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From: J B UNWIN
9 July 1986

MR ROBERTS

Prime Minister 2

DWJ
10/7

cc Mr Stark
Mr Wiggins
For Information: COPY
Mr Norgrove - No 10
Miss MacNaughton - Ld
President's Office

REMUNERATION OF LAWYERS

I understand that the Lord Chancellor has run into some difficulties in his negotiations with Mr Alexander on the proposals recently agreed by E(A).

2. In brief, the Bar have argued for:-

- (i) a further 3 per cent on top of the 3 per cent to be paid on the nail;
- (ii) payment of the 2 per cent productivity element immediately rather than next April;
- (iii) some compensation for delay in reaching a settlement;
- (iv) agreement on a specific procedure for future negotiations (this relates to the previous recommendation for an Advisory Committee).

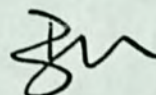
3. Following discussion with the Treasury the Lord Chancellor's Department seem likely to drop (i) and (iii) above, and to propose on (iv) arrangements for the future that could be acceptable to the Treasury. The idea at present under consideration is a purely procedural agreement under which departmental officials and representatives of the Bar would meet to define the relevant facts and figures on lawyers' earnings from criminal aid and present these in a joint report to the Lord Chancellor, who would then be entirely free to make his own judgements, taking into account such other factors as affordability.

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4. The Lord Chancellor's Department are, however, likely to support the Bar on the bringing forward of the 2 per cent productivity payment at (ii). They will, of course, pray in aid the payment in October to Crown Prosecutors of the analogous productivity element by the Attorney General, although this was known to the Lord Chancellor's Department when the recent E(A) deal was struck.

5. The Lord Chancellor must put his final proposals forward to the Bar in time for their Extraordinary General Meeting on 26 July. If he cannot reach agreement with the Treasury on the above, he will need to consult colleagues further. I have suggested that, at least initially, he should not circulate a paper to E(A) but should put his proposals in writing to the Chief Secretary, with copies to the Prime Minister, Lord President, Chief Whip, Attorney General, and Secretary of State for Scotland (ie the ad hoc group which previously discussed this, with the addition of Mr Rifkind in view of the repercussions for Scotland).

6. I should be grateful if you would keep in touch with the Treasury and the Lord Chancellor's Department so that we have maximum warning of further developments. If it would be helpful, I should, of course, be willing to hold a further meeting here with the senior officials concerned, but for the moment I think we must let the Lord Chancellor's Department and the Treasury argue it out.



J B UNWIN

