HOUSING: PROPORTIONATE DISPUTE RESOLUTION – THE ROLE OF TRIBUNALS

SUMMARY AND CONSULTATION QUESTIONS

SUMMARY OF ARGUMENT

1.1 Our Issues Paper on proportionate housing dispute resolution raised for public discussion questions about how housing problems might be avoided; how those with housing problems might be better advised;¹ and how other dispute resolution processes – such as ombudsmen or effective complaints procedures – might be better used.² It looked at the values which should underpin dispute resolution, and objectives of reform.

1.2 While many issues may be prevented or diverted, there must be a forum for the formal adjudication of those disputes that cannot otherwise be resolved. Our new consultation paper³ examines its role in more detail.

1.3 The central question posed in the consultation paper is: should there be a specialist adjudicatory body for housing disputes? If so, how could such a specialist body could be made to work? We also want to hear your views on practical issues such as procedures, costs rules, the scope for mediation, representation and legal aid in housing tribunal cases.

Background

1.4 For years, there has been debate about whether there should be a specialist adjudicatory body for housing disputes.

1.5 The consultation paper takes, as its starting point, the fact that the Tribunals Courts and Enforcement Bill has almost completed its Parliamentary journey. When we published the Issues Paper, we knew that the new Tribunals Service was being established. But much of the detail was missing. The Bill significantly changes the context for any discussion about the future of formal housing dispute resolution.

Options considered

1.6 The consultation paper argues that if a specialist adjudicatory body for housing is to be created, there is no likelihood of its being a specialist stand-alone housing court. Nor do we see the creation of a specialist branch of the county court as a realistic option. In our provisional view, an expansion of the Residential Property Tribunal Service (RPTS) is the only practical possibility.

¹ We will be consulting separately with the Legal Services Commission and advice providers on how advice provision could be improved, for example through Legal Services Commission proposals for the development of Community Legal Advice Centres and Networks.

Working assumptions
1.7 In the consultation paper we make a number of assumptions.

(1) The RPTS will – within the foreseeable future – be incorporated into the new First-tier Tribunal to be created by the Bill, and administered through the Tribunals Service.

(2) There will be no additional public funding for housing dispute resolution.

(3) Legal aid should be available for representation before a specialist tribunal.

(4) Reform will be evolutionary, not revolutionary, in nature.

Provisional proposals
1.8 The central argument in the consultation paper is that, where housing disputes need formal adjudication, more cases should be dealt with by a specialist adjudicatory body than is currently the case. To achieve this objective, we make the following four key provisional proposals.

(1) There should be a transfer of jurisdiction over claims for possession and disrepair in respect of rented dwellings from the county court to a First-tier tribunal incorporating the RPTS. Jurisdiction over possession claims in relation to mobile homes and caravans should also be transferred to the new tribunal.

(2) Appeals on a point of law from the First-tier Tribunal should, with permission, go to the Upper Tribunal. This would rationalise the current complex appeal arrangements from the RPTS.

(3) Homelessness statutory appeals currently heard by the county court, and housing and homelessness judicial review applications, currently made to the Administrative Court, should be transferred to the Upper Tribunal.

(4) In relation to the position in Wales, we propose, not without some hesitation, that a reformed system should be a unified England and Wales one. (This would require the reversal of the devolution of the Welsh equivalent to the RPTS – RPT Wales – so that, jointly with the RPTS, it can be absorbed into the First-tier Tribunal.)

1.9 Such changes would represent a step-change in the RPTS workload and would lead to a significant redistribution of work as between it and the county court. It would also lead to a fundamental reorganisation of routes of appeal. Change on the scale envisaged would require very careful management to minimise disruption to the public.

1.10 However, the reforms proposed could lead to better decision-making and would foster the coherent development of housing law which critics argue is not possible under current arrangements.

CONSULTATION QUESTIONS

1.11 Consultation on our provisional proposals lasts until 28 September 2007. We set out here (in bold text) all the questions asked in the full consultation paper, along with cross-references to the relevant paragraphs in that paper.

Do consultees agree with the working assumptions on which this consultation paper is based? (para 1.37)

The case for change

1.12 In the consultation paper we examine the current position, in particular perceived problems with the county court (such as delay, inconsistency and lack of specialist judicial knowledge) and the perceived advantages of tribunals (including their specialisation, their procedural flexibility, and their ability to offer a more user-focussed service than the courts) (paras 2.3 to 2.6).

1.13 We discuss the advantages offered by specialisation: judges expert in housing law at both first-tier and appeal stages; other members with relevant expertise (for example surveyors), plus the flexibility to include members with knowledge of other areas of law, for example housing benefits (paras 2.7 to 2.32).

Do consultees agree that increased specialisation would offer significant advantages for the formal adjudication of housing disputes? (para 2.33)

1.14 We ask whether perceptions of delay in the courts match the current reality, and wonder whether, at least initially, moves towards more specialisation might have the effect of increasing delay (paras 2.34 to 2.56).

Do consultees agree that delay may be less of a problem, at least in some courts, than is sometimes thought to be the case? Do consultees think delay might increase, at least initially, if cases were transferred to a more specialised adjudicatory body? (para 2.57)

1.15 We note that there can be inconsistency in relation to both decision-making and administrative practice. We suggest that consistency may improved more easily in the context of a specialist adjudicatory body (paras 2.58 to 2.78).

Do consultees agree that consistency both of decision-making and administration may be achieved more easily by a specialist tribunal? (para 2.79)

1.16 We consider other issues which relate to the values which should underpin any system for the resolution of housing disputes. These include: access to justice and participation, and the need for the adjudicatory body to be locally accessible and develop local knowledge (paras 2.81 to 2.94).

How best can any formal adjudicatory body develop local knowledge of housing? (para 2.95)
1.17 We examine how the work of an adjudicatory body might have a wider impact, going beyond the determination of the case between the parties, for example through user groups and the provision of feedback to initial decision-makers (paras 2.96 to 2.101).

How best do consultees think that the decisions of any adjudicatory body could have a wider impact? (para 2.102)

1.18 While, historically, tribunals have been more specialised than courts, this does not have to be so. We consider three possibilities: the creation of a “stand-alone” housing court; the creation of a specialist housing court within the county court, or making greater use of the Residential Property Tribunal Service. Recent Scottish legislation provides for private rented housing disrepair cases to be determined by a tribunal there, the Private Rented Housing Panel (paras 2.105 to 2.132).

We would be interested in consultees’ views on whether [...] a restriction on the use of expert witnesses would contribute to the proportionate resolution of disrepair cases, or, as the Law Society suggest, might it prevent the parties reaching an early settlement, and lead to more cases proceeding to a full tribunal hearing? (para 2.126)

Do consultees agree with our provisional proposals that the generalist and specialist elements of the current system for the resolution of housing should be re-balanced by shifting jurisdictions from the courts to an RPTS within the tribunals system to be established under the Tribunals, Courts and Enforcement Bill? If consultees do not agree, we would be interested to know the reasons why. (para 2.133)

Are there other benefits which consultees think might flow from such a re-balancing? (para 2.134)

1.19 We accept that any change on the lines proposed will have costs as well as benefits (paras 2.135 to 2.140).

Do consultees think the benefits of the proposed changes will outweigh the potential costs that will be involved? In what respects do consultees think that the reformed system might be run more economically than the current one? (para 2.141)

1.20 We consider the implications of our provisional proposals for Wales (paras 2.142 to 2.153). Having considered other options and despite obvious political sensitivities we provisionally propose that the preferable approach is to un-devolve the Residential Property Tribunal Wales and bring it into the new Tribunals Service along with the RPTS.

Is transferring responsibility for the RPT Wales back from the Welsh Ministers to the UK Government so that a single England and Wales system can be introduced the right option for Wales? If not, which of the other options should be preferred? (para 2.154)
The housing tribunal: proposed jurisdictions

1.21 We narrowed down the categories of case which we propose to transfer from courts to tribunals from a broader list of housing disputes (paras 3.1 to 3.14). In Appendix A to the consultation paper, we list the statutory jurisdictions currently exercised by courts which we think should be conferred on tribunals.

1.22 The outline proposals are then considered in more detail (paras 3.15 to 3.76). We consider issues which might arise during possession or disrepair cases, such as the status of the tenancy, housing benefit, succession and anti-social behaviour. While not wishing to encourage “forum shopping”, we want to avoid linked proceedings being heard by different tribunals or courts. We propose that jurisdiction under some of the statutory provisions identified in Appendix A to the consultation paper should be exercised by the tribunal only if the issue arose in the course of a rented housing possession or disrepair claim.

1.23 We explain why we thought that if the Upper Tribunal heard homelessness statutory appeals, it should also have the power to hear related housing and homelessness judicial reviews, which could be conferred on it under the Tribunals, Courts and Enforcement Bill.

Do consultees agree that jurisdiction should be transferred from the county court to the First-tier Tribunal in respect of rented housing possession claims? (para 3.19)

Do consultees agree that jurisdiction should be transferred from the county court to the First-tier Tribunal in respect of rented housing disrepair claims? (para 3.25)

Do consultees agree that there should be a general provision to ensure that tribunals have jurisdiction to determine those preliminary matters that need deciding before they can deal with the principal substantive issue? (para 3.34)

Do consultees agree that the tribunal should have jurisdiction to determine questions relating to succession rights, where these are incidental to possession proceedings? (para 3.38)

Do consultees agree that, in possession cases involving allegations of anti-social behaviour, the tribunal should be able to order the demotion of a tenant, but not have power to grant a warrant of arrest or attach a power of arrest to an injunction? (para 3.42)

Does table 1 in Appendix A identify all the relevant statutory provisions conferring jurisdiction on the county courts in rented housing possession and disrepair cases which should be exercisable by the First-tier Tribunal? (para 3.50)

Do any other connected issues arise in claims for possession or disrepair in relation to rented housing, other than the jurisdictions identified in table 1 in Appendix A, which the tribunal would also need to be able to determine? (para 3.51)
Are there any other cases where applications might have to be made both to an RPTS/RPT Wales tribunal and to the county court to resolve an individual housing dispute (in which the opportunity presented by this project should be taken to reform jurisdictional boundaries)? (para 3.52)

Do consultees agree that the housing chamber of the First-tier Tribunal should be able to determine housing benefit appeals? (para 3.60)

Do consultees agree that the housing chamber of the First-tier Tribunal should be able to step into the local authority’s shoes and determine a tenant’s initial housing benefit application if housing benefit is an unresolved issue in a rent arrears possession claim? (para 3.62)

Are there any other measures (apart from the Rent Arrears Possession Pre-action Protocol) which would reduce the number of rent arrears possession claims coming before the tribunal in which housing benefit is an unresolved issue? (para 3.63)

Do consultees agree that jurisdiction should be transferred from the county court to the Upper Tribunal in relation to homelessness statutory appeals under sections 204 and 204A of the Housing Act 1996? (para 3.71)

If jurisdiction is transferred to the Upper Tribunal in relation to homelessness statutory appeals under sections 204 and 204A of the Housing Act 1996, which homelessness and housing related judicial review applications should the Upper Tribunal be given power to determine? (para 3.74)

Do consultees agree that jurisdiction should be transferred from the county court to the First-tier Tribunal in respect of caravan and mobile home possession claims? (para 3.76)

1.24 We also set out the jurisdictions which we do not propose should be conferred on the tribunals, for example in relation to mortgage possession claims, long leases, family law applications and criminal jurisdiction (paras 3.77 to 3.89).

Do consultees agree that these issues should not be transferred to the proposed tribunal? (para 3.90)

The upper tier: authority and precedent

1.25 We discuss appeal rights, both in existing courts and tribunals and in the Tribunals, Courts and Enforcement Bill, noting the complexity of current arrangements. We refer to the role of the Upper Tribunal in hearing appeals from the First-tier Tribunal (paras 4.1 to 4.23).

Do consultees agree that there should be a right of appeal only on a point of law against decisions of the First-tier Tribunal in housing cases? Should the same rule apply to all of its housing jurisdictions? (para 4.17)

Do consultees agree that permission of the First-tier Tribunal or Upper Tribunal should be required for any appeal against the First-tier Tribunal’s decisions in housing cases? (para 4.18)
Do consultees agree that the Tribunals, Courts and Enforcement Bill provides the opportunity for a much more straightforward structure for appeals; and ensures that authoritative precedents will be dealt with by judges who have expertise in housing law? (para 4.24)

1.26 We refer to the powers in the Tribunals, Courts and Enforcement Bill for tribunals to review their own decisions, which may preclude the need for appeal in some cases ( paras 4.25 to 4.29).

Should the First-tier Tribunal's power to review its own decisions be subject to any limitations? (para 4.30)

Should the Upper Tribunal's power to review its own decisions be subject to any limitations? (para 4.31)

1.27 We discuss the role of appellate courts and tribunals in creating precedents and developing housing law. We explain that the Upper Tribunal's decisions should be capable of being precedents, in order to further the coherent development of housing law, and increase the impact of tribunal decisions ( paras 4.32 to 4.53).

Do consultees agree that decisions in housing cases of the First-tier Tribunal should not be laterally binding precedents in other cases before the First-tier Tribunal? (para 4.48)

Do consultees agree that some if not all decisions of the Upper Tribunal should be vertically binding precedents on the First-tier Tribunal? (para 4.54)

If consultees agree that only some decisions of the Upper Tribunal should be binding, how and by whom should the precedential value of decisions be determined? (para 4.55)

Procedural principles

1.28 We refer to the principles that should shape the procedures of the proposed specialist tribunal (paras 5.1 to 5.9). Some current tribunal procedure rules are flexible, allowing for different procedures to be adopted in different cases.

Which current court and tribunal procedure rules and regulations applicable to the resolution of housing disputes work well and should be retained if rented housing disrepair and possession claims, and caravan and mobile home possession claims, were to be determined by the First-tier Tribunal? (para 5.10)

Which current procedure rules and regulations applicable to the resolution by courts and tribunals of housing disputes do not work well and require reform? (para 5.11)

What, if any, changes to court and tribunal procedure rules would assist in securing proportionate dispute resolution in housing cases? (para 5.12)
1.29 We look at overriding objectives, which must be borne in mind either by the persons or bodies resolving disputes, and/or by those making court or tribunal procedural rules, as a way of embedding values in a dispute resolution system (paras 5.13 to 5.15).

Do consultees agree that an overriding objective, to which those deciding housing disputes must have regard, would assist in securing more proportionate dispute resolution? (para 5.16)

1.30 We refer to pre-action protocols, regarded by many, though not all, respondents to our Issues Paper as a valuable mechanism for encouraging proportionate dispute resolution and preventing premature or unnecessary recourse to the courts (paras 5.17 to 5.27).

Are any amendments required to the Pre-action Protocols on Housing Disrepair and Possession Claims for Rent Arrears to better secure proportionate dispute resolution in housing cases? (para 5.28)

Should any further pre-action protocols be developed to help secure proportionate dispute resolution in other housing cases? (para 5.29)

1.31 We discuss the conventional wisdom, and research evidence, about the relative informality of tribunal procedures (paras 5.30 to 5.36). Informality is a frequently claimed characteristic of tribunals, but may not always be present nor as helpful to parties to disputes as is sometimes suggested.

How can the procedure rules governing tribunals in housing cases secure the appropriate level of formality/informality for their proceedings? (para 5.37)

1.32 We look at the powers of case management and power to make directions and hold pre-trial reviews (paras 5.38 to 5.56).

What case management powers do consultees think are needed for the proportionate resolution of housing cases? In particular, do consultees agree with the suggestions of the Civil Justice Council (in para 5.49)? Do consultees have views on how case management powers can be exercised effectively? Are other powers needed to secure the proportionate resolution of housing disputes? (para 5.50)

Do consultees agree that automatic dismissal of claims or defences should not be permitted where case management directions are not complied with? Do consultees agree that tribunals should be more willing to exercise their discretion to dismiss cases on this ground? (para 5.57)

1.33 We consider whether oral hearings are needed in all cases (paras 5.58 to 5.81).
Do consultees agree that, in addition to retaining an equivalent of the accelerated possession procedure for cases where possession is sought on notice-only grounds, the tribunals should be able to determine other rented housing possession and disrepair cases, caravan and mobile home possession cases, homelessness statutory appeal and housing and homelessness judicial review cases without an oral hearing, where the parties agree to dispense with an oral hearing? (para 5.82)

1.34 We also examine the scope for information technology to play a more significant role in dispute resolution by tribunals, whether through electronic filing of claims and other pleadings; the use of video conferencing; or in efficient tribunal administration. We also mention the more radical “A2J” model developed in the United States to assist litigants in person (paras 5.83 to 5.108).

Do consultees think that there is greater scope for the use of video conferencing, for hearings, or “virtual visits” to premises the subject of a dispute? (para 5.90)

Do consultees agree that more housing claims, defences and other applications should be made electronically (in an extension of Possession Claims Online)? (para 5.95)

Are there other information technology tools (such as elements of the American “A2J” prototype) that could be used to promote more proportionate dispute resolution in housing cases? (para 5.108)

Legal advice and representation in housing dispute resolution

1.35 We examine both the role of courts and tribunals providing advice, and the scope for independent agencies to offer advice at court or tribunal premises (for example the housing possession duty desk schemes found at many courts) (paras 6.1 to 6.29).

What types of advice or assistance do consultees think tribunal staff should offer to tribunal users? Do consultees agree that it is inappropriate for tribunal staff to offer any advice which touches on the substance of the dispute or its legal merits? (para 6.21)

Do consultees agree that independent advice should be provided through a duty desk at every tribunal venue hearing housing cases (especially possession claims)? (para 6.30)

1.36 We also look at the benefits of representation in tribunal cases (paras 6.31 to 6.49).

Do consultees agree that there should be no formal bar on the use of legal representation before the tribunals? Are there ways in which use of non-legal representation might be encouraged? What appropriate safeguards (for example in relation to quality, or adherence to professional standards or ethical codes) need to be in place if representation is to be other than by lawyers? (para 6.50)
1.37 We consider the scope for Community Legal Service (legal aid) funding in tribunals. Fears that a transfer of jurisdiction from courts to tribunals would lead to a withdrawal of legal aid for housing disputes were frequently expressed by respondents to our Issues Paper. We argue, however, that the transfer of cases from courts to tribunals must not be used as an excuse to withdraw legal aid from housing cases (paras 6.51 to 6.61). Our provisional proposals should only be taken forward if legal aid continued to be available in those housing cases for which it is currently available in the courts.

Do consultees agree that legal aid should continue to be available in those housing cases for which it is currently available if they are heard by the tribunals in future instead of the courts? (para 6.62)

1.38 We also discuss the representation of landlords in court and tribunal proceedings. (paras 6.63 to 6.68).

Should there be any restrictions on those who can represent landlords in tribunal hearings? Would greater equality of arms be achieved by allowing non-lawyers, for example representatives of Arms Length Management Organisations (ALMOs), to act on behalf of a council landlord, as opposed to ALMOs having to engage lawyers with rights of audience? Should non-lawyers representing landlords be required to be a member of an accreditation scheme or professional body, such as the Association of Residential Letting Agents? (para 6.69)

1.39 We mention the use of conditional fee agreements to fund housing cases (paras 6.70 to 6.76).

Do consultees agree that greater use of conditional fee agreements is unlikely to contribute to the more proportionate resolution of housing disputes? Should there be any further restrictions on the use of CFAs in housing cases? (para 6.77)

Alternative dispute resolution

1.40 Alternative dispute resolution, including mediation, was discussed in our Issues Paper. In the consultation paper, we consider the extent to which mediation of housing disputes can be encouraged, possibly through being offered and provided by the tribunal system itself (paras 7.1 to 7.34).

Do consultees agree that the tribunals which we propose should hear housing cases should offer mediation to the parties in every case? What steps short of compulsion do consultees think are justified to encourage use of mediation? Are there circumstances in which refusal to mediate should be penalised in adverse costs awards? (para 7.35)

1.41 We consider the scope for early neutral evaluation, to assist the parties to a case to weigh up their prospects of success (paras 7.36 to 7.44).

Do consultees agree that the tribunal should have the power to offer the parties early neutral evaluation? (para 7.43)
Would restrictions on the instruction of expert witnesses without the tribunal’s consent increase or reduce the likelihood of parties achieving a settlement through mediation or early neutral evaluation? (para 7.45)

1.42 We mention ombudsmen and agree with suggestions for more flexibility between them and the courts/tribunals (para 7.46).

Fees and costs

1.43 We consider principles relating to the fees which should apply in courts and tribunals determining housing disputes (paras 8.1 to 8.21).

Do consultees agree that the principles set out in paragraph 8.21 are those which should underpin the development of detailed rules on fees as they apply to the tribunals which would determine housing disputes and appeals? (para 8.22)

1.44 We also examine the costs rules which currently apply in courts and tribunals and explore the extent to which fees and costs rules can provide incentives to encourage proportionate dispute resolution (paras 8.23 to 8.84).

Do consultees agree that the tribunal should be able to order one party to pay not only the fees paid by the other party, but also other costs incurred by that party? (para 8.85)

Should the tribunal have discretion to order one party to pay some or all of the other’s costs:

(1) routinely, where the payer has lost the case (but subject to considerations such as the parties’ behaviour, compliance with pre-action protocols); or

(2) only where the payer has “misbehaved” (for example failed to comply with an order made by the tribunal, or to provide necessary information; or has made a frivolous or vexatious claim, or has acted frivolously, vexatiously, abusively, disruptively or otherwise unreasonably in connection with the proceedings)? (para 8.86)

If an award of costs against a party should only be made where that party has “misbehaved”, what acts or omissions by the party should justify an award of costs against him? (para 8.87)

To what extent should the costs recoverable from one party by another be capped (as currently are the fixed costs which apply to undefended possession claims, and costs orders in the Leasehold Valuation Tribunal and Residential Property Tribunal which are limited to £500)? (para 8.88)

If the costs recoverable by one party from another should be capped, at what level should the cap be set? (para 8.89)
Enforcement

1.45 Finally, we consider the enforcement powers currently available to secure compliance with court and tribunal decisions. The Tribunals, Courts and Enforcement Bill will allow the enforcement of First-tier and Upper Tribunal decisions in the same way as county court decisions, without the need for first registering the judgment. We propose its extension to the existing Residential Property Tribunal Service tribunals. We examine concerns about existing enforcement methods, and suggest that warrants of possession should be issued by the tribunal which hears the possession claim (paras 9.1 to 9.37).

Do consultees agree that it would be feasible for a warrant of possession to be granted by the tribunal, but executed by court enforcement agents? (para 9.36)

Are any further reforms (in addition to the removal of the requirement to register a tribunal judgment in the court before using the county court’s enforcement powers) required to give a tribunal hearing rented housing possession and disrepair cases and caravan and mobile home possession cases effective enforcement powers, in relation to money judgments and warrants of possession? In particular, should there be any limit on the number of applications a tenant can make for suspension of a warrant of possession? (para 9.38)

CONCLUSION

1.46 The consultation paper makes a series of bold proposals for the reform of housing dispute resolution which reflect many of the points made to us by respondents to the Issues Paper. These proposals must be seen in the context of the work we have already completed on the reform of substantive housing law, our other work on proportionate housing dispute resolution, and on the regulation of the private rented sector. Some of the problems referred to in responses to our Issues Paper were, or will be, addressed in those other projects.
HOW TO RESPOND

1.47 The consultation period ends on 28 September 2007. Given our deadline for completion of this project, we will be unable on this occasion to accept any late responses. The questions may be answered on-line: a version of this summary incorporating boxes for responses below the questions is also available on the Law Commission website. Partial responses are as welcome as full responses; you do not have to answer all the questions. Responses should be sent

by post to:

Richard Percival
Law Commission
Conquest House
37-38 John Street
Theobalds Road
London
WC1N 2BQ

by e-mail to:

public@lawcommission.gsi.gov.uk

1.48 It would be helpful if, where possible, comments sent by post could also be sent on disk, or by email to the above address, in any commonly used format.

1.49 All responses will be treated as public documents in accordance with the Freedom of Information Act 2000, and may be made available to third parties.