

Average Costs Savings

[1] CASES – £100,000 to £249,999 - settled

The savings involved in arbitrating multi-track cases valued at between £100,000 and £249,999 are between **£20,000 and £50,000 per case**. Our Junior barrister panel of arbitrators manage these cases.

When the courts do introduce fixed costs on the multi-track then the recoverable fees in PIcArbs arbitrations will be exactly the same. The savings for losing defendants will be in court fees, through e-filing and e-service and through lawyers costs reduction through co-operation. The benefits for claimants will be that their lawyers will be able to focus the fixed fees on evidence gathering rather than multiple permission applications, there are no court fees to pay, throughput will be faster and the system is paperless.

[2] FOR CASES OVER £250,000 – Settled @ JSM

Set out below are the estimated usual costs savings for parties who chose arbitration to resolve personal injury or clinical negligence claims rather than litigation issued through the civil courts in England and Wales and settle at a JSM or ENE.

For each multi track case about £70,000 should be saved.

A: Court fees saved:

Item	Fee: £
Issuing fee:	£10,000
2 Applications on notice	£255 x 2 = £510
Total A	£10,510

B: Claimant's costs saved:

B.1 Communicating with 1 Defendant on paper, instructing experts, copying, printing and posting

Item	detail	Estimated cost of printing,

		servicing and filing per party
2 pleadings	10 pages each, 1 Def, each: 10 pages x 20p per page = 200p + 63 p stamp + 2p per envelope + secretarial time = 0.5 hour = £12.50, total: £15.15 x 2	£30.30
100 inter parties letters	each 2 pages x 20ppp = 40p + 63p stamp + 2p envelope + 10 mins sec time each for printing, folding, signing and enveloping and post room = £2 ¹ , total £3.05 each x 100 =	£305
4 witness statements	5 pages each @ 20ppp = £1 + 63p stamp + 2p envelope + 10 mins secretarial time each for printing, folding, signing and enveloping and post room = £2, total: £3.65 x 4 =	£14.60
5 medical reports	Instructing experts: Send instruction letter with bundle of medical notes and witness statements. Say 3 lever arch files with 500 pages in each: 1500 pages x 20ppp = £300 x 5 experts:	£1,500
	Printing and posting reports to other side: 20 pages each @ 20ppp = £4 + 63p post + 2p per envelope + 10 mins sec time each for printing, folding, signing and enveloping and post room = £2, total: £6.65 x 5 =	33.25
Disclosure bundles	medical notes , 3 lever arch files with 500 pages in each @ 20ppp = £100 x 3 = £300 + index cards @ £5 per file = £15, + DX bag 5p + DX cost of £1 plus 3 lever arch file cost £2 each = £6 + 20 mins secretarial time each for printing, hole punching, inserting and enveloping and post room £4, total: £326.05	£326.05
	Wage slips, personnel file, pension, receipts, expenses etc 2 lever arch files with 500 pages in each @ 20ppp = £100 x 2 = £200 +	£208.05

¹ Assume secretary paid £26,000 gpa.

	index cards: £1 each x 2 = £2 + DX bag 5 p + DX cost of £1 plus 2 lever arch file cost £2 each = £4 + 15 mins secretarial time each for printing, hole punching, inserting and enveloping and post room £3, total: £208.05	
Schedule	20 pages x 20ppp = £4, + post 63p + envelope 2p + + 10 mins secretarial time each for printing, folding, signing and enveloping and post room = £2, total = £6.68	£6.68
Amended schedule and pleading	£15.15 + £6.68 =	£21.83
Fee earner's time serving other party	e-filing rather than paper serving, pleadings, witness statements, schedule, disclosure documents, say 2 hour @ £250 ph ²	£500
Total B1: for serving 1 Defendant:		£2,945.76
B.2: Court filing and communication on paper: costs of copying, printing and posting		
Communication with court	20 letters: each 2 pages each @ 20ppp = £4, + envelope = 1p, + stamp @ 63p + 5 mins sec time each for printing, folding, signing and enveloping and post room = £1, total per letter: £5.64 x 20	£112.80
Filing Pleadings	£5.15 x 2	£30.30
Filing Witness statements	£3.65 x 4	£14.60
Filing Medical Reports	£6.65 x 5 =	£33.25
Filing Schedule	£6.68	£6.68
Filing Amended pleading and schedule	£15.15 + £6.68 =	£21.83

² Assuming a fee earner charging this hourly rate.

Filing Disclosure bundles	Medical notes + other disclosure £326.05 + £208.05	£534.10
Total B2: for filing at court		£753.56
B.3 : Instructing Counsel on paper: costs of copying, printing and posting		
4 sets of instructions to counsel	3 lever arch files each, 500 pages @ 20ppp = £ 100 x 3 = £300, + 3 lever arch file @ £2.50 each = £7.50, plus dx bag 5p, plus DX charges £2, + index cards @ £1 per file = £3, + 20 mins secretarial time each for printing, hole punching, inserting and enveloping and post room £4. Total= £316.55 x 4 sets	£1,266.20
B.4: Legal Costs of budgeting + applications + CMCs		
No costs budgeting:	legal fees of 1 party solicitor + Counsel + Costs drafts person for costs case management hearing: £14,000	£14,000
3 CMCs/ Mitchell strike out/enforcement/relief/extension applications	Solicitors and counsels legal fees of £7,000 per CMC/application, £7,000 x 3 = £21,000	£21,000
Total of B4		£35,000.00
Total of B1-B4:		£39,965.52

C: Defendants costs saved:

C1-4 Like for like with B1-4 (but half the legal costs) **£19,982**

D: Saved legal fees incurred by Claimant and Defendant due to cooperation

Estimated total fees for Claimant and Defendant: £200,000.

A 10% reduction for cooperation saves: **£20,000**

E: Reduced disputes on costs assessment

Estimated reduction due to e-filing and using Costs ADR **£5,000**

Total A-E: £95,458

Conclusions:

The estimated total fees and costs incurred by two parties in civil litigation on items which should be saved using the PlcArbs arbitration system is set out above at items A-E. Total cost = **£95,458**

Compared with like for like costs of cooperative arbitration with e-filing and no paper:

- Commencement Fee: £1,600;
- Arbitrators fees of 3 directions hearings (3 hours preparation and 1 hour hearings, parties write the order = 4 x £375 = £1,500 x 3 =) £4,500;
- One ENE:
(6 hours preparation and 3 hours writing the evaluation = 9 x £375 =) £3,375

Total cost: £9,475

Total estimated saving: £95.458 - £9,475 = £85,983