

[EMAIL ONLY]

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24 January 2013

**Dear Vanessa**

**Approval of the 2013/14 Practising Certificate Fee (PCF) application made by the Bar Council (BC) and Bar Standards Board (BSB) to the LSB under section 51 of the LSA 2007**

I am pleased to inform you that the 2013/14 PCF levels as set out in your application of 20 December 2012 have been approved by the LSB. This decision has been made under the authority delegated to me as Chief Executive by the LSB Board.

We are content that the information set out in the application indicated that the criteria within the LSB's Practising Fee Rules 2009 have been met. I am grateful to the BC colleagues especially Brian Buck who have worked with my team to reach this position.

We highlight below some issues that we would expect to be addressed for the 2014/15 PCF round.

We were pleased to note that for this year's round the application included a clear summary of the split between corporate, representative and regulation. However, it would also have been helpful to see a summary breakdown of the apportioning of central services and PCF income within it in greater detail. We were grateful that this additional information was provided on request during the assessment process but would like to see it included in future applications submitted.

We were also grateful for the additional information provided regarding the proposed plans to reduce activity levels or raise the PCF in light of the possible phasing out of the Inns of Court subvention payment in 2015. We note the BC's plans to review the level of all charges that make up the directly attributable income and the possibility that it will try to reduce costs elsewhere without reducing activity levels within its regulatory activities. We would like to be updated on this review in time for the 2014/15 submission to the LSB.

We noted that there had been an over collection in respect of the LSB/LeO Levy in 2012 which has resulted in a significant reduction in the amount to be collected from BSB regulated persons in 2013. As you know, we consider transparency of how PCF income is allocated is critical and the reason for this Levy reduction should be made clear to BSB

regulated persons, so as not to create a false expectation about future Levy payments. We are content that you have agreed to review the contents of the Treasurer's Letter with our comments in mind.

In respect of consultation on the level of PCF, we have some concern with the low level of responses received, down from 72 for the 2012/13 round to 44 for 2013/14. While we appreciate that the level of PCF may not have been a major issue to elicit a large response this time around given the marginal increases in PCF, we would like the BC to look at ways in which it can increase the engagement of barristers in the process.

We also note that the BC's public consultation to seek views on their current PCF charging structure ended on 28 November 2012. If the BC considers it appropriate to make changes to their method of collecting the PCF this would be deemed as a change to your regulatory arrangements and an application must be submitted separately and in advance of the PCF application, under Schedule 4 of the Legal Services Act 2007.

Please contact Paul Greening, Regulatory Associate on [paul.greening@legalservices.board.org.uk](mailto:paul.greening@legalservices.board.org.uk) or on 020 7271 0076 if you have any questions.

I have copied this letter in identical terms to Mark Hatcher, Director of Representation and Policy and Oliver Delaney, Director of Central Services, BC.

Yours sincerely

A handwritten signature in black ink, appearing to read "Chris Kenny", with a long horizontal stroke extending to the right and a shorter one below it.

**Chris Kenny**  
Chief Executive

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