



HOUSE OF LORDS,
SW1A 0PW

C O N F I D E N T I A L

31st January, 1986

My dear John

BARRISTERS AND SOLICITORS REMUNERATION

Thank you for your letter of 29th January.

I have considered the points you make with Michael Havers. We recognise the difficulties you face. Our view remains that the risks to the CPS and to the efficient dispatch of business in the courts are sufficiently serious to justify paying the profession a substantial interim increase. So we see no alternative to taking the issue to colleagues in E(A).

We can discuss there the various points in your letter. But it may be helpful if I say now that I do not accept your analysis of the problem surrounding Coopers and Lybrand's report. Without necessarily endorsing Coopers' approach on comparability, the reality is that those choosing to remain at the Criminal Bar will have an eye to what their total earnings could be. Whatever the restructuring of Civil Service legal grades, potential earnings of £21,000 a year do not seem in any way over generous for a barrister at around the mid-point of his career.

As to the detail of the approach, I do not accept that a working year of 210 days is unrealistic. This is the figure we use for setting fees for recorders. Barristers inevitably lose some working days as a result of cases going unexpectedly short or changes in the court list. Indeed, my own view is that 210 days is generous when compared with the 213 days assumed for Civil Servants.

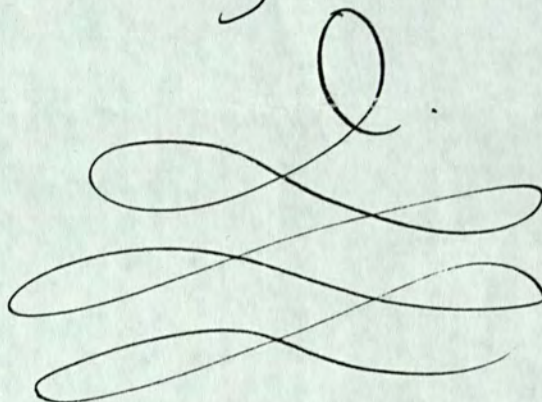
The consultants have assumed a working day of 7 hours, not 5½ as you suggest. I agree that even 7 hours is somewhat on the low side, but Coopers assume that a certain amount of other work is done in the evenings and at weekends.

The Right Honourable
John MacGregor
The Chief Secretary
HM Treasury
Parliament Street
London SW1

The model they use for deriving fee levels is based on a barrister who is fully employed. It is therefore not affected by any arguments about over supply in the profession.

We can of course discuss this further in E(A) if you wish. I am copying this letter to the Prime Minister, Douglas Hurd, Tom King, Malcolm Rifkin, Michael Havers, Patrick Mayhew and Sir Robert Armstrong.

Yrs:

A handwritten signature consisting of a large, stylized initial 'L' followed by a series of horizontal, overlapping loops.

