

Costs Protocol

Legal Representation at Public Expense

1. This Protocol relates to:
 - (a) applications by a person who either has been designated by the Chair as a Core Participant in the Inquiry or is an individual witness who has not been so designated ('applicant') for an award to be made under section 40(1)(b) of the Inquiries Act 2005 ('the Act') in respect of expenses to be incurred in respect of legal representation ('legal expenses'); and
 - (b) following a decision to make an award, the assessment of legal expenses which become payable under it.
2. Designation of Core Participants to the Inquiry and of the recognised legal representative of Core Participants and/or any individual witness will be made by the Chair on written application.
3. The procedures set out in this Protocol are subject to, and should be read with, the provisions contained in sections 17 and 40 of the Act and rules 19 to 34 of the Inquiry Rules 2006 ('the Rules').

General Principles concerning applications for awards

4. A person is eligible to be considered for an award if they are:
 - (a) a person attending a Public Hearing of the Inquiry to give evidence or to produce any document or other thing; or
 - (b) a person who, in the opinion of the Chair, has such particular interest in the proceedings or outcome of the Inquiry as to justify an award.
5. In exercising her power to make an award relating to legal representation at public expense the Chair will:
 - (a) act with fairness and with regard also to the need to avoid any unnecessary cost (whether to public funds or witnesses or others) and
 - (b) ensure that she complies with the qualifications and conditions set out in the Minister's determination.
6. Subject to the qualifications and conditions placed on her by the minister, the Chair will, when determining an application for an award relating to legal expenses to be incurred, take into account:
 - (a) the financial resources of the applicant; and
 - (b) whether making an award is in the public interest.

7. Having regard to the criteria set out in paragraph 6 of this Protocol and to her powers under section 17(1) of the Act, the Chair envisages that awards will be made only in cases where she decides that:
- (a) the applicant:
 - (i) played, or may have played a direct and significant role in relation to the matters set out in the Inquiry's terms of reference; and/or
 - (ii) has a significant interest in an important aspect of the matters set out in those terms of reference; and/or
 - (iii) may be subject to explicit or significant criticism during the Inquiry's proceedings or in the report, or in any interim report.
 - (b) the applicant would be prejudiced in seeking representation if they were to be in any doubt about funds becoming available and there are no other means by which such representation can be funded; and
 - (c) it is fair, necessary, reasonable and proportionate to make an award.
8. Awards will generally not be made, therefore, in respect of the legal expenses of substantial bodies, or of individuals who could reasonably expect to be met by such bodies, unless there are special circumstances which justify a call on public funds.

The scope for legal representation at the Inquiry at public expense

9. Where the Chair decides to make an award, it will normally be limited to a recognised legal representative having a role in relation to some or all of the following matters:
- (a) considering initial instructions;
 - (b) advising the client in relation to the making of a witness statement and/or otherwise providing evidence to the Inquiry, in accordance with any request made by the Inquiry under Rule 9 of the Rules;
 - (c) considering disclosure material and/or that contained in an Inquiry Bundle (or any limited Bundle in the case of an individual witness who is not a Core Participant) so far as is necessary properly to represent the client's interests;
 - (d) advising the client in relation to any warning letter issued by the Chairman under rule 13 of the Rules;
 - (e) making an opening statement, where permitted;
 - (f) representing the client during their oral evidence (and the evidence of others, should that be necessary);
 - (g) making an application to be permitted to examine any witness giving oral evidence in the circumstances specified by the Chairman; and/or
 - (h) making final submissions, where necessary.
10. In order to manage its work effectively, the Inquiry has divided the institutional sectors under investigation into five workstreams, as follows:
- (a) Allegations of abuse by people of prominence in public life;

- (b) Education and religion;
 - (c) Criminal Justice and law enforcement;
 - (d) Local authorities and voluntary organisations; and
 - (e) National and private service organisations.
11. Awards made by the Chair under this Protocol may be limited to matters relating to one or more of the workstreams referred to at paragraph 10 above. It is open to the Chair to vary the workstreams as she considers appropriate. Where any variation to the workstreams occurs, the Solicitor to the Inquiry shall notify the applicant of the change(s) and shall indicate what, if any, steps the applicant is required to take as a result.

Applications for awards and the procedures for agreeing the level of funding

12. Applications for funding of legal expenses should be sent to the Solicitor to the Inquiry for the Chair to determine, setting out the following:
- (a) the reason(s) why legal representation is considered necessary;
 - (b) which Inquiry workstream(s) the application relates to, with reasons;
 - (c) the extent of the applicant's financial resources and confirmation that there are no other means by which such representation can be funded;
 - (d) the nature of the public interest that will be served by an award being made from public funds (see rule 21(2)(b) of the Rules);
 - (e) the nature and function of the legal representation for which the award is sought;
 - (f) the size and composition of the team that the applicant's recognised legal representative proposes to engage, including the seniority and proposed hourly charging rates for all solicitors and paralegals to be engaged, subject to the maximum hourly rates specified in paragraph 4 of the Minister's Determination annexed to this Protocol;
 - (g) where it is thought necessary to instruct counsel, the reasons for so doing, the date of call of that counsel and the proposed hourly rate, subject to the maximum hourly rate specified in paragraph 4 of the Minister's Determination. Use of counsel will be funded only on the basis of payment for time spent on specific areas of work agreed in advance; it will not be acceptable to submit general claims along the lines of 'brief fee', 'refresher' or 'preparation'.);
 - (h) the estimated duration of the recognised legal representation;
 - (i) the number of hours each week for which it is anticipated that the recognised legal representative's team will be engaged on Inquiry work;
 - (j) the number of hours each week for which it is anticipated that counsel (if permitted at public expense) will be engaged on Inquiry work;
 - (k) the amount of time that it is anticipated will be spent in conference at the end of each day of the oral hearings; and
 - (l) particulars of any other foreseeable expenses relating to legal representation.

13. Subject to the cap on the maximum number of hours that can be charged by an applicant's recognised legal representative, as provided in paragraph 2 of the Minister's Determination:
 - (a) the representative will agree with the Solicitor to the Inquiry in advance the hourly rates that are to apply to them and/or to any other qualified lawyer who, if the Chair approves their involvement, will be appointed to assist them in the discharge of their function; but
 - (b) where no agreement can be reached regarding hourly rates, the Chair will determine such rates as he considers appropriate upon receipt of representations in writing on behalf of the applicant.
14. Wherever possible, applicants are encouraged to instruct recognised legal representatives who are already retained by other parties to minimise the expense.
15. Where the Solicitor to the Inquiry has reason to believe that the interests of any applicant may conflict with the interests of other parties, he shall ensure that such conflict is made known to those involved and any public funding which is made available for legal assistance will be awarded on the basis that separate recognised legal representatives are retained.

Determination of applications by the Chair

16. Having regard to the provisions of the Act, the Rules and the provisions set out in this Protocol, the Chair will determine an application for an award within a reasonable time.
17. The Solicitor to the Inquiry will notify the applicant and, where applicable, his recognised legal representative, in writing of the Chair's determination and, where an award is made, the terms of the award. Such terms may include (but are not limited to) the following:
 - (a) the nature and scope of the work that is to be funded, as agreed in advance with the Solicitor to the Inquiry; this is likely to be in relation to some or all of the matters set out in paragraph 9 of this Protocol. As set out in paragraph 11 above, the award may be limited to fund work carried out in relation to one or more specific workstreams. Normally, an applicant's recognised legal representative will not be reimbursed for investigative work as this is the role of the Inquiry. Similarly, payment will not be made for obtaining items such as expert reports, unless previously authorised by the Solicitor to the Inquiry;
 - (b) the size and composition of the recognised legal representative's legal team to be engaged, including the seniority and number of counsel where that is agreed to be necessary;
 - (c) the hourly rates for all counsel, solicitors and paralegals to be engaged;
 - (d) any capping of legal fees that is to be applied whereby legal teams (including counsel) will be capped as to the maximum number of hours that can be charged for any working day or working week, even where the number of hours actually worked exceeds that maximum;
 - (e) that disbursements in excess of £100 (net of VAT) will not be paid unless authorised in advance by the Solicitor to the Inquiry. Disbursements under £100 will only be paid where the expenditure is reasonable and necessary and where the payment for which reimbursement is sought is evidenced by receipts / invoices;
 - (f) that the award is subject to the condition that payment will only be made for work that is properly evidenced and can be identified as having been done in an efficient and effective manner, avoiding unnecessary duplication and making the best use of public funds;
 - (g) the form in which bills relating to legal expenses are to be submitted; and/or

- (h) the frequency with which bills are to be submitted.
- 18. Expenditure incurred before the making of an award will not normally be recoverable, except where it has been expressly agreed in advance by the Solicitor to the Inquiry on behalf of the Chair.
- 19. It will be open to the Chair, either initially or at any time after making an award, to impose further conditions on the award. In particular, he may determine that a lower cap should be imposed in relation to legal expenses that may be incurred at public expense. This may amount to an overall financial limit on the number of hours to be spent on Inquiry business.

Billing Procedures

- 20. Where the Chair has made an award, the applicant to whom that award has been made must submit bills relating to their legal expenses to the Solicitor to the Inquiry at monthly intervals. Such bills are to be received no later than 7 days immediately following the end of the month to which they relate, with a final account to be submitted before the conclusion of the Inquiry.
- 21. Bills submitted in accordance with paragraph 18 above must be accompanied by a detailed narrative which contains the following information:
 - (a) a breakdown of the number of hours worked by each person on each day, specifying, in each case, details of the work undertaken and the time spent on it;
 - (b) the hourly rates charged for each person, as specified by the Chair in his award;
 - (c) a list of all disbursements claimed together with supporting receipts / invoices;
 - (d) where work has been undertaken by counsel, details of counsel's fees (supported by fee notes and signed timesheets which must specify with precision what work was done, when, by which counsel and how much time was spent).

Procedure for assessment of amounts payable under an award

- 22. In assessing the amount that is to be awarded, the Solicitor to the Inquiry will have regard to all the circumstances, including in particular whether the expenses:
 - (a) were proportionately and reasonably incurred;
 - (b) proportionate and reasonable in amount; and
 - (c) claimed in accordance with the procedures set out in this Protocol.
- 23. Any work undertaken by an applicant's recognised legal representative which relates to matters outside the Inquiry's terms of reference and/or issues it identified for investigation, or which otherwise does not comply with the terms of the award notified to the applicant under paragraph 17 of this Protocol, will be disallowed.
- 24. Where the Solicitor to the Inquiry determines that the full amount of an applicant's claim for legal expenses should be paid, that assessment is also the final assessment.
- 25. If the applicant or his recognised legal representative disagrees with the Solicitor to the Inquiry's initial assessment of a bill relating to their legal expenses, the procedure set out in rule 29 of the Rules shall be followed.

Review of an assessment of an amount payable under an award

26. Where there remains a disagreement following completion of the procedure set out in Rule 29, the Chair must, in accordance with Rule 31 either:
- (a) engage the assistance of a costs judge of the Senior Courts of England and Wales by referring the assessment together with all relevant evidence and documentation to that Costs Judge; or
 - (b) require the Solicitor to the Inquiry to issue a final assessment of the disputed bill of costs.

Making an award

27. Where
- (a) the Chair decides further to Rule 31(1)(b) that an award is not to be reviewed in accordance with sub-paragraph (1)(a) of that rule; or
 - (b) the Solicitor to the Inquiry and the applicant agree on the amount of the assessment at any time after the Chair's referral of the application to the Costs Judge and before the date of the review hearing,

the Chair will make an award and arrange for payment of the final assessment in accordance with Rule 34(1).

28. Where the amount of the award has been reviewed by the Costs Judge in accordance with Rule 31, the Chair will make an award and arrange for payment of the Costs Judge's assessment in accordance with Rule 34(2).
29. The maximum hourly rates for travel and waiting time by the members of an applicant's legal team shall be half the agreed hourly rate relating to legal work as per paragraph 4 of the Minister's Determination. Any travelling and/or waiting time must be included within the cap on the maximum number of hours that can be charged by an applicant's recognised legal representative, as provided in paragraph 2 of the Minister's Determination, and in no case will it be in addition to the cap on hours.
30. All payments will be made by electronically Bankers Automated Clearing System (BACS). To enable payment to be made, bills must bear the relevant bank account details on their face.
31. All applications for and correspondence about awards should be sent to the Solicitor to the Inquiry whose details are set out below:
- Martin Smith
Solicitor to the Inquiry
PO Box 72289
London, SW1P 9LF
- Email: solicitors@iicsa.org.uk
32. Failure to comply with the procedures set out in this Protocol may result in payment being delayed or refused.
33. The Chair and Solicitor to the Inquiry may vary the application and terms of this Protocol on a case by case basis where necessary to the proper conduct of the Inquiry, subject to the requirements of the Minister's Determination.