<u>Progress Report of the Pilot Scheme of Case Settlement Conference</u> in the District Court

The District Court ("the Court") undertook a pilot scheme called the External Mediation Master Scheme ("EMM") in 2018 to introduce the idea of assisted settlement into the case management process to further promote the use of alternative dispute resolution ("ADR") in civil litigation and to instill among litigants as well as their legal representatives a culture of exploring settlement. The settlement rate for the cases falling within the pilot scheme was high (43%).

- 2. In light of the encouraging result, the pilot scheme was extended for 24 months from January 2021 and upgraded into a more structured format, called Case Settlement Conference ("CSC").
- 3. Having considered the feedbacks from the external stakeholders, including the representatives of the Bar Association and the Law Society, the Guidance Note for CSC and its Supplemental Note were issued on 16 December 2020 to set out the practice for CSC in all civil cases before the Court except personal injuries, employees' compensation, false detention claims against the Government and equal opportunities cases.

Nature of CSC

- 4. CSC will be listed for hearings in chambers (not open to public) before a master ("CSC master"). Hearings are conducted on without prejudice basis. Audio recordings and transcripts (if any) are not be allowed to be disclosed unless with consent of the parties and leave of the Court. Evidence of anything said or of any admission made in the course of the CSC will not be admissible. In other words, the usual rules on without prejudice negotiation will apply.
- 5. CSC masters may assist the parties to achieve a settlement by reviewing and evaluating the process of without prejudice negotiation (including any sanctioned offers and payments) between the parties and mediation, but they will not deal with the contested case management issues or interlocutory applications in the case except those for the purpose of settlement.

Progress of the CSC pilot scheme

- 6. Up to 31 October 2022, there had been around 296 cases enlisted for CSC since the commencement in January 2021. Majority of the parties (about 88%) in these cases were legally represented. Cases with different claim nature such as debt, tort, contract, land, trust or tenancy were included. The overall settlement rate was about 51%, taking into account both fully and partially settled cases.
- 7. About 47% of the CSC scheme participants returned the questionnaires of the users' satisfaction surveys. The overall satisfactory rate of the scheme was 82%. The participants agreed with the advantages of CSC in saving litigation time and costs, avoiding conflicts in litigation and letting them understand more about the issues in disputes.

Way Forward

- 8. The two-year pilot CSC scheme had been implemented for one year and ten months so far, and the scheme has been recently reviewed by the Judiciary. Consultation with the representatives of the Legal Aid Department ("LAD") was held in August 2022. LAD agreed that directions given by the Court to the assigned solicitors for informing LAD for the listing of the CSC hearings may help LAD to have adequate time to review continued merits or parties' settlement proposals and take appropriate steps to follow up with the assigned solicitors and/or the parties. Out of 296 cases, there was 24 legally aided cases (about 8.1% were legally aided cases: 1 case with both parties were legally aided and 23 cases with either one party was legally aided).
- 9. Given the encouraging result of the CSC pilot scheme, it has been decided that the scheme will be extended for a further 24 months from January 2023 with further upgrades, most notably, the introduction of a scheme of Mediator-Assisted Case Settlement Conference ("MCSC"), a mechanism of party-driven CSC/MCSC and an improved interface with the Director of the Legal Aid. A revised Guidance Note for CSC will be issued in December 2022.



Statistical Report on CSC (as at 31 October 2022)

| Te | otal No. of cases enlisted for CSC since Jan 2021: | 296 | |
|----|--|-----|--|
| | | | |

Legal Representation for CSC cases

| Legal representation | No. of cases | % of overall cases | No. of cases settled at the end (%) | % of settlement rate among the same case type | % of settlement rate among all cases |
|---|--------------|--------------------|---|---|--------------------------------------|
| All parties are legally represented | 192 | 64.86% | 110 | 57.29% | 72.85% |
| At least one party is legally represented | 69 | 23.31% | 32 | 46.38% | 21.19% |
| None of the parties are legally represented | 35 | 11.82% | 9 | 25.71% | 5.96% |
| Total | 296 | 100% | 151 | 51.01% | 100% |

Statistics on Questionnaires of Court Users' Satisfaction Survey

| a. Total No. of Questionnaires Distributed: | 959 |
|---|--------|
| b. Total No. of Questionnaires Received (with case no.): | 374 |
| c. Total No. of Questionnaires Received (without case no.): | 81 |
| d. Total No. of Questionnaires Received (b + c): | 455 |
| e. Response Rate: | 47.45% |

CSC hearing results

| Cases Settled before CSC | 34 | 11.49% |
|---|-----|---------|
| Fully Settled | 110 | 37.16% |
| Partially Settled / Issues Narrowed Down | 7 | 2.36% |
| No Settlement | 137 | 46.28% |
| Cases pending for result / Cases adjourned for next CSC | 8 | 2.70% |
| Total no. of cases: | 296 | 100.00% |

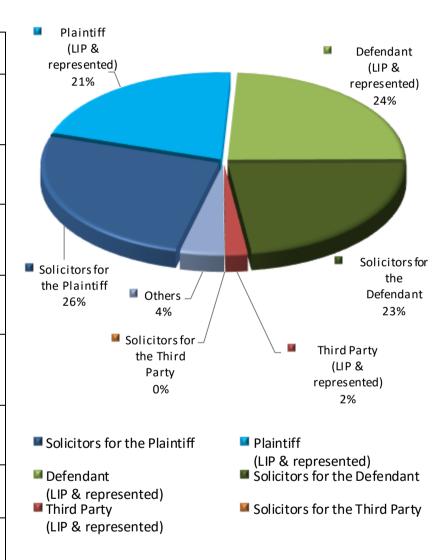
The Judiciary October 2022

Statistical Report on CSC Users' Satisfaction Survey (As at 31 October 2022)

1. Total no. of questionnaires received: 455

2. What is your role in the case?

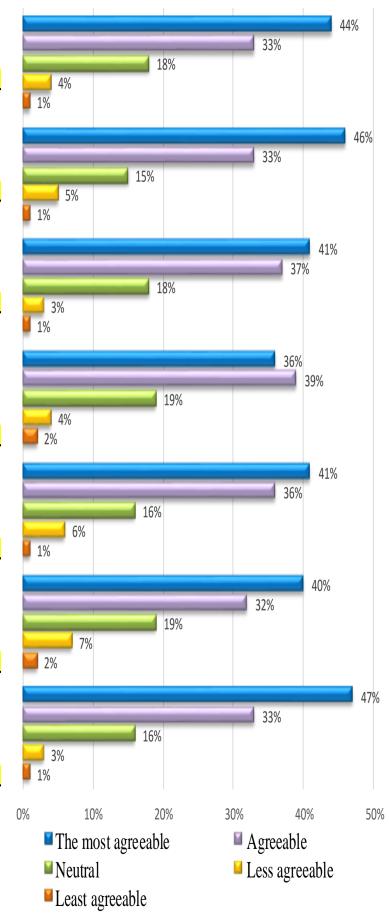
| | No. | % |
|-----------------------------------|-----|------|
| Plaintiff (LIP & represented) | 95 | 21% |
| Solicitors for the Plaintiff | 119 | 26% |
| Defendant (LIP & represented) | 107 | 24% |
| Solicitors for the Defendant | 103 | 23% |
| Third Party (LIP & represented) | 9 | 2% |
| Solicitors for the Third Party | 1 | 0% |
| Others | 21 | 4% |
| Total: | 455 | 100% |



3. About the efficacy of Case Settlement Conference:

- A. Case Settlement Conference had helped to save time?
 - * The most agreeable / Agreeable: 77%
- B. Case Settlement Conference had helped to save / reduce litigation costs?
 - * The most agreeable / Agreeable: 79%
- C. Case Settlement Conference had helped to avoid tension and conflict in litigation?
 - * The most agreeable / Agreeable: 78%
- D. Case Settlement Conference had helped to alleviate the tense relationship with the other party / parties
 - * The most agreeable / Agreeable: 75%
- E. Case Settlement Conference had helped party / parties to understand the matter(s) in dispute
 - * The most agreeable / Agreeable: 77%
- F. Case Settlement Conference had helped party / parties to narrow down the issue(s) to be tried
 - * The most agreeable / Agreeable: 72%
- G. Overall, Case Settlement Conference is an effective alternative in resolving current dispute(s)
 - * The most agreeable / Agreeable: 80%

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4. Overall, are you satisfied with the Case Settlement Conference?

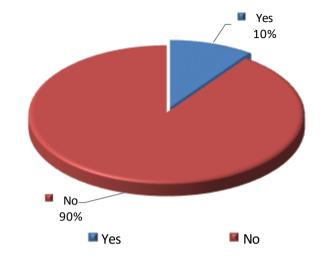
| | No. | % | Very much satisfied |
|------------------------|-----|------|--|
| Very much satisfied | 128 | 30% | 82% Satisfied 52% |
| Satisfied | 218 | 52% | |
| No comment | 68 | 16% | |
| Dissatisfied | 6 | 1% | ■ Very much No No dissatisfied No |
| Very much dissatisfied | 5 | 1% | 1% 1% comment 16% |
| | | | ■ Very much satisfied ■ Satisfied |
| Total: | 425 | 100% | ■ No comment■ Dissatisfied■ Very much dissatisfied |

5A. Have you attempted mediation before attending Case Settlement Conference?

| | No. | % | | |
|--------|-----|------------------|-------|---------|
| Yes | 220 | <mark>52%</mark> | ■ No | Yes 52% |
| No | 203 | 48% | 48% | |
| Total: | 423 | 100% | | |
| | | | | |
| | | | ■ Yes | ■ No |

5B. Was the mediation successful?

| | No. | % |
|--------|-----|------|
| Yes | 21 | 10% |
| No | 193 | 90% |
| Total: | 214 | 100% |



6. Are you willing to attempt mediation (again) after attending Case Settlement Conference?

| | No. | % |
|--------|-----|------------------|
| Yes | 214 | <mark>72%</mark> |
| No | 85 | 28% |
| Total: | 299 | 100% |

