



# Ministry of JUSTICE

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Dear Colleagues

On November 19, 2012 views were invited on the appropriate level of fixed recoverable costs in the existing Road Traffic Accident (RTA) scheme and those in the extended scheme. I would like to thank all those who responded to the consultation. The Government's full response to that consultation exercise is attached to this letter.

In the light of the consultation I have decided that it is expedient for the Civil Procedure rules to include provision to achieve the following purposes:

- The fixed recoverable costs in the respective Protocols should be those set out in **Annex A of the response document**.
- For cases in the £10,001 to £25,000 bracket, the cost of Counsel's or specialist solicitor's advice on quantum should, in exceptional circumstances where it is justified in the same way as an expert's report, be recoverable as a disbursement.
- Furthermore, in respect of claims arising out of employers' liability disease cases which fall out of the EL protocol, the existing costs regime should continue rather than the new one proposed. The costs in all other cases falling out of the protocols should be those set out in the relevant table in **Annex A of the response document**.

## Timing

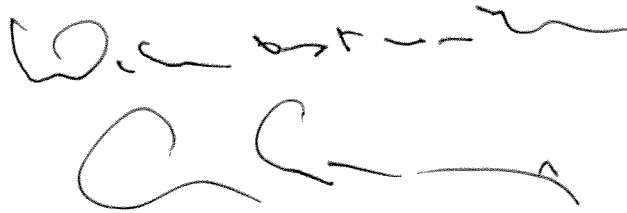
In response to a legal challenge before Christmas, I undertook to consider afresh the timing of the extension of the existing RTA scheme to claims up to £25,000. Having reviewed all the information we have about the operation of the existing scheme and information gathered about the practical feasibility of implementing an operable extension of the scheme, I have reached the following conclusions:

- A full evaluation of the existing scheme is not required to inform a decision about extending the scheme to £25,000.
- Revised FRCs in respect of the existing scheme (RTA up to £10,000) should commence from the end of April.

- The new protocols extending the scheme to claims up to £25,000 and to EL/PL claims, and the accompanying FRC regimes (including cases which fall out of the extended protocols), will be implemented from the end of July.

The difference in timing is due to the additional complexity involved for both insurers and claimant lawyers in implementing the extended scheme. Implementing these conclusions as to timing should be considered among the purposes set out above.

Since sufficiently representative and comprehensive data in this area is not readily obtainable for all of the reforms, I do not wish to commit at this stage to a formal review fixed in 12 months time. However, I am prepared to review and assess the effectiveness of the scheme should evidence be provided to demonstrate that this is necessary.

A handwritten signature in black ink, appearing to read 'Chris Grayling', written in a cursive style.

**CHRIS GRAYLING**