



Ministry
of Justice

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Robert Neill MP
Chair of Justice Committee
House of Commons
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Dear Bob,

**THE GOVERNMENT RESPONSE TO CONSULTATION ON
ENHANCED FEES FOR DIVORCE PROCEEDINGS, POSSESSION CLAIMS AND
GENERAL APPLICATIONS IN CIVIL PROCEEDINGS AND
CONSULTATION ON FURTHER FEES PROPOSALS**

I am writing to inform you that we have today published the Government's Response to the consultation on proposals for increases to court fees, which was published on 16 January 2015, and have also launched a new consultation on further proposals.

The courts fulfil a vital role in an effective and functioning democracy. They provide access to justice for those who need it, upholding the principle of the rule of law. That is why we need to make sure that the courts and tribunals are properly funded.

The Secretary of State and I have set out separately plans for reform to the courts and tribunals where we will be investing in reforms that will deliver a modernised, leaner, and more efficient system.

To deliver this vision, we need a strong, secure and effective economy. This Government was elected to continue our work to fix the economy, by reducing public spending, eliminating the deficit and reducing the national debt. The courts and tribunals must continue to play their part in this national effort as much as any other public service.

There is, however, only so much that can be delivered through efficiency measures alone. If we are to secure sustainable funding of the courts and tribunals, we must also look to those who use the system to contribute more where they can afford to do so.

That is why we have to look again at court fees. Despite the fees already introduced, HMCTS still costs £1 billion a year more to run than it receives in income. In considering the changes outlined below, we have been determined to:

- Deliver faster and fairer justice for all;
- Protect the weak and vulnerable;
- Promote equality of all before the law.

Following a consultation launched by the Coalition Government in January 2015, today's Government Response confirms that we will:

- Increase the fees for issuing a possession claim in the county court by £75, from £280 to £355. Our analysis of the available evidence suggests that this increase will not deter anyone who would otherwise have taken their claim to court;
- Increase the fees for general applications in civil proceedings by £50, from £50 to £100, for an application by consent and by £100, from £155 to £255, for a contested application. In order to ensure the most vulnerable are not affected, we are excluding from this fee rise applications such as those to vary or extend an injunction for protection from harassment or violence.

In December 2013, the Coalition Government also consulted on increasing the fee payable to issue divorce proceedings from £410 to £750. Today we are announcing that we will:

- Increase the fees for issuing divorce proceedings to £550. We have carefully considered the concerns raised during the consultation and decided not to increase fees by 80% as originally proposed. Instead we will press ahead with a more affordable increase of about a third. We are also protecting the most vulnerable by ensuring that fee remission is available for those who need it, such as women in low wage households.

These three measures are estimated to deliver over £60million in additional income each year but the drive to reduce costs is ongoing. We are therefore also announcing today a consultation on further proposals:

- An increase in the maximum fee for money claims from £10,000 to at least £20,000. Fees are currently payable on 5% of the value of a claim up to a maximum fee of £10,000. This change will only affect the highest value claims, worth £200,000 or more. There are 1.2 million money claims each year, of which 5,000 will be affected. That is just 0.4% of the total, or 1 in every 240 money claims. Many of the claims brought for higher values will involve large multi-national organisations or wealthy individuals, and we believe it is right to ask them to contribute more. In order to protect the most vulnerable, personal injury and clinical negligence claims will be excluded from this higher cap and fee remissions for those of limited means will continue to apply;
- Introducing or increasing fees for certain tribunals. We are proposing to double fees in the Immigration and Asylum Chamber, while applying exemptions to protect the most vulnerable. We will not be applying any fees to the Social Entitlement Chamber of the First-tier Tribunal, where most applicants do not have the means to pay, or to the Mental Health Tribunal, which deals with especially vulnerable individuals. We will, however, introduce fees to the property, tax and general regulatory chambers. In the property tribunal, we are proposing fees at low levels for the majority of applications, while setting higher fees for leasehold enfranchisement cases where there are often large sums of money at stake. In each of the tribunals being consulted on, we aim to recover 25% of the total cost of the service through fees with taxpayers footing the rest of the bill;

- A general uplift of 10% to a wide range of fees in civil proceedings. These are small increases and only apply to fees which are not already above full cost.

These further proposals are estimated to generate around £48million a year in additional income.

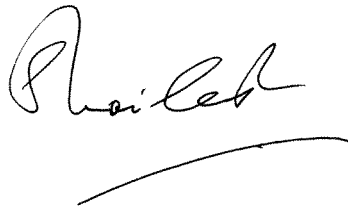
We are committed to protecting access to justice for all and so we will:

- Make the remissions scheme more generous. We will increase the amount of disposable capital those who need to pay a larger court fee are allowed to have in order to qualify for remission. We are also considering whether other forms of payment or benefit should be excluded from the disposable capital test. The HMCTS remission scheme will apply across all the courts and tribunals on which we are consulting, with the exception of the Immigration and Asylum Chamber where separate arrangements are in place.

Full details are set out in the consultation paper which is available on the MoJ website. The consultation will close on 15 September.

We recognise that fee increases are not popular but they are necessary if we are to deliver our promises to fix the economy and bring the nation into surplus. At every stage we have sought to protect the most vulnerable by ensuring they will not have to pay new and higher fees and by making the remissions scheme more generous. We have also sought to ensure that those who can afford to – such as wealthy individuals or large corporations making very high money claims – will make a bigger contribution. Every pound we collect from these fee increases will be spent on providing an efficient and effective system of courts and tribunals.

I note that your committee has launched an inquiry into court and tribunal fees.



SHAILESH VARA