

Average Costs Savings

[1] CASES – £100,000 to £249,999

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

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

A: Court fees saved:

Item	Fee: £
Issuing fee:	£10,000
4 Applications on notice	£255 x 4 = £1,020
Hearing fee (MT claims):	£1,090
Total A	£12,110

B: Claimant's costs saved:

B.1 Communicating with 1 Defendant, copying, printing and posting

Item	detail	Estimated cost of printing, serving and filing per

		party
2 pleadings	10 pages each, 1 Def each: 10 pages x 1p per page = 10p + 63 p stamp + 2p per envelope + secretarial time = 5 mins = £1 total: £1.75 x 2 =	£3.50
100 letters	each 2 pages x 1ppp = 2p + 63p stamp + 2p envelope + 5 mins sec time each for printing, folding, signing and enveloping and post room = £1 ¹ , total £1.67 each x 100 =	£167
4 witness statements	5 pages each @ 1ppp = 0.5p + 63p stamp + 2p envelope + 5 mins secretarial time each for printing, folding, signing and enveloping and post room = £1, total: £1.70 x 4 =	£6.80
5 medical reports	20 pages each @ 1ppp = 20p + 63p post + 2p per envelope + 5 mins sec time each for printing, folding, signing and enveloping and post room = £1, total: £1.85 x 5 =	£9.25
Disclosure bundles	medical notes , 3 lever arch files with 250 pages in each = £2.50 x 3 = £7.50 + index cards @ £1 per file = £3, + DX bag 5 p + 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: £21.55	£21.55
	Wage slips, personnel file, pension, receipts, expenses etc 2 lever arch files with 250 pages in each = £2.50 x 2 = £5 + 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	£15.05
Schedule	20 pages x 1ppp = 20p, + post 63p + envelope 2p + + 5 mins secretarial time each for printing, folding, signing and enveloping and	£1.85

¹ Assume secretary paid £26,000 gpa.

	post room = £1, total =	
Amended schedule and pleading	£1,75 + £1.85 =	£3.60
Fee earner's time	e-filing rather than paper serving, say 1 hour @ £250 ph ²	£250
Total for serving 1 Defendant:		£478.60
B.2: Court filing and communication: costs of copying, printing and posting		
Communication with court	20 letters of 2 pages each @ 1ppp = 2p, + envelope = 1p, + stamp @ 63p + 5 mins sec time each for printing, folding, signing and enveloping and post room = £1, total per letter: £1.66 x 20	£33.20
Pleadings		£3.50
Witness statements		£6.80
Medical Reports		£9.25
Schedule		£1.85
Amended pleading and schedule		£3.60
Disclosure bundles	Medical notes	£21.55
	Other	£15.05
Total for filing at court		£94.80
B.3: Instructing Counsel: costs of copying, printing and posting		
4 sets of instructions to counsel	2 lever arch files each, 250 pages @ 1 ppp = £2.50 x 2 = £5, + 2 lever arch file @ £2.50 each = £5, plus dx bag 5p, plus DX charges £2, + index cards @ £1 per file, £2 + 15 mins secretarial time each for printing, hole	£68.20

² Assuming a fee earner charging this hourly rate.

	punching, inserting and enveloping and post room £3. Total= £17.05 x 4 sets	
B.4: Legal Costs of budgeting and Mitchell applications		
Costs budgeting:	legal fees 1 party solicitor: £10,000 + Counsel: £2,000 + Costs drafts person: £2,000 =	£14,000
2 Mitchell strike out/enforcement/relief/extension applications	Legal fees 1 party £5,000 per application	£10,000
Total of B		£24,641.60

C: Defendants costs saved:

C1-4 Like for like with B1-4 **£24,642**

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

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

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

E: Reduced disputes on assessment

Estimated reduction due to e-filing and using Costs ADR

£5,000

Total A-E:

£86,393

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 = **£86,393**

Compared with like for like costs of cooperative arbitration:

- 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: £86,393 - £9,475 = **£76,918**