

ANNEX B: HOW THE FAMILY HELP FEES WERE CALCULATED

1. The Family Help Private Fees were calculated on figures from the Financial Year 05/06. The total fund spend for Legal Help and Certificates, in the Financial Year 05/06 was:

- Legal Help: £53M
- Certificates: £206M
- Total budget: £259M

2. The data used for the fees calculation consists of

- 253,000 Legal Help cases (claimed on the Consolidated Matter Report Form) under the categories Private Law Children, Divorce, Domestic Violence, Other Relationship Breakdown, Other
- 85,000 Private Family Certificates closed and billed during 05/06.

Regions

3. Level 1 and 2 fees have been set at a National level, for Level 2 a 16% uplift has been included for the London region.

Categories

4. Each case has been flagged as containing Children, Financial or Domestic Violence Issues. The category of a case was determined using a combination of:

- Matter Type I and II codes for Legal Help claims
- Proceeding Codes added to a certificate

5. A Legal Help case for example reported as FDIV, FPC (Divorce, Both financial/property and children issues) would be flagged as Children and flagged as Finance. The cost of each case is then split and added to the budget for Children (B_C) or Finance (B_F) Fees or reserved for Domestic Violence work.

Fee Calculations

Divorce- Petitioner

6. The fee for a divorce, while representing the Petitioner, was set at £159 exclusive of VAT.

Level 1 – Initial Advice

7. The Level 1 Fee is based on an historical average, taking into account:

- Volume - all cases claimed at Legal Help, excluding the above divorces

- Budget - full Profit Costs and Counsel Costs of cases recorded as Endpoint 3A (First Meeting) and a proportion of the costs of cases recorded as Endpoint 3B,C,D, (i.e. Level 2)
8. The full cost of Domestic Violence cases at Legal Help, are included in the Level 1 Fee. A Domestic Violence case, not requiring representation, with costs greater than three times Level 1 fee will be paid at hourly rates.

Level 2 General

9. Cases are considered to be Level 2 if they were reported as,
- Legal Help, Endpoint 3B,C,D (Further Work, Putting case for client, Representation at court)
 - Certificate, Endpoint 1A (No proceedings issued)
10. For the calculation of the fees we have only considered cases belonging to the Legal Help dataset. The budget comprises of all costs from Legal Help apportioned for Level 2 and the proportions of costs from Certificates apportioned to fund work at this level. Fees are calculated separately for categories “Children” and “Financial”.
11. Domestic Violence cases are not eligible for a Level 2 payment. If the case requires proceedings to be issued it shall need to be completed under hourly rates on a Certificate.
12. Within each category, Children or Finance, we have calculated a settlement payment, which is 60% of the Level 2 fee.

Level 2 Children Fees

13. The Level 2 Fee is based on an historical average, where:
- Volume - every Level 2 case from Legal Help flagged with a Children issue
 - Budget_(Bc) - the remaining budget after Level 1 has been paid, all Profit Costs and Counsel Fees from Certificates ending at Level 2 and a proportion of Profit Costs and Counsel Fees from Certificates ending beyond Level 2.
14. The fee calculation takes account of the relationship between the fee and the settlement payment:

$$\text{Settlement payment} = 60\% \text{ Level 2 fee}$$

Level 2 Finance Fees

15. The Level 2 Fee is based on an historical averages, where:

- Volume - Every Level 2 case from Legal Help flagged with a Finance issue
- Budget (B_F) - The remaining budget after Level 1 has been paid, all Profit Costs and Counsel Fees from Certificates ending at Level 2 and a proportion of Profit Costs and Counsel Fees from Certificates ending beyond Level 2.

16. The fee calculation takes account of the relationship between the fee and the settlement payment:

Settlement payment = 60% Level 2 fee