



Minutes of the Bar Council's Annual General Meeting held on Saturday 20 September 2014 at the Bar Council offices

Present: Nicholas Lavender QC Chairman
 Stephen Collier Treasurer

And more than 60 subscribers.

1. Chairman's address

The Chairman welcomed those subscribers who, in addition to Bar Council members, were in attendance at the Annual General meeting.

The Chairman began by drawing attention to the Bar Council's annual report (representative) which was made available at the meeting. A great deal of work is done by the representative side of the Bar Council and the Chairman did not propose to repeat what is in the report except to comment on a few issues.

A great deal of the last year has been dominated by the issue of legal aid, following the publication of the Government's proposals for reform in April and September 2013. The Bar Council has responded to the consultations and led the discussions up to 27 March 2014, when it was announced that there would be no cuts to AGFS before summer 2015.

The Bar Council also led the discussions in relation to Very High Cost Cases (VHCCs) which resolved the impasse whereby no member of the Bar was willing to take any of these cases at the rates proposed by the Ministry of Justice (MoJ). The Chairman was very pleased to say that the Bar remains engaged in fruitful discussions with MoJ and welcomes the Lord Chancellor's recent comment that it is important that the independent Bar has a good future.

The Bar Council has, of course, also been dealing with civil legal aid and has just published its report: "LASPO: One Year On". The Chairman has given a number of media interviews over the last week about it. The figures in relation to LASPO are pretty striking. In the year before LASPO came into force, there were c. 592,000 instances of help being provided on legal aid; in the following year this fell to c. 172,000. There is also the matter of litigants in person (LiPs). Further to the guide published by the Bar Council last year ("How to Represent Yourself in Court") to assist unrepresented litigants, the Bar Council has been working with the Law Society and the Judiciary to create guidance for advocates who find themselves appearing against LiPs.

Recently, there have been a number of court decisions which have featured adverse findings or comments against the MoJ's legal aid changes. Mr Justice Collins recently found that the guidance for exceptional case funding was defective. Sir James Munby, President of the Family Division, recently commented that in family cases – especially those where one party has been accused of violence – the court may have to step in and pay for an advocate where that party is unrepresented. Lord Justice Moses has held that the residence test is unlawful. Only this week the challenge by way of Judicial Review to MoJ's proposals for contracting in criminal litigation was allowed.

The Chairman moved on to stress a few matters about the Bar Council as an organisation. It is trying to increase efficiency and maximise value for money. This work has been led by the Chief Executive, Stephen Crowne, who has been quietly introducing changes throughout the year. The Bar Council and the Bar Standards Board have given up four floors of space in the High Holborn offices in the last year, a move which is anticipated to save around £4m over the next five years. The Chairman gave his appreciation to those members of the executive staff who had managed such a well-implemented project.

The Chairman expressed his gratitude overall to the expertise and dedication of staff and members of the Bar who give so much of their time. In particular, he wanted to thank Maura McGowan QC, his predecessor, who bore the brunt of responding the MoJ's *Transforming Legal Aid* proposals. He also thanked Stephen Collier, who did an enormous amount to transform how the Bar Council manages its finances, and Alistair MacDonald QC for his great support throughout the year.

2. Treasurer's report

The Treasurer welcomed David Botha, Director of Finance, and Michael Jeans, Chair of the Audit Committee, to the meeting. He also formally welcomed Lorinda Long, who will be taking over as Treasurer in January 2015.

Looking at the accounts, the Bar Council is in a strong position and is getting stronger. The pensions issue has finally been resolved and the project in relation to the premises has concluded; cost reductions in relation to the latter will come through in future accounts.

Now is a time for thinking and planning ahead. The issues which are on the horizon are not those which should be underestimated in their significance.

The Treasurer referred to the final accounts for 2013/14, hard copies of which were available, and which he was presenting today. The overview is that income is up 11% on 2013 and expenditure is down 5%. There was a modest surplus of £280,000, compared to the previous year's deficit of £2.3m. However, the picture is not quite as simple as that.

The positive cashflow (inflow of £2m; outflow of just over £1m) shows cash in the bank at the end of the year amounting to £11m. However, this hides the fact that most of the money was a result of the collection of the practising certificate fee (PCF) and would be spent throughout the year.

The reserves hold just over £4m. This is a better position than where the organisation was the previous year and represents a financial buffer of three months' worth of operational costs. Overall, the Bar Council is financially stable.

There are, however, important issues to consider for the future. The organisation relies heavily on the PCF, which in the last financial year accounted for 65% of income. The previous year, it was 55%. As a matter of policy, this is not ideal. Additionally, the Inns' subvention will continue to fall. The Bar Council does not want to put any more pressure on the practising Bar as a result. It should also be noted that staff costs are the organisation's biggest area of expenditure. It is a hot market for the recruitment and retention of staff.

The Treasurer offered to take questions from those present. There were no questions.

The Treasurer introduced Michael Jeans (MJ), Chair of the Audit Committee.

MJ explained that the Bar Council had appointed new auditors during the course of the year (haysmacintyre). They have looked at the accounts and made some improvements in respect of how they are presented, which should hopefully make them easier to read. The organisation also appointed a new Director of Finance, David Botha, and the Audit Committee has had time to bed in, so things are now settling down.

MJ offered assurances about the robust management of the audit process between the Audit Committee and haysmacintyre. They meet on a formal basis about three times a year; once to discuss the scope of the audit, once to go through the audit findings and again if there are matters arising.

The full process is that the accounts go through the Director of Finance to the Finance Committee and the Chief Executive before going through Audit Committee, where they are given a thorough going over. Both the internal processes and external (through the auditors) receive a grilling. Nothing of any consequence was found. Credit must in particular be given to the fantastic turnaround in the position with the pensions.

The Bar Council, Audit Committee and the auditors are very keen on catching up with the Bar Standard's Board in terms of the organisation's ability to implement effective risk management processes. Haysmacintyre are working with the Finance Team on that now.

MJ offered his thanks to the Treasurer and David Botha and welcomed Lorinda Long as the new Treasurer.

The Treasurer added to this by asking those present to show their appreciation for the Finance Team and the Audit Team by way of applause.

3. Chief Executive's report

The Chief Executive wanted to take this opportunity to thank – on everyone's behalf – the Bar Council Officers, Committee Chairs and committee members. The organisation relies crucially on the pro bono contributions made by the profession, who bring expertise and weight to its work. The Chief Executive expressed his wish to improve on the delivery of services provided in support of that assistance.

The Chief Executive wished in particular to thank the Chairman for his remarkable leadership. As an ex-Whitehall man himself, he had admittedly been sceptical about how much progress the Bar could make with the Government during these difficult times. However, by pulling together, the Bar leaders have delivered a considerable amount.

Personal thanks were also offered to the Treasurer, who has been a consistent source of advice and support over the last fifteen months and who demonstrates good judgment in all that he does.

The Chief Executive also thanked the staff as a whole, who have largely been supporting of this journey of change. The strategy is to become an organisation which can move as quickly as possible to react and get ahead of pressures. Owing to work undertaken this year, there is a very clear view of challenges and it is his job to convince the profession and the staff that the organisation can respond to them. There have already been substantial changes made in Central Services (now "Resources Group") and the Representation and Policy function has been restructured to become Representation, Policy and Services Group. This is not the end of the changes; it is the Chief Executive's role to ensure that people are confident and comfortable with change. There is still a lot more to be done.

The Bar Council needs to make sure that it engages better with the profession and understands its needs. The Bar needs to be able to challenge effectively and the Chief Executive has made a commitment to see that happen.

There were no questions.

The Chairman closed the meeting.

Charlotte Hudson
Head of Business Performance and Governance
20 September 2014
CHudson@BarCouncil.org.uk