

## **A year on: the Capped Costs Pilot Scheme**

A brief summary of the Capped Costs Pilot Scheme, why it was introduced, and potential impact on clients.

13 January 2020

### **What is the Capped Costs Pilot Scheme?**

On 14 January 2019 a Capped Costs Pilot Scheme was introduced in the Leeds and Manchester Business and Property Courts, and has been set to run for two years.

The scheme was voluntary for High Court cases valued up to £250,000. In addition to capped costs at each stage of the litigation, there was an overall cap of £80,000 (excluding VAT, court fees, wasted costs, and costs of enforcement).

### **Why has the Capped Costs Pilot Scheme been introduced?**

The pilot aimed to improve access to the Business and Property Courts by keeping legal costs proportionate. In addition, the scheme aimed to provide certainty as to a party's exposure to legal costs. Theoretically, the pilot should enable parties to obtain a resolution to their dispute within a year.

### **What impact could the Capped Costs Pilot Scheme have on clients?**

In the first nine months of the pilot, not a single case was volunteered to the scheme. However, in the first year of the Shorter Trials Pilot Scheme, only four cases were volunteered. Since the conclusion of that Pilot, the scheme has been widely adopted.

Given the potential of the Capped Costs Pilot Scheme to increase certainty as to legal costs, it would be worth clients considering the option in appropriate cases.

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