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Funding for Law Centres

Law Centres Network

A report submitted by [ICF International](#)

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Contents

- Key messages..... 1**
- 1 Overview of Law Centres..... 3**
 - 1.1 Role of Law Centres..... 3
 - 1.2 Demand for Law Centres 4
 - 1.3 Funding for Law Centres..... 6
- 2 Economic impact and wider benefits of Law Centres..... 8**
 - 2.1 Sustainable economic impacts 8
 - 2.2 Wider economic benefits..... 9
 - 2.3 Social return on investment..... 10
- 3 Funding of Law Centres 12**
 - 3.1 Changes in the funding environment 12
 - 3.2 Government funding considerations and opportunities for Law Centres..... 13

Key messages

- Law Centres provide **free legal advice** to disempowered and disadvantaged citizens and community organisations.
- Law Centre activities are **targeted at those sections of the community which have the greatest need** such as the unemployed or low paid, disabled people, black and minority ethnic communities, women and children.
- What sets Law Centres apart from most other agencies and organisations are the services they provide, in the shape of **legal representation and individual casework aimed at the early and timely resolution of problems** which may otherwise escalate to more resource intensive parts of the justice system.
- Law Centres are able to deliver services in **new and innovative ways**, and are independent of government and so free to be unequivocally on the client's side.
- Law Centres are **independent and are accountable to their communities**. They are embedded at a grass-roots level, with local people acting on their management committees and Law Centre membership comprising of people from other local communities. Therefore, they are well-placed to provide independent advice to consumers on the most suitable solution in the circumstances.
- Evidence shows that **Law Centres deliver significant economic impacts**. These benefits accrue primarily in the form of direct and indirect savings in publicly-funded services. These would otherwise be incurred in the absence of the services delivered by Law Centres.
- It is estimated that Law Centres deliver the following gross outputs and outcomes:
 - **between £446.5 million and £519.5 million in direct cost savings** as a consequence of reducing the annual costs associated with debt and temporary accommodation;
 - **approximately £450.6 million in indirect cost savings** as a consequence of reducing 'downstream' or 'spillover' costs associated with homelessness, stress, anxiety and ill health; and
 - **£99.8 million in additional tax revenues** to the Exchequer as employment is created and/or safeguarded.
- Given that funding for Law Centres totalled £17.5 million in 2012-13 (not all of which comes from central Government) and the net revenue benefits to the Exchequer are at least £48 million, this suggests that **even just focusing on the pure fiscal benefits, Law Centres deliver benefits of more than twice the amount for which they are funded**.
- Law Centres **generate a number of wider benefits for the local communities in which they operate**. Although difficult to quantify, they are nonetheless significant for the large number of vulnerable people in crisis or at acute risk of further problems that depend on their advice and support.
- Despite the economic and wider social benefits delivered by Law Centres, **they face a significant challenge via changes to the funding environment in which they operate**. Arguably most significant of these changes is the Government's proposals to reform the justice system, as set out in the Ministry of Justice's business plan, and to reduce the Ministry's budget by £2 billion by 2015, including a reduction in civil legal aid expenditure of £350 million per year which has already taken effect.
- This uncertainty over funding comes at a time when Law Centres are seeing **significant increases and changes in demand** for their services that are attributed to the slow recovery from recession.
- **Improving the system of funding for Law Centres** (which can be instrumental in generating community cohesion/strength and empowerment for disadvantaged groups as well as downstream public sector savings) might be considered a significant new justice policy area.
- Within this context, Government's **policy objectives** could be:

- to create the conditions in which **every neighbourhood has access to a Law Centre** or other legal ‘hub organisation’;
- to ensure that there is a **simple and more comprehensive system of grant funding**, regardless of its source, available to Law Centres or hub organisations, particularly to cover the core costs of meeting the needs of the most disadvantaged groups; and
- to **build further the offer of Law Centres**, where there is an appetite for growth and development (potentially to address legal advice ‘deserts’), so that they can start to generate sustainable income for themselves.

1 Overview of Law Centres

1.1 Role of Law Centres

Law Centres form part of the wider Not for Profit (NfP) sector, providing free legal advice to disempowered and disadvantaged citizens and community organisations. These client groups are normally 'missed' or generally not served by traditional firms offering standard products and service delivery methods¹. The services provided by Law Centres typically focus on advice and casework in areas like housing, employment, immigration and welfare.

Law Centres are staffed by qualified and experienced solicitors and barristers. They provide representation at all levels of legal proceedings and in all courts, including up to European courts.

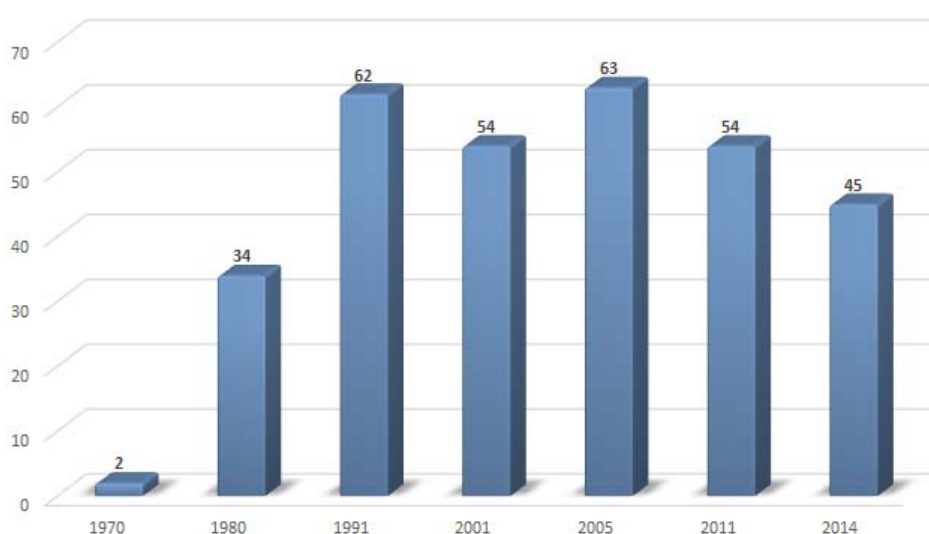
Law Centre activities are targeted at those sections of the community which have the greatest need such as the unemployed or low paid, disabled people, black and minority ethnic communities, women and children. These activities can be divided into three strands:

- **Individual casework** – Law Centres provide advice and representation on a variety of civil law matters including housing, debt, employment, welfare benefits, immigration, education and community care.
- **Legal education and prevention** – Law Centres provide legal education and training services to support agencies to help educate and empower citizens and community organisations about their legal rights.
- **Legal policy and test cases** – Law Centres often work with other organisations to frame policies, legal procedures and guidelines that affect their clients and the local communities in which they work.

As a result of these activities, Law Centres are in a strong position to spot emerging trends, to disseminate information to other support bodies and to propose remedies.

There are currently 45 Law Centres in England, Wales and Northern Ireland. Figure 1.1 shows that the total number of Law Centres has fallen in recent years, for which a major contributory factor has been the changes to legal aid funding.

Figure 1.1 Total number of Law Centres, by year

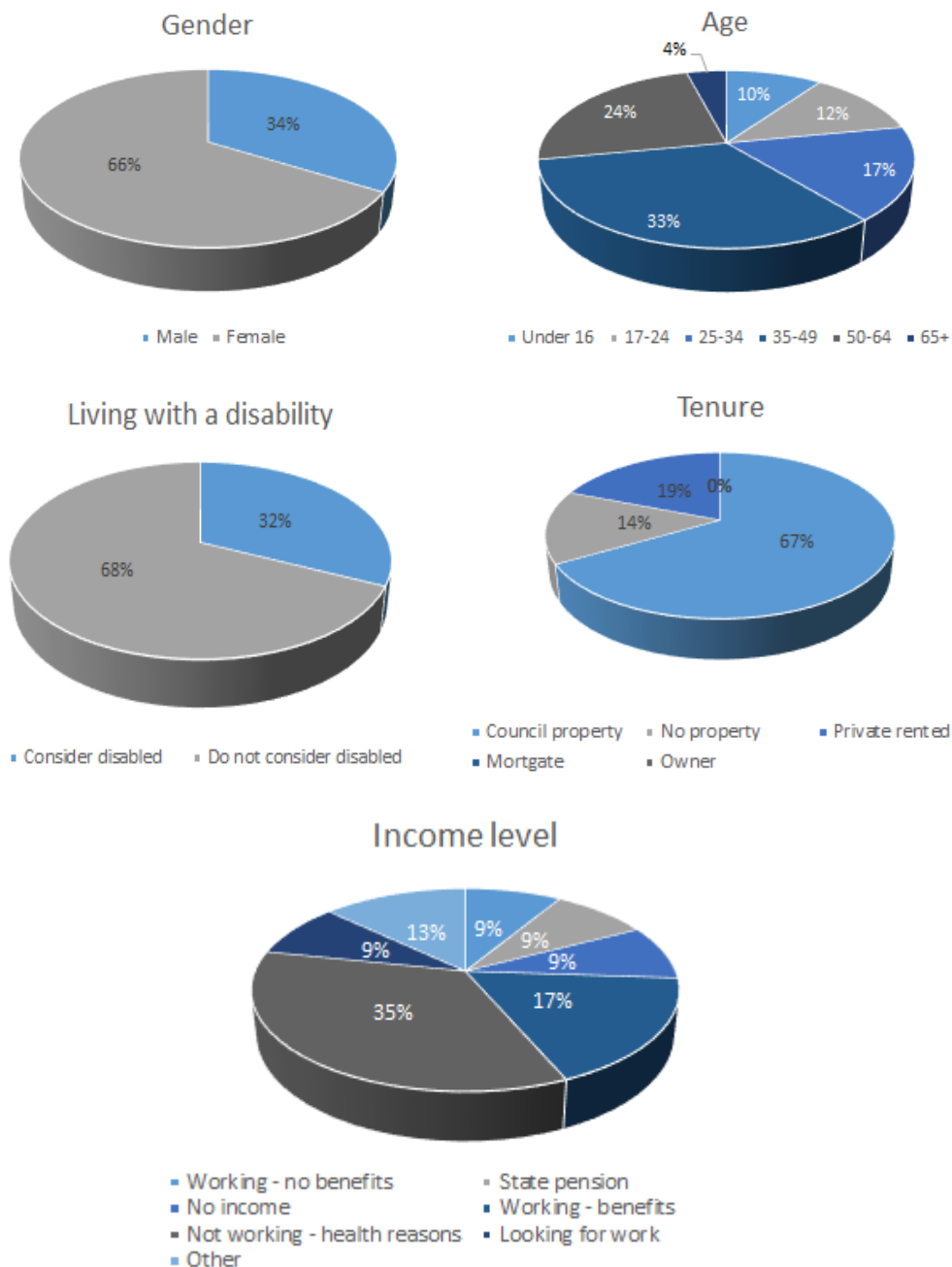


¹ In the NfP sector, a number of agencies provide legal advice and representation to clients. These include: Law Centres; Citizens Advice Bureaux (CAB) in England and Wales; and Advice UK branches. In terms of scale, agencies in the NfP sector employ the equivalent of between 15,000 and 30,000 people spending time providing advice, much of which is legal or quasi-legal in nature.

1.2 Demand for Law Centres

In 2012-13, over 120,000 cases were dealt with by Law Centres. Although there is no 'typical' client for the wide range of services provided by Law Centres, data from the Islington Law Centre provides a picture of the characteristics of the clients who accessed services in this diverse London borough in 2013 (Figure 1.2).

Figure 1.2 Selected characteristics of Islington Law Centre clients, 2013



The combined effects of cuts to public spending – specifically legal aid cuts, benefit reform and localisation of certain services (council tax support, discretionary housing payments) – have contributed to an increase in the unmet need for legal aid. On the one hand,

homelessness, rent arrears and other debt are worsening.² On the other hand, civil legal aid services are not being accessed nearly as much as they could be.³

A steep rise in demand for Law Centre services is evident in the areas of law that have been cut from the scope of legal aid. For example, Hackney Community Law Centre reported (in winter 2013) a 400 per cent increase in people looking for help with welfare benefits, a 200 per cent increase in people looking for help with immigration-related issues and a 500 per cent increase in calls to their telephone advice line⁴. However, diminishing resources are also preventing Law Centres from helping otherwise eligible clients: Cumbria Law Centre has reported that it now only has capacity to take on one in four cases presenting⁵.

There are a number of policies, programmes and types of support related to the provision of legal advice and information for vulnerable and at-risk groups. What sets Law Centres apart from most other agencies and organisations are the services they provide, in the shape of legal representation and individual casework aimed at the early and timely resolution of problems which may otherwise escalate to more resource-intensive parts of the justice system.

Law Centres specifically target their activities at vulnerable citizens and communities. They are able to deliver services more effectively due to their direct experience of these groups' needs and local circumstances. They are able to deliver services in new and innovative ways, and are independent of government and so free to be unequivocally on the client's side.

Socially excluded individuals may lack the skills and capacity to make use of some existing forms of information and advice⁶

- One in twenty people have difficulties following straightforward texts independently.
- Accessing services by phone can be problematic for people with some mental health conditions.
- Around one in seven people from ethnic minorities need information to be translated into another language.
- Advice and information services are problematic for those who do not have English as a first language.

Consumers require and interact with legal advisors infrequently and often when they are particularly vulnerable, when matters have escalated and they face eviction, dismissal or benefits sanctions. They require independent legal advice because of the unequal relationship between the legal advisor and the client; the complex products and advice/services required; and difficulties in assessing the quality of services and the costs associated with them.

² Cf. recent Joseph Rowntree Foundation reports "Monitoring Poverty and Social Exclusion 2013" (<http://www.jrf.org.uk/publications/monitoring-poverty-and-social-exclusion-2013>) and "The Homelessness Monitor: England 2013" (<http://www.crisis.org.uk/news.php/756/new-report-says-almost-one-in-ten-have-been-homeless>).

³ Amply demonstrated in Steve Hynes, "Civil Legal Aid – the Secret Legal Service?", <http://www.lag.org.uk/policy-campaigns/legal-aid-secret-service.aspx>.

⁴ Written evidence from the Law Centres Network (LAS 57) to the Commons Justice Committee on Impact of changes to civil legal aid under Legal Aid Sentencing and Punishment of Offenders Act 2012, <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/justice-committee/impact-of-changes-to-civil-legal-aid-under-laspo/written/8956.html>.

⁵ *Ibid.*

⁶ SEU (2005) Improving Services, Improving Lives

Vulnerable clients are those likely to have the most complex or multiple needs and their cases would often cut across different Law Centre activities.⁷ These clients are also sometimes poorly served by the legal aid system. Research has shown that people coping with years of social exclusion and poor levels of educational attainment and self-esteem were often confused by the instructions they were given and consequently left problems to fester or escalate.⁸ Law Centres have the ability to respond appropriately to individual cases and individual clients' lives.

Working together to meet complex needs: Coventry Law Centre and Grapevine

Coventry Law Centre is a charity employing solicitors and paralegals to offer free legal advice and representation in the areas of community care, discrimination, employment, family, housing, immigration and asylum, money and debt, public law, and welfare benefits to the people of Coventry.

Grapevine is a Coventry-based registered charity that provides support for people with learning disabilities to lead independent and empowered lives within their local communities.

Both parties have worked together collaboratively on a project to support young people in Coventry who do not have regularised immigration status. During the two years of the project, it is expected that 400 young people will be reached, of which around 40 will receive intensive support. The help offered ranges from free expert legal advice to help accessing medical care and education and support in finding housing. The central aims of the project are to obtain immigration papers for the service users and to break some of the isolation suffered by undocumented young people.

Sources: <http://covlaw.org.uk/immigration/ymproject.html>, <http://covlaw.org.uk/>, <http://covlaw.org.uk/clc/downloads/impact%20report%2011-12.pdf> and <http://www.grapevinecovandwarks.org/what-we-do.aspx>.

Law Centres are independent and are accountable to their communities. They are embedded at a grass-roots level, with local people acting on their management committees and Law Centre membership comprising of people from other local communities. Therefore, they are well-placed to provide independent advice to consumers on the most suitable solution in the circumstances which might include referral to other support agencies, recommending not proceeding with a legal case and/or suggesting mediation with the other party to negotiate a solution.

Law Centres provide co-located and integrated advice provision that effectively meets the needs of excluded and at-risk groups. This includes working closely with non-legal organisations to ensure that all aspects of the client's problems can be addressed and resolved in a timely and coordinated fashion. Law Centres are active and preventative, intervening early to address root causes of complex social problems and focusing upon individuals, organisations and communities as a whole rather than on single issues.

1.3 Funding for Law Centres

Historically, the type of legal services provided by Law Centres has been publicly funded by legal aid and local authorities alongside funding through volunteer organisations and pro bono work undertaken by solicitors and barristers.

Between 2007-08 and 2012-13, the level of funding received by Law Centres decreased in nominal terms from £21.2 million to £17.5 million. Approximately half of funding support is

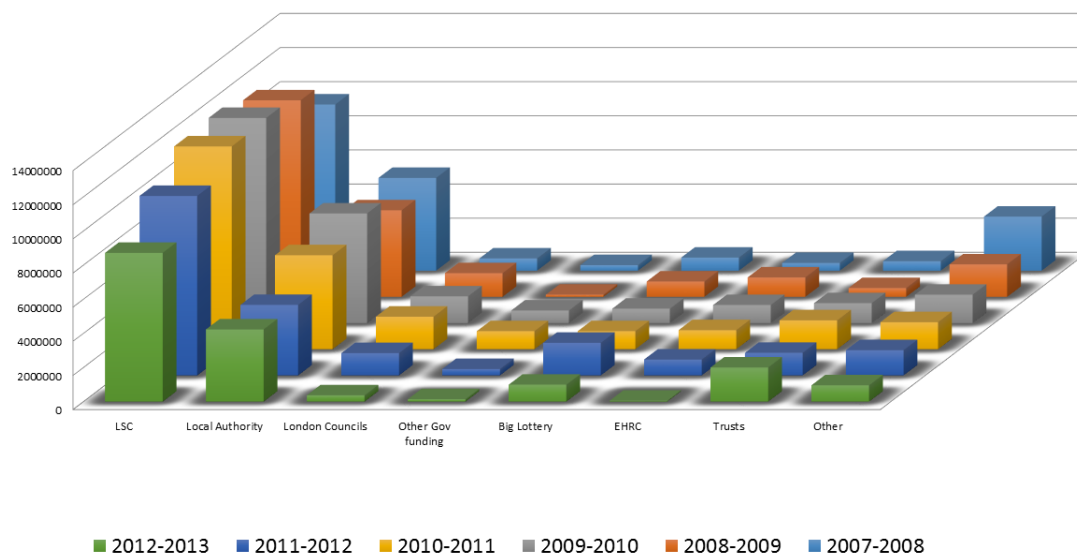
⁷ Pleasence P, Buck A, Balmer N, O'Grady A, Genn H and Smith M (2006) *Causes of action: Civil law and social justice (2nd edn)* (London: The Stationery Office).

⁸ *Ibid.*

concentrated in London followed by the Midlands and the North East of England.⁹ The Ministry of Justice, through its Legal Aid Agency (formerly the Legal Services Commission (LSC)), is the most significant funder of Law Centre activities from its civil legal aid budget. In 2012-13, it provided just under £9 million in funding for Law Centres, representing around half of total Law Centre income (Figure 1.3).

Financial year 2013-14 saw a sharp drop in legal aid funding to Law Centres, in line with Government cuts to civil legal aid. The cuts targeted social welfare law – Law Centres’ primary focus – reducing funding for it by over 75 per cent. This is expected to fall further in financial year 2014-15.

Figure 1.3 Funding for Law Centres, by source¹⁰, 2007-2013



In summary, Law Centres are equipped with the knowledge to address effectively the needs of the local communities they serve. They can also tackle the barriers which exist to legal information, advice and services, delivering sustainable economic and social outcomes. However, while demand for the services provided by Law Centres continues to grow, the funding for such services is under threat.

⁹ The drop in funding for London between 2010-11 (59 per cent of funding support) and 2012-13 (50 per cent) is due to a combination of individual council funding cuts with the discontinuation of strategic city-wide funding from London Councils, which until then had been an important additional layer of support. Overall, the drop in local authority funding in London was sharper than that for Law Centres outside of London.

¹⁰ LSC (Legal Services Commission). EHRC (Equality & Human Rights Commission). FIF (Financial Inclusion Fund).

2 Economic impact and wider benefits of Law Centres

Through early intervention and advice, Law Centres seek to deliver positive outcomes while avoiding costs in the justice system by helping to stop cases being prosecuted and entering courts. They also reduce broader social costs by helping to broker negotiated solutions which avoid costs associated with evictions, bankruptcy, forced deportation, etc.

Evidence demonstrates that free legal advice can help improve outcomes for at-risk and excluded groups and also generate a number of wider benefits for local communities.

2.1 Sustainable economic impacts

Evidence shows that Law Centres deliver significant economic impacts.¹¹ These benefits accrue primarily in the form of direct and indirect savings in publicly-funded services. These would otherwise be incurred in the absence of the services delivered by Law Centres.

During 2010-11, Law Centres supported in the region of 26,000 clients with legal aid funds and a further 120,000 clients through one-off advice and pro bono clinics. The average cost per case of legal aid cases was around £370, although the range varies depending on the length of time involved and the type of case. The total cost of delivering services across all Law Centres – some 54 Law Centres before cuts imposed by the Legal Aid, Sentencing and Punishment of Offenders (LASPO) Act 2012 ('LASPO cuts') came into effect, and now 45 Law Centres after the LASPO cuts were introduced – was £21.9 million in 2011-12.

At current levels of funding, it is estimated that Law Centres deliver the following gross outputs and outcomes:

- between £446.5 million and £519.5 million in direct cost savings as a consequence of reducing the annual costs associated with debt and temporary accommodation;
- approximately £450.6 million in indirect cost savings as a consequence of reducing 'downstream' or 'spillover' costs associated with homelessness, stress and anxiety and ill health; and
- £99.8 million in additional tax revenues to the Exchequer as employment is created and/or safeguarded.

To quantify the net impact generated by Law Centres it is necessary to take account of additionality factors, including:

- deadweight – accounting for what would have happened anyway;
- displacement – accounting for outputs/outcomes generated elsewhere in the local economy; and
- attribution – excluding the outputs/outcomes associated with other advice and support provided.

Taking account of these additionality factors, as suggested in the HM Treasury Green Book generates the following net impacts (Figure 2.1).¹²

¹¹ PwC (2013), *Law Centre Network Social Impact Study*.

¹² HM Treasury (2011), *The Green Book: Appraisal and Evaluation in Central Government*.

Figure 2.1 Net impacts of Law Centres



Given that funding for Law Centres totals £17.5 million (not all of which comes from central Government) and the net revenue benefits to the Exchequer are at least £48 million, this suggests that even just focusing on the pure fiscal benefits, Law Centres deliver benefits of at least **twice** the amount for which they are funded.

2.2 Wider economic benefits

Law Centres generate a number of wider benefits for the local communities in which they operate. Although difficult to quantify, they are nonetheless significant for the large number of vulnerable people in crisis or at acute risk of further problems that depend on their advice and support.

Law Centres help vulnerable people to resolve their legal problems, often before they reach crisis point or trigger other problems. Much of the evidence suggests that advice-based interventions are more effective for individuals with the most acute or complex problems. For example, work by the Legal Services Research Centre points to the transformative role of legal advice for those with mental health and other social problems, including problems with debt.¹³

Law Centres are able to identify problems at an early stage and provide good quality advice that can create meaningful long-term positive change for clients, which offers better value in the longer term. Information and advice is a key tool of public policy and is used across almost all policy areas. It is particularly important to improving outcomes among at-risk groups because evidence demonstrates that information and advice-based interventions can be effective; and because better use of information may drive systemic improvements in delivery to these groups by public services and consumer markets.

Law Centres can empower individuals and build personal capacity and capabilities. Good information and advice can empower people to make choices about their lives and support better decision-making in consumer markets and in accessing and using other public

¹³ See LSRC (2009), *Civil Law, Social Problems and Mental Health*, LSRC Research Factsheet No. 1, and Turley, C. and White, C. (2007), *Assessing the Impact of Advice for People with Debt Problems*.

services. It can also prevent future exclusion. Information and advice can help protect from a wide range of risk factors by positively shaping personal decision-making, behaviour and attitudes in ways that protect against future risks and build resilience.



“In the beginning we were isolated individuals, by the end of this difficult, and emotional journey, we have become a team of politically and legally educated activists who have proved ourselves a force to be reckoned with – what’s not to like about that? [...] We parents and carers have learned more about our legal rights than we ever knew possible and [...] we will continue to educate ourselves and each other and do whatever we can to support our

Early Years services in this city.”

Quote from a Sheffield mother helped by her Law Centre to challenge a city council decision¹⁴

2.3 Social return on investment

The Law Centres Network commissioned independent consultants to estimate the social return on investment of the activities of Law Centres.¹⁵ Although limited in scope, the research provides a useful illustration of the additional socio-economic benefits of:

- Individual Casework: taking up the majority of Law Centres’ time and resources, including immediate short-term solutions to pressing issues and longer-term solutions that enable clients to become better able to tackle future problems, with the outputs varied but were estimated to be around £20,000 per case; and
- Education and Prevention: designed to prevent the type of problems that often result in individuals requiring legal assistance, were estimated to create a social return of around 6 (i.e. for every £1 spent, £6 worth of social value is created).

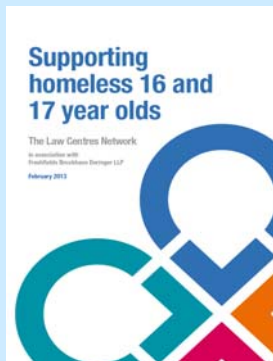
Furthermore, the issues raised via casework and education and prevention are often the root cause of problems faced by communities. As a result, Law Centres are in a strong position to influence the policy and practice of other agencies (and even ‘bend’ mainstream and other funding), as they disseminate information and propose remedies. For example, a Law Centre is likely to establish the reason why a council has a high eviction rate; evictees may not have been consulted properly; they may not have understood the conditions that have precipitated such action, and therefore have not responded correctly.

¹⁴ Quoted in the Sheffield Star, 17 October 2013: <http://www.thestar.co.uk/features/we-ve-proved-ourselves-a-force-to-be-reckoned-with-1-6154637>

¹⁵ nef (2009), *The Socio-Economic Value of Law Centres*.

Supporting homeless young people

In 2013, the Law Centres Network Young People’s Programme, with the support of Freshfields Bruckhaus Deringer LLP, completed a review of Local Authority protocols relating to homeless 16 and 17 year olds. A total of 138 protocols were received from a total of 144 local authorities in England. The review looked at whether protocols were in line with the law and statutory guidance. Protocols are documents that should set out clearly what happens to a 16/17 year old on presentation to either the Local Authorities’ housing or social services department. Protocols should go some way to ensuring that young people are not passed pillar to post between the two departments, with the potential consequence that they fall through the gap and remain homeless or in unsuitable and accommodation. The review came as a response to anecdotal evidence from Law Centre staff, working with young people, who reported that despite clear case law and statutory guidance many homeless 16 and 17 year olds were not being correctly assessed, accommodated and provided with the support they need and are entitled to from the Local Authority. The review culminated in a report in 2013 and was followed by the publication of a short guide in April 2014 designed to give homeless young people plain-language advice about their rights and point them to the best sources of local help.



Source: <http://lawcentres.org.uk/policy-and-media/papers-and-publications/young-people>



In summary, Law Centres generate significant net benefits to the public purse that would be foregone without the funding made available through the Ministry of Justice, local authorities, trusts, foundations and other sources. By leveraging charitable funds and pro bono assistance (and volunteers), Law Centres generate significant additional value over and above the amount of public money spent.

3 Funding of Law Centres

3.1 Changes in the funding environment

A significant challenge facing Law Centres and the activities they provide is changes to the funding environment in which they operate. Arguably most significant of these changes is the Government's proposals to reform the justice system, as set out in the Ministry of Justice's business plan, and to reduce the Ministry's budget by £2 billion by 2015, including a reduction in civil legal aid expenditure of £350 million per year which has already taken effect.¹⁶

Funding is being revised significantly in light of the reduced scope of legal aid following the implementation of the Legal Aid, Sentencing and Punishment of Offenders Act 2012, the reduction in local authority grants as a result of the 2010 Comprehensive Spending Review and the end of the Equality and Human Rights Commission-funded face-to-face legal advice for discrimination cases from March 2012.

Since the Act's implementation, additional restrictions in legal aid funding were introduced in Judicial Review, which will only receive legal aid funding once a judge has agreed the case is strong enough to proceed to a full hearing; and in exceptional case funding, a 'safety net' scheme for cases of outstanding importance, where actual approvals for legal aid funding by the Legal Aid Agency are significantly lower than forecast.

The Coalition Government has suggested that there is an overwhelming case for reform of the legal aid system.¹⁷ It believes that, since the modern scheme was established in 1949, the scope of legal aid services has widened beyond what was originally intended and is now available for a very wide range of issues.¹⁸

The Coalition Agreement promised a fundamental review of legal aid to 'make it work more efficiently'.¹⁹ In very broad terms, the Government has questioned when it is reasonable for the taxpayer to fund a person's legal costs and how to make savings from the legal aid budget while keeping the most pressing cases in scope. It wishes to:

- discourage cases from coming to court (at the taxpayer's expense) when they might better be resolved by other means, such as other forms of advice or mediation; and
- reduce spend and tackle inefficiencies in the criminal and family justice processes which unnecessarily drive up legal aid costs.

In addition to the impact of legal aid reforms on the funding available not only for Law Centres but also for the individuals they seek to support, there are a number of core reforms to the commissioning of public services which will impact on contestability in the provision of the services currently provided by Law Centres. Such reforms include:

- personal budgets completely decentralise the commissioning decision, moving from large 'block purchases' to millions of individuals choosing separately, therefore creating space for niche providers to compete;
- payment by results means that some of the most complex social problems will be newly addressable by whoever can promise to solve them – these problems are often where Law Centres have a competitive edge;
- the Localism Act including the introduction of 'right to challenge' where NfP providers can trigger consideration of an open procurement process;

¹⁶ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/217281/moj-2012-business-plan.pdf

¹⁷ <http://www.justice.gov.uk/legal-aid/newslatest-updates/legal-aid-reform>

¹⁸ The system of legal aid was established in 1948, as part of the post-war settlement, in response to the Rushcliffe Committee which recommended the establishment of a system for individuals to receive legal help. Preference was given to a system of solicitors in private practice giving legal aid advice.

¹⁹ The Coalition: our programme for government (2010)

- the Public Services (Social Value) Act 2012 which places a duty on public bodies to consider social value ahead of a procurement and, in doing so, may result in more weight being placed on the additional value that the charitable sector potentially brings to procurement, but is still in its infancy;
- policies to support SME and NfP providers to participate in open public service markets, including: opening up public service markets will result in opportunities for a diverse range of organisations and sectors (i.e. reducing the barriers to entry for smaller providers, ensuring that government supply chains are managed well and are fair, supporting smaller providers to access capital/ capabilities to build sustainable enterprises); and
- Big Society Capital helping the NfP and social enterprises to access more resources and play a bigger role in delivering public services.

In summary, the bulk of the means by which Law Centres have been able to sustain their existence is to be removed from legal aid. At the same time, more traditional funders of advice locally, including Local Authorities, are under extreme funding pressure. Charitable Trusts remain supportive but do not have sufficient funds to maintain a comprehensive network of Law Centres. Consequently, services may not reach the most at-risk groups at key points – such as in crisis situations or through key life events and transitions.

3.2 Government funding considerations and opportunities for Law Centres

Within the context of more limited public resources and wider reforms to the funding environment in which Law Centres operate, it is relevant to ask whether the Government should provide financial support for the core work of some or all Law Centres. It has already been argued that the Government has an interest – based on market failures – in contracting with Law Centres to bring their strengths to delivery of legal information and advice. We have also demonstrated that there is an economic rationale in supporting the public good of Law Centres, with strong net benefits delivered to the public purse.

There remains a lack of clarity regarding how and to what extent the Government will support Law Centres and wider legal information and advice, and consequently local Law Centres find it difficult to plan and invest in their long term future. Conversely, public agencies get frustrated at the constant requests for support in the absence of a more clearly understood framework about what the Government will support. Most importantly, confusion over how the Government should support the sector potentially puts at risk the continued realisation of the benefits that the sector delivers for those who would otherwise find it challenging to access suitable legal representation.

Other countries have more systematic strategies for providing core support to the sector than the relatively ad hoc approach facing UK Law Centres. These national systems feature longer-term strategy that is widely consulted on and informed by provider insights; presumption of continued funding for existing services; and a multi-functional approach to provision that covers not just advice and casework but also public legal education and public policy work as core elements of publicly funded legal services.

International examples of funding for legal services

Australia – Community Legal Services Program

The Australian Federal Government and Australian State governments provide funding for community legal centres which are independent and community managed non-profit services providing a range of assistance on legal and related matters to people on low incomes and those with special needs. Community legal centres are designed to complement and build upon the services provided by legal aid commissions and the private sector. Community legal centres are funded under the Commonwealth Community Legal Services Program (CCLSP). The CCLSP is a dedicated program within the Attorney General's Department which supports and funds community

legal services as part of the Commonwealth's contribution to the maintenance of effective systems of justice and legal assistance. The CCLSP provides funding for an integrated mix of community legal services which are grounded in an evidence-based strategic plan focused on needs. The CCLSP forms an important component of the Australian Government's 'Strategic Framework for Access to Justice in the Federal Civil Justice System' which aims to maximise the level of integration between the various elements of the justice system.

Sources: <http://www.ag.gov.au/LegalSystem/Legalaidprograms/LegalServicesProgram/Pages/default.aspx> and <http://www.ag.gov.au/LegalSystem/Legalaidprograms/LegalServicesProgram/Documents/Commonwealth%20Community%20Legal%20Services%20Program%20Guidelines.pdf>

Canada – Legal Aid Ontario

Legal Aid Ontario (LAO) is responsible for administering the province's legal aid program and providing low-income Ontario residents with high-quality legal aid services in a cost-effective and efficient manner. Established by the Legal Aid Services Act, 1998, LAO is an independent but publically-funded and accountable non-profit corporation. It is the second-largest justice agency in Ontario and one of North America's largest providers of legal services. LAO provides legal assistance province-wide to low-income clients who are eligible for support for their family, criminal or immigration/refugee legal matters. LAO also funds 77 community legal clinics across the province which have a province-wide strategy for working together collaboratively to address legal needs. LAO receives the majority of its funding from the province of Ontario and the Law Foundation of Ontario. The funds LAO receives from the provincial government include an allocation of funds from the federal government. They are part of a cost-sharing arrangement with the federal government for criminal law, the Youth Criminal Justice Act, refugee and immigration cases, and other expenditures.

Sources: <http://www.legalaid.on.ca/en/getting/typesofhelp.asp> and http://www.legalaid.on.ca/en/about/fact_ataglance.asp

This uncertainty over funding comes at a time when Law Centres are seeing significant increases and changes in demand for their services that are attributed to the slow recovery from recession. The recession, and consequent rise in unemployment and poverty, has had a significant impact on the demand for social welfare advice services. Although a number of local authorities have offered additional funding to voluntary sector advice providers to help meet some of the increased demand, the pressure placed on their funding make this 'gap funding' unsustainable.

Improving the system of funding for Law Centres (which can be instrumental in generating community cohesion/strength and empowerment for disadvantaged groups as well as downstream public sector savings) might be considered a significant new justice policy area. Important decisions to be made include: whether to prioritise groups or a wider spectrum of interest based groups; whether to distribute the funding primarily through local authorities or central programmes.

Within this context, Government's policy objectives could be:

- to create the conditions in which every neighbourhood has access to a Law Centre or other legal 'hub organisation' – an organisation which provides the focus for providing or signposting information and legal advice across the communities and empowering groups (see Coventry 'troubled families' example below);
- to ensure that there is a simple and more comprehensive system of grant funding, regardless of its source (i.e. not necessarily from the Ministry of Justice), available to Law Centres or hub organisations, particularly to cover the core costs of meeting the needs of the most disadvantaged groups; and
- to build further the offer of Law Centres, where there is an appetite for growth and development (potentially to address legal advice 'deserts'), so that they can start to generate sustainable income for themselves (see the community interest company (CIC) examples below).

Coventry Law Centre and 'troubled families'

'Troubled families', or households with multiple and complex needs that draw significantly on public resources, have been prioritised by the Coalition Government, which devotes considerable resources to the issue through two departments – Communities and Local Government and Education. This interest has been echoed at a local level, where the Coventry Law Centre has been able to assist through an innovative project. The Law Centre has placed a specialist advice worker within the City Council's Troubled Families Team. The specialist adviser picks up complex matters that the Law Centre helps resolve in a targeted manner, generating considerable savings to the public purse. Initially, the project was grant-funded by the Baring Foundation. However, with this strong proof of concept in place, there is now a need for continued resourcing of this specialist service from public sources.

Source: see, for example, <http://covlaw.org.uk/clc/newsclippings/20-05-13.html>

Community interest companies

Rochdale Legal Enterprise

Rochdale Legal Enterprise ('RLE') is a community interest company (CIC) based in Rochdale. It is a not-for-profit solicitors practice. RLE works closely with Rochdale Law Centre and was set up to provide low cost professional legal services to individuals at affordable rates for those on low and middle incomes across the region. After staff costs and running costs any excess income generated from charges to clients is given to Rochdale Law Centre to help with its charity work. RLE is an idea that came about in 2011 when the end of legal aid for many areas was being discussed. Rochdale Law Centre, which had previously received funding from the LSC for over 200 Immigration cases per year, saw that funding reduce to 27 cases. As charities, Law Centres can't charge for their services, so organisations started looking into ways of providing low cost, quality legal advice. Rochdale was one of 7 groups to be selected for funding from The Baring Foundation to test pilot a solution. Funding was also obtained from the Transition Fund to help support setting up an employment law service to provide low cost services to individuals due to Rochdale Law Centre not being able to meet the demand for its services and in anticipation of the withdrawal of legal aid for employment matters from April 2013

Source: <http://rochdalelegalenterprise.co.uk/>

Islington Green Roots

Green Roots is the trading name for a new social enterprise which is wholly owned by Islington Law Centre (a registered charity). It is a not-for-profit and its primary aim is to improve access to justice. Green Roots offers high quality legal services at as low a price as possible to people who would otherwise go without access to a lawyer. This could include students, those with family reunion cases and those making applications under the points based system. The primary focus of Green Roots is to meet the legal needs of people who have little access to good provision.

Source: <http://greenrootslaw.co.uk/>

There are options for achieving these outcomes, including building on the patchwork of current local authorities grant and development programmes. At the same time, we expect stronger measures in performance frameworks and service level agreements to ensure that funding is delivered in an efficient and effective way.

Within this context, there are a number of key considerations for the sector and those who fund it, including:

- What are the prospects for the sector to achieve external investment in the long term? Could the sector/LCN operating on behalf of the sector seek investment from BSC to fund modernisation, extent and scale the offer, etc.?
- Is there sufficient appetite in the sector to move from payment by inputs/outputs towards alternative funding mechanisms (i.e. potentially building on the metrics established through the PwC research)?
- What will future funding be used for – extending the range of the Law Centres and removing legal ‘deserts’ (would Law Centres be more sustainable if operating at a greater scale); investing in new technology, shifting towards greater use of alternative channels, such as phone and digital channels; etc.?
- To what extent is there is a need or desire to collaborate with other sources of legal advice and support, such as CABs to either fill gaps or remove duplication?

Community Budgets could provide additional revenue and give Law Centres greater freedom to work with partners (Local authorities, CABs, other providers of information and advice, etc.) to redesign services around the needs of citizens, improving outcomes, reducing duplication and waste and so saving significant sums of public money. Research by PwC and nef provides an opportunity to present an evidenced, negotiated business case and operational plan to local authorities/LGA on how legal provision can be redesigned, centred on the needs of local people and communities, to save resources and improve outcomes.



In summary, changes in legal aid, the wider policy environment and economic conditions are all contributing to an increased demand for social welfare services, including for the services provided by Law Centres. Concurrently, across the funding system, a reduction in funding is being experienced, with a move to more fragmented, issue-based and reactive funding streams.

The result is testing Law Centres to their limits given the funding gap at a time of increasing demand for free legal advice. This puts the future capacity and capability of Law Centres under pressure with resultant impacts for society and government.

The alternative is to provide intermediate core funding to support Law Centres to develop new business models in return for agreed development of objectives around innovative delivery of a core set of (redesigned) services to achieved enhanced outcomes, internal development and direct moves to sustainability through new funding/finance and commissioning schemes.