

# Case Lengths, Case Costs and Fixed Fees



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## 1 Introduction

- 1.1 This report provides a comprehensive analysis of all cases reported by NfP agencies and solicitors firms, during 2005-06, in the main social welfare law categories of housing, welfare benefits, debt and employment.
- 1.2 It follows on from a similar report published by ASA in May 2006, which analysed all such cases reported by NfP agencies during 2004-05.
- 1.3 We attach as annexes to this paper individual reports setting out findings in relation to each of the four categories of law.
- 1.4 This report, and its annexes, provides vital background information to the introduction of fixed fees from October 2007. It sets out the links between case lengths (for NfPs) and case costs (for solicitors) and
- The types of cases
  - The types of clients
  - The extent of work done for clients
  - The results achieved
  - The region where the work was carried out.
- 1.5 The report then considers some of the implications of these findings in the context of the introduction of fixed fees.

## 2 Information on case lengths and case costs

- 2.1 In late 2006, the LSC provided ASA with anonymised details of all the cases completed under NfP and solicitor contracts in 2005-06 in four categories of law. The number and distribution of cases reported was as follows:

	<b>Housing</b>	<b>Benefits</b>	<b>Debt</b>	<b>Employment</b>	<b>Total</b>
NfPs	35,823	55,677	48,537	4,566	144,603
Solicitors	55,404	23,344	15,374	5,568	99,690
Total	91,227	79,021	63,911	10,134	244,293
NfP Percentage	39%	70%	76%	45%	59%
Solicitors Percentage	61%	30%	24%	55%	41%

2.2 The details provided are those recorded by organisations when reporting cases as closed on the CMRF form, using the “SPAN” coding framework then in force.<sup>1</sup> The information and analysis that follows is therefore entirely dependent on the details provided on those forms.

2.3 Since NfPs recorded all their work in 2005-06 as “time”, we refer to their case lengths in terms of minutes. During 2005-06 solicitors were paid “tailored fixed fees” (based on their average case costs in 2003-04),<sup>2</sup> but reported the profit costs they would otherwise have claimed in pounds (£). The analysis that follows is based on the profit costs figures so recorded.

2.4 The national averages are as follows:

Category	Nfp Average in minutes	NfP Average in hours	Solicitors average
Housing	234 minutes	3.9 hours	£200
Benefits	274 minutes	4.6 hours	£180
Debt	314 minutes	5.2 hours	£152
Employment	430 minutes	7.2 hours	£325

2.5 We are extremely grateful to Peter Watson of Citizens Advice for much of the analysis on which this report is based. This has enabled us to relate the average length of cases in each category to:

- The type of case as recorded in the SPAN system as ‘Matter Type Part 1’, and ‘Matter Type Part 2’<sup>3</sup>
- The client’s ethnicity, disability status, gender and age
- The extent of work done and outcomes achieved<sup>4</sup>
- The LSC region in which the case was carried out

2.6 The relationships revealed by our analysis are only suggestive however. We cannot prove that cases of a particular type take longer than average because they are cases of that particular type, although this seems logical in many instances. Each individual case has a number of characteristics, which may be related to the length of the case. We cannot disentangle the influence of these different characteristics. This would require detailed statistical analysis, which we have not carried out.

2.7 It is important also to remember that there may also be factors not covered within the SPAN recording system that impact on case lengths. One big unknown factor is the identity and behaviour of the ‘other side’ involved in a case, and the effect that this has on case lengths.

<sup>1</sup> See the ‘Guidance for reporting work under general civil contracts: Controlled work – the SPAN system’ published by the LSC, available at: [http://www.legalservices.gov.uk/docs/forms/span\\_guidance\\_0406.pdf](http://www.legalservices.gov.uk/docs/forms/span_guidance_0406.pdf)

<sup>2</sup> Unless the case cost more than three times the tailored fixed fee, in which case solicitors could claim their actual profit costs.

<sup>3</sup> The Matter Type Part I is usually a general description of the type of case. The Matter Type Part II records further information such as the nature of the advice given (benefits), the client’s needs (debt) or the client’s circumstances (housing and employment).

<sup>4</sup> The first endpoint indicates the result of the case. The second endpoint indicates whether the case involved wider public benefits. The third endpoint indicates the stage at which the case concluded.

### 3 The key findings

- 3.1 Our key findings, set out below, concern a number of noticeable differences between average case times in each of the four categories of law. Many of these are expressed in terms of the amount by which cases with particular characteristics vary on average from the overall average case lengths [NfPs] or costs [solicitors] within individual categories of law.

#### Types of cases

- 3.2 There are some interesting differences in the types of cases carried out by NfP agencies and solicitors firms. There are substantial differences in average case lengths or costs depending on the type of case within each category of law.

#### In housing

- The sectors report different proportions of cases classified as “Other” [9% for NfPs, compared to 16% for solicitors], homelessness [36% compared to 23%] and disrepair [5% compared to 9%].
- The sectors report different proportions of cases in which the landlord is a local authority [27% for NfPs, compared to 40% for solicitors] or where the client is actually homeless [17% compared to 9%].
- For NfPs, cases take longer than average if classified as Arrears [+32 minutes] or Disrepair [+ 38 minutes]. For solicitors, cases take longer than average if classified as Homelessness [+£28].
- For NfPs, cases take longer than average if the landlord is classified as other social landlord [+31 minutes]. Cases take shorter than average if the landlord is private [-25 minutes] or if the client is described as actually homeless [-25 minutes]. For solicitors, cases take slightly longer than average if the client is described as actually homeless [+£20].

#### In welfare benefits

- The sectors report similar proportions of cases classified as challenge or entitlement, but somewhat different proportions classified as disability [40% for NfPs; 31% for solicitors] and “other” [12% compared to 20%].
- Under Matter Type Part 2, both sectors report high proportions of cases classified as “other” [40% and 39%]. NfPs report more cases classified as Appeal [31% compared to 22%] and fewer cases classified as Refusal [4% compared to 9%].
- For both sectors, cases take longer if classified as Challenge [+71 minutes; +£50] and shorter if classified as Entitlement [-91 minutes; -£43] or “other” [-68 minutes; -£22].
- Under Matter Type Part 2, cases take longer if classified as Appeal [+129 minutes; +£85] or Appeal to the Social Security Commissioners [+179 minutes; +£170], and shorter than average if reported as Review [-48 minutes; -£18] or “other” [-80 minutes; -£49].

#### In debt

- The sectors report very different case type distributions. The proportions of housing debt, bank loans and insolvency cases are similar but there are large differences in the proportions of cases reported as multiple debts [59% for NfPs compared to 19% for solicitors], council tax [3% compared to 10%] and utilities [2% compared to 6%].

- Similarly, in relation to Matter Type Part 2, the sectors differ in the proportions reported as Other [12% for NfPs compared to 22% for solicitors], Reschedule [80% compared to 43%], Challenge and Reschedule [5% compared to 11%] and Challenge [3% compared to 20%].
- For both sectors, cases take longer if they involve multiple debts [+29 minutes; +£38], slightly longer than average if they concern insolvency [+7 minutes; +£23] but less than average in all other cases involving single debts, especially for NfPs.
- In relation to Matter Type Part 2, cases take longer if they involve challenging and rescheduling debts [+92 minutes; + £23], close to average if they involve rescheduling only, and shorter than average if they are reported as challenging debts only [-60 minutes; -£34].

### In employment

- The sectors report a similar distribution of cases under Matter Types 1 and 2.
- In both sectors, cases take longer than average if reported as unfair dismissal [+55 minutes; +£34] and very much longer than average if reported as discrimination [+280 minutes; +£229]. All other cases take very much shorter than average times in both sectors.
- Cases take longer than average if the client is reported as unemployed [+43 minutes; +£35] and shorter than average otherwise.

### Types of clients

#### Ethnicity

- 3.3 There are differences in average case times linked to the client's recorded ethnicity. The relationship between ethnicity and average case times varies between the sectors and between different categories of law.
- 3.4 Suppliers are asked to record the ethnicity of each client who signs a Legal Help form, using the 16 categories approved by the CRE (or alternatively recording the client's ethnicity as "unknown"). The following table distinguishes between those cases where the client was recorded as "White British" and all other cases [referred to as BME] except those where the clients' ethnicity is recorded as unknown. The table sets out the average case lengths/costs for these two classes, the average for all cases and the variance from the average of these two classes.

Sector	Category	Averages			Variance	
		White British	BME	Overall	White British	BME
NfP	Debt	312	321	314	-2	+7
	Benefits	262	301	274	-12	+27
	Employment	407	476	430	-23	+46
	Housing	219	270	234	-15	+36
Solicitors	Debt	£147	£171	£152	-£5	+£19
	Benefits	£151	£230	£180	-£29	+£50
	Employment	£268	£496	£325	-£57	+£171
	Housing	£175	£234	£200	-£25	+£34

- 3.5 These figures suggest that there is an “ethnicity effect” of varying degrees depending on the sector and the category of law. There is however a remarkable difference between London and all other regions in the ethnic profile of clients. The following table sets out the proportion of clients classified as White British.

		Housing	Benefits	Debt	Employment
London	NfPs	24%	23%	30%	23%
	Sols	22%	15%	26%	21%
Outside London	NfPs	77%	76%	86%	72%
	Sols	75%	76%	83%	80%

- 3.6 The following table sets out the proportion of clients classified as having an ethnicity other than White British. The figures are not the converse of those in the previous table, due to the number of cases where the client’s ethnicity is recorded as “unknown”, which varies between 2% and 11% of cases.

		Housing	Benefits	Debt	Employment
London	NfPs	73%	72%	65%	74%
	Sols	68%	82%	66%	74%
Outside London	NfPs	20%	22%	12%	26%
	Sols	14%	18%	10%	13%

- 3.7 Average case lengths/costs are also much higher in London than in the rest of England and Wales (see paras 3.26-27 below). In order to separate the “ethnicity effect” from the “London effect” the following tables break the national figures down into (a) London and (b) the rest of England and Wales.

- 3.8 The figures for London are as follows:

Sector	Category	Averages			Variance	
		White British	BME	Overall	White British	BME
NfP	Debt	353	336	340	+13	-4
	Benefits	357	367	364	-7	+3
	Employment	489	542	526	-37	+16
	Housing	308	328	327	-19	+1
Solicitors	Debt	£254	£199	£216	+£38	-£17
	Benefits	£291	£265	£270	+£21	-£5
	Employment	£596	£676	£662	-£66	+£14
	Housing	£242	£247	£246	-£4	+£1

3.9 The figures for the rest of England and Wales are as follows:

Sector	Category	Averages			Variance	
		White British	BME	Overall	White British	BME
NfP	Debt	311	314	312	-1	+2
	Benefits	258	269	260	-2	+9
	Employment	399	416	401	-2	+15
	Housing	214	235	218	-4	+17
Solicitors	Debt	£143	£151	£145	-£2	+£6
	Benefits	£143	£179	£151	-£8	+£28
	Employment <sup>5</sup>	£249	£273	£248	+£1	+£15
	Housing	£161	£188	£167	-£6	+£21

### Disability

3.10 There is some relationship between disability and average case times in benefits, debt and housing and a strong relationship in employment cases.

3.11 The summary below compares the average case lengths/case costs of cases where the client is recorded as disabled with the average case lengths/case costs of all cases [i.e. those where the client's disability status was recorded as disabled, not disabled or unknown]

#### In benefits

- For NfPs, clients recorded as disabled took slightly longer than the average [287 as compared to 274 minutes]
- For solicitors there was no difference.

#### In debt

- For NfPs, clients recorded as disabled took slightly longer than the average [338 as compared to 314 minutes]
- For solicitors there was a smaller difference [£160 as compared to £152].

#### In housing

- For NfPs, clients recorded as disabled took significantly longer than the average [278 as compared to 234 minutes]
- For solicitors there was only a slight difference [£209 as compared to £200].

#### In employment

- For NfPs, clients recorded as disabled took very much longer than the average [589 as compared to 430 minutes]
- The same was true for solicitors [£470 as compared to £325].

<sup>5</sup> In these cases the overall average is lower than both the White British and BME averages due to the fact that 7% of cases were recorded as "unknown", with an average cost of £199, thus depressing the overall average.

### Extent of work done for clients

3.12 The distribution of cases in terms of their third end point code is as follows:

Category	Sector	First meeting	Further work	Putting case	Representation
Housing	NfPs	15%	32%	38%	14%
	Sols	10%	37%	41%	11%
Benefits	NfPs	16%	35%	38%	11%
	Sols	16%	38%	39%	6%
Debt	NfPs	8%	28%	60%	4%
	Sols	12%	43%	43%	2%
Employment	NfPs	19%	29%	40%	11%
	Sols	13%	40%	44%	2%

3.13 The following table compares the average case times at each end point code with the overall average for cases in each category and sector.

Category	Sector	First meeting	Further work	Putting case	Representation
Housing	NfPs	-150	-63	+72	+112
	Sols	-£104	-£38	+£52	+£28
Benefits	NfPs	-181	-67	+63	+262
	Sols	-£106	-£43	+£55	+£180
Debt	NfPs	-195	-47	+39	+147
	Sols	-£71	-£9	+£26	+£67
Employment	NfPs	-346	-189	+125	+655
	Sols	-£222	-£122	+£152	+£494

### Results achieved for clients

3.14 It is not surprising that it takes longer to achieve positive results for clients, but many of the relationships are noticeable.

3.15 In each of the four categories, cases that are recorded as achieving significant wider public benefits take much longer than the average. The number of such cases is however very small.

3.16 There are some differences between the sectors in the proportions of cases reported as achieving particular outcomes. Details are set out in the individual annexes to this report.

3.17 As far as the individual categories are concerned, we set out below some important findings concerning the relationship between case times and outcomes, limited however to situations where the proportions of cases reported with the outcome concerned is more than 5% in one or both sectors.

### **In housing**

3.18 Cases take longer than average if they are recorded as

- Proceeding under other CLS funding [+118 minutes for NfPs; +£40 for solicitors]
- Resulting in the client being housed, re-housed or retaining their home [+59 minutes; +£21]

3.19 Cases take shorter than average if the outcome is recorded as

- Client advised and taking action themselves [-94 minutes; -£27]
- Outcome not known [-48 minutes; -£43]
- Client enabled to plan/manage better [-55 minutes; -£26]

### **In welfare benefits**

3.20 Cases take longer than average if they are recorded as

- Resulting in the client receiving a lump sum or property [+88 minutes; +£13]
- Resulting in the client receiving a new or increased regular payment [+60; +£20]

3.21 Cases take shorter than average if the outcome is recorded as

- Client advised and taking action themselves [-101 minutes; -£16]
- Outcome not known [-78 minutes; -£43]
- Client enabled to plan/manage better [-112 minutes; -£36]

### **In debt**

3.22 Cases take longer than average if they are recorded as

- Resulting in a reduction of the sum owed to a third party [+85 minutes; +£27]
- Resulting in a reduction of the client's liability to make regular payments [+61 minutes; +£31]

3.23 Cases take shorter than average if the outcome is recorded as

- Client advised and taking action themselves [-66 minutes; -£11]
- Outcome not known [-62 minutes; -£26]

### **In employment**

3.24 Cases take longer than average where they are recorded as

- Resulting in the client receiving a lump sum or property [+276 minutes; +£199]

3.25 Cases take shorter than average if the outcome is recorded as

- Client advised and taking action themselves [-243 minutes; -£32]
- Outcome not known [-221 minutes; -£146]
- Client enabled to plan/manage better [-241 minutes; -£68]
- Matter stopped on adviser's recommendation [-91 minutes; -£83]

## Regional variations

3.26 There are clear variations in average times between the regions in each category of law. The table below sets out the variations from the national average of case lengths and case costs reported in each region.

	<b>Housing</b>		<b>Benefits</b>		<b>Debt</b>		<b>Employ</b>	
	Nfps	Sols	Nfps	Sols	Nfps	Sols	Nfps	Sols
Birmingham	+13	+\$15	+16	+\$12	-15	+\$23	-80	-\$72
Brighton	+15	-\$80	+17	-\$71	+29	-\$23	+61	-\$106
Bristol	-52	-\$12	-31	-\$12	-62	-\$5	-62	-\$38
Cambridge	-13	-\$23	+27	+\$22	+28	+\$2	-18	-\$30
Cardiff	-65	-\$34	-28	-\$32	+33	-\$5	-88	-\$166
Leeds	-68	-\$44	-58	-\$12	-4	+\$5	+67	-\$40
Liverpool	+73	-\$58	-49	-\$63	-15	-\$18	+85	-\$117
London	+93	+\$46	+91	+\$91	+26	+\$64	+96	+\$337
Manchester	-11	-\$58	-40	-\$16	-1	-\$5	-116	+\$9
Newcastle	+22	-\$43	+32	-\$26	+1	-\$30	-83	-\$121
Nottingham	+45	-\$31	+2	+\$41	+12	-\$5	+93	-\$89
Reading	-14	+\$27	+11	-\$4	+52	-\$7	+71	-\$65

3.27 It will be noted that

- The Bristol figures are all below average
- The Cardiff figures are all below average except for NfP debt cases
- The Manchester figures are all below average except for solicitors' employment cases
- The London figures are all substantially above average, and are the highest in all categories in both sectors except for NfP debt cases
- Most notable are the London solicitors' employment cases which in fact average over twice the national average, which they also influence significantly as they represent 18% of all solicitors' employment cases.

## 4 Fixed Fees

### Introduction

4.1 The analysis so far has been concerned to identify factors that are linked to cases taking significantly longer or shorter than the average in each sector. From October 2007, however, all controlled work in these categories of law will be remunerated under a system of national fixed fees. For the future, it is the variations from the fixed fee that are the most important factor to consider.

4.2 In the annexes to this paper we set out the proposed fixed fee for each category, the equivalent number of minutes, assuming that NfPs average costs are £50 per hour, and the value and equivalent time which represents the threshold above which cases can be classed and paid as "exceptional".

- 4.3 Fixed fees have been justified by the LSC/DCA on the basis that there will be “swings and roundabouts” (with cases that cost more than the fixed fee being balanced by cases that cost less), while cases that cost more than three times the fixed fee will be paid on an “exceptional” basis.
- 4.4 A number of factors are relevant as likely determinants of whether suppliers will be able to survive the change to fixed fees. These include:
- The actual distribution of case lengths/costs in each category
  - The extent to which cases of particular types, or with particular characteristics, are likely to cost more or less than the fixed fee
  - The extent to which suppliers can change their case mix, to include a higher proportion of lower value cases
  - The proportion of cases that are likely to fall into the “exceptional” category
  - The proportion of cases that are likely to cost more than the fixed fee but less than the amount needed to qualify as an “exceptional” case.
- 4.5 In the annexes, and in the analysis that follows, we have identified types of cases that cost 125% or more of the relevant fixed fee. It appears to us that cases of this type are likely to be particularly problematic for suppliers under a fixed fee regime. In the analysis below we refer to such cases as costing “significantly” more than the fixed fee.
- 4.6 Before we consider each category of law in turn, a few general points can be made.
- 4.7 Firstly, it appears from our analysis that client ethnicity is an issue of some relevance in housing, and of particular relevance in employment (especially in London).
- 4.8 Client disability seems to be an issue for Nfp housing cases. It is very much an issue in both sectors in employment cases.
- 4.9 The geographical location of suppliers is a very important issue, particularly in relation to London.
- 4.10 There is an issue concerning the outcome of cases. As we have noted already, the achieving of certain positive outcomes is linked to cases taking substantially longer than average, whereas cases with less conclusive outcomes seem to take substantially less time. This could create a perverse incentive for suppliers to do less for clients or even to cherry pick certain types of cases or clients.
- 4.11 This issue is seen most clearly in relation to the third endpoint, which describes the extent of work done. In each category and sector, with the exception of solicitors’ debt cases, cases which involve putting the case for the client or providing representation at court or tribunal have average costs which are substantially more than the fixed fee.

## **Housing**

- 4.12 The LSC has produced an analysis of cases reported in 2005-06, showing how they would fare under the fixed fee regime proposed. According to this analysis, 65.15% of cases would fall below the fixed fee, and 95.83% below the exceptional threshold.<sup>6</sup>
- 4.13 Our analysis suggests that client ethnicity is relevant, although only marginally so for solicitors’ cases in London.

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<sup>6</sup> See Appendix B of the Regulatory Impact Assessment.

- 4.14 Client disability is an issue for NfPs: clients reported as disabled cost on average 136% of the fixed fee.
- 4.15 For both sectors, cases that are reported as proceeding under other CLS funding cost significantly more than the average. This would seem to suggest that both sectors will need to get clients' cases onto certificates (where appropriate) more quickly.
- 4.16 Compared to the other categories there are relatively small variations in case costs in terms of Matter Types. For NfPs, possession – arrears cases cost on average 130% of the fixed fee, disrepair cases cost 132% and cases involving a non local authority social landlord cost 129%. For solicitors, homelessness cases cost 133% of the fixed fee (and cases where the client is actually homeless 129%), housing benefit cases 127% and disrepair cases 126%.
- 4.17 In terms of the location of suppliers, cases in London cost the most [160% of the fixed fee on average for NfPs, 144% for solicitors]. Other high cost regions, for NfPs, are Liverpool [150%] and Nottingham [136%], and, for solicitors, Reading [133%] and Birmingham [125%]
- 4.18 The main issue however concerns the extent of work done.
- Cases classed as putting the case for the client cost, on average, 149% of the fixed fee for NfPs and 147% for solicitors
  - Cases classed as ending at representation cost, on average, 168% of the fixed fee for NfPs and 133% for solicitors.<sup>7</sup>

### **Benefits**

- 4.19 The analysis by the LSC suggests that 62.48% of cases cost below the fixed fee and 93.53% fall below the exceptional threshold.<sup>8</sup>
- 4.20 Our analysis suggests that client ethnicity is relevant for both sectors outside London, but only for NfPs in London.
- 4.21 Client disability appears to be an issue for NfPs: cases where the client is recorded as disabled cost on average 146% of the fixed fee, and represent 54% of all cases. Cases where the client's disabled status is not recorded cost the same, but represent only 16% of cases.
- 4.22 As far as Matter Type 1 is concerned, cases recorded as Challenge cost 175% of the fixed fee on average for NfPs and 140% for solicitors. For NfPs, cases recorded as Disability cost 145% of the fixed fee on average. In both sectors cases reported as Entitlement cost less than the fixed fee.
- 4.23 In relation to Matter Type 2, cases reported as Appeal cases cost twice the fixed fee for NfPs and 162% of the fixed fee for solicitors. Cases reported as Appeal to the Commissioners cost 230% of the fixed fee on average for NfPs and 213% for solicitors. NfPs also record high costs for other types of cases, including overpayment [141%], refusal cases [130%] and backdating [129%]. Cases reported as Other (40% of cases for NfPs and 39% for solicitors) cost less than the fixed fee for both sectors, but only just for NfPs.

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<sup>7</sup> This is the only situation in which cases ending with representation cost less than those ending with putting the case for the client. The reasons for this are not obvious to us.

<sup>8</sup> See note 6 above.

- 4.24 In terms of the location of suppliers, costs are highest in London for both sectors [averaging 185% of the fixed fee for NfPs and 165% for solicitors]. Other regions with high costs include Nottingham, for both sectors, and, for NfPs, Birmingham, Brighton, Cambridge, Cardiff, Newcastle and Reading.
- 4.25 The main issue however concerns the extent of work done.
- Cases classed as putting the case for the client cost, on average, 171% of the fixed fee for NfPs and 143% for solicitors
  - Cases classed as ending at representation cost, on average, 272% of the fixed fee for NfPs and 220% for solicitors.
- 4.26 These figures would appear to suggest that cases classed as putting the case for the client are on the whole likely to cost significantly more than the fixed fee, but without often reaching “exceptional” status. Cases recorded as ending with representation are much more likely to reach “exceptional” status, particularly for NfPs, but there will also be many which do not reach that status, thus representing a particular “loss” and risk for suppliers.

### **Debt**

- 4.27 The analysis by the LSC suggests that 63.24% of cases cost below the fixed fee and 96.21% fall below the exceptional threshold.<sup>9</sup>
- 4.28 Our analysis suggests that fixed fees in debt cases are likely only to be an issue for NfPs. Solicitors’ costs for debt cases on average work out at 22% less than the fixed fee.
- 4.29 Client ethnicity does not appear to be a relevant factor in debt cases. In London debt cases take longer for White British clients than for BME clients. Outside London the difference is the other way, but only marginally so.
- 4.30 Client disability is a slight factor for NfPs. Cases where the client is recorded as disabled cost on average 144% of the fixed fee, compared to 127% for clients who are recorded as not disabled. The highest average however is for those clients whose disability status is not recorded [147%].
- 4.31 Type of case is a particular issue for NfPs. Multiple debt cases (representing 59% of all NfP cases) average 146% of the fixed fee. Insolvency cases (representing 5%) cost on average 137% of the fixed fee. Bank loans and similar cases (representing 21%) cost on average 125% of the fixed fee.
- 4.32 In relation to Matter Type Part 2, cases reported by NfPs as Reschedule (representing 80% of all cases) cost on average 134% of the fixed fee. Cases involving challenging and rescheduling debts (5% overall) cost on average 173% of the fixed fee.
- 4.33 The problem here clearly concerns the high proportion of NfP debt cases that involve multiple debts and rescheduling debts. The figures for 2005-06 show a very significant difference in the types of cases reported by the two sectors. Solicitors record only 19% of cases as multiple debts and only 43% as involving rescheduling payments. Case costs are lower in both sectors for cases which are only concerned with challenging debts, but these represent 20% of solicitors’ cases as compared to only 3% of NfPs’ cases. It would appear that NfPs will find it difficult to manage under the fixed fee proposed unless they are able

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<sup>9</sup> See note 6 above.

- To reduce the time spent on cases involving multiple debts and/or rescheduling debts and/or
  - To do fewer such cases and/or
  - To do more cases which concern single debts and/or
  - To do more case which concern only challenging debts
- 4.34 The regional variations, for NfPs, are different for debt than for other categories. All the regions except one (Bristol) have average costs that are more than 125% of the fixed fee, ranging between 127% and 156%. London is only the fifth highest, at 146%.
- 4.35 The extent of work done is also a crucial issue:
- Cases classed as putting the case for the client cost, on average, 150% of the fixed fee for NfPs
  - Cases classed as ending at representation cost, on average, 196% of the fixed fee for NfPs.
- 4.36 It would seem likely that most of the former cases will cost more than the fixed fee but less than three times the fixed fee. Some of the latter cases will reach the exceptional threshold, but it seems likely that the proportion will be less than 50%. The others are likely to represent a considerable “loss” and therefore risk.

## **Employment**

- 4.37 The introduction of fixed fees in employment cases is likely to be a problem for both sectors.
- 4.38 The analysis by the LSC suggests that 56.64% of cases cost below the fixed fee and 88.33% fall below the exceptional threshold.<sup>10</sup> This category therefore has a very much higher proportion of cases, almost 12%, which, on 2005-06 figures, would be classed as “exceptional”.
- 4.39 Our analysis suggests that ethnicity is a particularly strong issue in employment cases, especially in London.
- 4.40 Disability is also an issue for both sectors
- For NfPs, cases for clients described as disabled cost on average 218% of the fixed fee, compared to 156% for those without a recorded disability and 146% for those whose disability status is unrecorded.
  - For solicitors, the relevant figures are 209% for disabled clients, 142% for non-disabled clients and 134% for clients whose disability status is not recorded.
- 4.41 As far as case type is concerned, cases classed as unfair dismissal cost on average 180% of the fixed fee for NfPs and 159% for solicitors. Cases classed as discrimination cost on average 263% of the fixed fee for NfPs and 246% for solicitors. For NfPs, redundancy cases also cost significantly above average at 131%.
- 4.42 By contrast, cases concerning terms and conditions (15% of NfP cases and 10% of solicitors’ cases) and sick leave (2% of cases in both sectors) cost slightly less than the fixed fee, in both sectors.
- 4.43 These figures suggest that unfair dismissal cases will be particularly problematic for both sectors. Discrimination cases are much more likely to be classed as

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<sup>10</sup> See note 6 above.

“exceptional”. The issue here however concerns the spread of costs in such cases, and the extent to which the overall average reflects a proportion of cases that cost close to the fixed fee, rather than falling more squarely between the two stools of the fixed fee and the exceptional case.

- 4.44 The location of suppliers is a real problem for both sectors. For NfPs, cases in all regions except one (Manchester) cost significantly more than the fixed fee: in five regions average costs are between 125% and 153% of the fixed fee; in six regions average costs are between 182% and 195% of the fixed fee. For solicitors: four regions have average costs between 125% and 140% and London has average costs that are 294% of the fixed fee.
- 4.45 The extent of work done for clients is also crucial:
- Cases reported as putting the case for the client cost on average 206% of the fixed fee for NfPs and 212% for solicitors
  - Cases reported as ending in representation constitute 11% of NfP cases and have an average cost that is 402% of the fixed fee. Such cases constitute 2% of solicitors' cases, with an average cost that is 364% of the fixed fee.
- 4.46 It would appear therefore that the former cases will be problematic for suppliers since their average cost is almost exactly half way between the fixed fee and the exceptional threshold. The latter cases however, which represent a significant proportion of NfP cases, are very likely to be classed as exceptional cases.
- 4.47 Employment cases would therefore seem to represent a more extreme picture than cases in the other categories considered above.

# Case Lengths, Case Costs And Fixed Fees – Annexe 1: Housing

## 1 Abstract

- 1.1 This paper looks at the average case lengths and case costs for housing in 2005-06, for not for profit agencies (NfPs) and solicitors working under contracts with the Legal Services Commission. It analyses them by reference to the type of case, the type of client, the extent of work done, the outcomes achieved and the region where suppliers are located.

## 2 Introduction

- 2.1 During 2005-06 NfPs recorded all their work as 'time'. Solicitors recorded most of their work in terms of the time taken, but this did not include letters and telephone calls. They claimed their 'profit costs' in pounds (£), to represent all the work done. In the tables below we record the average time taken by NfPs in minutes and the average costs claimed by solicitors in pounds (£).
- 2.2 For comparison purposes we have assumed that NfPs are paid on average £50 per hour. On this basis we have calculated notional average costs for NfPs.
- 2.3 The proposed standard fixed fee for housing cases from October 2007 is £171.<sup>1</sup>
- At £50 per hour that is equivalent to 205 minutes [3.4 hours] for NfPs
  - 125% of the fixed fee is £214, equivalent to 256 minutes for NfPs
  - Cases are "exceptional" at three times the fixed fee, i.e. £513, equivalent to 616 minutes [10.3 hours] at £50 per hour for NfPs
- 2.4 In the figures set out below, items in **bold** type represent values that are 125% or more of the fixed fee.
- 2.5 During 2005-06
- NfPs reported 35,823 cases with an average case time of 234 minutes [3.9 hours]
  - At £50 per hour this equates to an average cost of £195 [£24 or 14% more than the proposed fixed fee]
  - Solicitors firms reported 55,404 cases. The average profit costs claimed were £200 [£29 or 17% more than the proposed fixed fee].
  - The total number of cases reported is 91,227. NfPs reported 39% of these, and solicitors 61%.

## 3 Type Of Case

### Matter Type part 1

- 3.1 The average or mean time for all housing cases reported by **NfPs** in 2005-06 was 234 minutes (as compared to 232 minutes in 2004-05).
- 3.2 The breakdown by reference to Matter Type Part 1 is as follows:

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<sup>1</sup> Legal Aid Reform: the Way Ahead p.51

Code	Description	Number of cases	% of cases	Average case time (mins)	Variation from the mean (mins)	Notional cost at £50 per hour (£)	Variation of notional cost from proposed fixed fee (£)
HARR	Possession – arrears	10,928	31%	<b>266</b>	32	222	51
HOTH	Other	3,330	9%	207	-26	172	1
HLTE	L & T	2,557	7%	191	-43	159	-12
HOME	Homelessness	12,773	36%	220	-13	183	12
HBEN	Housing benefit	1,693	5%	237	4	197	26
HDRP	Disrepair	1,754	5%	<b>271</b>	38	226	55
HWAI	Possession – transfers etc	2,774	8%	215	-19	179	8
HASB	ASBOs	14	0%	185	-49	154	-17
National		35,823		234		195	24

3.3 The position for **Solicitors** is as follows:

Code	Description	Numbers of cases	Percent of cases	Average cost (£)	Variation from the mean (£)	Variation from the proposed fixed fee (£)
HARR	Possession – arrears	15,863	29%	187	-12	16
HOTH	Other	8,831	16%	181	-18	10
HLTE	L & T	4,563	8%	172	-28	1
HOME	Homelessness	13,005	23%	<b>228</b>	28	57
HBEN	Housing benefit	2,206	4%	<b>217</b>	17	46
HDRP	Disrepair	5,117	9%	<b>215</b>	15	44
HWAI	Possession – transfers etc	5,744	10%	200	0	29
HASB	ASBOs	75	0%	176	-23	5
National		55,404		200		29

3.4 It will be noted that

- The sectors report different proportions of cases classified as “Other” [9% for NfPs, compared to 16% for solicitors], homelessness [36% compared to 23%] and disrepair [5% compared to 9%]
- For NfPs, cases take longer than average if classified as Arrears [+32 minutes] or Disrepair [+ 38 minutes]. For solicitors, cases take longer than average if classified as Homelessness [+£28].

## Matter Type part 2

3.5 The position for **NfPs** is as follows:

Code	Description	Numbers of cases	Percent of cases	Average case time (mins)	Variation from the mean (mins)	Notional cost at £50 per hour (£)	Variation of notional cost from proposed fixed fee (£)
PUB	LA landlord	9,790	27%	252	18	210	39
PRI	Private landlord	8,307	23%	208	-25	173	2
HAC	Other social landlord	6,404	18%	<b>264</b>	31	220	49
HOM	Actually homeless	5,997	17%	209	-25	174	3
OWN	Owner occupier	1,962	5%	228	-6	190	19
OTH	Other	3,337	9%	234	0	195	24
LAN	Landlord	26	0%	176	-57	147	-24
National		35,823		234		195	24

3.6 The position for **Solicitors** is as follows:

Code	Description	Numbers of cases	Percent of cases	Average cost (£)	Variation from the mean (£)	Variation from the fixed fee (£)
PUB	LA landlord	22,006	40%	203	3	32
PRI	Private landlord	10,652	19%	181	-19	10
HAC	Other social landlord	9,488	17%	203	4	32
HOM	Actually homeless	5,229	9%	<b>220</b>	20	49
OWN	Owner occupier	2,696	5%	196	-4	25
OTH	Other	5,215	9%	200	0	29
LAN	Landlord	118	0%	193	-7	22
National		55,404		200		29

3.7 It will be noted that

- The sectors report different proportions of cases in which the landlord is a local authority [27% compared to 40%] or where the client is actually homeless [17% compared to 9%]
- For NfPs, cases take longer than average if the landlord is classified as other social landlord [+31 minutes]. Cases take shorter than average if the landlord is private [-25 minutes] or if the client is described as actually homeless [-25 minutes]. For solicitors, cases take longer than average if the client is described as actually homeless [+£20].

## 4 Type Of Client

### Ethnicity

4.1 The relationship between ethnicity and case length can be summarised as follows:

Code	Ethnic Origin	NfP Number of cases	Percent of NfP cases	NfP Variation from the mean (mins)	Solicitor Number of cases	Percent of Solicitor cases	Solicitor Variation from the mean (£)
0	Other	2,831	8%	61	4,829	9%	49
1	White British	24,957	70%	-15	29,471	53%	-25
2	White Irish	278	1%	2	657	1%	42
3	Black or Black British African	1,844	5%	29	5,241	9%	33
4	Black or Black British Caribbean	1,206	3%	69	2,905	5%	27
5	Black or Black British Other	397	1%	12	972	2%	-4
6	Asian or Asian British Indian	265	1%	19	603	1%	27
7	Asian or Asian British Pakistani	699	2%	7	886	2%	11
8	Asian or Asian British Bangladeshi	425	1%	48	642	1%	53
9	Chinese	203	1%	0	98	0%	3
10	Mixed White & Black Caribbean	217	1%	10	466	1%	15
11	Mixed White & Black African	108	0%	20	308	1%	29
12	Mixed White & Asian	58	0%	10	68	0%	16
13	Mixed Other	125	0%	-11	211	0%	30
14	White Other	827	2%	12	1,926	3%	45
15	Asian or Asian British Other	315	1%	-1	574	1%	23
99	Unknown	1,068	3%	16	5,547	10%	7

4.2 It will be noted that the sectors differ in the proportions of clients who are reported as White British [70% for NfPs compared to 53% for solicitors], Black or Black British African [5% compared to 9%], and Unknown [3% compared to 10%].

- 4.3 The overall impact can be demonstrated by a comparison between clients classified as White British and non White British [or BME], excluding those cases where the clients' ethnicity is recorded as unknown. The table below gives the average case lengths/costs for these two groups, the average for all cases and the variance from the average of these two groups.

Sector	Averages			Variance	
	White British	BME	Overall average	White British	BME
NfP	219 mins	<b>270 mins</b>	234 mins	-15 mins	+36 mins
Solicitors	£175	<b>£234</b>	£200	-£25	+£34

- 4.4 It is worth however looking behind the national figures given

- The high proportion of non White British [or BME] clients in London
- The fact that case lengths/costs are significantly higher in London [see Section 7: Regional Differences below]

- 4.5 The following table sets out the proportion of clients recorded as White British, BME and unknown in each sector, in London and in the rest of England and Wales.

		White British	BME	Unknown
London	NfPs	24%	73%	3%
	Solicitors	22%	68%	9%
Outside London	NfPs	77%	20%	3%
	Solicitors	75%	14%	11%

- 4.6 The following table shows the average case lengths/costs for clients recorded as White British, BME and overall in each sector, in London and in the rest of England and Wales

		White British	BME	Overall average
London	NfPs	<b>308 mins</b>	<b>328 mins</b>	<b>327 mins</b>
	Solicitors	<b>£242</b>	<b>£247</b>	<b>£246</b>
Outside London	NfPs	214 mins	235 mins	218 mins
	Solicitors	£161	£188	£167

## Disability

- 4.7 The position for **NfPs** is as follows:

Code	Description	Number	Percent of cases	Average case time (mins)	Variation from the mean (mins)
N	No disability	17,680	49.4%	230	-3
U	Unrecorded	13,309	37.2%	222	-12
Y	Disability	4,834	13.5%	<b>278</b>	44

4.8 The position for **Solicitors** is as follows:

Code	Description	Number	Percent of cases	Average cost (£)	Variation from the mean (£)
N	No disability	31,893	58%	196	-4
U	Unrecorded	16,127	29%	202	3
Y	Disability	7,384	13%	209	9

### Gender

4.9 For **NfPs**: 40% of clients were male with an average case time of 229 minutes. 60% of clients were female with an average case time of 237 minutes.

4.10 For **solicitors**: 41% of clients were male with an average case cost of £195. 59% of clients were female with an average case cost of £203.

### Age

4.11 The relevant figures in relation to age are as follows:

Code	Description	NfP Numbers of cases	Percent of NfP cases	NfP variation from mean (mins)	Solicitor Numbers of cases	Percent of Solicitor cases	Sols variation from mean (£)
A	0-16	203	1%	-41	231	0%	-23
B	17-24	6,728	19%	-25	7,169	13%	-20
C	25-34	9,998	28%	-7	15,062	27%	-2
D	35-49	13,350	37%	9	22,909	41%	2
E	50-64	4,304	12%	24	7,791	14%	10
F	65+	1,224	3%	22	2,173	4%	25

## 5 Extent Of Work Done

### Third endpoint

5.1 The position for **NfPs** is as follows:

Code	Description	Number	% of cases	Average case time (mins)	Variation from mean (mins)	Notional cost at £50 per hour (£)	Variation of notional cost from the proposed fixed fee (£)
A	First meeting	5,496	15%	84	-150	70	-101
B	Further work	11,551	32%	171	-63	142	-29
C	Putting case for client	13,654	38%	<b>306</b>	72	255	84
D	Representation at court / tribunal	5,076	14%	<b>345</b>	112	287	116

5.2 The position for **Solicitors** is as follows:

<b>Code</b>	<b>Description</b>	<b>Numbers</b>	<b>% of cases</b>	<b>Average cost (£)</b>	<b>Variation from the mean (£)</b>	<b>Variation from the proposed fixed fee (£)</b>
A	First meeting	5,677	10%	96	-104	-75
B	Further work	20,615	37%	162	-38	-9
C	Putting case for client	22,875	41%	<b>252</b>	52	81
D	Representation at court / tribunal	6,030	11%	<b>227</b>	28	56

## 6 Outcomes

6.1 The relationship between average times and first endpoint is as follows:

<b>Code</b>	<b>Description</b>	<b>Percent of cases - NfPs</b>	<b>Variation from mean - NfPs (mins)</b>	<b>Percent of cases - solicitors</b>	<b>Variation from mean - solicitors (£)</b>
A	Proceeded under other CLS funding	3%	118	15%	40
B	Client referred	2%	24	1%	-20
C	Client advised and taking action themselves or with help	16%	-94	7%	-27
D	Client advised and third party action or decision awaited	4%	-61	2%	-2
E	Outcome not known / client ceased to give instructions	19%	-48	22%	-43
F	Client receives lump sum or property	2%	150	1%	73
G	Client receives new or increased regular payment	1%	43	1%	41
H	Sum owed to third party is reduced	1%	119	1%	67
I	Liability to make regular payments is reduced	1%	14	0%	20
K	Client housed, re-housed or retains home	34%	59	24%	21
M	Third party action benefits client	2%	43	3%	14
N	Third party action prevented	1%	71	2%	-9
O	Third party action delayed	1%	52	1%	8
P	Client secures explanation or apology only	1%	-33	1%	-30
Q	Client advised and enabled to plan/manage better	8%	-55	8%	-26
R	Matter stopped on adviser's recommendation	2%	32	4%	4
S	Matter concluded otherwise	4%	3	8%	7

- 6.2 It will be noted that the proportions of cases reported against particular outcomes vary between the sectors particularly in relation to outcomes A, C, K and S.
- 6.3 If outcomes F – Q are treated as positive outcomes, these figures suggest that NfPs obtained positive outcomes in 52% of cases and solicitors in 42% of cases.
- 6.4 As far as the **second endpoint** is concerned
- For **NfPs**: 1% of cases were recorded as having achieved significant wider public benefits with an average case length of **320** minutes, as compared to 232 minutes for the 99% of cases where no such benefits were achieved.
  - For **solicitors**: 0.3% of cases were recorded as having achieved significant wider public benefits with an average case cost of **£257**, as compared to £199 for the 99.7 % of cases where no such benefits were achieved.

## 7 Regional Differences

- 7.1 The number of cases, and their distribution, by region and by sector are as follows:

	<b>NfPs</b>			<b>Sols</b>	
<b>Regional office</b>	<b>No. of cases</b>	<b>Percent of NfP cases</b>		<b>No. of cases</b>	<b>Percent of sols cases</b>
Birmingham	2,602	7%		3,502	6%
Brighton	2,177	6%		3,080	6%
Bristol	3,784	11%		3,307	6%
Cambridge	2,666	7%		1,849	3%
Cardiff	4,165	12%		2,892	5%
Leeds	2,790	8%		4,233	8%
Liverpool	1,536	4%		2,990	5%
London	5,064	14%		22,953	41%
Manchester	4,875	14%		3,552	6%
Newcastle	1,731	5%		3,094	6%
Nottingham	2,062	6%		1,733	3%
Reading	2,371	7%		2,219	4%
National	35,823			55,404	

- 7.2 The proportion of solicitors' cases in London is particularly noticeable.

7.3 The average case times and variation from the mean, by region and by sector are as follows:

	NfPs			Sols		
Regional office	No. of cases	Avg case time (mins)	Variation from the mean	No. of cases	Average cost (£)	Variation from the mean (£)
Birmingham	2,602	247	13	3,502	<b>214</b>	15
Brighton	2,177	248	15	3,080	120	-80
Bristol	3,784	182	-52	3,307	188	-12
Cambridge	2,666	220	-13	1,849	177	-23
Cardiff	4,165	168	-65	2,892	166	-34
Leeds	2,790	166	-68	4,233	156	-44
Liverpool	1,536	<b>307</b>	73	2,990	141	-58
London	5,064	<b>327</b>	93	22,953	<b>246</b>	46
Manchester	4,875	223	-11	3,552	142	-58
Newcastle	1,731	255	22	3,094	157	-43
Nottingham	2,062	<b>279</b>	45	1,733	169	-31
Reading	2,371	219	-14	2,219	<b>227</b>	27
	35,823	234		55,404	200	

## Case Lengths, Case Costs And Fixed Fees – Annexe 2: Benefits

### 1 Abstract

- 1.1 This paper looks at the average case lengths and case costs for welfare benefits in 2005-06, for not for profit agencies (NfPs) and solicitors working under contracts with the Legal Services Commission. It analyses them by reference to the type of case, the type of client, the extent of work done, the outcomes achieved and the region where suppliers are located.

### 2 Introduction

- 2.1 During 2005-06 NfPs recorded all their work as ‘time’. Solicitors recorded most of their work in terms of the time taken, but this did not include letters and telephone calls. They claimed their ‘profit costs’ in pounds (£), to represent all the work done. In the tables below we record the average time taken by NfPs in minutes and the average costs claimed by solicitors in pounds (£).
- 2.2 For comparison purposes we have assumed that NfPs are paid on average £50 per hour. On this basis we have calculated notional average costs for NfPs.
- 2.3 The proposed standard fixed fee for welfare benefits cases from October 2007 is £164.<sup>1</sup>
- At £50 per hour that is equivalent to 197 minutes [3.3 hours] for NfPs
  - 125% of the fixed fee is £205, equivalent to 246 minutes for NfPs
  - Cases are “exceptional” at three times the fixed fee, i.e. £492, equivalent to 590 minutes [9.8 hours] at £50 per hour for NfPs
- 2.4 In the figures set out below, items in **bold** type represent values that are 125% or more of the fixed fee.
- 2.5 During 2005-06
- NfPs reported 55,677 cases with an average case time of 274 minutes [4.6 hours]
  - At £50 per hour this equates to an average cost of **£228** [£64 or 39% more than the proposed fixed fee]
  - Solicitors firms reported 23,344 cases. The average profit costs claimed were £180 [£16 or 10% more than the proposed fixed fee].
  - The total number of cases reported is 79,021. NfPs reported 70% of these, and solicitors 30%.

### 3 Type Of Case

#### Matter Type part 1

- 3.1 The average or mean time for all welfare benefit cases reported by **NfPs** in 2005-06 was 274 minutes (as compared to 278 minutes in 2004-05).

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<sup>1</sup> Legal Aid Reform: the Way Ahead p.51

3.2 The breakdown by reference to Matter Type Part 1 is as follows:

Code	Description	Number of cases	Percent of cases	Average case time (mins)	Variation from the mean (mins)	Notional cost at £50 per hour (£)	Variation of notional cost from proposed fixed fee (£)
WBCH	Challenge	16,175	29%	<b>345</b>	71	287	123
WBCK	Entitlement	10,630	19%	183	-91	152	-12
WBDS	Disability	22,086	40%	<b>286</b>	13	238	74
WBOT	Other	6,786	12%	205	-68	171	5
Total		55,677	100%	274	-	228	64

3.3 The position for **Solicitors** is as follows:

Code	Description	Number of cases	Percent of cases	Average cost (£)	Variation from the mean (£)	Variation from the proposed fixed fee (£)
WBCH	Challenge	5,963	26%	<b>230</b>	50	66
WBCK	Entitlement	5,411	23%	137	-43	-27
WBDS	Disability	7,262	31%	184	5	20
WBOT	Other	4,708	20%	158	-22	-6
Total		23,344	100%	180		16

3.4 It will be noted that

- The sectors report similar proportions of cases classified as challenge or entitlement, but somewhat different proportions classified as disability [40% for NfPs; 31% for solicitors] and “other” [12% compared to 20%]
- For both sectors, cases take longer if classified as Challenge [+71 minutes; +£50] and shorter if classified as Entitlement [-91 minutes; -£43] or “other” [-68 minutes; -£22]

## Matter Type part 2

3.5 The position for **NfPs** is as follows:

Code	Description	Number of cases	Percent of cases	Average case time (mins)	Variation from the mean (mins)	Notional cost at £50 per hour (£)	Variation of notional cost from proposed fixed fee (£)
APL	Appeal	17,163	31%	<b>402</b>	129	335	171
BACK	Backdating	1,510	3%	<b>254</b>	-20	212	48
OVE	Overpayment	2,336	4%	<b>278</b>	5	232	68
REV	Review	9,844	18%	226	-48	188	24
RWR	Refusal etc	2,323	4%	<b>257</b>	-16	214	50
SSC	Appeal to SSC	442	1%	<b>453</b>	179	377	213
WOTH	Other	22,059	40%	194	-80	162	-2
National		55,677		274	-	228	64

3.6 The position for **Solicitors** is as follows:

Code	Description	Number of cases	Percent of cases	Average cost (£)	Variation from the mean (£)	Variation from the fixed fee (£)
APL	Appeal	5,067	22%	<b>265</b>	85	101
BACK	Backdating	1,207	5%	180	1	16
OVE	Overpayment	1,418	6%	197	17	33
REV	Review	4,170	18%	162	-18	-2
RWR	Refusal etc	2,098	9%	181	2	17
SSC	Appeal to SSC	342	1%	<b>349</b>	170	185
WOTH	Other	9,042	39%	130	-49	-34
National		23,344		180		16

3.7 It will be noted that

- Both sectors report high proportions of cases classified as “other” [40% and 39%]. NfPs report more cases classified as Appeal [31% compared to 22%] and fewer cases classified as Refusal [4% compared to 9%]
- Cases take longer if classified as Appeal [+129 minutes; +£85] or Appeal to the Social Security Commissioners [+179 minutes; +£170], and shorter than average if reported as Review [-48 minutes; -£18] or “other” [-80 minutes; -£49]

## 4 Type Of Client

### Ethnicity

4.1 The relationship between ethnicity and case length can be summarised as follows:

Code	Ethnic Origin	NfP Number of cases	Percent of NfP cases	NfP Variation from the mean (mins)	Solicitor Number of cases	Percent of Solicitor cases	Solicitor Variation from the mean (£)
0	Other	4,745	9%	39	2,028	9%	58
1	White British	38,320	69%	-11	14,331	61%	-28
2	White Irish	590	1%	29	228	1%	53
3	Black or Black British African	2,281	4%	54	2,047	9%	38
4	Black or Black British Caribbean	1,226	2%	39	505	2%	43
5	Black or Black British Other	351	1%	57	177	1%	20
6	Asian or Asian British Indian	1,255	2%	20	464	2%	60
7	Asian or Asian British Pakistani	2,109	4%	-11	738	3%	44
8	Asian or Asian British Bangladeshi	1,103	2%	4	263	1%	64
9	Chinese	363	1%	-35	53	0%	64
10	Mixed White & Black Caribbean	169	0%	-6	86	0%	54
11	Mixed White & Black African	85	0%	89	101	0%	29
12	Mixed White & Asian	59	0%	103	22	0%	49
13	Mixed Other	113	0%	14	41	0%	37
14	White Other	977	2%	26	816	3%	68
15	Asian or Asian British Other	450	1%	27	225	1%	48
99	Unknown	1,481	3%	-6	1,219	5%	13

- 4.2 It will be noted that the sectors differ in the proportions of clients who are reported as White British [69% for NfPs compared to 61% for solicitors] and Black or Black British African [4% compared to 9%].
- 4.3 The overall impact can be demonstrated by a comparison between clients classified as White British and non White British [or BME], excluding those cases where the clients' ethnicity is recorded as unknown. The table below gives the average case lengths/costs for these two groups, the average for all cases and the variance from the average of these two groups.

Sector	Averages			Variance	
	White British	BME	Overall average	White British	BME
NfP	<b>262 mins</b>	<b>301 mins</b>	<b>274 mins</b>	-12 mins	+27 mins
Solicitors	£151	<b>£230</b>	£180	-£29	+£50

- 4.4 It is worth however looking behind the national figures given
- The high proportion of non White British [or BME] clients in London
  - The fact that case lengths/costs are significantly higher in London [see Section 7: Regional Differences below]
- 4.5 The following table sets out the proportion of clients recorded as White British, BME, and unknown in each sector in London and in the rest of England and Wales:

		White British	BME	Unknown
London	NfPs	23%	72%	5%
	Solicitors	15%	82%	3%
Outside London	NfPs	76%	22%	2%
	Solicitors	76%	18%	6%

- 4.6 The following table shows the average case lengths/costs for clients recorded as White British, BME and overall in each sector in London and in the rest of England and Wales:

		White British	BME	Overall average
London	NfPs	<b>357 mins</b>	<b>367 mins</b>	<b>364 mins</b>
	Solicitors	<b>£291</b>	<b>£265</b>	<b>£270</b>
Outside London	NfPs	<b>258 mins</b>	<b>269 mins</b>	<b>260 mins</b>
	Solicitors	£143	£179	£151

## Disability

4.7 The position for **NfPs** is as follows:

Code	Description	Number	Percent of cases	Average case time (mins)	Variation from the mean (mins)
N	No disability	16,942	30%	242	-31
U	Unrecorded	8,930	16%	<b>287</b>	14
Y	Disability	29,805	54%	<b>287</b>	14

4.8 The position for **Solicitors** is as follows:

Code	Description	Number	Percent of cases	Average cost (£)	Variation from the mean (£)
N	No disability	7,596	33%	184	5
U	Unrecorded	6,147	26%	173	-6
Y	Disability	9,601	41%	180	0

## Gender

4.9 For **NfPs**: 46% of clients were male with an average case time of **274** minutes. 54% of clients were female with an average case time of **273** minutes.

4.10 For **solicitors**: 46% of clients were male with an average case cost of £180. 54% of clients were female with an average case cost of £179.

## Age

4.11 The relevant figures in relation to age are as follows:

Code	Description	NfP Numbers of cases	Percent of NfP cases	NfP variation from mean (mins)	Solicitor Numbers of cases	Percent of Solicitor cases	Sols variation from mean (£)
A	0-16	666	1%	3	267	1%	-40
B	17-24	4,097	7%	-54	1,853	8%	-24
C	25-34	9,299	17%	-5	4,386	19%	-1
D	35-49	20,863	37%	13	9,470	41%	5
E	50-64	16,364	29%	9	5,940	25%	1
F	65+	4,358	8%	-34	1,406	6%	5

## 5 Extent of Work Done

### Third endpoint

5.1 The position for **NfPs** is as follows:

Code	Description	Numbers	% of cases	Average case time (mins)	Variation from mean (mins)	Notional cost at £50 per hour (£)	Variation of notional cost from the proposed fixed fee (£)
A	First meeting	8,990	16%	93	-181	77	-87
B	Further work	19,419	35%	207	-67	172	8
C	Putting case for client	21,037	38%	<b>336</b>	63	280	116
D	Representation at court / tribunal	6,157	11%	<b>536</b>	262	447	283

5.2 The position for **Solicitors** is as follows:

Code	Description	Numbers	% of cases	Average cost (£)	Variation from the mean (£)	Variation from the proposed fixed fee (£)
A	First meeting	3,739	16%	74	-106	-90
B	Further work	8,885	38%	137	-43	-27
C	Putting case for client	9,113	39%	<b>235</b>	55	71
D	Representation at court / tribunal	1,484	6%	<b>360</b>	180	196

## 6 Outcomes

6.1 The relationship between average times and **first endpoint** is as follows:

Code	Description	Percent of cases - NfPs	Variation from mean – NfPs (mins)	Percent of cases - solicitors	Variation from mean – solicitors (£)
A	Proceeded under other CLS funding	1%	-7	1%	93
B	Client referred	1%	-8	1%	9
C	Client advised and taking action themselves or with help	6%	-101	4%	-16
D	Client advised and third party action or decision awaited	2%	-118	4%	4
E	Outcome not known / client ceased to give instructions	18%	-78	19%	-43
F	Client receives lump sum or property	8%	88	9%	13
G	Client receives new or increased regular payment	36%	60	26%	20
H	Sum owed to third party is reduced	2%	120	2%	71
I	Liability to make regular payments is reduced	0%	47	1%	5
M	Third party action benefits client	0%	67	2%	31
N	Third party action prevented	0%	41	1%	9
O	Third party action delayed	0%	74	0%	65
P	Client secures explanation or apology only	1%	-27	2%	-3
Q	Client advised and enabled to plan/manage better	6%	-112	11%	-36
R	Matter stopped on adviser's recommendation	6%	2	6%	20
S	Matter concluded otherwise	12%	-12	12%	21

6.2 It will be noted that the proportions of cases reported against particular outcomes vary between the sectors particularly in relation to outcomes G and Q.

6.3 If outcomes F – Q are treated as positive outcomes, these figures suggest that NfPs obtained positive outcomes in 53% of cases and solicitors in 54% of cases.

6.4 As far as the **second endpoint** is concerned

- For **NfPs**: 3% of cases were recorded as having achieved significant wider public benefits with an average case length of **373** minutes, as compared to **271** minutes for the 97% of cases where no such benefits were achieved.
- For **solicitors**: 1% of cases were recorded as having achieved significant wider public benefits with an average case cost of **£244**, as compared to £179 for the 99% of cases where no such benefits were achieved.

## 7 Regional Differences

7.1 The number of cases, and their distribution, by region and by sector are as follows:

	NfPs		Sols	
Regional office	No. of cases	Percent of NfP cases	No. of cases	Percent of sols cases
Birmingham	5,741	10%	1,997	9%
Brighton	1,902	3%	243	1%
Bristol	4,626	8%	1,030	4%
Cambridge	3,353	6%	471	2%
Cardiff	5,378	10%	1,814	8%
Leeds	3,139	6%	1,336	6%
Liverpool	4,586	8%	6,204	27%
London	7,274	13%	5,617	24%
Manchester	8,812	16%	2,170	9%
Newcastle	4,393	8%	1,497	6%
Nottingham	4,385	8%	696	3%
Reading	2,088	4%	269	1%
National	55,677	100%	23,344	100%

7.2 The average case times and variation from the mean, by region and by sector are as follows:

	NfPs			Sols		
<b>Regional office</b>	No. of cases	Avge case time (mins)	Variation from the mean	No. of cases	Avge cost (£)	Variation from the mean (£)
Birmingham	5,741	<b>290</b>	16	1,997	191	12
Brighton	1,902	<b>290</b>	17	243	109	-71
Bristol	4,626	243	-31	1,030	168	-12
Cambridge	3,353	<b>301</b>	27	471	202	22
Cardiff	5,378	<b>246</b>	-28	1,814	148	-32
Leeds	3,139	216	-58	1,336	167	-12
Liverpool	4,586	225	-49	6,204	116	-63
London	7,274	<b>364</b>	91	5,617	<b>270</b>	91
Manchester	8,812	234	-40	2,170	163	-16
Newcastle	4,393	<b>306</b>	32	1,497	154	-26
Nottingham	4,385	<b>276</b>	2	696	<b>221</b>	41
Reading	2,088	<b>285</b>	11	269	175	-4

## Case Lengths, Case Costs And Fixed Fees – Annexe 3: Debt

### 1 Abstract

- 1.1 This paper looks at the average case lengths and case costs for debt in 2005-06, for not for profit agencies (NfPs) and solicitors working under contracts with the Legal Services Commission. It analyses them by reference to the type of case, the type of client, the extent of work done, the outcomes achieved and the region where suppliers are located.

### 2 Introduction

- 2.1 During 2005-06 NfPs recorded all their work as ‘time’. Solicitors recorded most of their work in terms of the time taken, but this did not include letters and telephone calls. They claimed their ‘profit costs’ in pounds (£), to represent all the work done. In the tables below we record the average time taken by NfPs in minutes and the average costs claimed by solicitors in pounds (£).
- 2.2 For comparison purposes we have assumed that NfPs are paid on average £50 per hour. On this basis we have calculated notional average costs for NfPs.
- 2.3 The proposed standard fixed fee for debt cases from October 2007 is £196.<sup>1</sup>
- At £50 per hour that is equivalent to 235 minutes [3.9 hours] for NfPs
  - 125% of the fixed fee is £245, equivalent to 294 minutes for NfPs
  - Cases are “exceptional” at three times the fixed fee, i.e. £588, equivalent to 706 minutes [11.8 hours] at £50 per hour for NfPs
- 2.4 During 2005-06
- NfPs reported 48,537 cases with an average case time of **314** minutes [5.2 hours]
  - At £50 per hour this equates to an average cost of £262 [£66 or 34% more than the proposed fixed fee]
  - Solicitors firms reported 15,374 cases. The average profit costs claimed were £152 [£44 or 22% less than the proposed fixed fee].
  - The total number of cases reported is 63,911. NfPs reported 76% of these, and solicitors 24%.

### 3 Type Of Case

#### Matter Type part 1

- 3.1 The average or mean time for all debt cases reported by **NfPs** in 2005-06 was 314 minutes (as compared to 312 minutes in 2004-05).
- 3.2 The breakdown by reference to Matter Type Part 1 is as follows:

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<sup>1</sup> Legal Aid Reform: the Way Ahead p.51

Code	Description	Numbers of cases	Percent of cases	Average case time (mins)	Variation from the mean (mins)	Notional cost at £50 per hour (£)	Variation of notional cost from proposed fixed fee (£)
DHOD	Housing debt	2,915	6%	257	-57	214	18
DCCD	Bank loans etc	10,289	21%	<b>294</b>	-20	245	49
DMUL	Multiple debts	28,702	59%	<b>343</b>	29	286	90
DSLIV	Insolvency	2,514	5%	<b>321</b>	7	267	71
DCTB	Council tax	1,404	3%	210	-104	175	-21
DOTH	Other	1,683	3%	193	-121	161	-35
DHUD	Utilities	1,030	2%	190	-124	158	-38
Total		48,537		314		262	66

3.3 The position for **Solicitors** is as follows:

Code	Description	Numbers of cases	Percent of cases	Average cost (£)	Variation from the mean (£)	Variation from the proposed fixed fee (£)
DHOD	Housing debt	<b>1,609</b>	<b>10%</b>	150	-2	-46
DCCD	Bank loans etc	3,847	25%	151	-1	-45
DMUL	Multiple debts	2,916	19%	191	38	-5
DSLIV	Insolvency	1,146	7%	175	23	-21
DCTB	Council tax	1,528	10%	118	-34	-78
DOTH	Other	3,416	22%	137	-15	-59
DHUD	Utilities	912	6%	121	-31	-75
Total		15,374		152		-44

3.4 It will be noted that:

- The sectors report very different case type distributions. The proportions of housing debt, bank loans and insolvency cases are similar but there are large differences in the proportions of cases reported as multiple debts [59% for NfPs compared to 19% for solicitors], council tax [3% compared to 10%] and utilities [2% compared to 6%]
- For both sectors, cases take longer if they involve multiple debts [+29 minutes; +£38], slightly longer than average if they concern insolvency [+7 minutes; +£23] but less than average in all other cases involving single debts, especially for NfPs.

## Matter Type part 2

3.5 The position for **NfPs** is as follows

Code	Description	Number of cases	Percent of cases	Average case time (mins)	Variation from the mean (mins)	Notional cost at £50 per hour (£)	Variation of notional cost from proposed fixed fee (£)
DOTH	Other	6,056	12%	284	-30	237	41
SCH	Reschedule	38,677	80%	<b>315</b>	1	262	66
CRE	Creditor	87	0%	234	-80	195	-1
MIX	Challenge and reschedule	2,444	5%	<b>406</b>	92	338	142
VAL	Challenge	1,273	3%	254	-60	212	16
National		48,537		314		262	66

3.6 The position for **Solicitors** is as follows:

Code	Description	Numbers of cases	Percent of cases	Average cost (£)	Variation from the mean (£)	Variation from the fixed fee (£)
DOTH	Other	3,453	22%	151	-2	-45
SCH	Reschedule	6,643	43%	153	-1	-43
CRE	Creditor	531	3%	156	4	-40
MIX	Challenge and reschedule	1,744	11%	172	23	-24
VAL	Challenge	3,003	20%	139	-34	-57
National		15,374		152		-44

3.7 It will be noted that:

- The sectors differ in the proportions reported as Other [12% for NfPs compared to 22% for solicitors], Reschedule [80% compared to 43%], Challenge and Reschedule [5% compared to 11%] and Challenge [3% compared to 20%]
- Cases take longer if they involve challenging and rescheduling debts [+92 minutes; + £23], close to average if they involve rescheduling only, and shorter than average if they are reported as challenging debts only [-60 minutes; -£34]

## 4 Type Of Client

### Ethnicity

4.1 The relationship between ethnicity and case length can be summarised as follows.

Code	Ethnic Origin	NfP Number of cases	Percent of NfP cases	NfP Variation from the mean (mins)	Solicitor Number of cases	Percent of Solicitor cases	Solicitor Variation from the mean (£)
0	Other	2,775	6%	-8	517	3%	-3
1	White British	36,679	82%	-2	11,887	77%	-6
2	White Irish	246	1%	36	96	1%	39
3	Black or Black British African	812	2%	-8	319	2%	27
4	Black or Black British Caribbean	1,108	2%	44	285	2%	22
5	Black or Black British Other	274	1%	91	75	0%	41
6	Asian or Asian British Indian	344	1%	66	200	1%	34
7	Asian or Asian British Pakistani	562	1%	-13	299	2%	5
8	Asian or Asian British Bangladeshi	411	1%	18	118	1%	60
9	Chinese	196	0%	-103	7	0%	-27
10	Mixed White & Black Caribbean	205	0%	-13	35	0%	35
11	Mixed White & Black African	90	0%	19	24	0%	11
12	Mixed White & Asian	40	0%	1	14	0%	72
13	Mixed Other	94	0%	-34	21	0%	55
14	White Other	489	1%	-1	186	1%	11
15	Asian or Asian British Other	251	1%	32	108	1%	32
99	Unknown	961	2%	9	1,1813	8%	18

4.2 It will be noted that there is a slight difference between the sectors in the proportion of clients who are reported as White British [82% for NfPs compared to 77% for solicitors].

4.3 The overall impact can be demonstrated by a comparison between clients classified as White British and non White British [or BME], excluding those cases where the clients' ethnicity is recorded as unknown. The table below gives the average case lengths/costs for these two groups, the average for all cases and the variance from the average of these two groups.

Sector	Averages			Variance	
	White British	BME	Overall average	White British	BME
NfP	312 mins	321 mins	314 mins	-2 mins	+7 mins
Solicitors	£147	£171	£152	-£5	+£19

4.4 It is worth however looking behind the national figures given

- The high proportion of non White British [or BME] clients in London
- The fact that case lengths/costs are significantly higher in London [see Section 7: Regional Differences below]

4.5 The following table sets out the proportion of clients recorded as White British, BME, and unknown in each sector in London and in the rest of England and Wales

		White British	BME	Unknown
London	NfPs	30%	65%	5%
	Solicitors	26%	66%	8%
Outside London	NfPs	86%	12%	2%
	Solicitors	83%	10%	8%

4.6 The following table shows the average case lengths/costs for clients recorded as White British, BME and overall in each sector in London and in the rest of England and Wales

		White British	BME	Overall average
London	NfPs	353 mins	336 mins	340 mins
	Solicitors	£254	£199	£216
Outside London	NfPs	311 mins	314 mins	312 mins
	Solicitors	£143	£151	£145

## Disability

4.7 The position for **NfPs** is as follows

Code	Description	Number	Percent of cases	Average case time (mins)	Variation from the mean (mins)
N	No disability	31,111	64.1%	299	-15
U	Unrecorded	7,566	15.6%	346	32
Y	Disability	9,860	20.3%	338	24

4.8 The position for **Solicitors** is as follows:

Code	Description	Number	Percent of cases	Average cost (£)	Variation from the mean (£)
N	No disability	7,915	51%	150	-2
U	Unrecorded	5,524	36%	152	0
Y	Disability	1,935	13%	160	8

## Gender

4.9 For **NfPs**: 42% of clients were male with an average case time of **309** minutes. 58% of clients were female with an average case time of **317** minutes.

4.10 For **solicitors**: 44% of clients were male with an average case cost of £153. 56% of clients were female with an average case cost of £151.

## Age

4.11 The relevant figures in relation to age are as follows

Code	Description	NfP Numbers of cases	Percent of NfP cases	NfP variation from mean (mins)	Solicitor Numbers of cases	Percent of Solicitor cases	Sols variation from mean (£)
A	0-16	86	0%	53	20	0%	14
B	17-24	6,316	13%	-49	1,548	10%	-25
C	25-34	12,678	26%	-18	3,624	24%	-9
D	35-49	18,858	39%	12	6,321	41%	5
E	50-64	8,636	18%	27	3,042	20%	10
F	65+	1,927	4%	43	799	5%	14

## 5 Extent Of Work Done

### Third endpoint

5.1 The position for **NfPs** is as follows

Code	Description	Numbers	% of cases	Average case time (mins)	Variation from mean (mins)	Notional cost at £50 per hour (£)	Variation of notional cost from the proposed fixed fee (£)
A	First meeting	3,668	8%	119	-195	99	-97
B	Further work	13,623	28%	267	-47	222	26
C	Putting case for client	28,990	60%	<b>353</b>	39	294	98
D	Representation at court / tribunal	1,949	4%	<b>461</b>	147	384	188

5.2 The position for **Solicitors** is as follows:

Code	Description	Numbers	% of cases	Average cost (£)	Variation from the mean (£)	Variation from the proposed fixed fee (£)
A	First meeting	1,802	12%	81	-71	-115
B	Further work	6,603	43%	143	-9	-53
C	Putting case for client	6,578	43%	178	26	-18
D	Representation at court / tribunal	351	2%	219	67	23

## 6 Outcomes

6.1 The relationship between average times and **first endpoint** is as follows

Code	Description	Percent of cases - NfPs	Variation from mean – NfPs (mins)	Percent of cases - solicitors	Variation from mean – solicitors (£)
A	Proceeded under other CLS funding	1%	-9	2%	100
B	Client referred	1%	-48	1%	11
C	Client advised and taking action themselves or with help	8%	-66	9%	-11
D	Client advised and third party action or decision awaited	1%	-4	3%	-4
E	Outcome not known / client ceased to give instructions	23%	-62	29%	-26
F	Client receives lump sum or property	1%	73	1%	52
G	Client receives new or increased regular payment	1%	138	1%	34
H	Sum owed to third party is reduced	5%	85	5%	27
I	Liability to make regular payments is reduced	22%	61	13%	31
L	Client's credit references improved	0%	169	1%	5
M	Third party action benefits client	1%	-23	2%	10
N	Third party action prevented	4%	57	6%	-9
O	Third party action delayed	1%	52	2%	33
P	Client secures explanation or apology only	0%	-72	1%	-7
Q	Client advised and enabled to plan/manage better	22%	8	12%	-13
R	Matter stopped on adviser's recommendation	4%	-5	3%	19
S	Matter concluded otherwise	4%	-30	10%	14

- 6.2 It will be noted that the proportions of cases reported against particular outcomes vary between the sectors particularly in relation to outcomes E, I, Q and S.
- 6.3 If outcomes F – Q are treated as positive outcomes, these figures suggest that NfPs obtained positive outcomes in 57% of cases and solicitors in 44% of cases.
- 6.4 As far as the **second endpoint** is concerned
- For **NfPs**: 1% of cases were recorded as having achieved significant wider public benefits with an average case length of **402** minutes, as compared to **315** minutes for the 98% of cases where no such benefits were achieved.
  - For **solicitors**: only 0.3% of cases were recorded as having achieved significant wider public benefits.

## 7 Regional Differences

- 7.1 The number of cases, and their distribution, by region and by sector are as follows

Regional office	NfPs		Sols	
	No. of cases	Percent of NfP cases	No. of cases	Percent of sols cases
Birmingham	6,944	14%	1,345	9%
Brighton	1,695	3%	416	3%
Bristol	5,224	11%	1,174	8%
Cambridge	3,569	7%	824	5%
Cardiff	4,001	8%	2,208	14%
Leeds	3,136	6%	866	6%
Liverpool	2,970	6%	1,252	8%
London	3,822	8%	1,473	10%
Manchester	7,843	16%	1,302	8%
Newcastle	4,441	9%	2,093	14%
Nottingham	3,399	7%	1,890	12%
Reading	1,493	3%	531	3%
National	48,537		15,374	

7.2 The average case times and variation from the mean, by region and by sector are as follows

Regional office	NfPs			Sols		
	No. of cases	Average case time (mins)	Variation from the mean	No. of cases	Average cost (£)	Variation from the mean (£)
Birmingham	6,944	<b>299</b>	-15	1,345	175	23
Brighton	1,695	<b>343</b>	29	416	129	-23
Bristol	5,224	252	-62	1,174	147	-5
Cambridge	3,569	<b>342</b>	28	824	154	2
Cardiff	4,001	<b>346</b>	33	2,208	147	-5
Leeds	3,136	<b>310</b>	-4	866	157	5
Liverpool	2,970	<b>299</b>	-15	1,252	134	-18
London	3,822	<b>340</b>	26	1,473	216	64
Manchester	7,843	<b>313</b>	-1	1,302	147	-5
Newcastle	4,441	<b>315</b>	1	2,093	122	-30
Nottingham	3,399	<b>325</b>	12	1,890	147	-5
Reading	1,493	<b>366</b>	52	531	145	-7
National	48,537	314	-	15,374	152	-

# Case Lengths, Case Costs And Fixed Fees – Annexe 4: Employment

## 1 Abstract

- 1.1 This paper looks at the average case lengths and case costs for employment in 2005-06, for not for profit agencies (NfPs) and solicitors working under contracts with the Legal Services Commission. It analyses them by reference to the type of case, the type of client, the extent of work done, the outcomes achieved and the region where suppliers are located.

## 2 Introduction

- 2.1 During 2005-06 NfPs recorded all their work as ‘time’. Solicitors recorded most of their work in terms of the time taken, but this did not include letters and telephone calls. They claimed their ‘profit costs’ in pounds (£), to represent all the work done. In the tables below we record the average time taken by NfPs in minutes and the average costs claimed by solicitors in pounds (£).
- 2.2 For comparison purposes we have assumed that NfPs are paid on average £50 per hour. On this basis we have calculated notional average costs for NfPs.
- 2.3 The proposed standard fixed fee for employment cases from October 2007 is £225.<sup>1</sup>
- At £50 per hour that is equivalent to 270 minutes [4.5 hours] for NfPs
  - 125% of the fixed fee is £281, equivalent to 337 minutes for NfPs
  - Cases are “exceptional” at three times the fixed fee, i.e. £675, equivalent to 810 minutes [13.5 hours] at £50 per hour for NfPs
- 2.4 During 2005-06
- NfPs reported 4,566 cases with an average case time of **430** minutes [7.2 hours]
  - At £50 per hour this equates to an average cost of £358 [£133 or 59% more than the proposed fixed fee]
  - Solicitors firms reported 5,568 cases. The average profit costs claimed were **£325** [£100 or 44% more than the proposed fixed fee].
  - The total number of cases reported is 10,134. NfPs reported 45% of these, and solicitors 55%.

## 3 Type Of Case

### Matter Type part 1

- 3.1 The average or mean time for all employment cases reported by **NfPs** in 2005-06 was **430** minutes (as compared to 446 minutes in 2004-05).
- 3.2 The breakdown by reference to Matter Type Part 1 is as follows:

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<sup>1</sup> Legal Aid Reform: the Way Ahead p.51

Code	Description	Number of cases	Percent of cases	Average case time (mins)	Variation from the mean (mins)	Notional cost at £50 per hour (£)	Variation of notional cost from proposed fixed fee (£)
EMTE	Terms & conditions	684	15%	266	-164	222	-3
EMOT	Other	719	16%	297	-133	247	22
EMUN	Unfair dismissal	1,976	43%	<b>485</b>	55	404	179
EMRE	Redundancy	291	6%	<b>355</b>	-75	296	71
EMSK	Sick leave	79	2%	246	-185	205	-20
EMDI	Discrimination	583	13%	<b>711</b>	280	592	367
EMWR	Wrongful dismissal	234	5%	315	-116	262	37
National		4,566		430		358	133

3.3 The position for **Solicitors** is as follows:

Code	Description	Numbers of cases	Percent of cases	Average cost (£)	Variation from the mean (£)	Variation from the proposed fixed fee (£)
EMTE	Terms & conditions	532	10%	198	-126	-27
EMOT	Other	1,126	20%	229	-96	4
EMUN	Unfair dismissal	2,553	46%	<b>358</b>	34	133
EMRE	Redundancy	176	3%	240	-85	15
EMSK	Sick leave	120	2%	216	-109	-9
EMDI	Discrimination	684	12%	<b>554</b>	229	329
EMWR	Wrongful dismissal	377	7%	218	-107	-7
National		5,568		325		100

3.4 It will be noted that

- The sectors report a similar distribution of cases
- In both sectors, cases take longer than average if reported as unfair dismissal [+55minutes; +£34] and very much longer than average if reported as discrimination [+280 minutes for NfPs; +£229 for solicitors]. All other cases take very much shorter than average times in both sectors.

## Matter Type part 2

3.5 The position for **NfPs** is as follows:

<b>Code</b>	<b>Description</b>	<b>Numbers of cases</b>	<b>Percent of cases</b>	<b>Average case time (mins)</b>	<b>Variation from the mean (mins)</b>	<b>Notional cost at £50 per hour (£)</b>	<b>Variation of notional cost from proposed fixed fee (£)</b>
UNE	Unemployed	2,765	61%	<b>473</b>	43	394	169
FTE	Full time employment	1,171	26%	<b>366</b>	-64	305	80
PTE	Part time employment	528	12%	<b>357</b>	-74	297	72
SEM	Self employed	26	1%	325	-105	271	46
EMP	Employer	76	2%	<b>411</b>	-20	342	117
National		4,566		430		358	133

3.6 The position for **Solicitors** is as follows:

<b>Code</b>	<b>Description</b>	<b>Numbers of cases</b>	<b>Percent of cases</b>	<b>Average cost (£)</b>	<b>Variation from the mean (£)</b>	<b>Variation from the fixed fee (£)</b>
UNE	Unemployed	3,092	56%	<b>359</b>	35	134
FTE	Full time employment	1,665	30%	<b>281</b>	-44	56
PTE	Part time employment	658	12%	<b>283</b>	-41	58
SEM	Self employed	46	1%	227	-98	2
EMP	Employer	107	2%	<b>299</b>	-26	74
National		5,568		325		100

## 4 Type Of Client

### Ethnicity

4.1 The relationship between ethnicity and case length can be summarised as follows:

Code	Ethnic Origin	NfP Number of cases	Percent of NfP cases	NfP Variation from the mean (mins)	Solicitor Number of cases	Percent of Solicitor cases	Solicitor Variation from the mean (£)
0	Other	651	14%	1	201	4%	12
1	White British	2,760	60%	-24	3,836	69%	-57
2	White Irish	36	1%	-13	34	1%	275
3	Black or Black British African	183	4%	198	253	5%	241
4	Black or Black British Caribbean	167	4%	115	222	4%	262
5	Black or Black British Other	41	1%	5	47	1%	293
6	Asian or Asian British Indian	82	2%	302	96	2%	201
7	Asian or Asian British Pakistani	87	2%	26	114	2%	119
8	Asian or Asian British Bangladeshi	21	0%	-55	24	0%	105
9	Chinese	59	1%	81	8	0%	348
10	Mixed White & Black Caribbean	19	0%	135	43	1%	110
11	Mixed White & Black African	15	0%	196	25	0%	421
12	Mixed White & Asian	6	0%	-191	13	0%	-43
13	Mixed Other	13	0%	-140	10	0%	-28
14	White Other	261	6%	-75	214	4%	131
15	Asian or Asian British Other	58	1%	133	61	1%	144
99	Unknown	107	2%	-115	367	7%	-43

4.2 It will be noted that the sectors differ in the proportions of clients who are reported as Other [14% for NfPs compared to 4% for solicitors], White British [60% for NfPs compared to 69% for solicitors], and Unknown [2% compared to 7%].

- 4.3 The overall impact can be demonstrated by a comparison between clients classified as White British and non White British [or BME], excluding those cases where the clients' ethnicity is recorded as unknown. The table below gives the average case lengths/costs for these two groups, the average for all cases and the variance from the average of these two groups.

Sector	Averages			Variance	
	White British	BME	Overall average	White British	BME
NfP	407 mins	476 mins	430 mins	-23 mins	+46 mins
Solicitors	£268	£496	£325	-£57	+£171

- 4.4 It is worth however looking behind the national figures given
- The high proportion of non White British [or BME] clients in London
  - The fact that case lengths/costs are significantly higher in London [see Section 7: Regional Differences below]
- 4.5 The following table sets out the proportion of clients recorded as White British, BME, and unknown in each sector in London and in the rest of England and Wales.

		White British	BME	Unknown
London	NfPs	23%	74%	2%
	Solicitors	21%	74%	6%
Outside London	NfPs	72%	26%	2%
	Solicitors	80%	13%	7%

- 4.6 The following table shows the average case lengths/costs for clients recorded as White British, BME and overall in each sector in London and in the rest of England and Wales.

		White British	BME	Overall average
London	NfPs	489 mins	542 mins	526 mins
	Solicitors	£596	£676	£662
Outside London	NfPs	399 mins	416 mins	401 mins
	Solicitors	£249	£273	£248

## Disability

- 4.7 The position for **NfPs** is as follows:

Code	Description	Number	Percent of cases	Average case time (mins)	Variation from the mean (mins)
N	No disability	3,433	75.2%	421	-10
U	Unrecorded	752	16.5%	395	-36
Y	Disability	381	8.3%	589	159

4.8 The position for **Solicitors** is as follows:

Code	Description	Number	Percent of cases	Average cost (£)	Variation from the mean (£)
N	No disability	3,385	61%	319	-5
U	Unrecorded	1,789	32%	302	-22
Y	Disability	394	7%	470	145

### Gender

4.9 For **NfPs**: 52% of clients were male with an average case time of **436** minutes. 48% of clients were female with an average case time of **425** minutes.

4.10 For **solicitors**: 54% of clients were male with an average case cost of **£314**. 46% of clients were female with an average case cost of **£337**.

### Age

4.11 The relevant figures in relation to age are as follows:

Code	Description	NfP Numbers of cases	Percent of NfP cases	NfP variation from mean (mins)	Solicitor Numbers of cases	Percent of Solicitor cases	Sols variation from mean (£)
A	0-16	21	0%	-137	22	0%	-78
B	17-24	876	19%	-70	1,048	19%	-62
C	25-34	1,295	28%	7	1,597	29%	1
D	35-49	1,637	36%	29	2,088	38%	22
E	50-64	693	15%	18	753	14%	15
F	65+	41	1%	-155	50	1%	165

## 5 Extent Of Work Done

### Third endpoint

5.1 The position for **NfPs** is as follows:

Code	Description	Number	% of cases	Average case time (mins)	Variation from mean (mins)	Notional cost at £50 per hour (£)	Variation of notional cost from the proposed fixed fee (£)
A	First meeting	881	19.3%	84	-346	70	-155
B	Further work	1,327	29.1%	241	-189	201	-24
C	Putting case for client	1,831	40.1%	555	125	462	237
D	Represent at court / tribunal	506	11.1%	1085	655	904	679

5.2 The position for **Solicitors** is as follows:

<b>Code</b>	<b>Description</b>	<b>Numbers</b>	<b>% of cases</b>	<b>Average cost (£)</b>	<b>Variation from the mean (£)</b>	<b>Variation from the proposed fixed fee (£)</b>
A	First meeting	723	13%	103	-222	-122
B	Further work	2,237	40%	202	-122	-23
C	Putting case for client	2,465	44%	<b>477</b>	152	252
D	Representation at court / tribunal	122	2%	<b>819</b>	494	594

## 6 Outcomes

6.1 The relationship between average times and **first endpoint** is as follows:

Code	Description	Percent of cases -NfPs	Variation from mean – NfPs (mins)	Percent of cases – solicitors	Variation from mean – solicitors (£)
A	Proceeded under other CLS funding	1%	516	2%	211
B	Client referred	1%	57	2%	28
C	Client advised and taking action themselves or with help	13%	-243	14%	-32
D	Client advised and third party action or decision awaited	2%	-240	2%	-126
E	Outcome not known / client ceased to give instructions	19%	-221	25%	-146
F	Client receives lump sum or property	38%	276	23%	199
G	Client receives new or increased regular payment	0%	-151	1%	9
H	Sum owed to third party is reduced	0%	-20	0%	-22
I	Liability to make regular payments is reduced	0%	-153	0%	-68
M	Third party action benefits client	1%	-139	1%	-19
N	Third party action prevented	0%	-135	1%	-117
O	Third party action delayed			0%	-165
P	Client secures explanation or apology only	1%	-72	1%	-143
Q	Client advised and enabled to plan/manage better	3%	-241	6%	-68
R	Matter stopped on adviser's recommendation	9%	-91	9%	-83
S	Matter concluded otherwise	12%	-99	13%	66

6.2 It will be noted that the proportions of cases reported against particular outcomes vary between the sectors particularly in relation to outcomes E, F, and Q.

6.3 If outcomes F – Q are treated as positive outcomes, these figures suggest that NfPs obtained positive outcomes in 43% of cases and solicitors in 33% of cases.

6.4 As far as the **second endpoint** is concerned

- For **NfPs**: 2% of cases were recorded as having achieved significant wider public benefits with an average case length of 729 minutes, as compared to 424 minutes for the 98% of cases where no such benefits were achieved.
- For **solicitors**: 1% of cases were recorded as having achieved significant wider public benefits with an average case cost of £364, as compared to £324 for the 99% of cases where no such benefits were achieved.

## 7 Regional Differences

7.1 The number of cases, and their distribution, by region and by sector are as follows:

Regional office	NfPs		Sols	
	No. of cases	Percent of NfP cases	No. of cases	Percent of sols cases
Birmingham	389	9%	362	7%
Brighton	63	1%	260	5%
Bristol	200	4%	540	10%
Cambridge	398	9%	597	11%
Cardiff	52	1%	560	10%
Leeds	342	7%	542	10%
Liverpool	475	10%	69	1%
London	1,086	24%	1,026	18%
Manchester	951	21%	234	4%
Newcastle	344	8%	488	9%
Nottingham	179	4%	489	9%
Reading	87	2%	401	7%
National	4,566		5,568	

7.2 The average case times and variation from the mean, by region and by sector are as follows:

Regional office	NfPs			Sols		
	No. of cases	Avge case time (mins)	Variation from the mean	No. of cases	Average cost (£)	Variation from the mean (£)
Birmingham	389	<b>351</b>	-80	362	252	-72
Brighton	63	<b>492</b>	61	260	219	-106
Bristol	200	<b>369</b>	-62	540	<b>286</b>	-38
Cambridge	398	<b>412</b>	-18	597	<b>295</b>	-30
Cardiff	52	<b>343</b>	-88	560	159	-166
Leeds	342	<b>497</b>	67	542	<b>284</b>	-40
Liverpool	475	<b>515</b>	85	69	208	-117
London	1,086	<b>526</b>	96	1,026	<b>662</b>	337
Manchester	951	315	-116	234	<b>315</b>	9
Newcastle	344	<b>347</b>	-83	488	203	-121
Nottingham	179	<b>523</b>	93	489	235	-89
Reading	87	<b>501</b>	71	401	260	-65
	4,566	430		5,568	325	