



COSTS COMMITTEE

Synopsis of second meeting, held on 6 June 2013

- The Committee's [membership](#) had been finalised.
- The Committee noted the chairman's exchange of letters with the Master of the Rolls, who had agreed to the extension of the deadline for the work to 31 March 2014 – emphasising that his primary concern was that he had comprehensive evidence-based recommendations to assist him in determining the new rate. He was also willing for the Committee to consider different guideline hourly rates (GHR) for some specialist areas of law.
- The Committee discussed the investigations that had been carried out into existing data that might go some way to building an evidence base for recommendations on GHR, principally held by the Law Society. The discussions centred on eight surveys, including the *Firms' Finance Survey 2011* and the *Practising Certificate Holders Survey 2012*.
- It was agreed that the work of the Committee should focus first on the four different groups of data required relating to expense of time, namely:
 - A. Grade of fee earner and region
 - B. Salary for each level of fee earner
 - C. Chargeable hours per fee earner/region
 - D. Overhead costs, allocated per fee earner/region.

Using regularly conducted surveys had the advantage of allowing the benchmark for salaries, chargeable hours and overheads to be reassessed as those surveys were repeated in future years.

- Having worked out the costings under these headings, the Committee could move onto the more sensitive task of factoring in a suitable profit margin.
- The chairman was grateful to the Law Society and its Research Unit for their readiness to support the work of the Committee and to Professors Fenn and Rickman, who agreed to report back to the next meeting of the Committee with their initial analysis of the extent to which the existing information was of use in measuring the expense of solicitors' time, and areas in which the Committee would need to supplement it with its own survey.
- The Committee also discussed the possible availability of data from other sources, such as CILEX, the ABI and others.
- The next tasks of the Committee would be to agree the contents of its own survey, and the method of inviting the submission of evidence from bodies such as the LSLA, APIL, MASS, FOIL and NHSLA, and to consider ways of encouraging as wide a response as possible from solicitors' firms.
- The chairman reiterated that it was the role of this Committee to make recommendations to the MR based on the evidence that it had gathered from a wide range of sources and then tested, debated and assessed.
- The Committee aims to meet again in late July.