

## Summary: Intervention & Options

<b>Department /Agency:</b> <b>Ministry of Justice</b>	<b>Title:</b> <b>Impact Assessment of a reduction in fees for advocates under the AGFS</b>	
<b>Stage:</b> Consultation	<b>Version:</b> 1 <sup>st</sup> Draft	<b>Date:</b> 15 December 2009
<b>Related Publications:</b> Consultation paper, Legal Aid: Reforming Advocates Graduated Fees		

**Available to view or download at:** [www.justice.gov.uk](http://www.justice.gov.uk)

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### What is the problem under consideration? Why is government intervention necessary?

Legal aid resources are finite and under significant pressure. The Ministry of Justice (MoJ) is required to contribute to savings announced in CSR 2007 and the 2008 & 2009 PBRs, and this includes savings from legal aid. As part of a broader suite of proposals, MoJ would like to bring fees paid to advocates by the Legal Services Commission (LSC) under the Advocates Graduated Fee Scheme (AGFS) more closely into line with those paid to advocates by the Crown Prosecution service (CPS).

### What are the policy objectives and the intended effects?

Our consultation Legal Aid: Funding Reforms (published on 20 August 2009) set out proposals to reduce fees in line with those paid by the Crown Prosecution Service (CPS). The objective is to protect the civil fund as far as possible from any rise in criminal legal aid spend in the short to medium term. This is intended to support the Government's broader objective of helping as many people as possible with their civil law problems.

### What policy options have been considered? Please justify any preferred option.

The following options have been assessed against the base case of "no change" in the existing fee levels for advocates in the AGFS.

Option 0 – Base Case ("Do Nothing")

Option 1 – Reduce all rates under the AGFS by 17.9%

Option 2 – A staged reduction over three years of 13.5% plus extending the scope of the AGFS to include cases due to last up to 60 days.

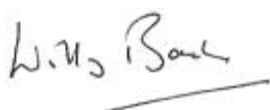
### When will the policy be reviewed to establish the actual costs and benefits and the achievement of the desired effects?

If this policy was to be taken forward, the impact of any preferred option would be evaluated for their effectiveness within five years of policy implementation.

### **Ministerial Sign-off** For SELECT STAGE Impact Assessments:

*I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.*

Signed by the responsible Minister:



16 December 2009

## Summary: Analysis & Evidence

**Policy Option: 1**

**A staged reduction over three years of 13.5% plus extending scope of advocates graduated fees only.**

<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups'
	<b>One-off</b> (Transition)	<b>Yrs</b>	
	<b>£0.4m – 0.8m</b>	1	The total cost in the appraisal period of 10 years would be £438.3m. There would also be a one off implementation cost to LSC estimated at between £0.4m and £0.8m.
	<b>Average Annual Cost</b> (excluding one-off)		
<b>Variable rising to £49.3m</b>	10	<b>Total Cost (PV)</b>	<b>£438.3m</b>
<p><b>Other key non-monetised costs</b> by 'main affected groups' There would be potential indirect costs on society in form of possible compensatory adjustments on the part of advocates, and potential market exit. If corrective action was undertaken in the long term, this may also impose substantial costs on tax payers.</p>			

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups'
	<b>One-off</b>	<b>Yrs</b>	
	<b>£0.0m</b>	1	The financial benefit to government in terms of cost savings for the legal aid budget brought about from reduced fees is estimated to be £49.3m p.a. in steady state and £438.3m in total
	<b>Average Annual Benefit</b> (excluding one-off)		
<b>Variable rising to £49.3m</b>	10	<b>Total Benefit (PV)</b>	<b>£438.3m</b>
<p><b>Other key non-monetised benefits</b> by 'main affected groups' There would be potential indirect benefits in form a potentially more equitable and efficient allocation of resources in the criminal law services market resulting from the correction of existing institutional inefficiencies. The freeing up of financial resources would potentially allow government to spend it on better areas.</p>			

**Key Assumptions/Sensitivities/Risks** Savings could be affected by behavioural changes. In particular, firms could transfer cases from graduated fees to the VHCC scheme.

Price Base Year 2010	Time Period Years 10	<b>Net Benefit Range (NPV)</b> <b>(£-0.4m) – (-£0.8m)</b>	<b>NET BENEFIT (NPV Best estimate)</b> <b>(£-0.4m) – (-£0.8m)</b>
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What is the geographic coverage of the policy/option?			England and Wales	
			2010	
Which organisation(s) will enforce the policy?			LSC	
What is the total annual cost of enforcement for these organisations?			£	
Does enforcement comply with Hampton principles?			Yes/No	
Will implementation go beyond minimum EU requirements?			Yes/No	
What is the value of the proposed offsetting measure per year?			£	
What is the value of changes in greenhouse gas emissions?			£	
Will the proposal have a significant impact on competition?			Yes/No	
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)				(Increase - Decrease)	
Increase	£	Decrease	£	<b>Net</b>	£

## Summary: Analysis & Evidence

**Policy Option: 2**

**Description: Reduce all rates under the AGFS by 17.9%**

<b>COSTS</b>	<b>ANNUAL COSTS</b>		Description and scale of <b>key monetised costs</b> by 'main affected groups'  The total cost in the appraisal period of 10 years would be £322.4m. There would also be a one off implementation cost to LSC estimated at between £0.4m and £0.8m.
	<b>One-off</b> (Transition)	<b>Yrs</b>	
	<b>£0.4m – 0.8m</b>	1	
	<b>Average Annual Cost</b> (excluding one-off)		
	<b>Variable rising to £47.m</b>	6	<b>Total Cost (PV)</b>
			<b>£322.4m</b>
Other <b>key non-monetised costs</b> by 'main affected groups' There would be potential indirect costs on society in form of possible compensatory adjustments on the part of advocates, and potential market exit. If corrective action was undertaken in the long term, this may also impose substantial costs on tax payers.			

<b>BENEFITS</b>	<b>ANNUAL BENEFITS</b>		Description and scale of <b>key monetised benefits</b> by 'main affected groups'  The financial benefit to government in terms of cost savings for the legal aid budget brought about from reduced fees is estimated to be £47m p.a. in steady state and £322.37m in total
	<b>One-off</b>	<b>Yrs</b>	
	<b>£0.0m</b>	1	
	<b>Average Annual Benefit</b> (excluding one-off)		
	<b>Variable rising to £47m</b>	6	<b>Total Benefit (PV)</b>
			<b>£322.4m</b>
Other <b>key non-monetised benefits</b> by 'main affected groups' There would be potential indirect benefits in form a potentially more equitable and efficient allocation of resources in the criminal law services market resulting from the correction of existing institutional inefficiencies. The freeing up of financial resources would potentially allow government to spend it on better areas.			

**Key Assumptions/Sensitivities/Risks** Savings could be affected by behavioural changes. In particular, firms could transfer cases from graduated fees to the VHCC scheme.

Price Base Year 2010	Time Period Years 10	<b>Net Benefit Range (NPV)</b> <b>(£-0.4m) – (-£0.8m)</b>	<b>NET BENEFIT (NPV Best estimate)</b> <b>(£-0.4m) – (-£0.8m)</b>
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What is the geographic coverage of the policy/option?		England and Wales		
On what date will the policy be implemented?		2010		
Which organisation(s) will enforce the policy?		LSC		
What is the total annual cost of enforcement for these organisations?		£		
Does enforcement comply with Hampton principles?		Yes/No		
Will implementation go beyond minimum EU requirements?		Yes/No		
What is the value of the proposed offsetting measure per year?		£		
What is the value of changes in greenhouse gas emissions?		£		
Will the proposal have a significant impact on competition?		Yes/No		
Annual cost (£-£) per organisation (excluding one-off)	Micro	Small	Medium	Large
Are any of these organisations exempt?	Yes/No	Yes/No	N/A	N/A

<b>Impact on Admin Burdens Baseline</b> (2005 Prices)				(Increase - Decrease)	
Increase	£	Decrease	£	<b>Net</b>	£

Key: Annual costs and benefits: Constant Prices (Net) Present Value

## Evidence Base (for summary sheets)

### 1. Scope of Impact Assessment

- 1.1 This Impact Assessment (IA) considers the costs and benefits of implementing options with respect to the fees paid to advocates under the AGFS. The policy objective underlying the consultation is to ensure that the legal aid budget is sustainable and meeting the savings announced in CSR 2007 and the 2008 & 2009 PBRs. These issues are discussed in more detail in the main consultation document.<sup>1</sup> The Impact Assessment focuses on the impacts of various options. It is undertaken in line with the criteria set out in the Impact Assessment Guidance.<sup>2</sup>
- 1.2 The main proposals are to reduce all fees in the AGFS bringing them more closely into line with those paid to advocates by the Crown Prosecution Service (CPS). This policy change would only affect criminal legal aid in England and Wales.
- 1.3 The policy proposals would affect the following groups / sectors :
- **The LSC** is responsible for managing the legal aid budget on behalf of government. The proposals would be implemented by the LSC and may impose administration impacts.
  - **Advocates** who are the principal providers of legal services within the context of this impact assessment. Any changes in the fees would have a first round impact on them and other players who depend on them.
  - **Consumers** are the ultimate users of legally aided services. Although the measures are not directly aimed at them, they may be impacted in the long term through behavioural changes of the part of advocates as they accommodate new changes.

### 2. Rationale for Government Intervention

- 2.1 The conventional economic approach to Government intervention is based on efficiency or equity arguments. Government intervenes if there is a perceived failure in the way markets operate (“market failures”) or it would like to correct existing institutional distortions (“government failures”) e.g. existing laws or legislation. Government also intervenes for equity or fairness reasons. In this context the ‘market’ is the market for advocacy services in the context of criminal proceedings.
- 2.2 The government rationale for intervention in this market is principally based on the view that the current graduated fees are beyond the optimum level. This may be partly due to historic development. Historically the CPS and LSC had broadly paid similar fees for advocacy services from the self-employed bar. As a result of the Government’s acceptance of Lord Carter’s recommendations following his 2006 Review of Legal Aid Procurement, fees in the Crown Court under the AGFS were increased by 16% in 2007. The CPS did not mirror the Carter fee increases. As a result of the 2007 changes the CPS expenditure on advocacy is approximately 82% of the legal aid expenditure. Whilst it is recognised that the legal aid AGFS does not need to be a precise copy of the CPS scheme, as the prosecution and defence operate in different ways, it is in the public interest for there to be broad ‘equality of arms’ between prosecuting and defending

<sup>1</sup> Information on page 14 and Annex on page 26

<sup>2</sup><http://www.berr.gov.uk/whatwedo/bre/policy/scrutinising-new-regulations/preparing-impact-assessments/toolkit/page44199.html>

counsel. Existing government intervention may therefore have distorted the ideal allocation of legal aid resource.

- 2.3 There are also equity reasons that provide an argument for why the government needs to intervene by changing the level of the fees.

### 3. Cost Benefit Analysis

#### BASE CASE / OPTION 0

##### Description

- 3.1 Advocates who represent the defence, in cases where legal aid is required are paid according to the AGFS by the LSC. The current AGFS is found in **Annex A**.

#### OPTION 1 – Reduce all rates under AGFS by 17.9%

##### Description

- 3.2 The first option is a simple one-off reduction of 17.9% in all advocates graduated fees, which would bring remuneration for defence advocates into immediate overall parity with rates payable to prosecution advocates by the Crown Prosecution Service (CPS) . We would propose to apply the reduction across the board to keep it as simple as possible, i.e. every fee within the AGFS would be reduced by exactly 17.9%.

#### Costs of Option 1

##### *First Round Costs*

- 3.3 Option 1 would impose direct costs which are more certain to identify. These are:
- **LSC:** It is likely there will be some basic administration costs in rewriting the AGFS to incorporate the proposed new fee rates. Writing new guidance, project time and training will all contribute to this cost but are expected to be minimal. The major implementation cost involved would be the IT costs required to change the CREST IT system which handles the AGFS. This is a one off fixed cost, and proposed estimates are still being calculated with the third party provider. However based on a historic estimate of what changes to CREST have cost, it is estimated that this fee could be in the range of £400,000-£750000.
  - **Providers:** The aggregate cost to providers of the service is a 17.9% decrease on fees paid under the base case/'do nothing' option in a steady state. However, given the profile of cases in the system, we have estimated that it would take up to 6 years to get to a steady state where all the cases would be paid on the same basis.

**Table 1. Scheme and Year Profiles Option 1.**

<b>Option 1</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
17.9%	£m	£m	£m	£m	£m	£m	£m
AGFs cut	28.51	47.83	48.12	48.12	48.12	48.12	48.12
VHCC AGFs	0.22	0.88	1.10	1.21	1.22	1.22	1.22
TOTAL RAB	28.73	48.71	49.23	49.34	49.34	49.34	49.34
CASH	0.22	11.58	19.05	49.17	49.35	49.35	49.35

3.4 A 17.9% fee cut would generate around<sup>3</sup> £48.1 million savings in steady state. This is found in the first row of Table 1 (AGF cut) and it reaches steady state after 3 years. In order to be able to compare Option 1 with Option 2 below, we have included the savings that would be generated from 40-60 days VHCCs. For this reason, we have introduced the effect of a fee reduction of 4.92% in the advocates VHCC schemes (Row 2 in Table 1). The combined effect of cuts and extension of the Graduated Fee scheme produces £49.3 million savings in steady state, both in RAB and cash. However, in the shorter term, there are substantial differences between RAB and cash savings.

### Second Round Costs

3.5 Option 1 would lead to the following indirect costs which are more uncertain than the direct costs as these would depend on behavioural changes :

- **Compensatory adjustments on the part of advocates:** It is possible that as a result of the reduction in the fees paid to advocates, there may be an incentive to make negative compensatory adjustments to the way that they deliver services. In theory, advocates may be incentivised to spend less time on cases where their fees would be reduced and they would be earning less profit. In addition, there may also be a perverse incentive to take on fewer cases. Another important quality consideration might be the *impact on different grades of lawyers to take on extra work*. It is possible that the effects of a decrease in fees may have a proportionately larger impact on QCs because the fall in fees could potentially represent a bigger disincentive to them than juniors. At the margin, a QC might have less of an incentive to take on an extra case than a junior because he/she is likely have a different *marginal rate of substitution* between labour and leisure. However, the CPS has not reported any problems in attracting good quality advocates as a consequence of the differential in fees paid compared with defence work.
- **Incentives to transfer cases to the VHCC:** It is possible that as a result of fee changes, there could be an incentive for firms to try to move cases from the Graduated Fee to the VHCC scheme. This would impact on final expenditure but it is difficult to assess the size of the impact. It would also affect other part of the wider justice system because resources would have to be allocated to cases that would take less time than initially predicted.
- **Market Exit:** The fee decrease might be so great that the new fee level no longer represents a situation where the fees collected meet the cost to advocates of providing the service. This would result in advocates leaving the market. This is thought to be unlikely however, as the CPS has reported no problems with paying fees which are broadly in line with the proposed new AGFS rates.

### Benefits of Option 1

<sup>3</sup> Assuming a constant amount of work and case profile

## First Round Benefits

- 3.6 The main direct benefits of Option 1 are the financial benefit to Government. The aggregate benefit to the government is a 17.9% reduction on fees paid under the base case/'do nothing' option. (See direct costs options above.)

## Second Round Benefits

- 3.7 Option 1 would lead to indirect benefits which are more uncertain than the direct benefits. These would include the following :
- **Efficiency:** It is possible that the government may be paying more for advocates services than what it would be paying in a free market outcome. Assuming the Government is currently "over-paying" there may be some "dead-weight loss" reduction to society, as Government uses the funding more efficiently in other areas. It is not possible to fully estimate these possible welfare improvements.
  - **Wider society:** In the long run the transfer taking place from firms to the government will benefit taxpayers as over time if the potential demand for civil legal aid services decreases, there would be additional funds available for other public services.
  - **Equity:** The new arrangement may be more equitable than the status quo.

## Net Impact of Option 1

- 3.8 Option 1 would generate a **negative net present value** ranging between –£0.4m and -£0.8m. This is based on the assessment that Government revenue savings will be offset by equal loss to private providers, with the administration costs leading to an overall negative outcome.
- 3.9 However, this conclusion has to be considered within the context of highly uncertain non-monetised impacts. There would be *non-monetised costs* from possible compensatory adjustments to the service provided by advocates, with potential market exit and associated costs of corrective action. *Non-monetised benefits* would include possibility that the proposed fee decrease may result in a more equitable and efficient allocation of resources in the criminal law services market resulting from the correction of institutional inefficiencies described under the rationale for government intervention section (Section 2).

## OPTION 2 – Reduce all rates under the AGFS by 13.5% plus extending scope of the AGFS to include cases up to 60 days.

### Description

- 3.10 Option 2 is a staged reduction of 13.5% (by year three – April 2012). However, this option would only achieve the required level of saving (£48.6 million savings in Steady State) if graduated fees for advocates were extended to cover cases due to last up to 60 days at trial as set out in the Legal Services Commission's consultation paper "Very High Cost (Crime) Cases 2010" published on 2 December 2009 . Currently cases due to last 40 to 60 days are taken under VHCC contract by the LSC. Moving those cases into the graduated fees schemes would, we estimate, save around 30%. Therefore, we could factor these savings into the overall savings we are seeking to achieve.
- 3.11 One of the differences between Option 1 and 2 is that in Option 2 we propose a staged reduction in three years. This would help suppliers to adapt to the new fee structure and although it would reduce the overall level of savings. Table 1 and Table 2 provide a detailed analysis.

3.12 As this option delivers reduced savings than option 1, we plan to consult early in the New Year on proposals to pilot a single graduated fee, as was originally recommended by Lord Carter. If we proceed to implement a single fee we anticipate that we might make some further savings that would help to make option 2 more sustainable in the longer term.

## Costs of Option 2

### First Round Costs

3.13 Option 2 would impose direct costs which are more certain to identify. These are :

- **LSC:** It is likely there will be some basic administration costs in rewriting the AGFS to incorporate the proposed new fee rates. Writing new guidance, project time and training will all contribute to this cost but are expected to be minimal. The major implementation cost involved would be the IT costs required to change the CREST IT system which handles the AGFS. This is a one off fixed cost, and proposed estimates are still being calculated with the third party provider. However based on a historic estimate of what changes to CREST have cost, it is estimated that this fee could be in the range of £400,000-£750,000.
- **Providers:** The aggregate cost to providers of the service would be a £47 m decrease on fees paid under the base case/'do nothing' option in a steady state. This combines £36.3m from AGFS cuts plus £10.8m from the VHCC scheme. Given the profile of cases in the system, we have estimated that it would take up to 7 years to get to a steady state where all the cases would be paid in the same basis. The profile of payments under this option is shown in Table 2 below.

Table 2. Scheme and Year Profiles Option 2.

Option 2 13.5%	2010/11 £m	2011/12 £m	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
AGFs cuts	7.17	19.19	31.29	36.22	36.29	36.29	36.29
VHCC AGFs	1.55	6.39	8.75	10.33	10.65	10.75	10.75
TOTAL RAB	8.72	25.58	40.04	46.55	46.94	47.05	47.05
CASH	0.45	12.02	22.68	36.96	42.36	47.54	47.05

### Second Round Costs

3.14 Option 2 would impose similar indirect costs as Option 1.

## Benefits of Option 2

### First Round Benefits

3.15 Option 2 would lead to the same benefits to government in steady state.

### Second Round Benefits

3.16 Same as Option 1.

- **Predictability:** There are benefits for advocates in moving more cases into AGFS, particularly for the most efficient who will do well under a system that pays for outputs rather than on an hourly rates basis (i.e. inputs). Such a scheme also provided certainty about fees for both the advocate and the LSC.

## Net Impact of Option 2

- 3.17 Option 1 would generate a **negative net present value** ranging between –£0.4m and -£0.8m. This is based on the assessment that Government revenue savings will be offset by equal loss to private provider, with the administration costs leading to an overall negative outcome. **Option 2 delivers the same negative net present value as Option 1.**
- 3.18 There would be *non-monetised costs* from possible compensatory adjustments to the service provided by advocates, with potential market exit and associated costs of corrective action. *Non-monetised benefits* would include the possibility that the proposed fee decrease may result in a more equitable and efficient allocation of resources in the criminal law services market resulting from the correction of institutional inefficiencies described under the rationale for government intervention section (Section 2). **Option 2 has the same potential for non-monetised costs and benefits than Option 1.**

#### 4. Enforcement and Implementation

4. 1 The proposals would be implemented by means of amendments made by the MoJ to the Criminal Defence Service Funding Order. We envisage that the earliest these changes could be fully implemented would be January 2010.

#### 5. Specific Impact Tests

5. 1 The Impact Assessment Guidance sets out a number of tests which would need to be assessed. In undertaking this IA we considered but now within sufficient detail.

##### Competition Assessment

5. 2 The market affected by these proposals is the advocacy fees market. Although, the impact on competition is difficult to fully assess at this stage, our initial assessment is that there are unlikely to be negative impacts on competition.

##### Small Firms

5. 3 The Impact Assessment Guidance states that “*any new proposal that imposes or reduces the cost on business requires a Small Firms Impact Assessment Test*”. The assessment of the potential impacts has relied on the BERR Small Firms Impact Assessment Guidance (September 2007). It is unclear at this stage what the impact on firms might be. We will be contacting a number of small businesses during the consultation process to seek further information on any particular impacts to small firms and the likely costs and effects to their business.

##### Legal Aid and Justice Impact Test

5. 4 The impact on the Justice System has been assessed as part of the cost benefit analysis (Section 3).

##### Human Rights

5. 5 The proposals are compliant with the Human Rights Act.

##### Race / Disability / Gender Equality

5. 6 An Equalities Impact Test was undertaken for all the policy proposals. This is set out separately in the consultation document.

## **Rural Proofing**

5. 7 Rural proofing is a commitment by Government to ensure domestic policies take account of rural circumstances and needs. It is a mandatory part of the policy process, which means as policies are developed, policy makers should consider whether their policy is likely to have different impacts in rural areas, because of particular circumstances and if so adjust the policy where appropriate, with solutions to meet rural needs and circumstances. Our initial assessment is that there are no impacts specific rural impacts from the proposals.

## **Health Impact Assessment**

5. 8 The Health Impact Assessment considers the effects policies, plans, programmes and projects have on health and well-being, and in particular, how they can reduce health inequalities. Screening questions for health and well-being are provided by the Department for Health. Our initial assessment is that there are no impacts on health from the proposals.

## Specific Impact Tests: Checklist

Use the table below to demonstrate how broadly you have considered the potential impacts of your policy options.

**Ensure that the results of any tests that impact on the cost-benefit analysis are contained within the main evidence base; other results may be annexed.**

Type of testing undertaken	<i>Results in Evidence Base?</i>	<i>Results annexed?</i>
Competition Assessment	Yes/No	Yes/No
Small Firms Impact Test	Yes/No	Yes/No
Legal Aid	Yes/No	Yes/No
Sustainable Development	Yes/No	Yes/No
Carbon Assessment	Yes/No	Yes/No
Other Environment	Yes/No	Yes/No
Health Impact Assessment	Yes/No	Yes/No
Race Equality	Yes/No	Yes/No
Disability Equality	Yes/No	Yes/No
Gender Equality	Yes/No	Yes/No
Human Rights	Yes/No	Yes/No
Rural Proofing	Yes/No	Yes/No

# Annexes

## Annex A

### AGFS as it stands currently

Class of Offence	Basic Fee (B)	Daily attendance fee (D)	Evidence uplift (E)	Witness uplift (W)
<b>QC</b>				
A	£4,434	£1,321	£1.89	£7.55
B	£2,924	£991	£1.89	£7.55
C	£2,275	£943	£1.89	£7.55
D	£2,641	£943	£1.89	£7.55
E	£1,750	£708	£1.89	£7.55
F	£1,750	£708	£1.89	£7.55
G	£2,200	£943	£1.89	£7.55
H	£2,200	£943	£1.89	£7.55
I	£2,453	£943	£1.89	£7.55
J	£3,302	£1,132	£1.89	£7.55
K	£3,302	£1,132	£1.89	£7.55
<b>Leading Junior</b>				
A	£3,325	£991	£1.42	£5.66
B	£2,193	£743	£1.42	£5.66
C	£1,706	£708	£1.42	£5.66
D	£1,981	£708	£1.42	£5.66
E	£1,313	£531	£1.42	£5.66
F	£1,313	£531	£1.42	£5.66
G	£1,650	£708	£1.42	£5.66
H	£1,650	£708	£1.42	£5.66
I	£1,840	£708	£1.42	£5.66
J	£2,476	£849	£1.42	£5.66
K	£2,476	£849	£1.42	£5.66
<b>Led Junior</b>				
A	£2,217	£660	£0.94	£3.77

B	£1,462	£495	£0.94	£3.77
C	£1,038	£472	£0.94	£3.77
D	£1,300	£472	£0.94	£3.77
E	£802	£354	£0.94	£3.77
F	£802	£354	£0.94	£3.77
G	£1,100	£472	£0.94	£3.77
H	£943	£472	£0.94	£3.77
I	£1,132	£472	£0.94	£3.77
J	£1,887	£566	£0.94	£3.77
K	£1,651	£566	£0.94	£3.77
<b>Junior alone</b>				
A	£2,547	£778	£1.13	£5.66
B	£1,509	£542	£1.13	£5.66
C	£1,038	£472	£1.13	£5.66
D	£1,300	£472	£1.13	£5.66
E	£755	£377	£1.13	£5.66
F	£802	£377	£1.13	£5.66
G	£1,415	£472	£1.13	£5.66
H	£943	£472	£1.13	£5.66
I	£1,132	£472	£1.13	£5.66
J	£1,887	£613	£1.13	£5.66
K	£1,887	£613	£1.13	£5.66

## Discounting

## Options 1

Calendar year	Year	Saving	Discount factor	Discounted Saving
2010	0	28.73	1	28.73
2011	1	48.71	0.97	47.07
2012	2	49.23	0.93	45.95
2013	3	49.34	0.90	44.50
2014	4	49.34	0.87	43.00
2015	5	49.34	0.84	41.54
2016	6	49.34	0.81	40.14
2017	7	49.34	0.79	38.78
2018	8	49.34	0.76	37.47
2019	9	49.34	0.73	36.20
2020	10	49.34	0.71	34.98

## Option 2

Calendar year	Year	Saving	Discount factor	Discounted Saving
2010	0	0.45	1	0.45
2011	1	12.02	0.966183575	11.62
2012	2	22.68	0.9335107	21.17
2013	3	36.96	0.901942706	33.33
2014	4	42.36	0.871442228	36.91
2015	5	47.54	0.841973167	40.03
2016	6	47.05	0.813500644	38.27
2017	7	47.05	0.785990961	36.98
2018	8	47.05	0.759411556	35.73
2019	9	47.05	0.733730972	34.52
2020	10	47.05	0.708918814	33.35