

STATES OF JERSEY

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COURT AND CASE COSTS: INVESTIGATION BY LEGAL BUDGETS LIMITED

**Lodged au Greffe on 29th June 2004
by Deputy A. Breckon of St. Saviour**

STATES GREFFE

PROPOSITION

THE STATES are asked to decide whether they are of opinion –

- (a) to appoint Legal Budgets Limited to investigate and report to the Finance and Economics Committee on the following matters –
 - (i) the reasons for the increase in Court and case costs since 1998, and the manner in which such costs are incurred, accounted for and managed at the present time;
 - (ii) the legal fees paid by the States to Mourant du Feu and Jeune (Mourants) for their services in representing the States in the litigation involving Les Pas Holdings Limited;
- (b) to request the Finance and Economics Committee to make funding available of up to £50,000 to fund the commissioning of the report;
- (c) to charge the Finance and Economics Committee to present the report to the States as soon as it is received.

DEPUTY A. BRECKON OF ST. SAVIOUR

REPORT

My attention was drawn to increasing or unforeseen costs on reading the Finance and Economic Committee's report R.C.14/2004 "General Reserve: Grant of Additional Funds to 31st December 2004". This shows –

1st March 2004	Finance and Economics Committee Court and Case Costs	£3,312,247
1st March 2004	Home Affairs Committee Court and Case Costs	£190,379

This led me to seek further information from the States Treasury and on request the following information was supplied –

Court and Case Costs:	1998	£2,760,310
	1999	£2,413,525
	2000	£2,606,098
	2001	£4,895,363
	2002	£6,153,558
	2003	£5,979,026

I believe the above figures are worth further investigation (or scrutiny) and I would recommend Legal Budgets Limited, who may be known to some members, to undertake this work.

Background information on Legal Budgets Limited is set out below

Legal Budgets Limited – Director, Mr. James Diamond, Fellow of the Association of Law Costs Draftsman.

Mr. Diamond has spent over 20 years in the field of legal costs, work experience includes in-house for two of the top city London law firms to acting independently for private individuals to major corporate clients.

Mr. Diamond is a Law Society approved Continuous Professional Development provider on legal costs. He has spoken at many conferences, including the Annual Law Society annual conference in London in September 2003 and the major costs conference in London in March 2004.

Mr. Diamond has had articles published in a variety of the major legal publications in the U.K., including the Legal Business, In-House Lawyer, The Lawyer Magazine and Legal 500 in 1998, 1999 and the last three editions.

He has developed a computer software programme that can estimate the costs of litigation on the mainland. This software has recently been fully approved by The Commerce and Industry Group Southern Branch, which looks after the interests of in-house lawyers in over 2,000 companies based in and around London.

Mr. Diamond has substantial experience in legal costs disputes in Jersey; including dealing with some of the largest legal budgets to the biggest costs disputes. Mr. Diamond is without question the leading authority in dealing with Jersey legal costs disputes. Recent successes include the reduction of a major Jersey legal firm's bill of over £400k by over £230k. This is believed to be the biggest known reduction of legal fees in Jersey legal history.

Les Pas legal fees

Members will know that the States has paid over £1.5m to Mourant du Feu and Jeune (Mourants) and I am seeking the same consultants to review these charges.

Financial and manpower implications

I believe that a sum of £50,000 should be made available for this report.

It is also possible that considerable future savings could be identified.

There are no manpower implications.