

## Handout 3

**155.** (1) [Schedule 1](#) on the principles relating to legal costs shall apply to the adjudication of a bill of costs by a Legal Costs Adjudicator.

- (2) Where the Chief Legal Costs Adjudicator is adjudicating an application under this Part, a reference to a Legal Costs Adjudicator shall be construed as including the Chief Legal Costs Adjudicator.
- (3) In determining an application for the adjudication of legal costs, the Legal Costs Adjudicator shall, to the extent which he or she considers it necessary to do so, consider and have regard to the entire case or matter to which the adjudication relates and the context in which the costs arise.
- (4) In particular, the Legal Costs Adjudicator shall, as respects a matter or item the subject of the application—
  - (a) verify that the matter or item represents work that was actually done,
  - (b) determine whether or not in the circumstances it was appropriate that a charge be made for the work concerned or the disbursement concerned,
  - (c) determine what a fair and reasonable charge for that work or disbursement would be in the circumstances, and
  - (d) determine whether or not the costs relating to the matter or item concerned were reasonably incurred.
- (5) In applying *subsection (4)* the Legal Costs Adjudicator shall, so far as reasonably practicable, ascertain, in relation to work

(including work to which a disbursement relates)—

(a) the nature, extent and value of the work,

(b) who carried out the work, and

(c) the time taken to carry out the work.

- (6) In the application of *subsection (3)* to an adjudication relating to a bill of costs as between a legal practitioner and his or her client, the Legal Costs Adjudicator shall have regard to an agreement (if any) between the legal practitioner and the client in relation to the matter concerned, made under [section 151](#).

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## SCHEDULE 1

### *Principles relating to Legal Costs*

[Sections 150](#) (4) and [155](#).

1. A Legal Costs Adjudicator shall apply the following principles in adjudicating on a bill of costs pursuant to an application pursuant to [section 154](#):
  - (a) that the costs have been reasonably incurred, and
  - (b) that the costs are reasonable in amount.
2. In determining whether the costs are reasonable in amount a Legal Costs Adjudicator shall consider each of the following matters, where applicable:
  - (a) the complexity and novelty of the issues involved in the legal work;
  - (b) the skill or specialised knowledge relevant to the matter which the legal practitioner has applied to the matter;

- (c) the time and labour that the legal practitioner has reasonably expended on the matter;
- (d) the urgency attached to the matter by the client and whether this requires or required the legal practitioner to give priority to that matter over other matters;
- (e) the place and circumstances in which the matter was transacted;
- (f) the number, importance and complexity of the documents that the legal practitioner was required to draft, prepare or examine;
- (g) where money, property or an interest in property is involved, the amount of the money, or the value of the property or the interest in the property concerned;
- (h) whether or not there is an agreement to limit the liability of the legal practitioner pursuant to [section 48](#) ;
- (i) whether or not the legal practitioner necessarily undertook research or investigative work and, if so, the timescale within which such work was required to be completed;
- (j) the use and costs of expert witnesses or other expertise engaged by the legal practitioner and whether such costs were necessary and reasonable.