



2020/21 Practising Certificate Fees (PCF) and Budget December 2019

Introduction

1. The General Council of the Bar (GCB) does not intend to increase PCF for the budget year 2020/2021 and will submit a proposal for no PCF increase to the Legal Services Board (LSB) for approval.

Summary

2. We plan to set an operating budget that uses the predicted level of PCF income to fund the GCB's operating costs.

3. PCF bands and fees will remain:

Band	Income Band	2020/2021 Fees
1	£0 - £30,000	£100
2	£30,001 - £60,000	£246
3	£60,001 - £90,000	£494
4	£90,001 - £150,000	£899
5	£150,001 - £240,000	£1,365
6	£240,001 - £500,000	£1,850
7	£500,001 - £1,000,000	£2,500
8	£1,000,001 and above	£3,000

Expenditure

4. The proposed budgeted expenditure for 2020/21 will be as follows:

General Council of the Bar

Operating Expenditure	19/20	20/21		Change	% Change
	£000's	£000's		£000's	
Bar Council	4,004	4,100	↑	96	2%
Resources Group	5,231	5,303	↑	72	1%
Bar Standards Board	5,693	6,327	↑	634	11%
	<u>14,928</u>	<u>15,730</u>	↑	<u>802</u>	<u>5%</u>

5. The proposed 2020/21 budget can accommodate the rise in regulatory costs without raising the PCF fee level due to the imminent completion of the long-term accommodation and refurbishment programme in the current finance year. This has enabled the release of budget allocation to support the regulatory programme. The accommodation programme will reduce the space occupied by the GCB and drive efficiency savings.

6. The expenditure at the Bar Council and the Resources Group will increase 2% and 1% respectively compared to last year's budget. This covers inflationary and performance related pay increases and a small increase in non-staff costs.

7. The Bar Standards Board's (BSB) budget will increase by 11 % compared to last year's budget. This reflects the implementation of long-term strategic initiatives by the Bar Standards Board covering:

a. Future Bar Training dual running of exam systems for a period of two years (non-recurring) £264k annually. The double running of the exams systems for 2 years will help to ensure that the new 2-part training structure can be implemented as quickly and as smoothly as possible.





b. A long-standing commitment to remunerate prosecutors' work that was previously undertaken pro bono. The strategic decision to make this change was made in previous years. The BSB began paying prosecutors in 2019-20 but the full effect of the decision will impact from 2020/21 onwards. The payments will be made at Treasury Solicitor civil rates and will be paid to barristers. This initiative will help drive fairness and diversity in the profession. The net effect is expected to be £231k.

c. Updating of the handbook, £50k.

d. The current budget has a reduction in headcount of 5 and the BSB is maintaining that level of resource into the 2020/21 budget year. The increase to salaries cost reflects increased responsibilities and upskilling of the workforce, approximately £85k.

Non-PCF income

General Council of the Bar

Non PCF Income	19/20	20/21		Change	% Change
	£000's	£000's		£000's	
Bar Council	2,067	1,987		80	4%
Resources Group	155	160		5	3%
Bar Standards Board	1,059	1,113		54	5%
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	3,281	3,260		21	1%

8. We have anticipated a decrease in non PCF income. The Bar Standards Board is expecting a modest increase in its regulatory income.

GCB Budget 2020/21

9. The consolidated position of the GCB is shown below:

General Council of the Bar Budget 2020-2021	Total Budget 2019-2020	Total Budget 2020-2021	Change	% Change
	£000's	£000's	£000's	
Income				
PCF	14,920	15,415	495	3%
Other Income	3,281	3,260	(21)	0.6%
Total Income	<hr/>	<hr/>	<hr/>	<hr/>
	18,201	18,675	474	3%
Expenditure				
Operating Expenditure	14,929	15,730	(801)	5%
Sub-Total Operational Surplus / (loss)	<hr/>	<hr/>	<hr/>	<hr/>
	3,272	2,945	(327)	
Non Operational Expenditure				
LSB / OLC levy	827	838		
DB Pension fee	1,300	1,300		
Total Operational & Non Operational Surplus / (loss)	<hr/>	<hr/>	<hr/>	<hr/>
	1,145	807	(338)	

11. The Finance Director has examined every element of the 2020/2021 budget proposal from each group to minimise cost growth, whether recurrent or non-recurrent. We are confident that the proposals are robust and in line with our strategic objectives.

Next steps

12. We welcome views from the profession on the PCF proposal and budget for 2020/21. Please send your comments by **17:00 on Wednesday 18 December 2019** to:

treasurer@barcouncil.org.uk

Richard Cullen

Finance Director