

LSLA

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# No change to guideline hourly rates

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The [Master of the Rolls](#) has published his response to the [Civil Justice Council Costs Committee](#) report on [Guideline Hourly Rates](#), rejecting the committee's findings and determining there should be no change to guideline hourly rates (GHRs).

After months of work on the available data the committee had suggested that a significant number of the rates, which are used to guide summary and detailed assessments of costs, should be decreased and some increased. It also recommended change to the geographical areas for GHRs which would have led to further reductions. As recorded in the committee report there was divided opinion on the strength of the data and the conclusion from it of quite dramatic changes.

While the committee as a whole also expressed reservations on the strength of the data it concluded that the GHRs proposed were consistent with the objective evidence-base (derived from all areas of practice) that it had at its disposal.

In his response published today, Lord Dyson concluded that the data available to the committee was not a sufficiently strong foundation on which to adopt the rates proposed. He proposes a return to the drawing board for the committee but with strong approaches to the Law Society and the government to provide resources for proper research to be carried out. He did however accept the recommendations that the fees of costs lawyers and CILEX members and fellows should be upgraded to similar levels to those of solicitors.

[David Greene](#), *NLJ* consultant editor and a member of the Costs Committee, says: "On the one hand this is a disappointment for the committee after much work, with the assistance of its two experts Neil Fenn and Paul Rickman, to have its proposals rejected.

[John Bramhall](#), [President of London Solicitors Litigation Association](#), adds: "The committee itself recognised, however, the limited data it had and expressed its reservations clearly. The conclusions of the Master of the Rolls are a sensible approach to what would have been some dramatic changes. The profession may well have been surprised that rates last reviewed over four years ago were being reduced. The time has not, however, been wasted. Many lessons have been learned and hopefully we can move on to a proper evidence based survey."

"The LSLA has been awaiting the outcome of the MR's deliberations on the Costs Committee of the CJC's recommendations on GHRs with some nervousness. The concern was that rather than the normal market-driven or inflationary increase, we would have seen a fundamentally different approach adopted leading to a potentially significant reduction in recoverable rates. The LSLA's has consistently believed the market should determine rates and that the CJC Committee's model - expense of time plus a seemingly arbitrary pre-determined profit level - was not going to reflect market rates fairly. The LSLA notes that the MR has rejected the Costs Committee's recommendations, emphasising the original intention of the guidelines, as reiterated by Jackson - that 'the aim of the GHR should be to reflect market rates'.

"While it is disappointing for the MR to conclude that the data available to the committee fell short of adequate for him to determine appropriate rates for GHRs, we support that conclusion. We will urge the committee to revisit its criteria better to reflect the MR's view that reliable market evidence is needed so that GHRs are a broad approximation of actual rates in the market.

"The LSLA will continue to assist the committee in its work, and note that the changes that are to be made to rates for costs lawyers and legal executives seem pragmatic and sensible given the increasing role both have in contested cases."