#### ADJUSTING THE "MONETARY CHARGE" FOR JUDICIAL EXPENSES

## **Purpose**

1. To seek members views on whether *(or not)* the current "*monetary charge*" within the taxation rules of £18.00 per "unit" should be adjusted for inflation.

# **Background**

- 2. To meet the objective for providing 'comparable rules' the Committee has been asked under item 3.1 to set a *monetary charge* of £6.10 per unit (£61.00 per hour) for the regulated fees that can be charged by a sheriff officer. That figure was derived from the indices for CPI and CPIH as published for August 2025.
- 3. The comparable "monetary charge" set within the taxation rules as amended (refer Annex 1) is £18.00 per unit (£180.00 per hour). That figure was derived from the same indices when published in January 2022.
- 4. Over the subsequent 44-month period there has been a 21.2% increase in both the CPI and CPIH indices (refer Annex 2). The significance of that increase suggests the Committee should now consider an uplift in that latter monetary charge from £18.00 to £21.80 per unit (£218 per hour).

# The current policy position when adjusting for inflation

## Automatic annual uplifts:

- 5. The policy position is that any requests to adopt *automatic annual uplifts* based on the inflation indices will continue to be rejected as in practice that option excludes any offsetting impacts from a) changes in the law b) changes in court procedures and practice c) the gradual adoption of more efficient working practices by practitioners and d) the efficiencies available from the adoption of new technologies etc.
- 6. Do members have a view on the material offsetting impacts in legislation, procedure or practice that have occurred since 2022?

# Adhoc adjustments

7. The policy position - is that adhoc amendments may be considered around every 3 to 5 years as a check on whether the *monetary charge* has kept pace with the rate of inflation as experienced by *entitled parties*<sup>1</sup>.

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<sup>&</sup>lt;sup>1</sup> The rate of inflation experienced by providers within the legal services market is not relevant as providers can readily adjust for inflation by updating their own terms of business.

- 8. To do otherwise would mean that:
  - The level of expenses awarded would progressively fall below what this Committee had previously agreed as reasonable;
  - The structural gap between the *costs* incurred by *entitled parties* and the *expenses* recovered from the *paying parties* would widen;
  - Whilst they were successful in expenses the *entitled parties* will be shortchanged by the declining level of costs recovery; and
  - Eventually some litigants may start shifting their civil actions to other jurisdictions if they think that improves the potential for costs recovery.
- 9. Whilst an inflation adjustment of 21.2% is sizeable it is reflective of a specific period during the last 4 years where there was a *cost-of-living* crisis that had significant impacts on all civil litigants. The underlying rate of inflation has since fallen but is not yet within the 2% Bank of England target.
- 10. Members may wish to consider any reasons why an adhoc inflation adjustment should not be made at this time?

#### Conclusion

- 11. The benefit sought by aligning both *monetary charges* with the August 2025 inflation indices is that it would:
  - Facilitate accurate benchmarking as the public can make a comparison between the *monetary charges* at the same point in time; and
  - Reinforce that a charge out rate of £61.00 per hour for a sheriff officer is proportionate when the rate for recovering the costs of legal representation is £180.00 (or £218.00) per hour

#### Recommendation

#### 12. It is recommended that the Committee:

- Agrees that the "monetary charge" within the taxation rules of £18.00 per unit should now be increased to £21.80 per unit; and
- Instructs the preparation of a draft rules to put that change into effect.

Secretariat to the Scottish Civil Justice Council October 2025

#### ANNEX 1 - HISTORY OF RULE CHANGES MADE

The use of *unit-based charging* was introduced with effect from 29 April 2019 via the Taxation of Judicial Expenses Rules 2019

Count	Pages	UKSI/	Title of the instrument & nature of the rule changes made					
		SSI						
1	55	SSI	Act of Sederunt (Taxation of Judicial Expenses Rules) 2019					
		2019/75	- introduced unit-based charging					
			- set the baseline "monetary charge" at £16.40 per unit (£164.00 per hour)					
2	29	SSI	Act of Sederunt (Fees of Solicitors in the Court of Session, Sheriff Appeal Court and					
		2023/165	Sheriff Court) (Taxation of Judicial Expenses Rules) (Amendment) 2023					
			- amended the "monetary charge" by 9.7% to £18.00 per unit (£180.00 per hour)					
3	9	<u>SSI</u>	Act of Sederunt (Summary Applications, Statutory Applications and Appeals etc. Rules					
		2023/223	1999 and Taxation of Judicial Expenses Rules 2019 Amendment) (Telecommunications					
			Infrastructure) 2023					
			- added 2 new units of work (by inserting schedule 5A)					
4	3	SSI	Act of Sederunt (Rules of the Court of Session 1994, Sheriff Appeal Court Rules 2021					
		2024/323	and Ordinary Cause Rules 1993 Amendment) (Taxation of Judicial Expenses) 2024					
			- amended the date for lodging objections (to 14 calendar days prior to diet)					

Prior to that shift to unit-based charging:

- The previous fee tables (as amended) could be viewed within the:
  - Act of Sederunt (Fees of Solicitors in the Court of Session, Sheriff Appeal Court and Sheriff Court) (Amendment) 2018 (<u>SSI 2018/186</u>); and
- The original fee tables and regulations existed within the following instruments:
  - Act of Sederunt (Fees of Solicitors in the Sheriff Court) (Amendment and Further Provisions) 1993.
  - o Act of Sederunt (Fees of Solicitors in the Sheriff Appeal Court) 2015.
  - o Rule 42.16 (table of fees) of the Rules of the Court of Session 1994.

## **ANNEX 2 - INFLATION INDICES**

The last 9.7% uplift in the monetary charge to £18.00 per 6-minute "unit" reflected the indices for the evaluation period ended January 2022. That 9.7% uplift was agreed by the CAFC in October 2022; approved and instructed by the Council in December 2022; enacted under section 5 of SSI 2023/165; and took effect from 30 June 2023. The inflation indices over the subsequent evaluation period from January 2022 to August 2025 have been:

Year	Month	CPI INDEX	CPIH INDEX	
2022	Jan	114.9	114.6	
	Feb	115.8	115.4	
	Mar	117.1	116.5	
	Apr	120.0	119.0	
	May	120.8	119.7	
	Jun	121.8	120.5	
	Jul	122.5	121.2	
	Aug	123.1	121.8	
	Sep	123.6	123.3	
	Oct	126.2	124.3	
	Nov	126.7	124.8	
	Dec	127.2	125.3	
2023	Jan	126.4	124.8	
	Feb	127.9	126.0	
	Mar	128.9	126.8	
	Apr	130.4	128.3	
	May	131.3	129.1	
	Jun	131.5	129.4	
	Jul	130.9	129.0	
	Aug	131.3	129.4	
	Sep	132.0	130.1	
	Oct	132.0	130.2	
	Nov	131.7	130.0	
	Dec	132.2	130.5	
2024	Jan	131.5	130.0	
	Feb	132.3	130.8	
	Mar	133.0	131.6	
	Apr	133.5	132.2	
	May	133.9	132.7	
	Jun	134.1	133.0	
	Jul	133.8	132.9	
	Aug	134.3	133.4	
	Sep	134.2	133.5	
	Oct	135.0	134.3	
	Nov	135.1	134.6	
	Dec	136.6	135.1	
2025	Jan	135.4	135.1	
	Feb	136.0	135.6	
	Mar	136.5	136.1	
	Apr	138.2	137.7	
	May	138.4	138.0	
	Jun	138.9	138.4	
	Jul	139.0	138.5	
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These indices for CPIH and CPI are publicly available via the Office for National Statistics (ONS) at: <a href="https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7bt/mm23">https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/d7bt/mm23</a><a href="https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/1522/mm23">https://www.ons.gov.uk/economy/inflationandpriceindices/timeseries/1522/mm23</a>

That equates to a 21.2% movement in both indices over the latest 44-month evaluation period:

Year	Month	CPI INDEX	CPIH INDEX	
2022	Jan	114.9	114.6	
2025	Aug	139.3	138.9	
Multiplie	r	1.212	1.212	
% chang	ge	21.2%	21.2%	