

# **Proposed Family fee schemes: A walkthrough of how the fees were calculated**

Family fee Schemes as proposed in *Legal Aid: a sustainable future*  
Consultation Paper

## Care & Supervision proceedings

- o Historical billed certificate data used for the period 2004-5
- o London fees have been calculated with a 17% uplift to non London fees
- o Exceptional certificates were excluded from the calculation of the fees
- o The fees were then calculated as an average of the different historical spend for each category of client
- o Disbursements paid separately

## Level 1

- o Applies to all Public Law Children cases conducted at Legal Help
- o Replaces TFF scheme, from 1<sup>st</sup> April 2007.
- o Covers Profit Costs and use of Counsel
- o Allowable disbursements will be paid in addition to the fixed fee
- o Where profit costs exceed 4\* the fee, will treat the case as exceptional and pay costs in full, subject to assessment

## Level 2 & 3

- o Level 2 & 3 only apply to certificates conducted under the following proceedings:

<i>MATTER</i>	<i>CODE</i>	<i>NAME</i>	<i>WORDING</i>
KPBLW	AA018	Care and Supervision (C2)	to be represented on an application for a care and supervision order. (FGF Category 2)
	PB001	App for a Care Order (C2)	to be represented on an application for a care order. (FGF Category 2)
	PB002	App for a Supervision Order (C2)	to be represented on an application for a supervision order. (FGF Category 2)
KPBLB	PBB36	App for a care order (C2)	to be represented on an application for a care order. (FGF Category 2)
	PBB37	App for a supervision order (C2)	to be represented on an application for a supervision order. (FGF Category 2)
	PBB38	Care and supervision order (C2)	to be represented on an application for a care and supervision order. (FGF Category 2)

- o Numbers of client types as follows:

**Child – 9,126**

**Parent – 9,080**

**Joined Party – 982**

## Level 2

- o New level of service based on Care Proceedings Review Recommendations
- o Applies to all Parent certificates
- o Fee based on an average of 6 hours of work at CLR rates
- o Would form part of Controlled Work.
- o Total spend on this stage is approximately £3million.
- o Funding taken from current certificated spend
- o Assume that 5% of Parent certificates settle at this stage, in line with Judicial statistics from 2004.

## Level 3

- o Rates based on historical costs for each client type
- o Fee levels defined by reference to the 6 steps in the Protocol, and the activities undertaken at each step
- o £71 million apportioned as follows:

	Child	Parent	Joined Party
A - Prep Up to & Including CMC	30%	25%	30%
B - Case mgmt up to & including Pre-hearing Review	35%	35%	30%
C - Prep up to & including final hearing	35%	40%	40%

## Level 3

- o Proposals to pay a 33% higher fee in High Court
- o Assumed 5% of certificates go the High Court.
- o Current payment rates are the same for county court and FPC and this is reflected in the proposed fees
- o Assumed 25% of Joined Party cases do not continue to the final hearing.

## Advocacy

- o Fees for Advocacy are based on a budget of £9million
- o Fee levels defined by reference to the 6 steps in the Protocol, and the activities undertaken at each step
  - 3a: Steps 1-4: Application, First Hearing, Allocation & Directions Hearing
  - 3b: Step 5: Pre Hearing Review
  - 3c: Step 6: Final Hearing
- o Based on an average of 8 hearings per certificate
- o VAT removed from the fees

## Cost Neutrality

- o The proposals are cost neutral overall
- o The assumptions made relate to the apportionment of the funds to different areas
- o We have a fixed amount of spend based on 2004/2005
- o If we increase the fund for one area then the funds for another area will decrease.

## Family Help

- o Claims and payments data from 2004/2005 for Legal Help, 2005 for General Family Help were used.
- o Exceptional cases were then removed
- o Defined levels matched to end stage codes

	Current Arrangements	Proposed Arrangements
<b>Legal Help</b>	A - First Meeting	<b>Level 1</b>
	B - Further work	
<b>General Family Help</b>	C - Putting the Case for the Client	<b>Level 2</b>
	D - Representation at court/tribunal	
	1. No Proceedings Issued	<b>Level 3</b>
	2. Proceedings Issued, No Final Hearing	

## Family Help

- o A proportion (20%) of funding from Level 3 was drawn into the Level 2 fund, incentivising the settlement of cases before going to court proceedings.
- o The funds divided by the volume of cases within each level.
- o Proportion of Cases is as follows:

<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>
156,408	103,025	3,446

- o VAT was then subtracted from the fees.

# Annex

# PROPOSED CARE PROCEEDINGS GRADUATED FEE SCHEME

## **An overview of costs under the current schemes**

September 2006

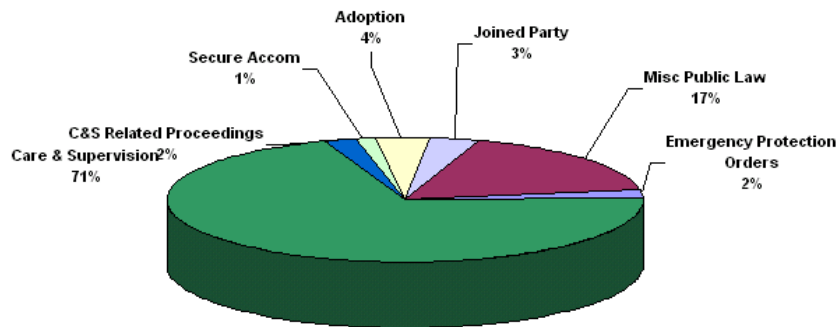
# Summary

This presentation is intended to assist in clarifying our current proposals as set out in the consultation document. Your responses should be based on the full consultation document rather than this presentation or any other statement by LSC/DCA.

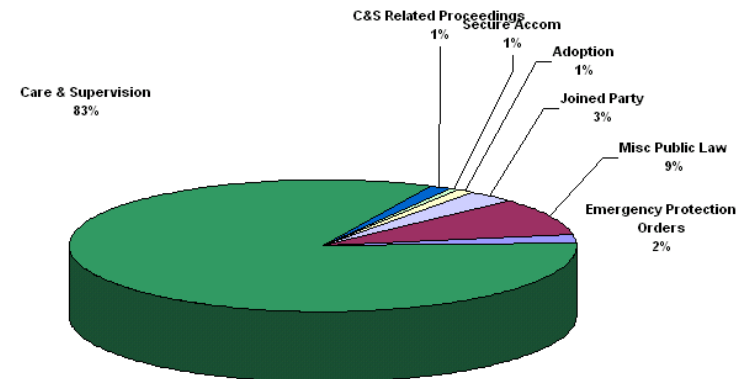
# Public Law Children: Volume and Value of work by Proceedings

There were 31,500 Special Children Act and Other Public Law certificates billed in 2004/2005, with a total value of £188 million. Care & Supervision Proceedings, including Joined Parties, accounted for 74% of the volume (22,500) and 86% of the value (£161 million). The remaining proceedings represent relatively small areas of both volume and value, with large variations in individual certificates costs. For these reasons, the proposals relate only to Care & Supervision certificates.

Volume of Civil Representation Public Law Children Cases, 2004/2005

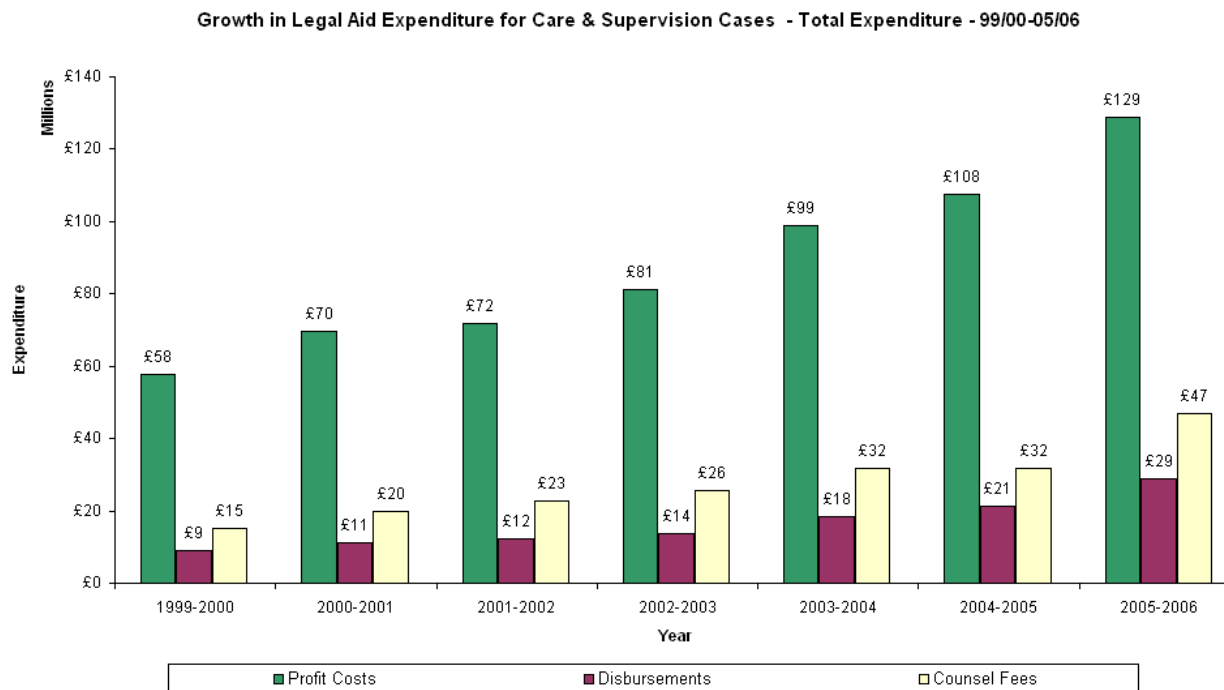


Value of Civil Representation Public Law Children Cases, 2004/2005



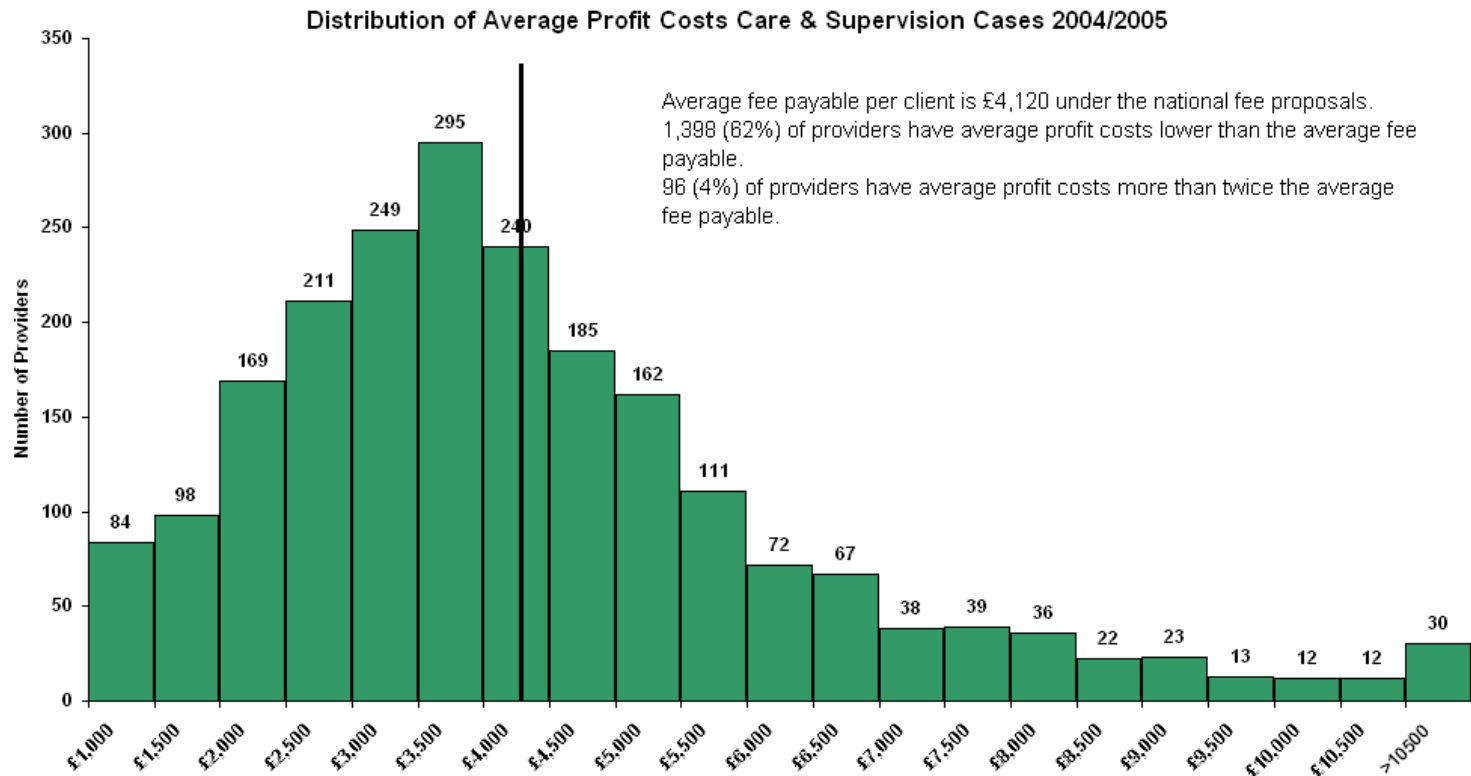
# Care & Supervision – Summary of Expenditure

The charts below shows the increase in expenditure on Care & Supervision certificates for the financial years 1999 to 2006. There have been significant increases in costs in all three areas, that has outpaced the increase in the volumes of certificates. Whilst profit costs have increased by 124% during this period, the number of clients has only increased by 43%.



## Distribution of Care & Supervision Average Costs

The chart below shows the distribution of average profit costs by supplier for 2004/2005 certificates. The figures exclude VAT and exceptional cases. The average fee payable under the proposed national scheme is also shown.

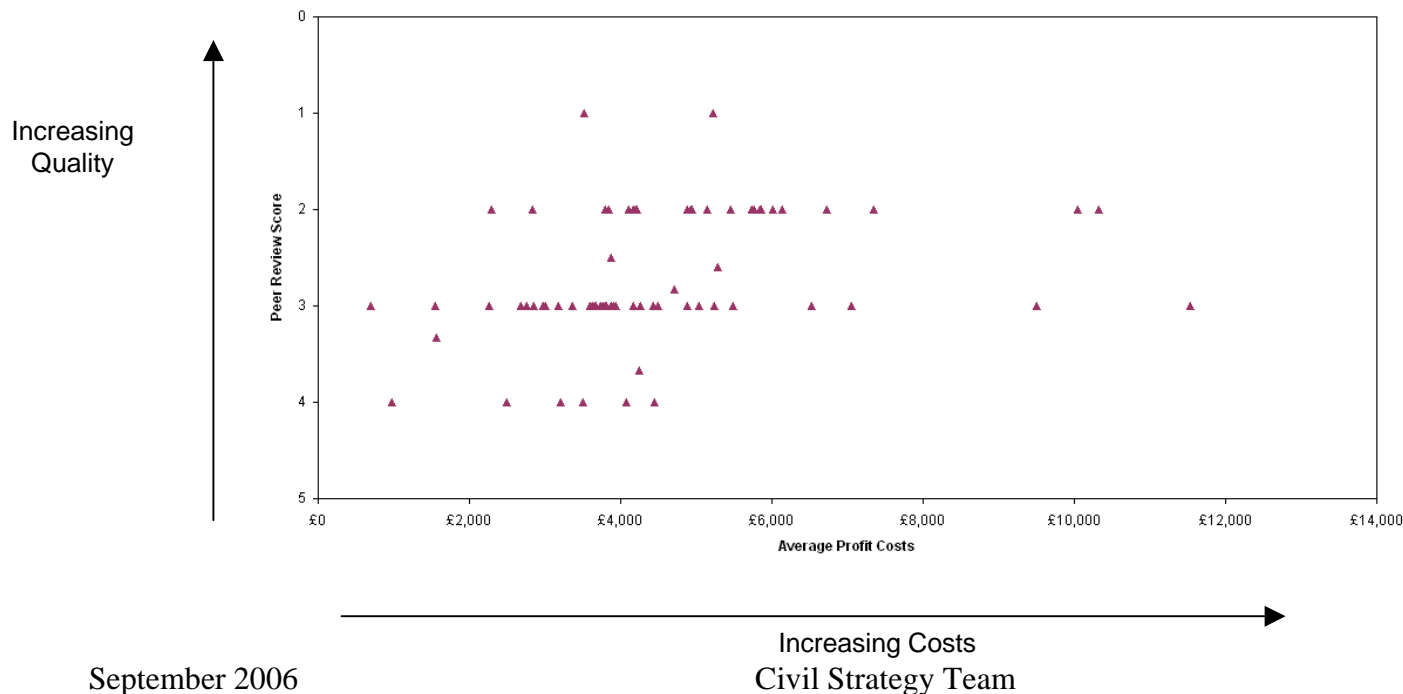


## Quality of advice & Cost

Based on available Peer Review scores there is no apparent link between average profit costs and quality (Peer Review score) for Care & Supervision certificates. However, we currently have limited numbers of Peer Review scores available in this area, so we must treat this observation cautiously.

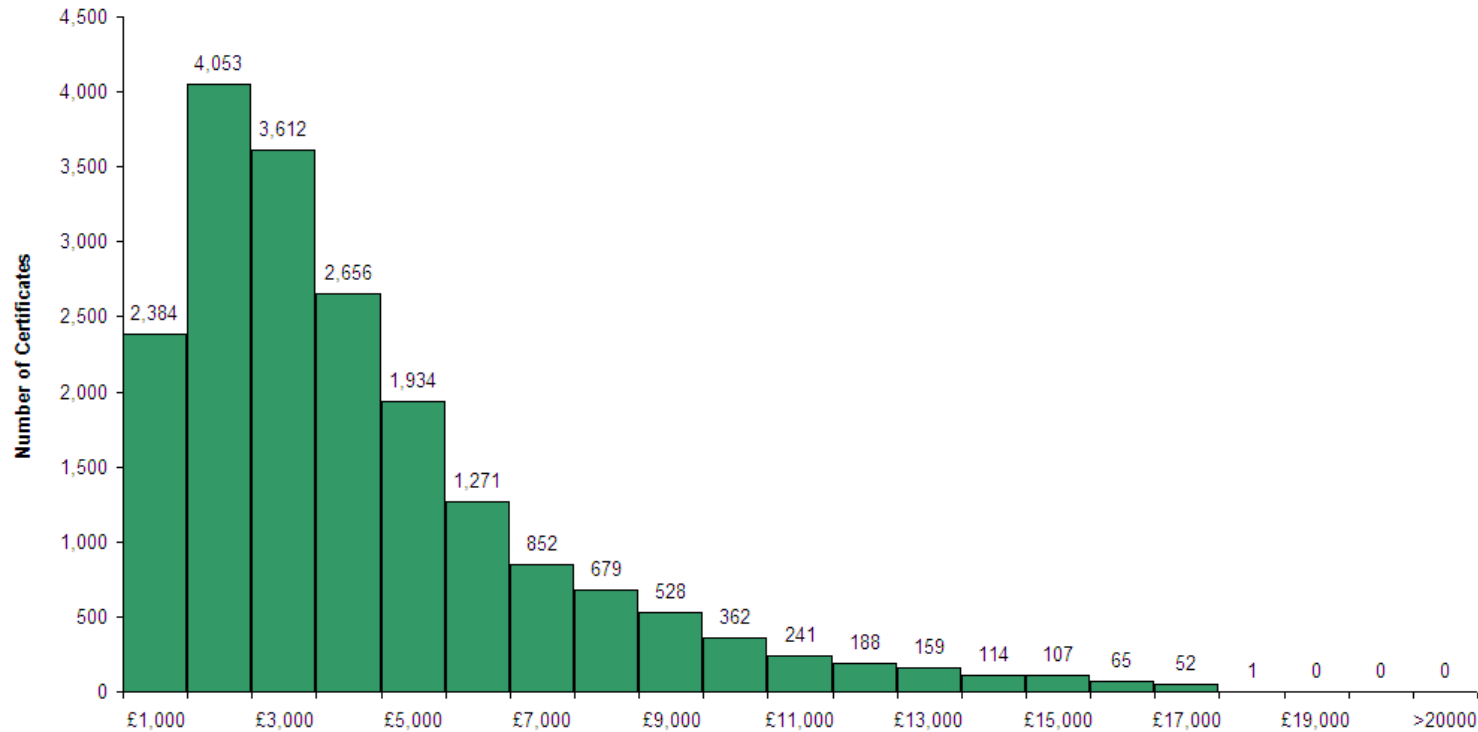
The chart below plots Peer Review scores by average profit costs suppliers. If these two measures were linked, suggesting a link between the quality of advice received and the price we pay for assisting a client, the triangles would be higher up the scale as the costs increased. However, the actual peer review scores, shown by the triangles, do not show any link with the average profit costs.

Comparison of Average Profit Costs & Peer Review Scores for Care & Supervision Cases 2004/2005



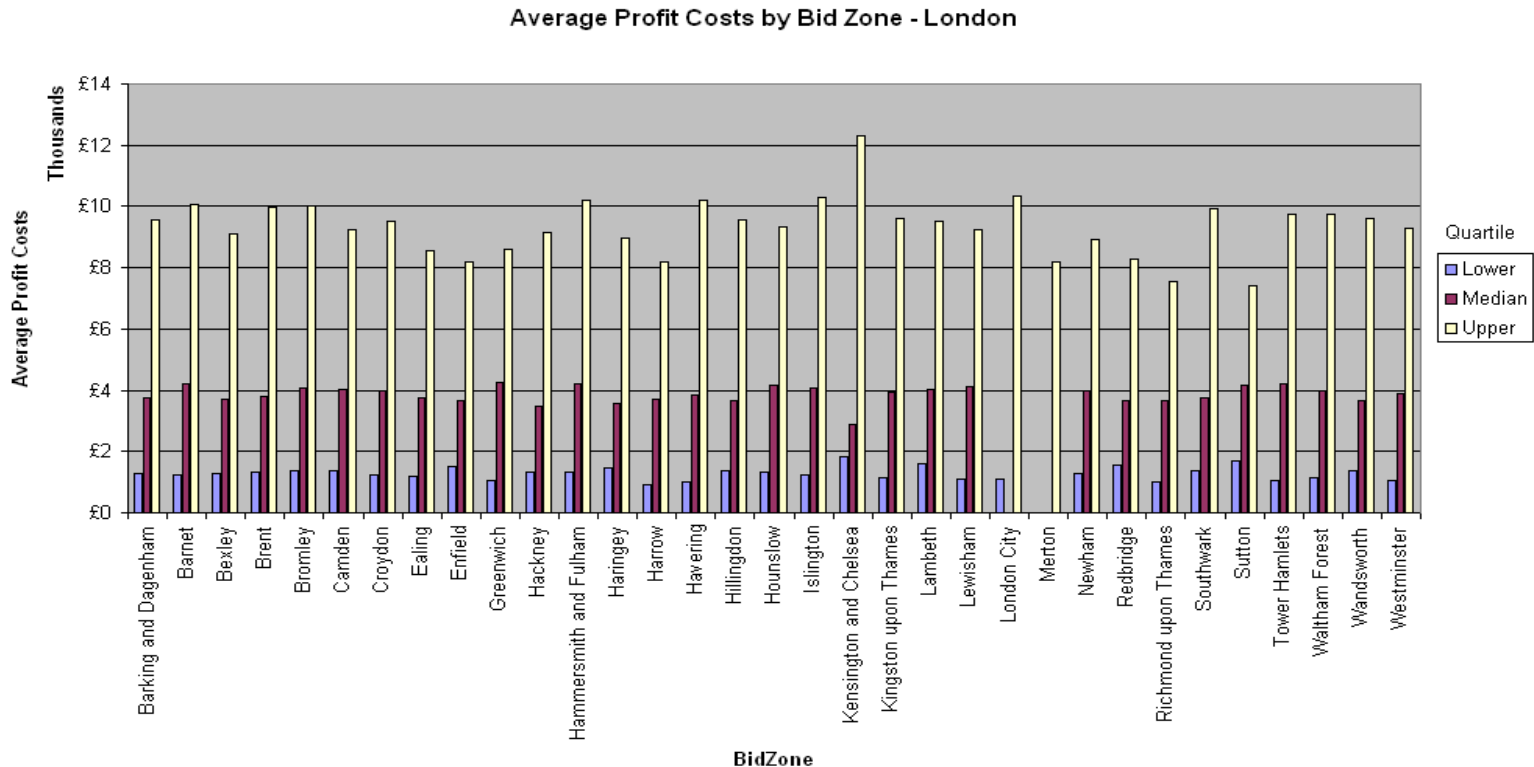
Excluding exceptional cases and VAT:  
 91% of certificates profit costs under £8000  
 76% under £5000

Distribution of Profit Costs Care & Supervision Certificates 2004/2005



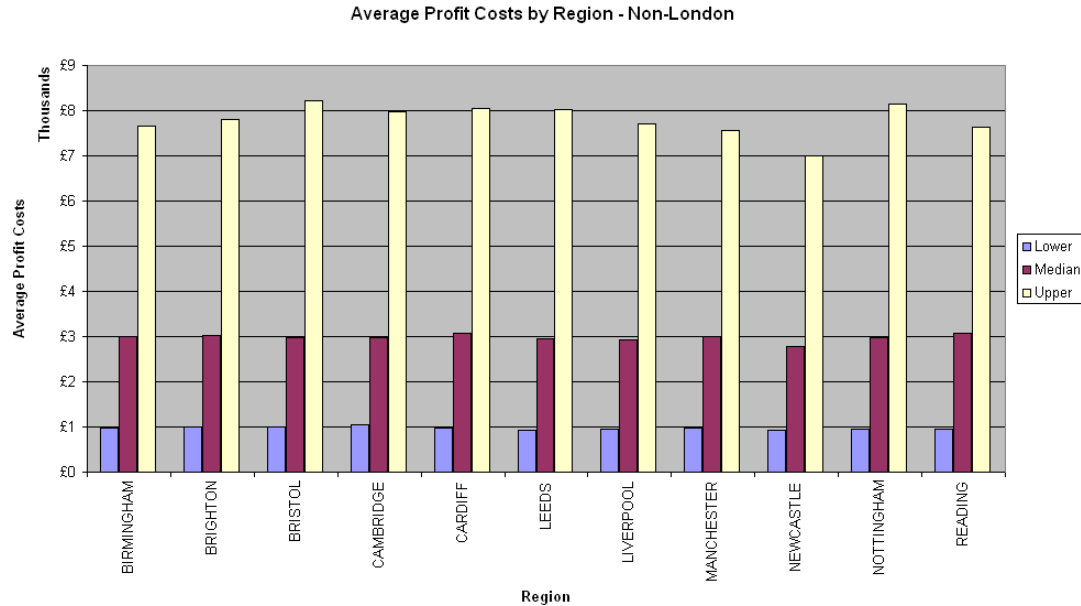
# Impact of Location: Bid Zone

The chart below display the average profit costs for public law children certificates, by quartile, against bid zone for London:



While it can be seen than Kensington & Chelsea suppliers have slightly higher than average profit costs, and those for Sutton and Richmond Upon Thames are slightly lower than average, there is very little variation across bid zones.

The chart below display the average profit costs for public law children certificates, by quartile, against region for suppliers outside London:



Again, there is very little variation between average profit costs between regions.