IAN 1.. S. BALFOUR JOINT AUDITOR, EDINBURGH SHERIFF COURT

54-66 Frederick Street Edinburgh EH2 1LS

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Technical Specialist, Criminal Accounts Division, The Scottish Legal Aid Board, LP 2 EDINBURGH 7

Our Ref.ILSB

Your ref. SC/IB

30 May 2013

3 | MAY 2013

JB

Dear Ms Wilson,

Sheriff Court Audit

Taxation: Advocate: Ms R M Guinnane

Assisted Person,

CH//7188928507

I thank you for your letter of 16 May, confirming that with a slight amendment the draft Note is acceptable to you. I take your point and I have amended:

'and (2) the Board had offered fees to the others involved in this case on the same basis as the fees offered to her now.'

to read:

'and (2) the Board had, from the outset, offered to her the same fees as they offered to the other Counsel involved in this case (£1,350).'

I now send you a copy of the signed Report and I confirm that I have sent a copy also to Counsel's Clerk.

As to the audit fee, please note, as stated on the last page of the Note, that it should be paid to the firm of Balfour + Manson, and not to Ian Balfour as an individual. A Vat receipt will be issued on receipt of the fee and Vat.

Yours faithfully

tan L. S. Dauroui

Joint Auditor, Edinburgh Sheriff Court

If phoning, please contact me at home, 0131 337 2880

as I now work from home, but mail should go to DX ED 4, Edinburgh 1, or to

LP 12, Edinburgh 2.

from where I will collect it twice a week.

Criminal Accounts Division

Ext: 659

Mr. Balfour Joint Auditor, Edinburgh Sheriff Court LP12 EDINBURGH 2

Fax:0131 225 4931 Direct dial:0131 240 2059 Ref:ILSB Our ref:SC/IB

16 May 2013

Dear Mr Balfour

Sheriff Court Audit

Taxation: Ms R M Guinnane
Assisted Person:

- CH/7188928507

Thank you for your letter of 2 May 2013 enclosing your draft Note following the above diet of taxation. I apologise for not responding to you in advance of your period of leave.

In the main we have no difficulty with the factual accuracy of your note. There is only one observation that we would wish to make at this time which is in respect of the 9th paragraph in the section headed up "6. Daily rates - the figures", found on page 4. This reads as follows:

"I accept her protestation that (1) although the Inner House was critical of the conduct of the Sheriff Court case, it did not allocate blame among the five participants, and (2) the Board had offered fees to the others involved in this case on the same basis as the fees offered to her now" (emphasis added).

It may simply be the way this paragraph is being read, and perhaps too much emphasis has been placed on the word 'now' but, for the avoidance of doubt, the daily rate offered to Ms Guinnane from the outset was at the same rate (£1350) as that offered to (and accepted) by counsel for the other parties in the proceedings.

Other than that, we have no observations to make on the factual content of your note.

Yours sincerely

Technical Specialist

IAN L. S. BALFOUR JOINT AUDITOR, EDINBURGH SHERIFF COURT

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The Scottish Legal Aid Board, LP 2 EDINBURGH 7



Our Ref:ILSB

Your ref. CH//7188928507

2 May 2013

Dear Sirs,

Sheriff Court Audit

Taxation: Ms R M Guinnane

Assisted Person,

CH//7188928507

Thank you both (Mr Haggarty and Mr Baptie) for your assistance at the diet of taxation on Tuesday.

I enclose a draft of my Note, with a copy for each of you. As mentioned, this is sent in draft, not that I am going to change any of the decisions, but in case there are factual inaccuracies that you would like corrected.

If Counsel makes any major comments, I will let you have a sight of them before the Note is finalized.

It would be helpful to have any comments by Monday 14 May, if possible. I will be away for a fortnight from Tuesday 15 May, so if the Note cannot be finalized by then, it will have to wait until my return.

Yours faithfully

Ian L. S. Balfour Joint Auditor, Edinburgh Sheriff Court

If phoning, please contact me at home, 0131 337 2880 as I now work from home, but mail should go to

DX ED 4, Edinburgh 1, or to

LP 12, Edinburgh 2,

from where I will collect it twice a week.

SHERIFFDOM OF LOTHIAN AND BORDERS AT EDINBURGH

PRAFT NOTE by

THE JOINT AUDITOR

in a Joint Remit to him under the

Civil Legal Aid (Scotland) (Fees) Regulations 1989, Regulations 9 and 10

Counsel: Ms Rosemany M Guinnane Assisted Person: referred to as JWB

Faculty Services Reference: R153/BR090217

Scottish Legal Aid Board Reference: CH//7188928507

- 1. This taxation arose out of a dispute between the Scottish Legal Aid Board ('the Board') and Ms Rosemany M Guinnane ('Counsel'), in relation to her fees for representing JWB in proceedings at Edinburgh Sheriff Court between 2 February 2009 and 12 February 2010.
- 2. At the taxation on 29 April 2013, the Board was represented by

 Counsel attended, together with her Clerk,

 I am indebted to all of them for the helpful arguments that they submitted and their answers to the questions that I raised. I will first of all set out the principles that I have used to determine the two major issues, namely (1) fees for a full-day's appearance in Court and (2) fees for a part-day's appearance, and then apply these principles to the fees claimed. Several other fees, which did not raise issues of principle, are dealt with in footnotes to the Schedule appended to this Note.
- 3. The Civil Legal Aid (Scotland) (Fees) Regulations 1989 provide by Regulation 9 that 'Counsel may be allowed such fees as are reasonable for conducting Proceedings in a proper manner, as between Solicitor and Client, Third Party paying', with the proviso in Regulation 10(2) that the fees 'shall be 90% of the amount of fees which would be allowed for that work on a Taxation of expenses between Solicitor and Client, Third Party paying, if the work done were not on Legal Aid.'

4. Daily rate – the principles

Counsel claimed a daily rate of £1,575 for all her Court appearances; the Board offered £1,350 for a full day and half of that for days when Court time occupied two hours or less. These sums were discounted to take account of the 10% reduction required by Regulation 10(2). Except at the end of paragraph 8, where I have to use gross figures, all the figures quoted in this Note are discounted. Preparation was entirely subsumed in the daily rate for Court attendance; this is commendable, as I believe that preparation should be charged separately only in exceptional circumsances.

5. Counsel, who addressed me first on the daily rate, and who responded, both based their submissions on previous decisions by other Sheriff Court Auditors, particularly two Notes by the Glasgow Auditor, who had wrestled with the same issue in two cases, in 2005 and in 2009. When I expressed my preference for an alternative approach (paragraph 8 below), responded that precedents 'should not be ignored' and he went through the rationale behind the decisions in the two cases quoted. I will therefore comment on these and the other cases now, and return in paragraph 8 to my 'alternative way' for arriving at 'such fees as are reasonable'.

6. <u>Daily rates – the figures</u>

Counsel started with a case that did not require taxation, Michael/Dahzi Guo in 2001 and 2002, where she had accepted the Board's offer of £1,350 a day. When, six years later, she had to propose fees for representing the curator to Wali Younas from 2006 to 2008, she took the £1,350 in Guo, applied inflation figures from McEwan & Paton, and asked for a daily rate of £1,575. The Board offered £1,250, but she took it to taxation and the Glasgow Auditor sustained the £1,575 claimed.

Counsel fortified her present claim for £1,575 a day by referring me to the Dorward/Frame case in 2005. She had not been involved in it, but if she took two-thirds of the daily fee awarded by the Glasgow Auditor to Senior Counsel in that case, and applied inflationary figures to it, she arrived at £1,598.40 for 2009. This demonstrated that the £1,575 claimed in this case was reasonable. Finally in her opening submission, Counsel mentioned a case 'similar to this one' (Julie Rodger, CI/6813951006) where another member of the Board, Terry McEwan, had offered her £1,500 a day, but I was

not given any further details about that case.

had two responses, one of which I narrate in this paragraph and the other in two paragraphs later. He pointed out that had been exceptionally complicated and lengthy, and that Counsel herself had used this as the basis for asking for £1,575 (top of page 2 of the Auditor's Note). The Auditor had made clear (page 3 of his Note) that these were factors in awarding £1,575. Submitted that the present case was neither as complex nor as lengthy as this case was about removal from parental care and sexual abuse, whereas was about the death of a baby, following violent and repeated assaults, skull fracture, subdural haemorrhages, retinal haemorrhages and broken bones.

Finally on this first point, he quoted the decision of the Hamilton Auditor in 2001, where £1,350 was awarded for work done in the year 2000. On the face of it, that case did not assist his argument, because if £1,350 was adequate for work done in 2000, it must be considered light for comparable work in 2009. However, the Hamilton Auditor expressly stated that the rate in was not to be regarded as the norm, and that it should not be used to establish the market rate. He allowed counsel only £1,250 in a subsequent case of which took place in 2002 and 2003, commenting that 'it did in order to make the not match I presume that quoted point that £1,250 was 'normal' in 2002/3 and that £1,350 was 'exceptional', and on a par sought to distinguish from the present with the later case of which case.

Counsel responded that even if the present case was not as complex as it was at least on a par with Guo; vulnerable witness legislation was involved, there were multiple witnesses giving testimony as pseudo-experts, and weighing up their evidence, as to whether a parent should lose the right to care for a child, was an anxious and complex matter.

second point was particular to this case. It was appealed to the Court of Session and in delivering the Opinion of the Inner House on 22 June 2011, Lord Hardie made trenchant criticisms of the way this case had been conducted in the Sheriff Court.

referred me to pages 4, 14 and 18 of the Opinion, and submitted that even if £1,575 a day was justified in a case like this (which he disputed), it should be 'marked down' (his phrase) because the (mis)conduct of the case in the Sheriff Court had greatly and unnecessarily increased the total cost to the public purse.

Counsel responded that the five parties in the Sheriff Court case all had separate representation, namely (1) herself for the father, (2) counsel for the mother, (3) a solicitor for the Safeguarder, (4) another solicitor for one of the children and (5) the Reporter. The conduct of the case was essentially in the hands of the Reporter, who arranged when witnesses would give evidence, etc; it was unreasonable to hold her responsible for any shortcomings in the conduct of the case and to reduce her fees because of the general (not specific to her) criticism by Lord Hardie.

I accept her protestation that (1) although the Inner House was critical of the conduct of the Sheriff Court case, it did not allocate blame among the five participants, and (2) the Board had offered fees to the others involved in this case on the same basis as the fees offered to her now.

I have decided to award £1,530 for a full day in this case, and I will give my reasons for this in paragraph 8 below.

7. Part-days in Court

By looking at the itemized accounts that solicitors are obliged to lodge, the Board calculated that on thirteen of the 43 days when £1,575 was claimed, the Court was in session for less than two hours – on 29 April for only 16 minutes. Based on the Glasgow Auditor's Note in above): 'Where a Court day is shown to be less than 2 hours I have restricted the daily rate by half', the Board offered half of the daily rate here. I appreciate the Glasgow Auditor's view, but in this case I believe that two-thirds of the daily rate does better justice to two principles which I have tried to apply, as follows.

Principle 1. The common law approach to taxing counsel's fees in civil cases was reaffirmed in *Mackie & Co v Gibb* (1899) 2 F 42, which, as far as I know, has never been disapproved. In that case, counsel had been instructed for a jury trial that settled on the

morning of the trial, before a jury had been empanelled. The pursuer was found entitled to expenses, but the Auditor of the Court of Session refused to allow counsel's fees for the trial day. Holding that such fees were recoverable, the Lord Justice Clerk said: 'When counsel are instructed they have to prepare, and they have practically to give up all other work. Whether the trial goes ahead or not, their professional day is gone', and Lord Trayner added: 'Counsel were not engaged on the case for the whole day as had been expected. But the Auditor overlooks or disregards the fact that counsel had arranged to devote their day to the case and in all probability had given up other engagements to enable them to do so.'

Applying that to this case, Counsel pointed out that it was the Reporter who arranged the witnesses, so she turned up on every occasion, instructed for a full day and prepared to look after the interests of her client for the whole day, whatever developed. On this premise, the claim for a full day, every day, was reasonable.

Principle 2. Where, in exceptional cases, the Board has in the past paid counsel for 'preparation days' and where (before the Board stopped doing this) they paid 'commitment days' or 'waiting days', they usually paid two-thirds of the fee for a day in Court. This was on the basis that counsel was (1) occupied but (2) not working under the pressure and concentration required for conducting a case. Going on from there, two factors need to be taken into account. First, even if Counsel in this case was in Court for only a short time, she would normally have prepared before the Court appearance, followed by further preparation for the next stage of the case. As mentioned, all preparation time in this case is subsumed in the daily rate. It is sometimes said that when a case runs for many days, counsel's remuneration should be looked on as an overall package, but long-running cases require more and more time to be spent on reviewing past notes and preparing for the next stage in light of them. Secondly, even if the case lasted for only a short time in Court, Counsel would need to confer with her client and with the instructing solicitor, as part of the normal day's work.

On the basis that Counsel could not take on any other work for the days set down for this case, and as all of her preparation time and meetings with client and solicitor are subsumed into the daily rate, I believe that two-thirds of the daily rate is fair and

reasonable for the days when two hours or less was spent in Court.

8. An alternative approach to daily rates.

As mentioned in paragraph 5, I have reservations about taking as a starting figure, uplifting it for inflation and using the result as the basis for the daily rate in another case. I have two concerns. One is that where there is no Note to explain the starting point, the case may have had its own special circumstances. Both Senior and Junior Counsel were involved in with Senior being offered £2,000 a day and Junior two-thirds of that. Without knowing the details of the case, can one safely say that £1,350 for Junior Counsel is a proper starting-point for calculating fees for Counsel on her own in another case? Even where there is a Note, as in which Counsel used to fortify her 'starting figure plus inflation' approach, the figure may be special to that case – for example, Senior Counsel appeared alone in that case and asked for a generous figure because he had had to do work that normally would have been done for him by his Junior (top of page 3 of the Note).

My second concern is more fundamental. Regulations 9 and 10, quoted in paragraph 3, require Auditors to allow Counsel 'such fees as are reasonable' and then to reduce them by ten percent. The starting point is therefore what a prudent solicitor would pay Counsel in a non-Legal Aid case, having regard to (1) his or her experience, (2) the responsibility involved, based on the case's difficulty, novelty and complexity, both evidential and legal, and (3) the importance of the case to the client. In other words, 'such fees as are reasonable' should be ascertained by the market rate in the Scottish legal profession at the time of the case, and then the ten percent deduction applied.

Based on my experience of auditing civil cases in Edinburgh over the decade 2000 to 2009, I provisionally came to the conclusion that the market rate for Junior Counsel in a case like this in Edinburgh in 2009 was in the region of £1,700 gross a day, of which 90% is £1530. I then checked this in two ways. First, I looked at the Minutes of the annual meeting of the Society of Sheriff Court Auditors, held on 21 November 2009, which was toward the end of the present case. Some of the younger Auditors had asked for guidance on the 'going rate' for counsels' fees. The meeting included eight experienced Auditors from around Scotland. The Minute reads: 'Junior - £1,700 to £2,000, to include an

element for preparation.' As it is generally accepted that cases away from Edinburgh may attract a higher fee than Edinburgh cases, and as the Auditors came from many parts of Scotland, I consider that the £1,700 figure should be applied to Edinburgh cases of average complexity – length does not in itself justify a higher daily rate, as length is remunerated by the number of days for which fees are paid.

Secondly, the firm of which I am now a Consultant has a substantial Court practice, including in Edinburgh Sheriff Court. I asked four partners what they thought of £1,700 (gross) a day in 2009 in circumstances that I briefly outlined. Three said that it was 'about right' and the other said that it was 'slightly too much'. I will therefore allow £1,700 gross for the Court days in this case, of which 90% is £1,530.

The attached Schedule gives effect to that, and brings out total fees for Counsel for the case of £57,146, to which Vat falls to be added.

9. Expenses

In disputed taxations, if the person calling for the taxation turns out to have been reasonable in refusing an offer and asking to have the figures taxed, I usually allow a fee for preparation for and attendance at the diet. This one took ninety minutes and I was supplied in advance with background papers from the Faculty. I believe that Counsel should receive £400, and her Clerk £100, for preparing for and attending the diet of taxation. I have added these to the Schedule attached.

10. Audit fee

The audit fee is normally payable in the first instance by the party calling for taxation of an account, with a right of recovery from the paying party. However, in other taxations involving the Board, I have been paid directly by the Board. With the expenses set out in paragraph 9 added, the total payable is £57,646. The audit fee is 4% of the account as taxed, rounded up to nearest £100, and the figures are appended to the attached Schedule.

Ian L.S. Balfour, Joint Auditor, Edinburgh Sheriff Court, 66 Frederick Street, Edinburgh, EH2 1LS.

(date to be added when the final Note is issued)

SCHEDULE TO NOTE

Counsel: Ms Rosemany M Guinnane Assisted Person: referred to as JWB

Faculty Services Reference: R153/BR090217

Scottish Legal Aid Board Reference: CH//7188928507

Note: The decision on whether a fee was 'excessive' or when 'allow half day' was offered, dealt with at paragraphs 7 and 8 of the Note. Other contested areas are dealt with by footnotes below.

<u>Date</u>	Description of work	Claimed	<u>Offered</u>	Issue	Awarded
2009	D 1 1			1	
Feb 2	Prep. and attend	£1575	£ 675	adjourned 1	£1020
5	Procedure Roll	£1575	£ 0.00	procedural only ²	£ 0.00
Mar 31	Pre-proof consult	£ 350	£ 350	agreed	£ 350
Apl 27	Prep. and attend	£1575	£1350	excessive	£1530
29	Prep. and attend	£1575	£ 675	allow half day	£1020
30	Prep. and attend	£1575	£1350	excessive	£1530
May 5	London	£ 750	£ 750	agreed	£ 750
6	Prep. and attend	£1575	£1350	excessive	£1530
7	Prep. and attend	£1575	£1350	excessive	£1530
11	Prep. and attend	£1575	£1350	excessive	£1530
13	Prep. and attend	£1575	£1350	excessive	£1530
14	Prep. and attend	£1575	£1350	excessive	£1530
15	Prep. and attend	£1575	£ 675	allow half day	£1020
19	Prep. and attend	£1575	£1350	excessive	£1530
20	Prep. and attend	£1575	£1350	excessive	£1530
21	Prep. and attend	£1575	£ 675	allow half day	£1020
22	Prep. and attend	£1575	£ 675	allow half day	£1020
Jun 2	Prep. and attend	£1575	£ 675	allow half day	£1020
Aug 24	Prep. and attend/				

¹ When parties arrived for the Proof on 2 February, the Sheriff advised that he was available for only five days; since the parties agreed it could not be concluded in that timescale, the Proof was adjourned until 5 February, for parties to attend and decide then on further procedure. Since Counsel had prepared over the previous week-end, there is an argument for allowing a full day's fee for 2 February, to compensate for the preparation, but as I am going to allow two-thirds of the normal fee for all days where the Court time was less than two hours, it is better – taking the rough with the smooth – to give the reduced figure for this day also.

² The Board regard this as coming under paragraph 13.13 of the Regulations, as a 'Preliminary or incidental hearing', for which sanction is required. There were questions as to whether this Regulation was recognized by agents at the time, but at the Board's insistence I have taxed it off.

Aug 24	Prep. and attend	£1575	£1350	excessive	£1530
25	Prep. and attend	£1575	£ 675	allow half day	£1020
26	Prep. and attend	£1575	£1350	excessive	£1530
27	Prep. and attend	£1575	£1350	excessive	£1530
28	Prep. and attend	£1575	£1350	excessive	£1530
31	Prep. and attend	£1575	£ 675	allow half day	£1020
Sept 1	Prep. and attend	£1575	£ 0.00	nil happened ³	£0.00
27	Kyle of Lochalsh	£ 800	£ 675	see footnote 4	£ 800
Sept 28	Prep. and attend	£1575	£1350	excessive	£1530
29	Prep. and attend	£1575	£1350	excessive	£1530
30	Prep. and attend	£1575	£1350	excessive	£1530
Oct 1	Prep. and attend	£1575	£1350	excessive	£1530
2	Prep. and attend	£1575	£ 675	allow half day	£1020
20	Prep. and attend	£1575	£1350	excessive	£1530
21	Prep. and attend	£1575	£1350	excessive	£1530
22	Prep. and attend	£1575	£1350	excessive	£1530
23	Prep. and attend	£1575	£1350	excessive	£1530
Nov 3	Prep. and attend	£1575	£ 675	allow half day	£1020
4	Prep. and attend	£1575	£ 0.00	Not chargeable ⁵	£ 788
5	Prep. and attend	£1575	£ 675	allow half day	£1020
6	Prep. and attend	£1575	£ 675	allow half day	£1020
9	Prep. and attend	£1575	£1350	excessive	£1530
10	Prep. and attend	£1575	£1350	excessive	£1530
11	Prep. and attend/				

³ On comparing this entry with the accounts of the other parties in the case, it was agreed that it had been included in error and that nothing had taken place that day.

⁴ Counsel travelled north on a Saturday, stayed overnight and interviewed the witness on the Sunday and returned that day, a round trip of about ten hours driving plus the time for the interview. I have sustained the £800 claimed.

⁵ The Proof was adjourned on 3 November because an expert witness was unavailable on the following day. Counsel did not attend Court on 4 November, but her diary had been blocked out and she was, in the time-honoured phrase, 'committed' for that day. However, the Board now refuse altogether, or severely restrict, charges for 'commitment days', citing the decision of the Glasgow Auditor in As a compromise, not to be used as a precedent, they offered half a day's fee for 4 November and the same for 11 November. This was agreed without prejudice to anyone's principles.

	11 26	Prep. and attend Video-conference	£1575 £600	£ 0.00 £ 200	not chargeable ⁶ excessive ⁷	£ 788 £ 500
Dec	1 2 3	Prep. and attend Prep. and attend Joint Minute	£1575 £1575 £ 150	£ 675 £ 675 £ 150	allow half day allow half day agreed	£1020 £1020 £ 150
2010				•		
Jan	6 + 7	Prep. and attend	£1000	£1000	agreed	£1000
	8	Hearing	£1575	£1350	excessive	£1530
Feb	12	Judgement	£1575	£ 675	see footnote 8	£1020
			£71,950	£44,300		£57,146
		Allowance to Counse	£400			
		Allowance to Clerk for	or the taxat	£100	<u>£500</u>	
TOTAL PAYABLE BY THE BOARD TO FACULTY SERVICES						

Note: all three totals above are subject to Vat.

Audit fee (paragraph 10 of the Note:

4% of £57,700.00 £2,308.00
Vat at 20% £ 461.60
£2,769.60

This should be paid to the firm of Balfour + Manson, and not to Ian Balfour as an individual. A Vat receipt will be issued on receipt of the fee and Vat.

⁶ See footnote 5. The Proof was to have continued on 11, 12 and 13 November, but these days were cancelled without notice and the Proof was adjourned at the close of 10 November because an expert witness unavailable. Counsel charged for only one day, although she was 'committed' for all three days. The same 'without prejudice' compromise was reached as for 4 November.

⁷ This involved an expert witness in London; the video-conference, with Counsel in Edinburgh, lasted for two hours. Counsel alone was involved and had to report to the agents. There was therefore more to it than a two-hour Consultation, which is the nearest comparable recognised fee, and I have allowed £500 in all.

⁸ The Board initially argued that this was a procedural hearing and so needed sanction for any fee to be paid. Counsel responded that at the conclusion of oral submissions on 8 January, the Sheriff 'continued' the case to 12 February, and so it was not a procedural hearing. In negotiations, in which I was not involved, the Board offered Counsel half a day's fee. To be consistent with the other 'less than two hours' situations, and bearing in mind that Counsel had to discuss the judgment with agents and client as well as attending Court, I have allowed two-thirds of the daily rate.