide quality assurance scrutiny; we also resource the Centralised Examinations Board which provides appropriate oversight and confirms final marks. We also budget for services from ARC printers and couriers, and for Surpass, which provides the digital platform for delivery of the Professional Ethics exam plus a question-banking and authoring solution.

Authorisations (6% of budget)

29. The BSB's Authorisations Team is responsible for the authorisation of Bar and Pupillage Training Providers, and for assessing applications for waivers and exemptions from Bar training and practising requirements.
30. The budget allocated to the BSB's authorisation functions will ensure the timely, high quality and consistent assessment of authorisation decisions. In doing so it gives consumers and others confidence in the service the BSB provides and confidence that barristers are subject to rigorous assessment before entering the profession. The authorisation of chambers and entities as providers of pupillage training, as well as the development of new pathways for entry to the profession such as apprenticeships, helps ensure a good supply of new entrants to the profession and encourages diversity. We have already taken steps in the short-term to establish a time limited task force to address the unexpected build-up of applications from transferring overseas lawyers. We expect this task force to operate in the last quarter of 2023/24 and the first half of 2024/25 and then disband.

Contact and Assessment (10% of budget)

31. The Contact and Assessment function is responsible for assessing reports about the conduct of barristers and for taking initial decisions on whether the report identifies a potential breach of the BSB Handbook that requires further investigation. So the function promotes adherence to the professional principles and protects consumers.
32. The budget for Contact and Assessment is set to ensure that reports about barristers are handled in line with the BSB's published service standards and that we take high quality and consistent decisions. Information from reports is a valuable source of evidence to support our policy development and to evaluate the impact of the BSB's regulation. It will be particularly useful as the BSB develops its relationship with chambers and will contribute to its assessment of compliance with requirements around equality, diversity and inclusion.

Enforcement (16% of budget)

33. This function includes the full range of the BSB's enforcement work from investigation through to disciplinary action and any associated work such as appeals, interim suspension and fitness to practise cases. Accordingly, the function protects the public interest, the rule of law and the interests of consumers, while also contributing to a strong and diverse profession and to upholding the professional principles.

Legal Support (6% of budget)

34. This function includes legal support and legal knowledge management across the full range of the BSB's regulatory decision-making functions, including litigation arising from such decisions. Accordingly, the function supports all or most of the regulatory objectives and the strategic priorities but makes a particular contribution to the efficient and effective conduct of regulatory operations.

Regulatory Risk (2% of budget)

35. The Regulatory Risk function identifies risks to the regulatory objectives and works with the Board and Senior Leadership Team to prioritise them. This forms the basis of the BSB's strategic priorities as an organisation. The function also monitors the available evidence in relation to developments in the market and the BSB's response, managing its Risk Framework and regularly reporting to the Board. This ensures that the BSB is regularly evaluating any new evidence and reviewing its priorities. As such, the BSB's regulatory risk work takes account of all of the regulatory objectives, and by working with the Board to establish a risk appetite and relative priority, guides how the BSB promotes the regulatory objectives. Its work also applies across all strategic themes and contributes expertise to a range of projects that are

established in response to the risks that have been identified (for example, to the BSB's proposed first data and intelligence strategy.)

Equality (2% of budget)

36. The Equality function promotes equal access to, and diversity within, the profession, working in partnership with stakeholders. It also promotes the interests of diverse and vulnerable consumers across the work of the BSB. It reports to the BSB's Equality Programme Board and commissions research, undertakes consultation and stakeholder engagement, conducts training and assists with embedding good practice in equality impact assessment across the organisation to ensure that equality and diversity issues are properly taken into account. The Team's principal objective in 2024/25 will be to complete consultations on the overhaul of the BSB's *Equality Rules*. As such the function contributes to encouraging an independent, strong, diverse and effective legal profession and to improving access to justice by considering the needs of a diverse range of consumers and working with the profession and others to eliminate barriers to access.

37. In taking forward the BSB's strategy, the function will promote best practice in chambers' oversight of diversity by working with chambers and others in the profession. It will also contribute to improving access to justice by ensuring that new barristers joining the profession are drawn from diverse backgrounds to reflect the society they serve and by working to understand and minimise the barriers to progression for certain groups. And the function supports other projects across the organisation to ensure that equality, diversity and inclusion issues are at the heart of the BSB's work. Approximately 40% of activity is project-related.

Policy and Research (11% of budget)

38. The Policy and Research function draws on evidence of risk to the regulatory objectives to identify projects and programmes that will address those risks and evaluates the impact of those projects. Specifically:
 - by reviewing the BSB's Code of Conduct and related regulatory arrangements, the function promotes all regulatory objectives, but particularly: the public interest; the rule of law; the interests of consumers; and the professional principles;
 - by developing rules on transparency and working with the other regulators on a range of projects relating to innovation and technology, digital comparisons and unbundling, the function promotes in particular: competition; the interests of consumers; and access to justice;
 - by working with colleagues on the Assuring Competence Programme, the function particularly promotes the interests of consumers and the professional principles;

- by undertaking research and evaluation focusing on the needs of consumers, it promotes the interests of consumers; and
- by focusing research and evaluation activities on other risks in the market, it promotes all regulatory objectives to differing degrees.

39. The function will contribute to the strategic priorities by:

- providing consumers with confidence in using the services of barristers: by monitoring the BSB's disciplinary process and the impact of its training reforms. And by incorporating consumer feedback into the BSB's projects to reform regulatory arrangements, and evaluating their impact;
- maintaining and improving access to justice: by researching barriers to entry and progression in the profession and evaluating the impact of regulatory interventions; understanding the needs of consumers through commissioned research; working to promote transparency and competition in collaboration with the other regulators and other stakeholders; and improving the BSB's understanding of how consumers choose barristers (especially via a solicitor.)
- enabling the benefits and mitigating the risks of innovation and technology: by working with the other regulators to understand innovations in the market and remove regulatory barriers; piloting new approaches to unbundling and online comparisons; providing waivers or relaxing regulation where necessary to facilitate innovation and remove barriers; and understand how the BSB's regulation needs to evolve.
- helping to develop the BSB's first Data and Intelligence Strategy

Communication and public engagement (2% of budget)

40. The CPE function supports all other BSB teams in the pursuit of the BSB's regulatory objectives. It publishes information about BSB's work, including its strategy and business plan, and promotes awareness and involvement in that work through a programme of prioritised engagement with key stakeholders involving both Board and executive team members. The function leads, in particular, on actions to improve engagement with consumers and organisations representing consumers.

Public Legal Education PLE (2% of budget)

41. The PLE function meets the objectives of "improving access to justice" and "increasing public understanding of citizens' legal rights and duties" and is pursued through our membership of *Legal Choices*, the publishing of materials on the BSB's own website and via the Press and in partnership with other regulators and with charities supporting those in legal need.

42. PLE comes under the strategic priority of "maintaining and improving access to justice" and involves ensuring that individuals, and the organisations advising them, have a good understanding of the services barristers can provide and working with other regulators and frontline advice providers to

ensure that the public have a better understanding of their legal rights and duties, the legal services market and how to access legal advice.

People (5% of budget)

43. The People function leads work to define a culture and values for the Bar Standards Board appropriate to an independent regulator and to put in place the policies for the recruitment, remuneration, retention and development of its people which will sustain BSB's self-confidence and ability to deliver.

Governance and corporate services (14% of budget)

44. This function ensures that governance in the Bar Standards Board reflects best practice, including adherence, where appropriate, to the UK Corporate Governance Code. The function plays a key role in setting, and overseeing, standards for the quality of Board papers and for streamlining governance documents.

Programmes (3% of budget)

45. The Programmes function sets standards for the delivery of the programmes and projects which represent the BSB's principal means of delivering strategic interventions. The function also promotes the development of project management skills across the BSB and supports the delivery of individual programmes and their constituent projects.

Regulatory performance

46. The BSB must comply with regulatory performance standards set by its oversight regulator, the Legal Services Board. A new performance framework came into force in January 2023 and the BSB expects this to continue to influence its priorities over the next few years. Improving performance remains a key priority for the BSB over the next year, and this will be overseen by the Performance and Strategic Planning Committee and by the Board itself. A number of the Bar Standards Board's reforms of governance have been as a result of the LSB's performance standards.

Assessing and evaluating benefits

47. The Bar Standards Board assesses the benefits of regulatory interventions primarily through its well-developed analysis of regulatory risks (see the Risk function above) which draws on evidence from a range of sources, including: BSB's Regulatory Return; the reports received by BSB; intelligence provided by the Legal Ombudsman and Bar Mutual Insurance; feedback from stakeholders, including the Judiciary; and the BSB's own programmes of research and data gathering. The BSB then tests its assessment of risks and opportunities by consulting stakeholders, particularly stakeholders representing consumers.

48. The majority of strategic interventions are taken forward within a programme or project framework and governed by a programme or Project Initiation document which defines the benefits sought from the intervention in terms of the regulatory objectives and sets out, and manages, the associated risks to the realisation of those objectives.
49. The BSB then evaluates the impact of these interventions by commissioning research or analysing relevant data. For example, the BSB recently published research into the impact of its reforms of Bar training. The data the BSB publishes annually on diversity of the Bar and incomes at the Bar provides a basis for assessing the impact of its interventions aimed at promoting diversity and inclusion.

EQUALITY IMPACT ANALYSIS



EQUALITY IMPACT ANALYSIS (EQIA)

Date of Assessment	<ul style="list-style-type: none"> 13/11/2023 																																																																	
Assessor Name & Job Title	<ul style="list-style-type: none"> Richard Cullen (Director of Finance) / Sam Mercer (Head of Policy: E&D and CSR). 																																																																	
Name of Policy/Function to be Assessed	<ul style="list-style-type: none"> PCF 2024-25 																																																																	
Aim/Purpose of Policy	<p>1. This year there will be an increase to the annual PCF. In order to deliver a 9.5% increase in forecast PCF income. We are proposing that the fee be applied to all bands. However, band one will be widened to cover £0-£35k. This will shield those less able to pay from the inflationary pressures and raising the level of the band recognises the increase in the average wage in the UK over the years.</p> <table border="1"> <thead> <tr> <th colspan="2"></th> <th>2023 Fees</th> <th>2024 Fees</th> <th></th> </tr> <tr> <th>Band</th> <th>Income Band</th> <th></th> <th>9.5% Increase</th> <th></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>£0 - £35,000</td> <td>£100</td> <td>£109.5</td> <td>£9.5</td> </tr> <tr> <td>2</td> <td>£35,001 - £60,000</td> <td>£266</td> <td>£291</td> <td>£25</td> </tr> <tr> <td>3</td> <td>£60,001 - £90,000</td> <td>£534</td> <td>£585</td> <td>£51</td> </tr> <tr> <td>4</td> <td>£90,001 - £150,000</td> <td>£972</td> <td>£1,064</td> <td>£92</td> </tr> <tr> <td>5</td> <td>£150,001 - £240,000</td> <td>£1,476</td> <td>£1,616</td> <td>£140</td> </tr> <tr> <td>6</td> <td>£240,001 - £350,000</td> <td>£2,001</td> <td>£2,191</td> <td>£190</td> </tr> <tr> <td>7</td> <td>£350,001 - £500,000</td> <td>£2,138</td> <td>£2,341</td> <td>£203</td> </tr> <tr> <td>8</td> <td>£500,001 - £750,000</td> <td>£2,704</td> <td>£2,961</td> <td>£257</td> </tr> <tr> <td>9</td> <td>£750,001 - £1,000,000</td> <td>£2,861</td> <td>£3,133</td> <td>£272</td> </tr> <tr> <td>10</td> <td>£1,000,001 - £1,500,000</td> <td>£3,245</td> <td>£3,553</td> <td>£308</td> </tr> <tr> <td>11</td> <td>£1,500,001 and over</td> <td>£3,434</td> <td>£3,760</td> <td>£326</td> </tr> </tbody> </table> <ul style="list-style-type: none"> The PCF is charged annually as part of the Authorisation to Practice process. On an annual basis barristers confirm they are fit to practise and pay an annual practising fee (PCF) 			2023 Fees	2024 Fees		Band	Income Band		9.5% Increase		1	£0 - £35,000	£100	£109.5	£9.5	2	£35,001 - £60,000	£266	£291	£25	3	£60,001 - £90,000	£534	£585	£51	4	£90,001 - £150,000	£972	£1,064	£92	5	£150,001 - £240,000	£1,476	£1,616	£140	6	£240,001 - £350,000	£2,001	£2,191	£190	7	£350,001 - £500,000	£2,138	£2,341	£203	8	£500,001 - £750,000	£2,704	£2,961	£257	9	£750,001 - £1,000,000	£2,861	£3,133	£272	10	£1,000,001 - £1,500,000	£3,245	£3,553	£308	11	£1,500,001 and over	£3,434	£3,760	£326
		2023 Fees	2024 Fees																																																															
Band	Income Band		9.5% Increase																																																															
1	£0 - £35,000	£100	£109.5	£9.5																																																														
2	£35,001 - £60,000	£266	£291	£25																																																														
3	£60,001 - £90,000	£534	£585	£51																																																														
4	£90,001 - £150,000	£972	£1,064	£92																																																														
5	£150,001 - £240,000	£1,476	£1,616	£140																																																														
6	£240,001 - £350,000	£2,001	£2,191	£190																																																														
7	£350,001 - £500,000	£2,138	£2,341	£203																																																														
8	£500,001 - £750,000	£2,704	£2,961	£257																																																														
9	£750,001 - £1,000,000	£2,861	£3,133	£272																																																														
10	£1,000,001 - £1,500,000	£3,245	£3,553	£308																																																														
11	£1,500,001 and over	£3,434	£3,760	£326																																																														

	<ul style="list-style-type: none"> • <i>The fee provides the necessary funds for permitted purposes provided by the regulatory body (BSB) and the representative body (Bar Council)</i> • <i>It benefits the legal profession and society as a whole to have an appropriately funded regulator and representative body ensuring standards are improved and maintained and the benefits and needs of the profession are articulated to the wider society.</i> • <i>The intention is that barristers pay an annual fee based on ability to pay.</i>
--	--

1. Evidence

What evidence will you use to assess impact on equality?	
	<ul style="list-style-type: none"> • <i>We have completed an in-depth analysis of barristers with protected characteristics across the different income bands.</i> • <i>There will be a 9.5% increase for Band 1. The increase will amount to £9.5. This band contains the highest proportion of women, ethnic minorities, disabled and the highest proportion of those aged 25-34 years old. By increasing the band to £35k this helps mitigate some of the inflationary pressure affecting this band.</i> • <i>All other bandings will stay the same with an increase of 9.5%.</i>

2. Impact on Equality

<p>Consider whether the evidence listed above shows the potential for differential impact, either adverse or positive, for different groups. If there are negative impacts, explain how you will attempt to mitigate these. Mitigating actions can be described in more detail in your Action Plan (Section 4).</p> <ul style="list-style-type: none"> • <i>All groups will be able to access the PCF in the normal way. Will people from all groups be able to access the service; will there be any barriers for certain groups?</i> • <i>Policy is based on ability to pay and should not discriminate unlawfully or provide any indirect discrimination.</i> • <i>Band 1 will be widened to £35k to take account of recent wage inflation.</i> 	
Race	<ul style="list-style-type: none"> • <i>As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.</i> • <i>Band 1 –the PCF will be widened £0- £35k as a recognition of the effects of inflation on the average wage in the UK.</i> • <i>Band 1 has the highest proportion of barristers from an ethnic minority background.</i>
Gender	<ul style="list-style-type: none"> • <i>As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.</i>

Disability	<ul style="list-style-type: none"> As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.
Age	<ul style="list-style-type: none"> As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.
Sexual Orientation	<ul style="list-style-type: none"> As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.
Religion/Belief	<ul style="list-style-type: none"> As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.
Gender Reassignment	<ul style="list-style-type: none"> As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.
Pregnancy/ Maternity	<ul style="list-style-type: none"> As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area.
Marriage and Civil Partnership	<ul style="list-style-type: none"> Not applicable
Other Identified Groups	<ul style="list-style-type: none"> As there is no significant change to the policy of PCF based on ability to pay there is not expected to be any negative impact in this area

How does the policy advance equality of opportunity?
<i>The policy further promotes payment of the PCF based on ability to pay</i>

How does the policy promote good relations between different groups?
<i>It is generally thought that those who earn more (and have benefited from a well regulated profession) should shoulder a greater burden for supporting the profession than those who earn less or are at the start of their careers.</i>

3. Summary of Analysis

Now you have considered the potential impacts on equality, what action are you taking? (Mark 'X' next to one option and give a reason for your decision)		
a. No change to the policy (no impacts identified)	Your analysis demonstrates that the policy is robust and the evidence shows no potential for discrimination. You have taken all appropriate steps to advance equality and foster good relations between groups.	X
b. Continue the policy (impacts identified)	Continue with the proposal, despite any adverse impacts, provided it is not unlawfully discriminatory and is justified.	
c. Adjust the policy and continue	Take steps to remove barriers, mitigate impacts or better advance equality before continuing with the policy.	
d. Stop and remove the policy	There are adverse effects that are not justified and cannot be mitigated. The policy is unlawfully discriminatory.	
Reason for decision: <i>It is not anticipated that there will be any negative effects from these changes to PCF. An analysis of the data post AtP will be undertaken to assess the validity of this assumption.</i>		

4. Action Plan for Improvement

Give an outline of the key actions that need taking based on any challenges, gaps and opportunities you have identified. Include here any action to address negative equality impacts or data gaps.			
Action Required	Desired Outcome	Person Responsible	Timescale
<i>Analysis of the AtP results for impact on equality</i>	<i>Evidence to support the assumptions</i>	<i>Paul Martyn / Richard Cullen</i>	<i>Post AtP end of March 2024</i>