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Tuesday 6 April 2010

Dear Panel Member

**VHCC Scheme for Litigators
Informal 28-Day Consultation until 5pm on 18 May 2010**

As you will be aware, we consulted recently on a replacement VHCC scheme for July 2010 onwards. This consultation included options for both advocates and litigators. In Part 1 of the Response to Consultation¹ published today we set out the way forward for a future scheme for advocates. In Part 2 we explain that we are not yet in a position to make such a decision for litigators and that we wish to explore a third option, namely litigator individual case contracts.

We set out clearly in the VHCC 2010 Consultation Paper at page 8 that “we do not propose a change to the current framework (or Panel) method of contracting we have with litigator firms.” Therefore, in Chapter 2, we presented the following two options for a VHCC replacement scheme for litigators:

- Option 1 – maintain current Panel scheme

This option does not introduce any changes to the current Panel scheme but it involves reverting to the rates of pay achieved through the 2007/8 Panel tendering exercise. This would achieve 5% savings against the base case scenario or ‘do nothing’ option.

- Option 2 – Litigators’ Graduated Fee scheme extension.

Under this option we propose an extension to the current Litigators’ Graduated Fee Scheme (LGFS). This option involves an amendment to the VHCC definition.

This approach would not replace the requirement for a separate VHCC scheme and all cases that would fall outside the LGFS would be treated as VHCCs to be managed under an hourly rate scheme as now.

¹ Legal Aid: Reforming Advocates Graduated Fees and Very High Cost (Crime) Cases 2010

We sought views from respondents on each of these options. Those views are set out in Part 2 of the Response. At paragraph 150 of the Response we set out our decision with regard to a future VHCC scheme for litigators. We agree with respondents that in light of the review on the current LGFS it is not appropriate to extend the LGFS to cover cases with trial estimates up to 60 days at this stage.

We also explain that whilst there was no consultation question on the principle of a Panel, a significant number of litigator respondents suggested that the LSC should consider further the possibility of individual case contracting arrangements for litigators as a long-term solution. We are persuaded on the basis of these views that there might be merit in using individual case contracts as a long-term solution for litigators.

We are therefore keen to hear your views about this option:

- Option 1 (revised) - Individual case contracts for litigators

This option does not involve a change to the VHCC definition. Under this option, litigators would contract with the LSC on an individual case-by-case basis. This option would involve reverting to the rates of pay achieved through the 2007/8 Panel tendering exercise.

Therefore, we are writing to you to conduct an informal consultation on the following question:

To what extent do you agree with the proposition that the LSC should contract with litigators on an individual case-by-case basis for VHCCs from 2010 onwards as an alternative option? Please give your reasons.

When responding to this question, please take into consideration the following points:

- Individual case contracts would only be available to Approved VHCC Litigators (ie. those firms that are able to satisfy the eligibility criteria.)
- There would be no change in the operation of the scheme.
- Each individual case contract would apply the 2008 Panel rates.
- The terms and conditions of the contract would be the subject of a separate contract consultation with the Consultative Bodies in May 2010.



This consultation closes at **5pm on 18 May 2010**. Following the close of this consultation, we will carefully analyse all of the responses received. We will then publish our decision later in May 2010.

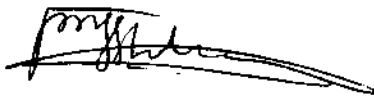
Please could you send any responses to this consultation to:

Email: vhccproject@legalservices.gov.uk or

Address: VHCC Project Team, Policy
Legal Services Commission
4 Abbey Orchard Street
London SW1P 2BS.

If you have any questions or would just like to discuss the contents of this letter with us before you respond please feel free to contact me on 0207 783 7487.

Yours faithfully



Matt Shelley
Project Manager



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