



TRANSFORMING LEGAL AID

Today we have published the Government's response to the *Transforming Legal Aid: Next Steps* consultation.

As you know this Government is dealing with an unprecedented financial challenge, and I have no choice but to make savings across the full range of the Ministry of Justice's work. I do understand that these reductions will be challenging, but by 2015/16 the department's budget will be reduced by around a third in real terms and, as one of our largest areas of expenditure, I cannot exempt legal aid.

When the Chancellor of the Exchequer asked for further savings from my Department in the Autumn Statement in December last year, I was very clear that we should not seek any further savings from criminal legal aid. I want to make clear today that under this Government, there will be no further reduction to advocacy fees, and in my view there are clear limits to how far fees can be cut.

Please also be assured that I am not singling out legal aid - the savings from this area are consistent with those for the Department's budget as a whole. We have, for example, saved 34% from our Head Office costs, and have reduced staff levels by 12,000 since 2010. None of these decisions have been easy.

I have genuine respect for the traditions of the independent Bar, and the high quality advocacy that you provide. It was for this reason that I did not opt for more radical structural change to advocacy services when presented with that choice nearly a year ago. Since then, even though I have consistently said that savings are unavoidable, I have done everything I can to reduce their impact on the Bar. The plans the Government has published today do mean fee reductions, but they also include a series of measures to ease their effect on the Bar and to support the profession.

Our plans include:

- adopting the Option 2 fee scheme from the consultation, to be implemented in Summer 2014. This is a model based on the way the CPS pays advocates. As part of this, the average AGFS fee reduction for barristers receiving less than £50,000 each year in fees, the reduction will be 2 %. The average AGFS fee reduction for barristers overall is 6% - much lower than some figures being quoted in the press.

- reducing the amount of work required from Barristers to receive these new fees, enabling Barristers to take on more cases and earn more fees within the same amount of time. I have agreed with the Lord Chief Justice that Sir Brian Leveson, President of the Queen's Bench Division, will undertake a review of criminal proceedings to identify ways to reduce and streamline them. As part of this he will consider how to reduce to a minimum the number of pre-trial hearings that require advocates to travel to and attend court;
- restoring the cracked trial fees for elected either way cases which crack because the prosecution offers no evidence on all counts. This means that defence barristers will no longer lose out when a case cracks for this reason, in circumstances beyond their control;
- introducing, at the same time as the new fees, interim payments so advocates in trials due to last 10 days or more can be paid part of the total case fee up front. This is designed to cushion the impact of fee reductions by speeding up payments and improving cashflow;
- making a binding commitment to undertake a full review of the AGFS scheme in Summer 2015, one year after the new fees are in place. This will allow both the Government and the professions to properly consider the findings of the Jeffrey Review, to monitor any impact of crime rates on legal aid spend, and to assess the sustainability of the new fees, particularly in light of the work carried out by Sir Brian Leveson. This review will not be designed to seek any further savings from criminal advocacy;
- working with the profession to identify ways to reduce the administrative costs Chambers bear through their legal aid work, and to share best practice in order to help reduce Chambers rent;
- building on recent criminal justice reforms and investment in digitisation by speeding up the roll out of Wi-fi and new technology across the Court estate. This will reduce hours wasted through delays in Court, and allow Barristers to make the most of their time through more efficient and remote working.

I do understand that the Criminal Bar has taken a series of fee reductions dating back before the current Government, and that the changes we are now implementing will be challenging for some. Whilst I wish the world were different, nothing can change the financial reality. We must now begin implementation and I believe that our efforts are best focused on working together to ease the transition to the new fee rates. In the plans announced today, the Government has done everything it can to mitigate their impact. It is intended that the review led by Sir Brian Leveson will increase the speed, efficiency and effectiveness of the criminal justice system which will bring benefits to everyone within the system, including the Bar. I am also clear that my Department remains open to all suggestions from the profession as to further steps we can take to make change easier to manage.

I appreciate you will want to read these plans in full to understand what they mean for you – and you can find the full response at <https://consult.justice.gov.uk/digital-communications/transforming-legal-aid-next-steps>.

A handwritten signature in black ink, appearing to read 'Chris Grayling', with a long horizontal stroke extending to the right.

CHRIS GRAYLING