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STATUTORY INSTRUMENTS

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**1998 No. 3132**

The Civil Procedure Rules 1998

PART 3

THE COURT'S CASE [<sup>F1</sup>AND COSTS] MANAGEMENT POWERS

*[<sup>F1</sup>SECTION II*

*Costs Management*

**Textual Amendments**

- F1** Pt. 3 Sections 2, 3 inserted (1.4.2013) by [The Civil Procedure \(Amendment\) Rules 2013 \(S.I. 2013/262\)](#), rules 2, **5(h)** (with rule 22)

**Application of this Section and the purpose of costs management**

**3.12.**—<sup>F2</sup>(1) This Section and Practice Direction 3E apply to all Part 7 multi-track cases, except—

- (a) where the claim is commenced on or after 22nd April 2014 and the amount of money claimed as stated on the claim form is £10 million or more; or
- (b) where the claim is commenced on or after 22nd April 2014 and is for a monetary claim which is not quantified or not fully quantified or is for a non-monetary claim and in any such case the claim form contains a statement that the claim is valued at £10 million or more; or
- <sup>F3</sup>(c) where in proceedings commenced on or after 6th April 2016 a claim is made by or on behalf of a person under the age of 18 (a child) (and on a child reaching majority this exception will continue to apply unless the court otherwise orders); or
- (d) where the proceeding are the subject of fixed costs or scale costs; or
- (e) the court otherwise orders.]

(1A) This Section and Practice Direction 3E will apply to any other proceedings (including applications) where the court so orders.]

(2) The purpose of costs management is that the court should manage both the steps to be taken and the costs to be incurred by the parties to any proceedings so as to further the overriding objective.

**Textual Amendments**

- F2** Rule 3.12(1)(1A) substituted for rule 3.12(1) (22.4.2014) by [The Civil Procedure \(Amendment No. 4\) Rules 2014 \(S.I. 2014/867\)](#), rules 1, **4(a)** (with rule 25)
- F3** Rules 3.12(1)(c)-(e) substituted for rule 3.12(1)(c) (6.4.2016) by [The Civil Procedure \(Amendment\) Rules 2016 \(S.I. 2016/234\)](#), rules 2, **5** (with rule 23)

*Status: Point in time view as at 01/08/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Civil Procedure Rules 1998, Cross Heading: SECTIONII. (See end of Document for details)*

#### **Modifications etc. (not altering text)**

- C1** Rules 3.12-3.18 applied (with modifications) (1.7.2015) by S.I. 2007/1744, **rule 160** (as substituted by The Court of Protection (Amendment) Rules 2015 (S.I. 2015/548), rules 1(2)(b), **52**)

### **Filing and exchanging budgets [<sup>F4</sup> and budget discussion reports]**

<sup>F5</sup>**3.13.**—(1) Unless the court otherwise orders, all parties except litigants in person must file and exchange budgets—

- (a) where the stated value of the claim on the claim form is less than £50,000, with their directions questionnaires; or
- (b) in any other case, not later than 21 days before the first case management conference.

(2) In the event that a party files and exchanges a budget under paragraph (1), all other parties, not being litigants in person, must file an agreed budget discussion report no later than 7 days before the first case management conference.]

#### **Textual Amendments**

- F4** Words in rule 3.13 heading inserted (6.4.2016) by The Civil Procedure (Amendment) Rules 2016 (S.I. 2016/234), rules 2, **6(a)** (with rule 23)
- F5** Rule 3.13 substituted (6.4.2016) by The Civil Procedure (Amendment) Rules 2016 (S.I. 2016/234), rules 2, **6(b)** (with rule 23)

#### **Modifications etc. (not altering text)**

- C1** Rules 3.12-3.18 applied (with modifications) (1.7.2015) by S.I. 2007/1744, **rule 160** (as substituted by The Court of Protection (Amendment) Rules 2015 (S.I. 2015/548), rules 1(2)(b), **52**)

### **Failure to file a budget**

**3.14.** Unless the court otherwise orders, any party which fails to file a budget despite being required to do so will be treated as having filed a budget comprising only the applicable court fees.

#### **Modifications etc. (not altering text)**

- C1** Rules 3.12-3.18 applied (with modifications) (1.7.2015) by S.I. 2007/1744, **rule 160** (as substituted by The Court of Protection (Amendment) Rules 2015 (S.I. 2015/548), rules 1(2)(b), **52**)

### **Costs management orders**

**3.15.**—(1) In addition to exercising its other powers, the court may manage the costs to be incurred [<sup>F6</sup>(the budgeted costs)] by any party in any proceedings.

(2) The court may at any time make a “costs management order”. [<sup>F7</sup>Where costs budgets have been filed and exchanged the court will make a costs management order unless it is satisfied that the litigation can be conducted justly and at proportionate cost in accordance with the overriding objective without such an order being made. By a costs management order the court will—]

- (a) record the extent to which the [<sup>F8</sup>budgeted costs] are agreed between the parties;
- (b) in respect of [<sup>F9</sup>the budgeted costs] which are not agreed, record the court’s approval after making appropriate revisions;

[ record the extent (if any) to which incurred costs are agreed]  
F10(c)

(3) If a costs management order has been made, the court will thereafter control the parties' budgets in respect of recoverable costs.

[  
F11(4) Whether or not the court makes a costs management order, it may record on the face of any case management order any comments it has about the incurred costs which are to be taken into account in any subsequent assessment proceedings.]

#### Textual Amendments

- F6 Words in rule 3.15(1) inserted (6.4.2017) by [The Civil Procedure \(Amendment\) Rules 2017 \(S.I. 2017/95\)](#), rules 2, [5\(10\)\(a\)](#)
- F7 Words in rule 3.15(2) substituted (22.4.2014) by [The Civil Procedure \(Amendment No. 4\) Rules 2014 \(S.I. 2014/867\)](#), rules 1, [5](#) (with rule 25)
- F8 Words in rule 3.15(2)(a) substituted (6.4.2017) by [The Civil Procedure \(Amendment\) Rules 2017 \(S.I. 2017/95\)](#), rules 2, [5\(10\)\(b\)\(i\)](#)
- F9 Words in rule 3.15(2)(b) substituted (6.4.2017) by [The Civil Procedure \(Amendment\) Rules 2017 \(S.I. 2017/95\)](#), rules 2, [5\(10\)\(b\)\(ii\)](#)
- F10 Rule 3.15(2)(c) inserted (6.4.2017) by [The Civil Procedure \(Amendment\) Rules 2017 \(S.I. 2017/95\)](#), rules 2, [5\(10\)\(b\)\(iii\)](#)
- F11 Rule 3.15(4) inserted (6.4.2017) by [The Civil Procedure \(Amendment\) Rules 2017 \(S.I. 2017/95\)](#), rules 2, [5\(10\)\(c\)](#)

#### Modifications etc. (not altering text)

- C1 [Rules 3.12-3.18](#) applied (with modifications) (1.7.2015) by [S.I. 2007/1744](#), [rule 160](#) (as substituted by [The Court of Protection \(Amendment\) Rules 2015 \(S.I. 2015/548\)](#), rules 1(2)(b), [52](#))

#### Costs management conferences

**3.16.—**(1) Any hearing which is convened solely for the purpose of costs management (for example, to approve a revised budget) is referred to as a “costs management conference”.

(2) Where practicable, costs management conferences should be conducted by telephone or in writing.

#### Modifications etc. (not altering text)

- C1 [Rules 3.12-3.18](#) applied (with modifications) (1.7.2015) by [S.I. 2007/1744](#), [rule 160](#) (as substituted by [The Court of Protection \(Amendment\) Rules 2015 \(S.I. 2015/548\)](#), rules 1(2)(b), [52](#))

#### Court to have regard to budgets and to take account of costs

**3.17.—**(1) When making any case management decision, the court will have regard to any available budgets of the parties and will take into account the costs involved in each procedural step.

(2) Paragraph (1) applies whether or not the court has made a costs management order.

*Status: Point in time view as at 01/08/2020.*

*Changes to legislation: There are currently no known outstanding effects for the The Civil Procedure Rules 1998, Cross Heading: SECTIONII. (See end of Document for details)*

**Modifications etc. (not altering text)**

- C1** Rules 3.12-3.18 applied (with modifications) (1.7.2015) by S.I. 2007/1744, **rule 160** (as substituted by The Court of Protection (Amendment) Rules 2015 (S.I. 2015/548), rules 1(2)(b), **52**)

**Assessing costs on the standard basis where a costs management order has been made**

**3.18.** In any case where a costs management order has been made, when assessing costs on the standard basis, the court will—

- (a) have regard to the receiving party’s last approved or agreed [<sup>F12</sup>budgeted costs] for each phase of the proceedings; <sup>F13</sup> ...
- (b) not depart from such approved or agreed [<sup>F14</sup>budgeted costs] unless satisfied that there is good reason to do so [<sup>F15</sup>; and
- (c) take into account any comments made pursuant to rule 3.15(4) or paragraph 7.4 of Practice Direction 3E and recorded on the face of the order]

(Attention is drawn to [<sup>F16</sup>rules 44.3(2)(a) and 44.3(5)], which concern proportionality of costs.)]

**Textual Amendments**

- F12** Words in rule 3.18(a) substituted (6.4.2017) by The Civil Procedure (Amendment) Rules 2017 (S.I. 2017/95), rules 2, **5(11)(a)(i)**
- F13** Word in rule 3.18(a) omitted (6.4.2017) by virtue of The Civil Procedure (Amendment) Rules 2017 (S.I. 2017/95), rules 2, **5(11)(a)(ii)**
- F14** Words in rule 3.18(b) substituted (6.4.2017) by The Civil Procedure (Amendment) Rules 2017 (S.I. 2017/95), rules 2, **5(11)(b)**
- F15** Rule 3.18(c) and word inserted (6.4.2017) by The Civil Procedure (Amendment) Rules 2017 (S.I. 2017/95), rules 2, **5(11)(c)**
- F16** Words in rule 3.18 substituted (6.4.2016) by The Civil Procedure (Amendment) Rules 2016 (S.I. 2016/234), rules 2, **7**

**Modifications etc. (not altering text)**

- C1** Rules 3.12-3.18 applied (with modifications) (1.7.2015) by S.I. 2007/1744, **rule 160** (as substituted by The Court of Protection (Amendment) Rules 2015 (S.I. 2015/548), rules 1(2)(b), **52**)

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