House of Commons: Written Statement (HCWS200)

Ministry of Justice

Written Statement made by: The Parliamentary Under-Secretary of State for Justice, Minister for the Courts and Legal Aid (Mr Shailesh Vara) on 16 Jan 2015.

Enhanced Court Fees

I am today publishing the Government Response to part two of the consultation 'Court Fees: proposals for reform.'

We are rightly proud of our system of justice. We have some of the best lawyers, and finest judges, in the world. That is why so many people and organisations choose to bring their disputes to this country.

The courts play a critical role in our society, providing access to justice for those who need it. It is vital that the principle of access to justice is preserved. I believe that the best way to do so is to ensure that the courts are properly funded.

We cannot have properly funded public services without a strong economy. This Government has therefore made economic recovery its top priority. Public spending must be brought under control, and the courts and justice system must bear their fair share.

I have already announced that we will be investing £375 million in the courts over the next five years to modernise services so that we can realise long-term financial savings worth over £100 million per annum by 2019/20. There is, however, only so much that can be achieved through cost efficiency measures alone. If we are to reduce the costs of the courts to the taxpayer, and protect access to justice, I am convinced that there is no alternative but to look to those who use the courts to contribute more, where they can afford to do so.

I have therefore decided to proceed with most of the proposals relating to enhanced fee charging set out in the consultation. Specifically, I have decided to introduce a fee to commence proceedings for the recovery of money of 5% of the value of the claim on claims for more than £10,000, subject to a maximum fee capped at £10,000. Setting the value of claims subject to fees at this level means that 90% of cases will not be affected by the introduction of this fee. A 10% discount will continue to be available for those issuing claims electronically. These measures will deliver an estimated £120 million in additional income, with every pound retained by the courts to invest in delivering a better service for those who use them.

Some respondents were concerned that this would affect legal services in this country, and impact on London's position in the face of international competition. I do not accept these concerns, given that the increase in court fees proposed would have only a negligible impact on the overall cost of litigation. However, I have decided at this stage not to proceed with either of the options on which I sought views to charge higher fees for commercial proceedings.

Most respondents were particularly concerned about the proposal to raise the fee for a divorce, and having listened to those concerns, I have decided not to proceed with this proposal for the time being.

However, whilst I have decided not to proceed with a number of the consultation proposals, this has not changed the financial imperative to increase income to the Courts from fees. Therefore, the Government Response also seeks views on proposals for raising fee income from possession

claims and general applications in civil proceedings. The deadline for responses to the consultation is 27 February 2015.

Increasing court fees will never be welcome. I believe, however, it is right that those who use the services should make a greater contribution towards their running costs, where they can afford to do so. I am also sure that those who choose to litigate in our courts will continue to recognise the outstanding qualities our legal services offer, and the excellent value for money they provide.