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# Master of the Rolls announces Guideline Hourly Rates to rise in January 2024

*21 November 2023*

At the Civil Justice Council's National Forum, its annual conference, the Master of the Rolls announced that he accepts in full the recommendations made in a Civil Justice Council Costs Review published May 2023 which proposed annual increases to the solicitors' guideline hourly rates (GHRs).

The Master of the Rolls said, "First, the Final Report of the Costs Review published by the CJC in May 2023. I want to thank the Deputy Head of Civil Justice, Lord Justice Birss, and his working group on what is a ground-breaking report. I am announcing today that I endorse all the recommendations and will be proceeding immediately to the implementation phase.

As is recommended, the 2021 Guideline Hourly Rates will be uplifted for inflation from 1 January 2024 in accordance with the Services Producer Price Index (SPPI). I will establish, as the report suggests, a further working group to examine the methodology underpinning Guideline Hourly Rates."

Read the Master of the Rolls full speech here. [Speech by the Master of the Rolls: Civil Justice Council's 12th National Forum - Courts and Tribunals Judiciary](#)

The working group which produced the report ([Civil Justice Council report on costs - Final Report May 2023 \(judiciary.uk\)](#)) was chaired by the Deputy Head of Civil Justice, Lord Justice Colin Birss and included amongst its members the current FOIL president, Nicola Critchley to represent the interests of defendants and their insurers.

## **Comment**

Dr Jeffrey Wale, FOIL Technical Director commented: *'There remain some important gaps that have yet be addressed by this latest announcement. First, we await clarification on the underpinning methodology to be used to calculate Guideline Hourly Rates – the Master of the Rolls has proposed the creation of a working group to look at this issue further. Secondly, we must still wait to see whether modifications are going to be made to the Solicitors Act 1974 in light of the fallout from the decision in Belsner v CAM Legal Services Ltd [2022]'*

### **What are the new rates?**

The exact figures for the new rates have not yet been published, but are expected in the next few weeks. The SPPI data published most recently in October 2023 ([Services producer price inflation - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/price-inflation/bulletins/services-producer-price-inflation)) shows an annual change of 3.4%. However, it is likely that the 2024 GHRs will be based on a larger percentage increase due to the fact that the current rates are based on data collected in 2020-2021 and will have to factor in multiple years' worth of SPPI rates.

Prior to this planned change, the guideline hourly rates were last adjusted in 2021 having previously remained static since 2010.

### **What does the change mean?**

Regular updating of the GHRs is likely to mean that judges and costs officers across all courts are unlikely to depart from the published levels, as they are arguably up-to-date and reflect current market rates. Whilst the prospect of insurers having to pay more per hour in clients' costs may not be welcomed, the certainty that regular updating of the rates provides will offer some comfort.

The new rates will apply to work carried out by solicitors from 1 January 2024.

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