



MASTER OF  
THE ROLLS

## GUIDELINE HOURLY RATES

In July 2014 I published my conclusion that I had no evidential base to make any change to the existing Guideline Hourly Rates (GHRs), and they would therefore be remaining at their current rates, as originally set in 2010.

I said at that time that I proposed to hold discussions with the Law Society and the Government. I have done so, and I have recently received a detailed written response from the Law Society.

These discussions and this correspondence have not made any material change to the position I was placed in last July – there is no funding available from any source for undertaking the sort of in-depth survey which the Civil Justice Council's Costs Committee and its expert advisers consider is required to produce an adequate evidence base.

There is also considerable doubt that even if such funds were forthcoming there would be sufficient numbers of firms willing to participate and provide the level of detailed data required to enable the Committee (and in turn myself) to produce accurate and reasonable GHRs.

This exercise is not happening in a vacuum, and I am conscious of a number of trends in the legal services market and other factors that are rendering GHRs less and less relevant. They include, but are not restricted to:

- advances in technology and business practices and models;
- the ever-increasing sub-specialization of the law which is seeing the market increasingly dictate rates in some fields (particularly commercial law);
- the judiciary's use of proportionality as a driving principle in assessing costs;
- the greater adoption of (and familiarity with) costs budgeting amongst the judiciary and practitioners alike.

Not least, I hope, of such factors, is a trend towards the greater use of fixed costs in litigation. I have long advocated their wider application, and will continue to press this point to Ministers and others in the hope that this important element of the Jackson reforms is implemented.

Less relevance is not the same as no relevance, and I am conscious that there are still many uses to which GHRs are put. They remain an integral part of the process of judges making summary assessments of costs in proceedings. They also form a part, even if only a starting reference point, in the preparation of detailed assessments. They also provide a yardstick for comparison purposes in costs budgeting. I know that for

some smaller practices GHR also offer a rate to base practice charges on, and to demonstrate to clients a national benchmark.

I am not therefore suggesting that the existing GHRs no longer apply.

**The existing rates will therefore remain in force for the foreseeable future,** and will remain a component in the assessment of costs, along with the application by the judiciary of proportionality and costs management.

**The Rt Hon Lord Dyson**

**Master of the Rolls and Head of Civil Justice**

**April 2015**