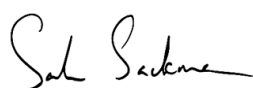


Title: Consultation on Criminal Legal Aid: Proposals for Solicitor Fee Scheme Reform IA No: MoJ027/2025 RPC Reference No: n/a Lead department or agency: Ministry of Justice (MoJ) Other departments or agencies: Legal Aid Agency (LAA)		Impact Assessment (IA) Date: 09/05/2025 Stage: Consultation Source of intervention: Domestic Type of measure: Secondary Legislation Contact for enquiries: Criminal.LegalAidPolicy@justice.gov.uk	
Summary: Intervention and Options		RPC Opinion: Not Applicable	
Cost of Preferred (or more likely) Option (in 2025 prices)			
Total Net Present Social Value N/A	Business Net Present Value N/A	Net cost to business per year N/A	Business Impact Target Status N/A
What is the problem under consideration? Why is government action or intervention necessary? <p>The Criminal Legal Aid Independent Review (CLAIR), published in November 2021, considered criminal legal aid provision in England and Wales, including the criminal legal aid remuneration system in its entirety. In its response to CLAIR, the previous government increased overall funding for criminal legal aid solicitor fees by 9% in 2022. This was raised to a total of 12% following the Crime Lower fee scheme reforms set out in November 2024. In December 2024, the Lord Chancellor announced additional investment in the criminal legal aid solicitor fee schemes to increase the total funding available for solicitor fees by 12%, bringing the overall uplift in funding for solicitor fees since CLAIR to 24%.</p> <p>This increase in funding means up to £92m more a year (with a best estimate of £88m and a range of between £79m to £96m to reflect the uncertainty in this estimate), once the proposals are fully implemented to support the sustainability of the criminal legal aid market. We are now consulting on how we propose to invest this additional funding.</p>			
What are the policy objectives of the action or intervention and the intended effects? <p>The Government considers these proposals necessary to support access to justice, better achieve the aim of reflecting and paying for work done, and bring greater stability to the criminal legal aid market.</p>			
What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base) <ul style="list-style-type: none"> • Option 0 / Do nothing: Retain the existing arrangements for the police station, the magistrates' court, the Crown Court - Litigators' Graduated Fee Scheme (LGFS), and the prison law fee schemes. • Option 1a: Harmonise police station attendance fees. • Option 1b: Uplift magistrates' court fees by 10%. • Option 1c: Increase LGFS basic fees for trials for offence types with the lowest basic fees and introduce a fixed ratio of 65:75:100 between guilty plea, cracked trial, and trial basic fees for all offence types. • Option 1d: Uplift prison law fees by 24%. <p>The Government's preferred option is Option 1 (a – d) for police station attendance fees, for magistrates' court fees, Crown Court - LGFS fees and prison law fees. This option best enables us to deliver the Government's commitment to invest in criminal legal aid and ensure the investment reaches the market this Parliament.</p>			
Is this measure likely to impact on international trade and investment?			N/A
Are any of these organisations in scope?	Micro N/A	Small N/A	Medium N/A Large N/A
What is the CO2 equivalent change in greenhouse gas emissions?		Traded: 0	Non-traded: 0
Will the policy be reviewed? It will be reviewed.		If applicable, set review date: After implementation	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible Minister



Date:

29.04.25

Summary: Analysis & Evidence

Policy Option 1a

Description: Harmonise police station attendance fees

FULL ECONOMIC ASSESSMENT

Price Base Year 2025	PV Base Year 2025	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: N/A
COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)	
Low	N/A		£55m	N/A	
High	N/A		£68m	N/A	
Best Estimate	£0.12m		£61m	N/A	
Description and scale of key monetised costs by ‘main affected groups’					
<ul style="list-style-type: none">The additional steady state annual cost to the legal aid fund for police stations is £61m, within a range of £55m to £68m. The best estimate of £61m brings the total cost to £88m¹ when combined with the £12m for the magistrates’ court, £10m for the Crown Court - LGFS, and £4m for prison law.There would also be a one-off business as usual cost to the Legal Aid Agency of implementing the necessary changes required. This is envisaged to be around £0.12m.					
Other key non-monetised costs by ‘main affected groups’ N/A					
BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)	
Low	N/A		£55m	N/A	
High	N/A		£68m	N/A	
Best Estimate	N/A		£61m	N/A	
Description and scale of key monetised benefits by ‘main affected groups’					
An additional steady state annual benefit of £61m (best estimate) to solicitors' firms, within a range of £55m to £68m.					
Other key non-monetised benefits by ‘main affected groups’					
Legal aid clients would benefit from a better-functioning and more sustainable legal aid market that provides a good quality service. A better-functioning legal aid market might have a positive impact on other public services.					
Key assumptions/sensitivities/risks			Discount rate (%)	N/A	
The key assumptions/sensitivities/risks for the above estimates are presented below. For a full description please refer to the Risks and Assumptions section of this Impact Assessment.					
The main risk is that modelling uses police station volumes of cases based on 2023-24 closed case data. Police station volumes may see an increase owing to, for example, further police recruitment. The impact of changes in police station volumes is considered further in the sensitivity analysis.					

BUSINESS ASSESSMENT (Option 1a)

Direct impact on business (Equivalent Annual)			Score for Business Impact Target (qualifying provisions only) £m: N/A
Costs: N/A	Benefits: N/A	Net: N/A	

¹ The constituent parts do not sum to £88m due to rounding. Please note that this applies to all instances where £88m is mentioned alongside its breakdown.

Summary: Analysis & Evidence

Policy Option 1b

Description: Uplift magistrates' court fees by 10%

FULL ECONOMIC ASSESSMENT

Price Base Year 2025	PV Base Year 2025	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: N/A
COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)	
Low	N/A		£11m	N/A	
High	N/A		£13m	N/A	
Best Estimate	£0.04m		£12m	N/A	
Description and scale of key monetised costs by ‘main affected groups’					
<ul style="list-style-type: none">The additional steady state annual cost to the legal aid fund for magistrates’ court is £12m, within a range of £11m to £13m. The best estimate of £12m brings the total cost to £88m when combined with the £61m for police stations, £10m for the Crown Court - LGFS, and £4m for prison law.There would also be a one-off business as usual cost to the Legal Aid Agency of implementing the necessary changes required. This is envisaged to be around £0.04m.					
Other key non-monetised costs by ‘main affected groups’ N/A					
BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)	
Low	N/A		£11m	N/A	
High	N/A		£13m	N/A	
Best Estimate	N/A		£12m	N/A	
Description and scale of key monetised benefits by ‘main affected groups’					
Additional steady state annual benefit to solicitors’ firms of £12m (best estimate), within a range of £11m to £13m.					
Other key non-monetised benefits by ‘main affected groups’					
Legal aid clients would benefit from a better-functioning and more sustainable legal aid market that provides a good quality service. A better-functioning legal aid market might have a positive impact on other public services.					
Key assumptions/sensitivities/risks			Discount rate (%)	N/A	
The key assumptions/sensitivities/risks for the above estimates are presented below. For a full description please refer to the Risks and Assumptions section of this Impact Assessment.					
The main risk is that modelling uses magistrates’ court volumes of cases based on 2023-24 closed case data. The impact of changes in magistrates’ court volumes, owing to a change, for example, in sitting days, is considered further in the sensitivity analysis.					

BUSINESS ASSESSMENT (Option 1b)

Direct impact on business (Equivalent Annual)			Score for Business Impact Target (qualifying provisions only) £m: N/A
Costs: N/A	Benefits: N/A	Net: N/A	

Summary: Analysis & Evidence

Policy Option 1c

Description: Increase LGFS trial basic fees for offence types with the lowest basic fees and introduce a fixed ratio of 65:75:100 between guilty plea, cracked trial, and trial basic fees for all offence types

FULL ECONOMIC ASSESSMENT

Price Base Year 2025	PV Base Year 2025	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: N/A
COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)	
Low	N/A		£9m	N/A	
High	N/A		£11m	N/A	
Best Estimate	£0.3m		£10m	N/A	
Description and scale of key monetised costs by ‘main affected groups’					
<ul style="list-style-type: none">The additional steady state annual cost to the legal aid fund for Crown Court - LGFS is £10m, within a range of £9m to £11m. The best estimate of £10m brings the total to £88m when combined with the £61m for police stations, £12m for the magistrates’ court and £4m for prison law.There would also be a one-off business as usual cost to the Legal Aid Agency of implementing the necessary changes required. This is envisaged to be around £0.3m.					
Other key non-monetised costs by ‘main affected groups’ N/A					
BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)	
Low	N/A		£9m	N/A	
High	N/A		£11m	N/A	
Best Estimate	N/A		£10m	N/A	
Description and scale of key monetised benefits by ‘main affected groups’					
An additional steady-state annual benefit of £10m (best estimate) to solicitors' firms, within a range of £9m to £11m.					
Other key non-monetised benefits by ‘main affected groups’					
Legal aid clients would benefit from a better-functioning and more sustainable legal aid market that provides a good quality service. A better-functioning legal aid market might have a positive impact on other public services.					
Key assumptions/sensitivities/risks			Discount rate (%)	N/A	
The key assumptions/sensitivities/risks for the above estimates are presented below. For a full description please refer to the Risks and Assumptions section of this Impact Assessment.					
The main risk is that modelling uses LGFS volumes and case mix based on 2023-24 closed case data. LGFS volumes and case mix may change as a result of the Government’s ambition to reduce the Crown Court outstanding caseload. The impact of changes in LGFS volumes is considered further in the sensitivity analysis.					

BUSINESS ASSESSMENT (Option 2c)

Direct impact on business (Equivalent Annual)			Score for Business Impact Target (qualifying provisions only) £m: N/A
Costs: N/A	Benefits: N/A	Net: N/A	

Summary: Analysis & Evidence

Policy Option 1d

Description: Uplift prison law fees by 24%

FULL ECONOMIC ASSESSMENT

Price Base Year 2025	PV Base Year 2025	Time Period Years	Net Benefit (Present Value (PV)) (£m)		
			Low: N/A	High: N/A	Best Estimate: N/A

COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Low	N/A	1	£3m	N/A
High	N/A		£4m	N/A
Best Estimate	£0.08m		£4m	N/A

Description and scale of key monetised costs by 'main affected groups'

- The additional steady state annual cost to the legal aid fund for prison law is £4m, within a range of £3m to £4m. The best estimate of £4m brings the total cost to £88m when combined with the £61m for police stations, £12m for magistrates' court, and £10m for the Crown Court - LGFS.
- There would also be a one-off business as usual cost to the Legal Aid Agency of implementing the necessary changes required. This is envisaged to be around £0.08m.

Other key non-monetised costs by 'main affected groups' N/A

BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Low	N/A		£3m	N/A
High	N/A		£4m	N/A
Best Estimate	N/A		£4m	N/A

Description and scale of key monetised benefits by 'main affected groups'

Additional steady state annual benefit to solicitors' firms of £4m (best estimate), within a range of £3m to £4m.

Other key non-monetised benefits by 'main affected groups'

Legal aid clients would benefit from a better-functioning and more sustainable legal aid market that provides a good quality service. A better-functioning legal aid market might have a positive impact on other public services.

Key assumptions/sensitivities/risks	Discount rate (%)	N/A
The key assumptions/sensitivities/risks for the above estimates are presented below. For a full description please refer to the Risks and Assumptions section of this Impact Assessment.		
The main risk is that modelling uses prison law volumes of cases based on 2023-24 closed case data. The impact of changes in prison law volumes is considered further in the sensitivity analysis.		

BUSINESS ASSESSMENT (Option 3d)

Direct impact on business (Equivalent Annual)			Score for Business Impact Target (qualifying provisions only) £m: N/A
Costs: N/A	Benefits: N/A	Net: N/A	

Evidence base

A. Background

1. The [Criminal Legal Aid Independent Review \(CLAIR\)](#) was commissioned in December 2020. It considered criminal legal aid provision in England and Wales. CLAIR was undertaken by Sir Christopher Bellamy QC (as he then was).
2. CLAIR was set up to consider the criminal legal aid system in its entirety - the service being provided and how it is procured and paid for, with particular reference to five themes: resilience, transparency, competition, efficiency, and diversity (as set out in the terms of reference).¹
3. CLAIR had two main objectives:
 - a) To reform the criminal legal aid fee schemes so that they:
 - fairly reflect, and pay for, work done;
 - support the sustainability of the market, including recruitment, retention, and career progression within the professions and a diverse workforce;
 - support just, efficient, and effective case progression; limit perverse incentives, and ensure value for money for the taxpayer;
 - are consistent with and, where appropriate, enable, wider reforms;
 - are simple, and place proportionate administrative burdens on providers, the Legal Aid Agency, and other government departments and agencies; and
 - ensure cases are dealt with by practitioners with the right skills and experience.
 - b) To reform the wider criminal legal aid market to ensure that the provider market:
 - responds flexibly to changes in the wider system, pursues working practices and structures that drive efficient and effective case progression, and delivers value for money for the taxpayer;
 - operates to ensure that legal aid services are delivered by practitioners with the right skills and experience;
 - operates to ensure the right level of legal aid provision and to encourage a diverse workforce.
4. The CLAIR report was published in November 2021 and recommended a 15% uplift to criminal legal aid fees. In response to CLAIR, the previous government increased overall funding for the solicitor profession by 9%. This uplift came into force on 30 September 2022.
5. The government then consulted on allocating an additional £21.1m as part of longer-term reforms to criminal legal aid fees and responded to that consultation in November 2022. In doing so, the government allocated £16m to solicitors' fees for police station work and £5.1m to Youth Court fees.
6. The Crime Lower Consultation, published in 2024, outlined the details of allocating the additional £21.1m investment across the Police Station fee schemes and Youth Court fees. Data from 2023-24 showed a significant increase in police station attendance volumes, meaning the projected overall cost of the fee increases changed. This brought the total

¹ CLAIR Terms of Reference https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/946615/terms-of-reference.pdf.

investment to around £24m and the total funding increase for criminal legal aid solicitors since CLAIR to 12%.

7. From December 2024, the following changes to the fee schemes have been in force:
 - a) Firstly, £18.5m was invested into the police station fee schemes, to harmonise the lowest non-London and the lowest London fees. The police station fixed fees vary by geographic area ('scheme'). This investment included 199 out of the 245 police schemes, which is around 80%.
 - b) Secondly, a separate Youth Court fee scheme was introduced, with the magistrates' court scheme as its basis. This meant that indictable only² and triable either way offences could receive an enhanced fixed fee, to reflect the gravity of these cases. This was an investment of £5.1m and reflected a substantial increase to spending on Youth Court fees.
 - c) Additionally, police station travel remuneration was introduced for a small number of schemes, specifically with fewer than two providers, as well as the Isle of Wight.
8. In December 2024, the Lord Chancellor announced additional investment in the criminal legal aid solicitor fee schemes to increase the total funding available for solicitor fees by a further 12%, bringing the overall uplift in funding for solicitor fees since CLAIR to 24%. This increase in funding means up to £92m more a year once the proposals are fully implemented in steady state.
9. This additional funding is designed to support the sustainability of the criminal legal aid solicitor market. Strengthening the sector is fundamental to addressing ongoing challenges in the criminal justice system – helping it to operate effectively and efficiently to deliver justice for victims.
10. This consultation summarises how we propose to invest the additional funding announced in December 2024 – covering work carried out by legal aid providers at police stations, in magistrates' courts, in the Crown Court, and in prisons, in relation to people accused of or charged with criminal offences.
11. The proposals in this consultation currently amount to a best estimate total of around £88m a year in steady state, within a range of £79m to £96m that reflects the uncertainty in the estimate. A final allocation will be confirmed in our response to this consultation exercise.

Police station fee scheme

12. Non-means tested legal aid is available to provide advice and assistance to anyone being interviewed under caution. Work in the police station is paid for by fixed fees, and these vary by geographic area ('scheme').
13. The fixed fee model was introduced to replace hourly rates and means that one fixed fee is payable for a case, based on a set amount of hours. Generally, cases that exceed this amount by three times or more can earn an 'escape' fee, which is remunerated at hourly rates (with some minor exceptions).
14. This was designed so that complex and simple cases are paid the same fixed fee, on the basis that payment balances out overall.

² The only indictable only and either way offences that would not receive the enhanced fee are proceedings relating to 'either way offences which must be tried summarily in accordance with section 22 of the 1980 Act (certain offences triable either way to be tried summarily if value involved is small)'.

15. The fixed fee model was introduced in 2008 and it was applied with varying rates based on location – 245 different schemes divided into 42 criminal justice system areas.
16. In 2021, CLAIR recommended that different rates based on individual police stations be phased out. In November 2024 we announced an £18.5m increase in funding for police station fees, which allowed us to increase around 80% of the schemes in London and outside London to the same level. This was a first step towards harmonisation – phasing out geographic variation.
17. The proposal for the police station fee scheme is to complete this process of harmonisation. This would be achieved by uplifting all schemes to a fixed fee of £320 excluding VAT. That is above the current highest fixed fee paid for the Heathrow scheme, which is a fixed fee of £315.86 excluding VAT. This proposal therefore delivers an increase to all fees in the police station fee scheme.

Magistrates' court fee scheme

18. A defendant can obtain legal aid in the magistrates' court if they are eligible financially and the 'interests of justice' test is met. The magistrates' court fee scheme is based on 'standardised fees', and the sum of hours worked determines whether the case is paid the lower standard or higher standard fee, or exceptionally, a non-standard fee paid at hourly rates.
19. A duty solicitor can offer free legal advice and representation to people on their first appearance at court (not at trial), regardless of financial circumstances. Duty solicitors are paid an hourly rate for their attendance at the magistrates' court.
20. CLAIR found that the structure of the fee scheme worked effectively and retained relative simplicity. However, the review recommended an increase to the fees. Following the Government Response to CLAIR, a 15% uplift was applied to the standard fees, and all other hearing fees in the magistrates' court and associated courts listed in schedule 4 of the Criminal Legal Aid (Remuneration) Regulations. This uplift included the hourly rates where cases are paid on a non-standard fee basis.
21. In 2024, changes to sentencing powers in the magistrates' court were announced, which now allow magistrates to issue custodial sentences for up to 12 months for a single offence. This amounts to a doubling of their previous powers and is estimated to save approximately 2,000 days in the Crown Court – increased sentencing powers will see more serious cases, and therefore possibly more complex work, retained in the magistrates' court.
22. More generally, we are seeing an increase in the volume of completed work taking place in the magistrates' court.³ This may, in part, be due to increased sentencing powers, though there are a number of other factors in play that might affect workload.
23. The proposal we are consulting on is a 10% uplift on all fees for the magistrates' court. This includes the duty solicitor hourly rates and the Youth Court fees, along with the Youth Court enhanced fee that was implemented in December 2024.

³ <https://www.gov.uk/government/statistics/legal-aid-statistics-quarterly-october-to-december-2024> - the latest data shows that the volume of completed work in the magistrates' court increased by around 4% during October to December 2024 compared to the same period in 2023.

Crown Court - Litigators' Graduated Fee Scheme

24. The Litigators' Graduated Fee Scheme (LGFS) is the scheme by which litigators who represent legally aided defendants in the Crown Court are remunerated for their work. The fee is determined by various proxy elements, including offence group, outcome (guilty plea, cracked trial and trial), days of trial, and pages of prosecution evidence (PPE).
25. Litigators are paid a basic fee calculated using offence group and outcome, plus an uplift, if applicable, for either trial days (if PPE is less than a threshold prescribed in the regulations) or PPE (if PPE is greater than the threshold). PPE is generally the most significant driver of overall LGFS fees.
26. There are three case outcomes in the LGFS – a guilty plea, a cracked trial, and a trial. A guilty plea outcome relates to cases where a plea is entered before or at the plea and trial preparation hearing (PTPH). A cracked trial outcome relates to cases where a plea or withdrawal occurs between the PTPH and the first day of trial. A trial outcome relates to cases where the trial begins and is counted from its first day.
27. CLAIR made various recommendations in relation to the LGFS. One criticism was that the fee scheme does not incentivise the early resolution of a case, and in many instances the opposite, possibly incentivising the late entry of a plea or the taking of a case to trial.⁴ Between 2016 and 2024, the percentage of defendants who entered a guilty plea before a trial started slightly increased, from 80% to 83%. But guilty pleas are being entered later in the life cycle of a case than they were before the pandemic. In 2016, just over 50% of all guilty pleas were entered at the first hearing, which fell to 40% in 2024. 13% of guilty pleas were entered after 4 or more hearings in 2016, increasing to 22% in 2024.⁵
28. A further criticism has been that the fees paid for routine Crown Court work are too low, increasing reliance on higher paying fees (cases with high PPE) to 'cross-subsidise' more routine work.
29. The proposal we are consulting on for LGFS is two-fold:
- To establish a fixed ratio between guilty plea, cracked trial, and trial basic fees so that guilty plea fees are uplifted to 65% of the trial fee and cracked trial fees to 75%.
 - To increase the basic fees for trials of those offence types with the lowest basic fees (i.e., offence types E, F, G, H and I) by between 33% to 35%.

Prison law fee scheme

30. Legal aid is available for advice and assistance, and advocacy assistance, in relation to sentence cases, disciplinary cases and Parole Board cases for those already sentenced. It is means tested and is subject to the Interests of Justice test as well as a simple Sufficient Benefits Test (SBT).
31. Advice and assistance is claimed using fixed fees and then remunerated hourly for any cases that exceed the set threshold. Advocacy assistance has either a 'higher' or 'lower'

⁴ CLAIR 12.8: *The LGFS does not incentivise early guilty pleas; indeed, there is an underlying incentive for the litigator to refrain from advising in favour of an early guilty plea.*

CLAIR 12.9: *...and then delay the outcome until the trial begins.*

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1041117/clar-independent-review-report-2021.pdf

⁵ Criminal court statistics quarterly, October to December 2024. Tables C4 and C5

https://assets.publishing.service.gov.uk/media/67e426c42621ba30ed9776ce/ccsq_accessible_publication_tables_2024Q4.ods

standard fee, depending on the value of the case, similar to the fee scheme of the magistrates' court. Travel time is included in the fee.

32. CLAIR recommended a minimum 15% increase to all criminal legal aid fees, including prison law fees. It noted that the rates applicable had remained unchanged, apart from the reduction in 2014, for many years. However, prison law fees did not receive an uplift following CLAIR, as the previous government focused initial investment in early engagement in the criminal justice system.
33. The proposal for prison law is to uplift prison law fees by 24%. In developing this proposal, we have considered it appropriate to mirror the 24% uplift in overall funding being awarded to the criminal legal aid solicitor profession (comprising the 12% overall increase implemented since CLAIR and the additional 12% announced in December 2024).

B. Rationale & policy objectives

Rationale

34. The conventional economic rationales for government intervention are based on efficiency and equity. The government may consider intervening if there are failures in the way markets operate (e.g. monopolies overcharging consumers), or failures with existing government interventions (e.g. waste generated by misdirected rules). The new interventions should avoid creating a further set of disproportionate costs and distortions. The government may also intervene for equity (fairness) and distributional reasons (e.g. to reallocate goods and services to more deprived groups in society).
35. The principal policy objective behind the options assessed in this Impact Assessment is to support the sustainability of the criminal legal aid market.

Policy objectives

36. The government considers the reforms necessary to achieving our overarching policy objectives. Reform is based upon four of the main CLAIR policy objectives described above. These are to reform the Criminal Legal Aid fee schemes so that they:
- fairly reflect, and pay for, work done;
 - support the sustainability of the market;
 - support just, efficient, and effective case progression; limit perverse incentives; and ensure value for money for the taxpayer; and
 - ensure cases are dealt with by practitioners with the right skills and experience.

C. Main stakeholder groups, organisations and sectors

37. The options assessed in this Impact Assessment would directly affect the following groups:
- Legal aid service providers (solicitors' firms)⁶
 - Legal aid clients
 - The Legal Aid Agency / Ministry of Justice (MoJ)
 - Those working in the wider criminal justice system

⁶ This includes partners and employees of firms, including qualified solicitors, solicitor advocates, CILEX executives and other employees.

D. Options under consideration

38. To meet the above policy objectives, the following options are considered in this IA:

- **Option 0 / Do nothing:** Retain the existing arrangements for the police station, the magistrates' court, the Crown Court - LGFS, and the prison law fee schemes.
- **Option 1a:** Harmonise police station attendance fees.
- **Option 1b:** Uplift magistrates' court fees by 10%.
- **Option 1c:** Increase LGFS basic fees for trials for those offence types with the lowest basic fees and introduce a fixed ratio of 65:75:100 between guilty plea, cracked trial, and trial basic fees for all offence types.
- **Option 1d:** Uplift prison law fees by 24%.

39. The Government's preferred option is Option 1 (a – d) for police station attendance fees, for magistrates' court fees, Crown Court - LGFS fees and prison law fees. This option best enables us to deliver the Government's commitment to invest in criminal legal aid and ensure the investment reaches the market this Parliament.

Option 0: Do nothing, retaining the existing arrangements for the police station, the magistrates' court, the Crown Court - LGFS, and the prison law fee schemes

40. This option would mean making no increase to any fees in the police station, magistrates' court (including Youth Court), Crown Court - LGFS, and the prison law schemes. This option would therefore not address our stated aim in the consultation, which is to support the sustainability of the criminal legal aid solicitor market and would also prevent us from addressing the wider objectives laid out in CLAIR.

Option 1a: Harmonise police station attendance fees

41. Option 1a aligns with CLAIR's recommendation to phase out different rates as soon as practical. It builds on recent changes to police station fees (i.e. raising the lowest London and non-London fees) by fully harmonising all remaining fee schemes.

42. This option would harmonise all fee schemes at £320 per case excluding VAT (£384 including VAT), above the current highest fee (Heathrow) of £315.86 excluding VAT (£379.03 including VAT) meaning that all fees would see an increase. The financial benefit across non-London schemes would be an average fee increase per case of around £112 (including VAT), or around £93 (excluding VAT) and the financial benefit across London schemes would be an average fee increase per case of around £69 (including VAT) or around £58 (excluding VAT).

Option 1b: Uplift magistrates' court fee schemes by 10%

43. Option 1b would uplift all fees in the magistrates' court, including the Youth Court fees and the Youth Court enhanced fee.

44. In 2024, changes to sentencing powers in the magistrates' court were announced, which now allow magistrates to issue custodial sentences for up to 12 months for a single offence. This amounts to a doubling of their current powers and is estimated to save approximately 2,000 days in the Crown Court. Increased sentencing powers will see more serious cases, and therefore possibly more complex work, retained in the magistrates' court.

45. Fees for solicitors should also reflect, where appropriate, the wider intention to hear more cases in the magistrates' court.

Option 1c: Increase the LGFS basic fees for trials of offence types with the lowest basic fees and introduce a fixed ratio of 65:75:100 between guilty plea, cracked trial, and trial basic fees for all offence types

46. Option 1c would uplift LGFS basic fees for trials of offence types E, F, G, H and I by between 33% and 35% and, in addition to that, establish a fixed ratio between guilty plea, cracked trial, and trial basic fees within each offence type so that guilty plea fees are uplifted to 65% of the trial fee and cracked trial fees to 75%. This fixed ratio would apply to all offence types.
47. Solicitors receive a guilty plea fee if a guilty plea is entered before or at the Plea and Trial Preparation Hearing (PTPH), usually the first hearing of a case. If a plea is entered after the PTPH, or the case is withdrawn, a cracked trial fee applies. Once a trial begins, a trial fee applies. One criticism of LGFS has been that the fee scheme does not incentivise the early resolution of a case due to the fees for guilty pleas and cracked trials being too low.
48. Alongside wider efforts to prioritise productivity in the criminal justice system, this proposal, which looks to raise guilty plea and cracked trial basic fees, could support efforts to target disposal rates and early engagement.
49. It is important to note that there is no evidence to support direct causal links between higher fees and plea rates. There are many reasons why a defendant might not plead guilty at an early stage (e.g. available evidence, social background, and the social impact of pleading guilty to certain offences) but uplifting fees, and introducing a fixed ratio, could incentivise solicitors to more routinely undertake pre-trial work which might impact productivity before and at the PTPH stage. Importantly, the ratio would still maintain a credible balance between outcomes and not incentivise early guilty pleas where inappropriate (i.e. risk miscarriages of justice) and it would better reflect the work necessary to engage early with trial material and secure earlier resolution where it is appropriate.

Option 1d: Uplift prison law fees by 24%

50. This option would uplift all fees within the scope of prison law (advice and assistance, and advocacy assistance) by 24%.
51. It is important to provide robust support to assist the release of prisoners where it is safe and appropriate to do so. Moreover, Legal Aid Statistics show the number of provider offices completing prison law work decreased by 63% between 2012-13 and 2023-24.⁷ This reduction may be in part due to changes in 2013, which took some aspects of prison law out of scope, though we do not know the exact extent to which these changes impacted provider numbers. However, demand is increasing, with a higher number of Parole Board hearings and a backlog of cases. An uplift in fees would contribute to supporting this system to work efficiently.

E. Cost and benefit analysis

52. This IA follows the procedures and criteria set out in the IA guidance and is consistent with the HM Treasury Green Book.
53. This IA identifies impacts on individuals, groups and businesses in England and Wales, with the aim of understanding what the overall impact to society would be from implementing the above measures. IAs place a strong emphasis on valuing the costs and benefits in monetary terms (including estimating the value of goods and services that are not traded). However, there are important aspects that cannot sensibly be monetised, which might include whether

⁷ <https://www.gov.uk/government/statistics/legal-aid-statistics-quarterly-october-to-december-2024> - headline statistics tables and Table 9.1

the policy impacts differently on particular groups of society or changes in equity and fairness.

54. The costs and benefits of each option are usually compared to the 'do nothing' or baseline option (option 0), to demonstrate the potential impacts of reform. In this case, the 'do nothing' option is making no changes to the criminal legal aid fee schemes. This 'do nothing' option is a useful baseline for comparison purposes as it demonstrates where additional expenditure is targeted.
55. The costs and benefits in this IA are presented in nominal prices.
56. The impacts of all the options represent estimates at their expected steady state values, with a range provided alongside the best estimates. These have been derived using the volumes and case mix of claims in 2023-24 and therefore reflect the most accurate estimate of current caseloads at the time of completing the IA.⁸ For LGFS, volumes are expected to rise, therefore increases have been applied to the 2023-24 data to estimate steady state costs. Crime Lower volumes are expected to remain relatively stable by comparison, so no separate increase has been applied. However, volumes for both Crime Lower and the Crown Court have been sensitivity tested to capture uncertainty in the volume assumptions.
57. Any one-off costs are assumed to be incurred in the financial year 2025-26. No optimism bias is applied to any of the steady state costs or benefits, as they are based on known fixed fees. Estimates for the implementation costs have been rounded up to allow for optimism bias. More details are given in the methodology section.
58. Sensitivity analysis has been performed in section F on the cost estimates reflecting uncertainty in the estimates. Two scenarios are analysed, (A) where modelling assumptions are taken to the values which would give the highest costs and benefits; (B) where modelling assumptions are taken to the values which would give the lowest costs and benefits.
59. Any changes that arise as a result of the increased cost of legal aid are assumed to amount to a transfer between the Legal Aid Agency and legal aid providers and, as such, net present values (NPV) have not been included in this IA.
60. The cost estimates are based on the Legal Aid Agency billing data. The analysis in this IA is based on closed case expenditure and volumes in 2023-24, with Crown Court - LGFS costs adjusted to reflect the forecasted increase in volumes.
61. The expenditure estimates in this IA have been rounded as follows: estimates below £100,000 have been rounded to the nearest £10,000; estimates below £1m have been rounded to the nearest £100,000; all other figures have been rounded to the nearest £1m. However, in a few instances, we have deviated from these rounding rules and applied a consistent rounding within the same table columns. Percentage values have also been rounded. Consequently, some totals may not agree due to rounding. All figures include VAT unless otherwise stated.
62. Further details on the methodology assumptions and risks can be found in section F.

Baseline

63. As stated above, the police stations, magistrates' court, Crown Court - LGFS, and prison law modelling is based on 2023-24 volumes and case mix. However, for Crown Court - LGFS,

⁸ Legal aid claims for 2023-24 are based on the latest published data: https://www.gov.uk/government/collections/legal-aid-statistics_Hheadline Tables.

projected increases in volumes are applied to reflect the expected future position. At the time of completing this IA, the data used represents the latest available data.

64. For police stations, the volumes of legally aided cases and associated spending relate solely to police station attendance work. The baseline spend for police station and magistrates' court areas has been adjusted to reflect the full-year impact of the recent 15% fee uplift (effective from 30 September 2022), as well as the increase in the lowest London and non-London police station fees and the youth fee enhancement (effective from 6 December 2024). The baseline spend for Crown Court - LGFS has similarly been adjusted to reflect the full-year impact of the changes introduced in September 2022. No adjustment has been made for prison law, as it has not been affected by any recent fee scheme changes. Further details are provided in the Assumptions and Risks section.
65. We have used the latest available year of data as our best estimate of 'steady state'⁹ due to uncertainty around expected future volumes, except for Crown Court - LGFS volumes, where the steady state includes a forecasted increase in Crown Court spend¹⁰. As outlined in the Assumptions and Risks section, volumes in future years may differ from this estimate, either higher or lower. The impact of this variability has been tested in the sensitivity analysis.

Costs of preferred options

66. The key costs of the police station attendance, magistrates' court, Crown Court - LGFS, prison law options are described below. The geographical and provider (office) level impacts are described further in Annex A.

Legal aid clients

67. The measures we are introducing may improve access to justice because they are designed to help ensure the stability of the market.
68. Clients would still have access to the same criminal legal aid services as they do now, provided, where applicable, the interests of justice and means tests are satisfied. However, the measures being introduced may result in criminal legal aid services being quicker to access or there being greater choice for clients, if the supply of lawyers is increased due to fees which more appropriately compensate them.
69. As Option 1c would result in an overall increase in Crown Court spend via LGFS, the total value of the contributions that defendants would need to make could increase. This would be the case for those individuals that currently pay the full cost of their defence and have income and capital sufficient to pay a higher contribution. Given the lack of data, we have been unable to undertake detailed analysis of the impacts on client, however, as explained below these are likely to be limited.
70. Annually, about 9,000 to 10,000 defendants at the Crown Court are required to pay an income contribution order (ICO). In many cases, the income contributions do not meet the full defence costs of the case and therefore the client's income contributions would not be affected by an increase in fees. Approximately 1,500 to 2,000 Capital Contribution Orders (CCOs) are also issued each year, representing between 2% and 3% of the legally aided population at the Crown Court.

⁹ Department uses steady state estimates when assessing the annual ongoing cost of a legal aid fee scheme. This is because a change to a legal aid fee scheme will not usually take effect across existing cases following policy implementation. Instead, the change in fee schemes usually only takes effect in respect of cases which start after it has been implemented. This means that there is a period where cases commenced after the introduction of the new fee scheme will be billed on the basis of the new fee scheme whilst existing cases in the system continue to be billed on the basis of the pre-existing fee scheme. Steady state is achieved at the point when all cases are being billed on the basis of the new fee scheme.

¹⁰ Spend might increase as a result of an increase in volumes, a change in case mix or both.

71. As such, we anticipate that this option would only affect a small proportion of legal aid clients, with the overall LGFS case fee increase being 2% (see Table 10). Furthermore, since the contribution levels are subject to means testing and are intended to recover a proportion of the cost of providing legal aid services, we consider any differences in impact to be proportionate to the legitimate aim of supporting the sustainability of the market and properly compensating for work done.

Legal Aid Agency/Ministry of Justice

Transition costs

72. The Legal Aid Agency would need to implement these changes, with a cost of around £0.53m. These implementation costs are indicative and are described in Table 1 below.

Table 1: Estimated Legal Aid Agency implementation costs for Option 1 (a – d), £m

	Implementation Costs
Police Stations	
Option 1a – harmonise police station attendance fees	0.12
Magistrates Court	
Option 1b – uplift magistrates' court fees by 10%	0.04
Crown Court - LGFS	
Option 1c – uplift basic fees	0.30
Prison Law	
Option 1d – uplift prison law fees by 24%	0.08
Total	£0.53m

- Figures may not sum due to rounding.

Steady state costs

73. The combined cost to the legal aid fund for the police station, magistrates' court, Crown Court - LGFS and prison law measures is estimated at around £86m per annum based on 2023-24 volumes and spend. This is expected to rise to £88m in steady state (best estimate, within a range of £79m to £96m), as shown in Table 2 below.¹¹ This increase is attributed to the Crown Court - LGFS scheme stemming from an expected rise in Crown Court spend. As a result, the steady state estimated additional fee costs for Crown Court - LGFS increase from £8m to £10m. For the police station, magistrates' court, and prison law areas, the steady state costs are assumed to remain consistent with 2023-24 volumes and spend. Further details are provided below.

¹¹ Table 2 presents only the 'best estimates.' For the ranges accompanying these estimates, please refer to Table 7 - Sensitivity Analysis.

Table 2: Estimated steady state Legal Aid Agency costs for Option 1 (a – d), £m

	Baseline Spend			Additional fee income (based on 2023-24)	Steady state additional fee income
	2023-24	2023-24, including the full impact of the CLAIR fee uplifts, where applicable	2023-24, including the full impact of the CLAIR fee uplifts, the increase in the lowest police station fees, and the youth fee enhancement, where applicable		
Police Stations Option 1a – harmonise police station fixed fees	150	150	169	61	61
Magistrates Court Option 1b – uplift fees by 10%	123	125	130	12	12
Crown Court - LGFS Option 1c – uplift basic fees	421	425	425	8	10
Prison Law Option 1d – uplift fees by 24%	21	21	21	4	4
Total	£716m	£722m	£745m	£86m	£88m

- Figures include expenditure on disbursements & VAT and may not sum due to rounding.
- For police station (attendance work only), magistrates' court cases and Crown Court - LGFS the total baseline spend for 2023-24 has been adjusted to reflect the full impact of the fee uplift that took effect on 30 September 2022. Since the vast majority of police station and magistrates' court cases in the 2023-24 billing data began on or after this date, the impact of this adjustment is minimal. No adjustment has been applied to prison law, as it was not subject to the 15% uplift.

74. Table 3 below shows the current spend on LGFS basic fees including the defendant uplift element and the basic fee element in the initial fee in 2023/24 volumes. It also shows the proposed percentage increase in basic fees by outcome and offence type, as well as the estimated increase in spend as a result of such increases.

Table 3: Current and estimated spend on LGFS basic fees (including defendant uplift element and the basic fee element in the initial fee)

Offence type	Outcome								
	Trial			Cracked trial			Guilty plea		
	Current spend basic fee (£'000)	Proposed change	Increase in spend (£'000)	Current spend basic fee (£'000)	Proposed change	Increase in spend (£'000)	Current spend basic fee (£'000)	Proposed change	Increase in spend (£'000)
A	1,620	0%	-	420	22%	90	130	40%	50
B	6,540	0%	-	9,300	16%	1,500	5,800	28%	1,640
C	1,360	0%	-	3,490	6%	200	2,110	9%	180
D	1,270	0%	-	800	22%	170	490	40%	200
E	90	35%	30	330	53%	170	340	67%	230
F	80	33%	30	230	59%	130	230	58%	130
G	20	33%	10	30	59%	20	20	58%	10
H	390	33%	130	1,020	51%	510	780	62%	480
I	80	33%	30	110	41%	50	70	77%	50
J	5,520	0%	-	1,680	22%	360	1,370	40%	550
K	490	0%	-	330	0%	-	110	5%	10
Total by outcome, £m			0.2	3			4		
Total (excluding VAT), £m									7
Total (including VAT), £m									8
Steady state (including VAT), £m									10

- Figures may not sum due to rounding

Benefits of preferred options

75. The key benefits of the police station, magistrates' court, Crown Court - LGFS, and prison law options are described below. The geographical and provider level impacts are described further in Annex A.

Legal aid service providers: solicitors' firms

76. As stated, under the police station, the magistrates' court, the Crown Court - LGFS, and the prison law measures, solicitors' firms are expected to receive around £86m in additional annual funding based on 2023/24 volumes and spend, rising to £88m in steady state (best estimate).

77. As previously published, the estimated pre-CLAIR baseline for solicitor firms' fee income (fee income before the changes resulting from the CLAIR) is £751m.¹² Therefore, this additional £88m per annum in steady state represents an approximately additional 12% increase in solicitor firms' fee income, which combined with the 12% increase already implemented since September 2022, would bring the total increase in solicitor firms' fee income to around 24%.

¹² See Table 3 in The Criminal Legal Aid (Remuneration) (Amendment) (No. 2) Regulations 2023. https://www.legislation.gov.uk/ukia/2023/39/pdfs/ukia_20230039_en.pdf

Legal Aid clients

78. The preferred options would increase the amount paid to legal aid providers. Although we have not been able to estimate any monetised benefits for legal aid clients, the key aims of these measures – to improve the sustainability and efficiency of the legal aid market – are likely to have a positive effect on legal aid clients for whom a well-functioning and sustainable legal aid market that provides a good quality service is vital.

Legal Aid Agency

79. Harmonising police station fee schemes would provide operational benefits for the Legal Aid Agency. Currently, the agency processes claims from 245 different police station fee schemes with 48 distinct fees across England and Wales. Reducing the number of fees would simplify these processes.

Wider criminal justice system

80. As mentioned in the CLAIR review, there could be wider benefits if these reforms result in the whole criminal justice system functioning more effectively, to be able to respond to forecast increase in demand, and to reduce the backlog. This would benefit the Police, HM Courts and Tribunals Service (HMCTS) and the Crown Prosecution Service (CPS) for instance.

F. Methodology, assumptions, risks and sensitivity analysis

Methodology

Baseline costs

81. As described in paragraphs 63-65, the costs and benefits of the preferred options are based on 2023-24 volumes and spend data for police stations attendance, magistrates' court, Crown Court - LGFS, and prison law, with the LGFS steady state figure adjusted to account for the forecast increase in Crown Court spend. 2023-24 represents the latest available data. For further detail please refer to the Assumptions and Risks Section.

82. The spend data is based on the closed cases measure of expenditure which shows the total value of payments made to legal aid providers in relation to cases that are completed in each period, even where a portion of the work may have taken place and paid over previous periods.

Police station attendance fees – Option 1a

83. Police station attendance fees would be harmonised at a rounded level of £320 excluding VAT. The current maximum fee is the Heathrow fee set at £315.86 (excluding VAT). This new fee level ensures all schemes are harmonised while providing the largest increases to the lowest fee schemes. The escape case threshold¹³ would also be harmonised across all schemes, set at three times the new fee of £320 excluding VAT, which maintains consistency with the current escape thresholds. This change represents an estimated annual investment increase of £61m (best estimate) in police station services, within a range of £55m to £68m, based on 2023-24 case volumes.

¹³ There is an 'escape fee' provision for police stations work whereby a legal aid provider can be paid at hourly rates if the work done surpasses the 'escape threshold'. The escape threshold is typically approximately 3x the fixed fee based on hourly rates. Only the work done above the threshold is paid as an escape fee, not the work done between the fixed fee and the threshold.

Magistrates' court – Option 1b

84. Magistrates' court fees (including Youth Court fees), and the associated thresholds and underlying rates, would receive a flat 10% uplift. This also applies to the recently implemented youth enhanced fee, which is currently £598.59 excluding VAT, or £718.31 including VAT.

Crown Court LGFS – Option 1c

85. LGFS basic fees would be increased as set out in the table below.

Table 4 – Current and proposed new basic LGFS fees

Offence type	Outcome								
	Trial			Cracked trial			Guilty plea		
	Current	Proposed	Change	Current	Proposed	Change	Current	Proposed	Change
A	1,688	1,688	0%	1,040	1,266	22%	782	1,097	40%
B	1,262	1,262	0%	816	947	16%	640	821	28%
C	851	851	0%	604	638	6%	509	553	9%
D	1,603	1,603	0%	988	1,202	22%	743	1,042	40%
E	406	547	35%	268	410	53%	212	356	67%
F	411	547	33%	258	410	59%	225	356	58%
G	411	547	33%	258	410	59%	225	356	58%
H	411	547	33%	273	410	51%	220	356	62%
I	411	547	33%	292	410	41%	201	356	77%
J	1,688	1,688	0%	1,040	1,266	22%	782	1,097	40%
K	1,187	1,187	0%	890	890	0%	737	771	5%

- Figures exclude VAT.
- Current basic fees have been rounded to the nearest £

86. It is important to point out that in cases where the PPE threshold is exceeded, the LGFS scheme also has an 'initial fee'. The initial fee was introduced to ensure there were no disparities in fee calculations when the PPE threshold was exceeded, with the basic fee forming the starting point for the initial fee. Therefore, any increase in basic fees would have a knock-on effect on initial fees, which would be increased by the same amount (in absolute terms). For example, trials in offence type F eligible for the basic fee would see the basic fee increase by 33% or £136 (excluding VAT). As the basic fee forms the starting point for the initial fee, the initial fee would increase by the same amount, rather than having a proportional increase. Therefore, the initial fees for trials in offence type F would also increase by £136 (excluding VAT). This knock-on impact on initial fees has been factored into the estimated costs.

Prison law fees – Option 1d

87. Prison law fees, including the associated thresholds and underlying rates, would receive a flat 24% uplift.

Risks and assumptions

88. Table 5 sets out the main assumptions used in the above analysis and the associated risks.

Table 5: Assumptions and risks associated with police station, magistrates' court, Crown Court - LGFS and prison law Option 1 (a – d)

Area	Assumptions	Risks
Transition costs		
Legal Aid Agency transition costs	Transition costs are based on time estimates and salary costs for digital teams.	This may over- or under-estimate the cost of completing these digital changes. To account for this the costs have been sensitivity tested using a 10% increase and decrease.
Steady state general assumptions		
2023-24 baseline / 'adjusted' baseline spend and volumes	It is assumed baseline legal aid spend and volumes are as described in paragraphs 63-65. The baseline spend figures for police station and magistrates' court areas have been adjusted to reflect the full-year impact of the recent 15% fee uplift (effective from 30 September 2022), as well as the increase in the lowest London and non-London police station fees and the youth fee enhancement (effective from 6 December 2024 ¹⁴). Crown Court - LGFS spend has also been adjusted to fully reflect the impact of the changes introduced in September 2022. No adjustment has been made for prison law, as it has not been affected by any recent fee scheme changes.	Case mix and volumes change year on year which could lead to higher or lower costs than those estimated. Police station case volumes may increase owing to police recruitment. The impact of changes to police station, magistrates' court, Crown Court - LGFS, and prison law volumes have been considered in the sensitivity analysis.
VAT and disbursements	Baseline criminal spend includes VAT and disbursements, unless otherwise specified.	This would not impact the estimated costs or benefits.
Police station attendance fees modelling (Option 1a)		
Police station 'attendance' volume of cases / provider costs submitted	Police station attendance case volumes are as described above (i.e. based on 2023-24 completed billing returns). A small adjustment has been made to omit erroneous cases including cases where the fees do not match the fees prescribed in the	The small adjustment to police stations volumes has a negligible impact and it is not a risk to the modelling.

¹⁴ For further detail – please see: Crime lower consultation: Criminal Legal Aid - GOV.UK
<https://www.gov.uk/government/consultations/crime-lower-consultation/crime-lower-consultation-criminal-legal-aid>

Area	Assumptions	Risks
	Regulations, unless the differences are known. The modelling in respect to changing the escape fee thresholds is based on provider costs (overall costs including travel, waiting and counsel costs) submitted.	
Regional split of police station fee cases/impacts	The regional split of police station case volumes is based on the location of the provider office completing the work, as recorded in the provider completions data.	This would not impact the estimated costs or benefits.
Magistrates' court fees modelling (Option 1b)		
Magistrates' Court volume of cases	Magistrates' court case volumes cover magistrates' court representation volumes in 2023-24 as per Table 2.1 – Legal Aid Statistics.	Magistrates' court case volumes could be higher or lower, and this is tested as part of the sensitivity analysis.
Crown Court - LGFS fees modelling (Option 1c)		
Crown Court - LGFS volume of cases	LGFS case volumes in 2023-24 are as per Table 4.2 (Trials, Cracked Trials and Guilty Pleas excluding Elected Not Proceeded).	Case mix and volumes change year on year which could lead to higher or lower costs than those estimated. This has been considered as part of the sensitivity analysis.
Prison law fees modelling (Option 1d)		
Prison Law volume of cases	Prison law case volumes in 2023-24 are as per Table 2.1 – Legal Aid Statistics.	Case mix and volumes change year on year which could lead to higher or lower costs than those estimated. This has been considered as part of the sensitivity analysis.
Solicitor firm investment		
Crime Lower	It has been assumed that all fees paid for Crime Lower work go to solicitors' firms. Solicitors' firms can hire a Barrister to represent their client in the Lower courts, so they may indirectly benefit from the increase in fees.	This assumption may lead to an overestimate of the benefits to solicitors' firms.

Sensitivity analysis

Implementation costs

89. There is a degree of uncertainty around the estimates for the implementation costs, so scenarios have been modelled where these costs are either increased (Scenario A) or decreased (Scenario B) by 10%. The results of this analysis are shown in Table 6 below. The changes in the implementation costs are very small.

Table 6: Sensitivity analysis of implementation costs for Option 1 (a – d), £m

Implementation Costs	Central Estimate	Scenario A	Scenario B
Police Stations			
Option 1a – harmonise police station attendance fees	0.12	0.13	0.10
Magistrates' Court			
Option 1b – uplift Magistrates' Court fees by 10%	0.04	0.04	0.03
Crown Court – LGFS			
Option 1c – uplift basic fees	0.30	0.33	0.27
Prison Law			
Option 1d – uplift prison law fees by 24%	0.08	0.08	0.07
Total	£0.53m	£0.58m	£0.48m

- Figures may not sum due to rounding.

Steady state costs

90. We have presented the impacts of the options costing more or less than the primary estimates, to try to capture a reasonable range of uncertainty in the modelled cost estimates. Two scenarios have been modelled for illustrative purposes:

- Scenario A assumes the volumes and costs of cases increase.
- Scenario B assumes the volumes and costs of cases decrease.

91. The change for each option under each scenario is shown in Table 7.

92. Scenario A assumes that police station, magistrates' court, LGFS, and prison law volumes / spend increase by 10% whereas Scenario B assumes a decrease of 10%. The total increase in costs under Scenario A is around £8m, with a total estimated spend of £96m. The total decrease in costs under Scenario B is around £9m, with a total estimated spend of £79m.

Table 7: Sensitivity analysis – steady state additional costs per annum for Option 1 (a – d), £m

	Central Estimate	Scenario A	Scenario B
Police Stations			
Option 1a – harmonise police station fixed fees	61	68	55
Magistrates Court			
Option 1b – uplift fees by 10%	12	13	11
Crown Court - LGFS			
Option 1c – uplift basic fees	10	11	9
Prison Law			
Option 1d – uplift fees by 24%	4	4	3
Total	£88m	£96m	£79m

- All figures include VAT.
- Figures may not sum due to rounding.

G. Wider impacts

Equalities

93. The Equality Assessment published alongside the consultation response gives further details on the equality's impacts.

Families

94. We have no evidence to suggest that families would be disproportionately adversely affected by the measures.

Better regulation

95. These measures are out of scope of the Better Regulation Framework.

International trade

96. The options in this IA have no implications for international trade.

Welsh language

97. We do not consider these measures would have an impact on legal services through the medium of Welsh.

Growth

98. A sustainable criminal legal aid market will have a positive effect in supporting growth by protecting the rule of law. This consultation also supports the growth agenda insofar as this investment is necessary to support the sustainability of this crucial market. Our changes are designed to support recruitment and retention, particularly where the criminal justice system relies on duty solicitors, and they are part of an overall ambition to put criminal legal aid on a sustainable long-term footing.

Annex: distributional analysis of the fee reforms for solicitors' offices

99. This annex assesses to what extent, if any, there are differential overall impacts from Option 1 (a) police station harmonisation, b) magistrates' court uplift, c) Crown Court - LGFS uplift, and d) prison law uplift) on solicitor offices with certain characteristics – for example, whether the fee increases vary by geographical location or by office size in terms of total criminal legal aid income. This annex also assesses if these distributional impacts vary across the different reform areas¹⁵. These estimates exclude the impact of uplifting the recent youth fee enhancement, as youth cases cannot be accurately identified from the magistrates' court legal aid billing data. However, this impact is reflected in the overall analysis, as shown in the relevant tables. Please note that the analysis is based on the steady state cost best estimates.
100. Office location ('region') is used as a proxy for geographical location and office size is determined by overall criminal legal aid income ('total value') – both are sourced from the Legal Aid Provider Statistics for 2023-24.
101. Although we can estimate how much of an increase solicitors' offices would see in their fee income, we cannot say how this money would be used and therefore how this might impact on the remuneration of partners, other qualified solicitors, legal executives or other employees.
102. Table 8 sets out the average fee increase in absolute and percentage terms for police station cases. Please note that the average increase per case figures presented in this annex apply to all cases, not just the impacted cases. Excluding London, all regions will experience an average increase of at least 36% and a regional average uplift of at least £101 including VAT. London would experience the lowest average increase compared to other regions as the region currently has the highest fees prior to the harmonisation in Option 1a. All regions would experience an increase across nearly 100% of their cases. It is not quite 100% of cases, as some see a decrease due to the escape fee threshold change, but these are negligible in number.

¹⁵ The analysis in this annex relates only to the impacted fee scheme areas. For example, criminal solicitor office numbers cover only those offices that completed work in these areas, which covers nearly all offices as per the 2023-24 legal aid billing data.

Table 8: Average fee increases and proportion of police station attendance cases experiencing an increase in fees, split by region

Region	Volume of cases	Average fee increase per case (£)	Average fee increase per case (%)	Cases experiencing increase (%)¹⁶
East Midlands	43,500	113	42%	100%
Eastern	52,100	105	38%	100%
London	93,800	69	22%	100%
Merseyside	15,000	115	43%	100%
North East	36,100	116	43%	100%
North West	61,200	115	43%	100%
South	42,800	109	39%	100%
South East	40,900	101	36%	100%
South West	47,000	114	42%	100%
Wales	34,000	115	42%	100%
West Midlands	53,000	115	42%	100%
Yorkshire and Humberside	64,800	115	43%	100%
Total	584,200	105	38%	100%
London	93,800	69	22%	100%
Non-London	490,400	112	41%	100%

- Figures may not sum due to rounding.
- All figures include VAT.

103. Table 9 sets out the average fee increase in absolute and percentage terms for magistrates' court cases. All regions would experience an average increase of 10%, equating to a regional average uplift of at least £37 including VAT. London would experience a higher average increase than other regions owing to the fact the region currently has relatively higher fee income compared to rest of the country. The impact of uplifting the youth fee enhancement has been included in the final row, showing the overall impact. However, as mentioned above, due to data constraints – namely, the inability to accurately identify youth cases in the legal aid billing data, this impact cannot be included in the regional or office level estimates.

¹⁶ As per the stated rounding convention, all percentages have been rounded to the nearest whole percentage.

Table 9: Average fee increases and proportion of magistrates' court cases experiencing an increase in fees, split by region

Region	Volume of cases	Average fee increase per case (£)	Average fee increase case (%)	Cases experiencing increase (%)
East Midlands	18,900	44	10%	100%
Eastern	21,900	41	10%	100%
London	41,500	52	10%	100%
Merseyside	9,500	39	10%	100%
North East	19,200	37	10%	100%
North West	30,700	41	10%	100%
South	17,100	47	10%	100%
South East	17,200	45	10%	100%
South West	20,900	38	10%	100%
Wales	18,800	38	10%	100%
West Midlands	21,700	42	10%	100%
Yorkshire and Humberside	32,500	39	10%	100%
Total	270,100	43	10%	100%
London	41,500	52	10%	100%
Non-London	228,600	41	10%	100%
Total including youth enhanced fee uplift	270,100	45	10%	100%

- Figures may not sum due to rounding.
- All figures include VAT.

104. Table 10 sets out the average fee increase in absolute and percentage terms for Crown Court - LGFS cases. Most regions would experience an average increase of between 2% to 4%, with the exception of the South West which would experience a slightly larger increase. The average fee increase in absolute terms varies across regions, with London receiving the lowest average absolute fee increase. The East Midlands and Eastern regions experience the largest average absolute fee increase, at £178 and £175 (including VAT), respectively. All regions would experience an increase to at least 75% of their cases.

Table 10: Average fee increases in steady state and proportion of LGFS cases experiencing an increase in fees, split by region

Region	Volume of cases	Average fee increase per case (£)	Average fee increase per case (%)	Cases experiencing increase (%)
East Midlands	3,900	178	3%	86%
Eastern	5,400	175	4%	83%
London	15,400	145	2%	75%
Merseyside	2,200	164	3%	81%
North East	3,400	168	4%	83%
North West	6,700	169	2%	84%
South	3,500	161	3%	78%
South East	3,100	156	3%	78%
South West	3,700	168	5%	83%
Wales	3,300	165	3%	81%
West Midlands	5,700	160	2%	79%
Yorkshire and Humberside	7,000	162	2%	82%
Total	63,200	161	2%	80%
London	15,400	145	2%	75%
Non-London	47,800	166	3%	82%

- Figures may not sum due to rounding.
- All figures include VAT.

105. Table 11 sets out the average fee increase in absolute and percentage terms for prison law cases. All regions would experience an average increase of 24%. The average fee increase in absolute terms varies significantly across regions, as regions with a higher current average fee would experience a relatively large fee increase amount due to the uplift being applied in percentage terms. All regions would experience an increase to 100% of their cases.

Table 11: Average fee increases and proportion of prison law cases experiencing an increase in fees, split by region

Region	Volume of cases	Average fee increase per case (£)	Average fee increase per case (%)	Cases experiencing increase (%)
East Midlands	2,400	230	24%	100%
Eastern	1,200	327	24%	100%
London	4,500	270	24%	100%
Merseyside	1,100	232	24%	100%
North East	800	198	24%	100%
North West	900	200	24%	100%
South	400	210	24%	100%
South East	300	232	24%	100%
South West	700	119	24%	100%
Wales	900	154	24%	100%
West Midlands	1,900	261	24%	100%
Yorkshire and Humberside	1,400	181	24%	100%
Total	16,500	235	24%	100%
London	4,500	270	24%	100%
Non-London	12,000	221	24%	100%

- Figures may not sum due to rounding.
- All figures include VAT.

106. Table 12 sets out the average fee increase in absolute and percentage terms for each region across all four areas of reform. Most regions would experience an uplift of at least 11%, except for London. This is primarily a result of the relatively lower average percentage fee uplift for police stations in London as fees are already high, as detailed in Table 8. Furthermore, London has the joint lowest average percentage fee increase for Crown Court - LGFS cases at 2%, see Table 10. All regions would experience an average fee increase of at least £78 including VAT in steady state. Excluding London, the average fee increase is £96 (including VAT in steady state) with each region experiencing an average fee increase of at least £89 (including VAT in steady state). All regions would experience an increase to at least 97% of their cases. As is the case in the magistrates' court table, the impact of uplifting the youth fee enhancement has been included in the final row, showing the overall impact.

Table 12: Average fee increases in steady state and proportion of all cases (police station, magistrates' court, Crown Court - LGFS, and prison law) experiencing an increase in fees, split by region

Region	Volume of cases	Average fee increase per case (£)	Average fee increase per case (%)	Cases experiencing increase (%)
East Midlands	68,800	102	16%	99%
Eastern	80,500	96	15%	99%
London	155,200	78	6%	97%
Merseyside	27,900	98	12%	98%
North East	59,500	94	18%	99%
North West	99,500	97	13%	99%
South	63,800	96	15%	99%
South East	61,500	89	16%	99%
South West	72,300	95	21%	99%
Wales	56,900	93	15%	99%
West Midlands	82,300	102	11%	98%
Yorkshire and Humberside	105,600	96	12%	99%
Total	934,000	93	12%	99%
London	155,200	78	6%	97%
Non-London	778,700	96	14%	99%
Total including youth enhanced fee uplift	934,000	94	12%	99%

- Figures may not sum due to rounding.
- All figures include VAT.

107. Table 13 sets out the average total office fee increase across each area of reform for each region. It should be noted that the average total office fee increase for each area is based only on those offices that completed work in that specific area. For instance, the averages presented for the prison law area reflect only the offices that carried out prison law work, not to all offices.

108. In every region except London, offices that take on police station attendance work would experience an average fee income increase of at least £33,700 (including VAT). London offices experience a smaller average increase due to a more modest rise in police station attendance fees compared to other areas and the high volume of offices in London. In all regions, offices that complete magistrates' court cases would experience an average increase of at least £5,000 (including VAT). In all regions, offices taking on Crown Court - LGFS cases would experience an average fee income increase of at least £5,000 (including VAT). All offices that complete prison law cases would experience an average uplift of at least £11,400 (including VAT), with offices in the East Midlands and Eastern regions set to

experience a significantly higher increase. This is due to the lower number of offices in these regions, which appear to specialise in prison law work. Overall, in most regions, offices would experience an average increase of at least £52,300 (including VAT) with the exception of London and the West Midlands.

Table 13: Average fee income increases in steady state at the office level across each area of reform (police station, magistrates court, Crown Court – LGFS, and prison law), split by region

Region	All Offices ¹⁷	Police Stations	Magistrates ' Court	Crown Court – LGFS	Prison Law	Overall
East Midlands	100	51,900	8,700	7,700	109,600	70,300
Eastern	124	47,700	7,600	8,800	94,500	62,100
London	429	17,500	5,800	5,700	33,700	28,200
Merseyside	50	38,500	8,000	7,800	32,400	54,700
North East	92	52,800	8,700	6,900	20,100	60,900
North West	173	44,900	7,800	7,100	11,400	55,600
South	95	59,600	10,000	7,000	11,500	64,300
South East	103	43,000	7,900	5,200	13,000	53,000
South West	95	61,700	9,000	6,700	22,100	72,300
Wales	101	39,300	7,300	6,100	19,800	52,300
West Midlands	201	33,700	5,000	5,000	27,600	41,800
Yorkshire and Humberside	168	47,600	8,100	7,100	22,700	60,200
Total	1,731	39,400	7,300	6,500	29,900	50,300
London	429	17,500	5,800	5,700	33,700	28,200
Non-London	1,302	46,300	7,700	6,700	28,500	57,500
Total including youth enhanced fee uplift	1,731	39,400	7,600	6,500	29,900	50,600

- Figures may not sum due to rounding.
- All figures include VAT.

109. Table 14 describes the average fee increases per case for different office sizes, which is measured based on overall criminal legal aid income from those schemes that receive the proposed uplifts.¹⁸ Overall, there is little difference in the average fee increase per case across firms of different size, with increases ranging from £91 to £94 including VAT in steady state. As the office size increases, the average percentage fee increase declines from 16% for the smallest offices (criminal legal aid fee income up to £200k) to 9% for the largest offices (fee income greater than £800k). This is due to the smallest offices taking on a greater proportion of police station cases, and a lower proportion of Crown Court - LGFS cases relative to larger offices. As police station cases would experience the greatest percentage fee uplift, and Crown Court - LGFS cases the lowest, the smallest offices would experience a greater overall percentage fee uplift. The impact of uplifting the youth enhanced fee is not included in Tables 14 and 15.

¹⁷ This represents the total number of offices in each region completing work in the areas of reform. The average increase per office for each reform area is based only on those offices that completed work in that specific area. For example, the average increase per office of £109,600 in the East Midlands for the prison law area applies only to offices completing prison law work that are based in that particular region, not to all offices in that region.

¹⁸ The main two schemes not included are AGFS and VHCC, as the proposed changes do not affect these schemes.

Table 14: Average fee increases in steady state and proportion of cases experiencing an increase in fees (across police station, magistrates' court, Crown Court – LGFS, and prison law), split by office total criminal legal aid fee income

Overall Criminal Legal Aid Income (£)	All Offices	Average fee increase per case (£)	Average fee increase per case (%)	Cases experiencing increase (%)
0-200,000	771	91	16%	99%
200,001-400,000	337	93	15%	99%
400,001-600,000	256	94	14%	99%
600,001-800,000	121	92	13%	99%
800,001+	246	94	9%	98%
Total	1,731	93	12%	99%

- Figures may not sum due to rounding.
- All figures include VAT.

Table 15 presents the distribution of offices across different bands of fee income increases, based on the estimated fee uplifts for each office. Offices experiencing a greater total fee increase would experience a larger average fee increase in absolute and percentage terms.

Table 15: Average fee increases in steady state and proportion of cases experiencing an increase in fees (across police station, magistrates' court, Crown Court - LGFS, and prison law), split by office total criminal legal aid fee income increases

Overall Fee Income Increase (£)	All Offices	Average fee increase per case (£)	Average fee increase per case (%)	Cases experiencing increase (%)
0-25,000	765	87	6%	97%
25,001-50,000	349	90	10%	98%
50,001-75,000	218	91	10%	98%
75,001-100,000	146	93	14%	99%
100,001+	253	96	15%	99%
Total	1,731	93	12%	99%

- Figures may not sum due to rounding.
- All figures include VAT.