



CORPORATE PLAN 2006/07

Helping more people deal with their problems

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## The Legal Services Commission provides legal aid and legal advice and information for people with problems in England and Wales

Our vision states that we want to be:

- resolutely focused on legal aid clients
- delivering innovative, high quality, high value legal advice and services through top quality providers and
- an organisation inspired by strong, visible leaders where people are proud to work.

# Foreword



The three-year period covered by this corporate plan [2006/07 to 2008/09] will see radical changes to legal aid. Each year, the legal aid system helps millions of people to exercise their fundamental rights and solve their problems by providing high quality legal representation, advice and information. However, fundamental reform is essential if the system is to continue to deliver on a sustainable footing.

The Legal Services Commission (LSC) and its service providers are at the heart of the legal aid scheme. Central government policy is implemented by the Commission and delivered by our service providers, namely solicitors and the voluntary sector and together we ensure vulnerable people get the help they need. In March 2006, we launched a consultation on our Preferred Supplier scheme. This will involve us in only contracting with high quality providers to drive up service quality for legal aid clients and transform our relationship with service providers. Over the next three years, we

believe this scheme will improve value for taxpayers, reduce transaction costs and enable good quality service providers to focus more on their clients.

Our Preferred Suppliers will form an integral part of the wider reforms put forward by Lord Carter's Review of Legal Aid Procurement in July 2006. We welcome his proposals for a market-based system that will modernise legal aid, making it both affordable and sustainable. From now until 2010/11, we will focus on implementing Carter's recommendations subject to the outcome of the consultation. In doing so, we will rebalance the criminal and civil legal aid budgets; ensure quality, efficient and diverse services at the best price; and support the aims of the wider Criminal Justice System.

Inevitably changes that steer us towards a market-based approach will prove challenging for the law firms and not-for-profit agencies that make up the network of legal aid service providers. However, change in today's business environment is ever present and legal aid providers are no different to those operating in other sectors. The LSC itself will not be immune to change. We will have to transform ourselves to deliver new policies, become smaller and more efficient and provide greater value for money.

We have a demanding programme in front of us but one that builds on success. For instance, in the last financial year, service providers delivered early civil legal advice to more people than at any time since the Community Legal Service was created. We set ourselves a challenging target of 650,000 acts of assistance and we exceeded it by

almost 60,000. We have also delivered savings that were considerably higher than we had aimed for and increased our efficiency. We are therefore in a good position to continue to improve delivery.

Throughout this period of reform, we will maintain a clear dialogue with government and service providers; one that is open about the challenges we face and constructive in seeking solutions that are in the best interests of legal aid clients. We look forward to delivering these reforms and to guaranteeing a sustainable legal aid scheme that secures access to justice for those with legal problems.

A handwritten signature in black ink, appearing to read 'Michael Bichard', with a horizontal line underneath.

**Sir Michael Bichard**  
Chair, Legal Services Commission

A handwritten signature in black ink, appearing to read 'Carolyn Regan', with a horizontal line underneath.

**Carolyn Regan**  
Chief Executive, Legal Services Commission



The LSC helps over 75,000 people struggling with debt and around 100,000 people facing eviction each year

# The Legal Services Commission

“Our work is essential to the fair, effective and efficient operation of the civil and criminal justice systems. It is also critical to provide access to justice and fair trials for all.”

## Background

The Legal Services Commission (LSC) provides legal aid and legal advice and information in England and Wales through two schemes: the Community Legal Service (CLS) and the Criminal Defence Service (CDS). Our work is essential to the fair, effective and efficient operation of the civil and criminal justice systems. It is also critical to provide access to justice and fair trials for all.

We are a public body sponsored by the Department for Constitutional Affairs (DCA). The Lord Chancellor and Secretary of State for Constitutional Affairs, The Right Honourable Lord Falconer of Thoroton, is accountable to Parliament for our activities and performance.

A board of independent Commissioners oversees our work. Commissioners are appointed by the Lord Chancellor. They are responsible for establishing and maintaining the overall strategic direction of the LSC, within a framework agreed with the Lord Chancellor.

## Our structure

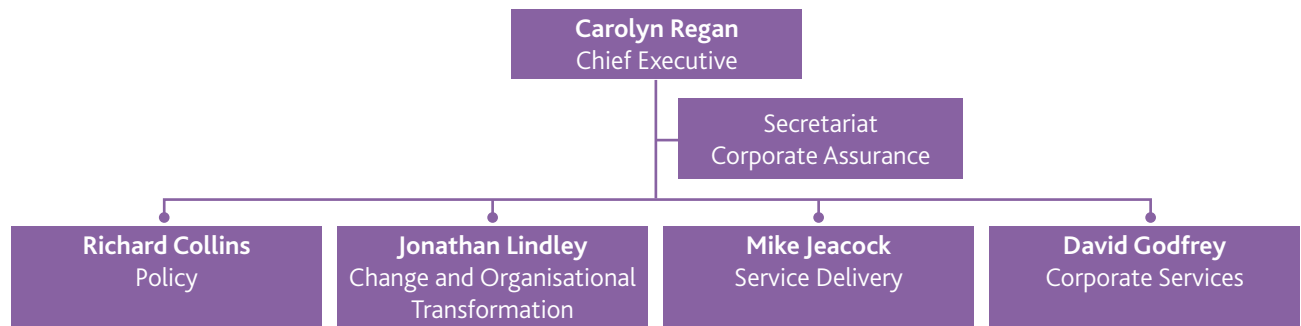
The LSC has a central office in London, 12 regional offices in England and an office in Wales. We also currently operate eight Public Defence Service (PDS) offices that directly deliver legal advice and representation to people involved in criminal cases. Altogether, we employ around 1,750 people.

Our organisation is divided into four directorates that effectively separate our day-to-day delivery and performance from our change programme. A member of our Executive Team leads each directorate.

Three programme boards manage the work of our change programme, checking progress against milestones and reviewing risks and issues at a high level:

- Organisational Transformation Programme Board
- External Transformation – Civil Programme Board
- External Transformation – Crime Programme Board

A Change Programme Board oversees the progress of the three individual change programmes, ensuring that they work together and are managed effectively. In addition, a LSC Transformation Board, chaired by Sir Michael Bichard, provides high-level support and scrutiny.



## The Community Legal Service

The Community Legal Service (CLS) is a network of organisations which funds, provides and promotes civil legal services. The LSC is responsible for developing and maintaining the CLS and, over the next few years, we will exercise our leadership by concentrating on:

- the provision of specialist legal services
- the identification of client need for services and
- facilitation of joint planning and funding.

Two themes run through our recently published five-year strategy for the CLS, Making Legal Rights a Reality - an increased focus on the needs of the client and working in partnership across the CLS. Taking the first theme, we will purchase legal services in ways that improve access and reflect clients' problems. This will mean:

- directing funding and services to where clients need them most
- commissioning new Community Legal Advice Centres and Networks that provide access to a full range of social welfare and family legal services
- expanding our telephone advice service, part of Community Legal Service Direct, to provide more specialist advice
- making sure there is consistent access to civil legal advice across England and Wales and
- placing emphasis on protecting fundamental rights.

In terms of the second theme, partnership, we will work increasingly with other funders, particularly local authorities, when purchasing services. For instance, our new centres and networks will be commissioned jointly with councils and will fully reflect local needs. Working

with the DCA, we will also engage with government departments and agencies to:

- coordinate advice funding
- improve legal information and education, including by our delivery through Community Legal Service Direct
- achieve earlier and more proportionate dispute resolution (in line with the DCA's Public Service Agreement (PSA5))
- support changes to court and tribunal systems that make them less adversarial and more user-friendly.

Our target of 750,000 acts of assistance, which includes face to face and those provided by CLS Direct over the telephone, directly contributes to the delivery of PSA5.

By April 2007, we will publish policy and information papers that add more detail to our strategy. These will cover a number of topics, including: CLS governance, the CLS in Wales, Community Legal Advice Centres and Networks, Community Legal Service Direct, access targets and mental health. We will also produce a Family Strategy this financial year that will set out how we will take forward children and family services in the light of Lord Carter's report and the CLS Strategy.

We will also take account of Lord Carter's review by continuing to move away from contracting for services that service providers choose to deliver and towards those that clients need. Changes to both the way we contract and pay for services will reflect this and will promote quality, reward efficiency and ensure value for money.

Community  
Legal Service



Criminal  
Defence Service



## The Criminal Defence Service

The Criminal Defence Service provides legal advice and representation to people being investigated or charged with a criminal offence. In doing so, it facilitates the fair and effective operation of the Criminal Justice System (CJS).

As the largest, single purchaser of criminal defence services, we spent £1.2 billion last year, enabling 1.6 million acts of assistance to be carried out. Our core activities involve:

- procuring the services of solicitors' firms and barristers in a way that ensures access to the provision of quality advice and representation
- managing duty solicitor schemes so that those who need urgent advice or representation can see a solicitor at the police station or magistrates' court
- remunerating solicitors' firms and barristers for crown court work
- providing criminal defence services directly through the Public Defender Service (PDS) and
- contributing to the development of the CJS, working closely with the Office of Criminal Justice Reform and other key players in the system.

The Criminal Defence Service Act, implemented this October, reintroduces means testing for criminal legal aid cases heard in magistrates' courts. The new means test ensures fair justice at a fair price. It also helps control expenditure on criminal legal aid and the impact this has on the civil legal aid budget. Under the system, those that can afford to pay for their own defence will pay, saving the taxpayer an estimated £35 million each year.

During the period of this plan, we will implement procurement reforms on the lines recommended by Lord Carter and subject to the current consultation process. These will give high quality service providers, with a variety of sizes and structures including Black and Minority Ethnic (BME) firms, the opportunity to expand and thrive.



Our funding enables not-for-profit caseworkers to spend almost one million hours helping legal aid clients each year

# Legal aid clients

“Although we will focus increasingly on those in most need, we will still offer free civil legal information and limited initial advice to everyone, regardless of their financial means.”

In 2005/06, we helped more people through civil legal help than at any point since 2000. Together with criminal legal aid, we funded over 160,000 more acts of assistance than 2004/05. This means that, in total, legal aid funding helped more than two million people.

We carry out extensive research so that we have an excellent understanding of both civil and criminal legal advice needs. Our Legal Services Research Centre (LSRC) studies the needs of those who access legal aid and identifies why others fail to get advice. This information mainly comes from the LSRC's English and Welsh Civil and Social Justice Surveys, the findings of which are published in *Causes of Action: Civil Law and Social Justice*. The 2006 edition of this research found that:

- during the 3½-year survey period, one in three people experienced at least one civil justice problem
- these problems cost individuals, health and other public services at least £13 billion a year
- civil justice problems often act as triggers for further problems and commonly occur in defined clusters. Social, health and civil justice policy and operation therefore need to join up to ensure that problems are not treated in isolation
- almost half of those surveyed who were the victims of crime also reported having a civil justice problem.

Our knowledge about the triggering and clustering of civil justice problems is already being applied to the development of services, notably our Community Legal Advice Centres and Networks that will join up services to mirror the complex nature of people's problems.

## Focusing on those in most need

Our assessment of whether someone qualifies for legal aid remains based on a financial means and legal merits test laid down by Parliament. Our decision to provide help cannot be influenced by public emotion towards a case or person and we sometimes have to make difficult decisions to ensure that we focus on the people who most need help.

Although we will focus increasingly on those in most need, we will still offer free civil legal information and limited initial advice to everyone, regardless of their financial means. Our decision is based on clear evidence of the financial and non-financial value of preventing or solving problems early on with information and advice.

This service will be provided through our *Community Legal Service Direct* telephone helpline (0845 345 4 345), leaflets and website: [www.clsdirect.org.uk](http://www.clsdirect.org.uk). The website contains information in 10 different languages including English and Welsh and the telephone helpline will be available in other languages via a translation service.

We will also continue to provide free criminal legal advice for anyone who requires urgent legal help at the police station and representation where someone is at risk of imprisonment or in custody at their first magistrates' court hearing. Crown court cases are the only other key part of the legal aid system where means testing does not apply, however, this is set to change at the end of next year when criminal means testing is rolled out.



The LSC's funding ensures representation for the people involved in more than 650,000 Magistrates' Court appearances each year

# Our corporate priorities and targets

“Last year, we exceeded our target of delivering 650,000 acts of early civil legal advice by almost 60,000. In this financial year, we aim to increase the number of acts of assistance to 750,000.”

We set our corporate priorities and targets by agreement with the DCA, our sponsoring government department. These contribute to the DCA's own objectives and Public Service Agreements, which are based on the Government's policies and priorities.

We have four corporate priorities:

- 1** ensure that legal aid clients have access to quality services which meet their needs
- 2** work with service providers who provide quality, value for money and client-focused services, in whom we have sufficient trust to liberate them to deliver
- 3** deliver a sustainable scheme within the resources available and demonstrate real value to government in terms of effective financial control, improving value for money and positive outcomes for clients
- 4** transform our organisation to enable it to deliver these objectives and excellence in all that it does.

Over the next three years, we will focus on these priorities and linked corporate targets as outlined in the following pages. We also have a number of priority projects that are critical to achieving our priorities and change programme this year. These contribute directly to: reducing or controlling our operational costs; developing our service providers so that they consistently provide good quality information, advice and representation; and assisting specific legal aid client groups such as people with mental health problems.

# 1 Corporate priority 1

## Ensuring legal aid clients have access to services

### Targets

Last year, we exceeded our target of delivering 650,000 acts of early civil legal advice by almost 60,000. We allowed and encouraged legal aid solicitors and advisers to take on more cases, expanded our Community Legal Service Direct telephone helpline and continued to put services where clients needed them most. For instance, our Housing Possession Court Duty Schemes enabled service providers to deliver emergency advice to clients in courts, preventing unwarranted evictions. In this financial year, we aim to increase the number of acts of assistance to 750,000.

We have carried over our target of maintaining national coverage of our duty solicitor schemes as this is an essential part of ensuring comprehensive geographical access to CDS services. Skilled duty solicitors and legal representatives will continue to provide round-the-clock advice over the phone through our CDS Direct initiative, as well as in police stations and courts.

Priority	Targets 2006/07
Ensure that legal aid clients have access to quality services which meet their needs	1a Increase the number of acts of assistance (civil legal help) to our clients to 750,000 by 31 March 2007
	1b Maintain the national coverage of duty solicitor schemes

### Change Programme Delivery

Delivering sustainable access was a key element of Lord Carter's review and the next three years will see us working hard to implement reforms. At the same time, we will continue to implement our recently published strategy for the Community Legal Service. We will aim to work with service providers that can offer various types of service and cover various categories of law, and link with other services including the CDS and non-legal advice services.

We will also create with Local Authorities and other funders new Community Legal Service Centres and Networks, opening the first two centres in Leicester and Gateshead in Spring 2007. These will offer a range of joined-up legal services and will have the autonomy to decide how best to meet local needs. The centres and networks will provide outreach services to vulnerable groups, such as those with mental health problems, and people who don't necessarily use mainstream services, such as ethnic minority communities. We will develop criteria by which to judge the first centres, together with the LSRC and local authorities. Information will also be collected from people using the centres and an evaluation report will be produced by the end of 2008.

Telephone services are an important gateway to advice for many people. We will continue to develop and expand our Community Legal Service Direct telephone service so that it provides general information about rights through a comprehensive operator service and more specialist advice, where this is possible and appropriate, through increasing the system's capacity. The service will refer to other organisations where appropriate.

For cases where social exclusion and offending are linked, we will develop systems with a view to cross-

referring clients between the CLS and CDS. We believe that developments in other areas of the Criminal Justice System such as identifying and addressing the risk factors that lead to re-offending will assist us in this work.

Over the next year, we will decide on where our Public Defender Services (PDS) offices should be located and how they might most effectively function under Lord Carter's proposals. There is an opportunity to start to develop links between these offices and the new Community Legal Advice Centres.

Finally, we will continue to develop the CDS Direct telephone service. CDS Direct provides initial advice, over the telephone to people who are being questioned about minor offences at a police station. Cases are then referred to local solicitors when appropriate. Our initial evaluation of this pilot shows considerable benefits in terms of increased value for money for the taxpayer, convenience for solicitors and the provision of significant management information that will assist the smooth running of the CJS. Lord Carter has recommended that CDS Direct is continued in pilot areas and extended to cover 'own client' work. This is where a client has chosen a specific solicitor rather than one from the duty rota.

### Project milestones

Two Community Legal Advice Centres	Open Spring 2007
Third Community Legal Advice Centre	Open Summer 2007
Community Legal Service Direct	In phases from 31 October 2006 to 31 March 2007.
CDS Direct (Carter Proposal)	October 2007

## 2 Corporate priority 2

### Working with high quality service providers

#### Targets

We will continue to drive up performance standards by taking every action possible to either improve or remove all contracts with ineffective service providers by 31 March 2007. In line with our Preferred Supplier proposals we aim to raise the required quality standard – as measured by our peer review scheme – to competence plus or higher by 2009.

In April 2007, we will introduce a new Unified Contract for all our CLS and CDS service providers, including those operating in the not-for-profit sector. To ensure that not-for-profit and legal sector performance levels are consistent, we have introduced a new target to ensure that not-for-profit agencies deliver to contract specifications. We believe a greater focus on these agencies now will help them to secure contracts next year.

We will continue to ensure that our monthly payments to service providers correlate with the work they undertake. Reconciliation of contracts, therefore, will remain a target. In alignment with Lord Carter's review, our longer-term intention is to achieve 100% reconciliation by April 2008 and for each financial year thereafter.

Priority	Targets 2006/07
Work with service providers who provide quality, value for money and client-focused services, in whom we have sufficient trust to liberate them to deliver	2a Drive up performance standards by taking every action possible to either improve or remove all contracts with ineffective suppliers by 31 March 2007
	2b Reconcile 98% of contracts so that claims are within 90–105% of contract payments by 31 March 2007
	2c 95% of not-for-profit organisations to be performing against their contracts at 95% and 100% of not-for-profit organisations to be performing at 85% by 31 March 2007. The not-for-profit supplier base overall must deliver 95% of the total contracted hours

#### Change Programme Delivery

In accordance with Lord Carter's Review, which is subject to consultation, procurement driven restructuring is likely to see an increase in the average size of firms, providing more efficient services and greater value for money. However, under the evolving system, we will continue to help the same or greater numbers of people. We will also ensure that there are opportunities for service providers to expand their business.

The introduction of the new Unified Contract for all our CLS and CDS service providers is critical to this process. There will be no general bid round to award new contracts.

However, existing contracts will not be automatically awarded to providers with a contract compliance score of 3 or those with whom we have critical and outstanding quality concerns.

Our Preferred Supplier scheme forms the backbone of future reforms and will underpin the implementation of Lord Carter's recommendations. It is based on improving quality, strong partnership working, clear information and management systems, devolved power for providers and simplified processes. By 2009/10, we aim to work only with Preferred Suppliers.

Over the coming year, we will develop our strategy for purchasing the services of experts such as medical experts and translators. The strategy will identify where experts add value and ensure that we only fund quality-assured experts at a reasonable cost when their input is necessary. The strategy will also consider how we can ensure that legal aid is an attractive option for high-quality experts.

Changes to the way that we work with service providers and experts should not have an adverse impact on any of our client groups, particularly BME clients. We remain committed to working with BME stakeholders and envisage that, in the future, all contracted providers will be required to demonstrate that they can deliver culturally and linguistically sensitive services which reflect the demographics of their area.

#### Project milestones

Introduce Unified Contract for all service providers	April 2007
Preferred Supplier Scheme	2009

### 3 Corporate priority 3 Delivering an affordable scheme

#### Targets

Our budget has been under immense pressure. Since 1997, the cost of legal aid has increased by 10% in real terms, from £1.5 billion to £2.1 billion. This includes a disproportionate increase of 37% in criminal legal aid expenditure.

Over this financial year, we aim to save £181 million through the roll out of existing initiatives.

Over the next three years, we will reform and modernise the system to control financial pressures while safeguarding the high quality of service delivered by providers. In doing so, we will adopt Lord Carter’s brief of rebalancing the legal aid budget to put it on a sustainable footing by procuring quality, efficient and diverse legal services at the best price for the taxpayer.

To achieve this, we plan to phase in the implementation of new remuneration structures in civil, family, mental health, immigration and asylum and criminal legal aid. These will be based around the services that clients need, not those that providers choose to deliver.

As well as modernising remuneration, we will deal with outstanding financial issues. For instance, we will retain our corporate target of reducing the number of outstanding service provider debit notes. This will contribute significantly to reducing debt to the LSC by £20 million by the end of this financial year. We will also contact service providers who have failed to invoice us, or come back to us to confirm the completion of cases, to ensure that payments made on account reflect the work done.

Priority	Targets 2006/07
Deliver a sustainable scheme within the resources available and demonstrate real value to government in terms of effective financial control, improving value for money and positive outcomes for clients	3a Implement and manage changes to the scope of, and remuneration mechanisms for, legal aid approved by government to improve value for money and enable legal aid to be delivered within our resource provision, saving £181m by 31 March 2007
	3b To reduce debt by £20 million, including the recovery of £12 million of debit notes, by 31 March 07
	3c To quantify the financial position with 80% of the suppliers in the first tranche of suppliers with UPOAs (Unrecouped Payments On Account), and to have commenced the reconciliation process with them

#### Change Programme Delivery

In line with Lord Carter’s recommendations, subject to consultation, we propose to move towards fixed or graduated payment structures that give service providers a greater degree of financial control and security. We will also move towards best value tendering from October 2008. Both these major changes will benefit efficient organisations.

In police stations, we aim to introduce fixed fees and boundary areas and working arrangements from October 2007. From October 2008, contracts will be let as a result of best value tendering for blocks of cases with

firms being paid a fixed fee per case. Providers will also be expected to handle cases from the police station through to completion. All of these changes were part of the consultation that ended in October 2006.

For magistrates’ court cases, we plan to develop an alternative fee structure with a greater fixed or graduated element. Similarly, for crown court cases, we would like to introduce single graduated fees for both litigation and advocacy supported by a move towards price competition.

The CDS Act transfers the responsibility of the grant of criminal legal aid from HM Court Service to the LSC. It also introduces a new means test into the Magistrates court.

Although our high cost case system has significantly reduced defence costs since being introduced in 2003, very high cost cases still accounted for £103 million of the criminal legal aid budget in the last financial year 2005/06. This year, we will look to enhance contract terms so that we can better manage individual contracts. We also plan to introduce revised quality thresholds and a competitive tendering panel for very high cost cases to ensure that only firms with the ability and capacity to take on these cases do so.

In civil, family, immigration and asylum work, we will introduce fixed or graduated fees - to replace hourly rates and tailored fixed fees - for all providers including not-for-profit organisations. We will also introduce transitional provisions for not-for-profit agencies from April 2007 to ensure that efficient organisations within the sector remain viable.

## Project milestones

Revised standard fees for magistrates' courts in main urban areas	April 2007
Revise fees for crown court advocates	April 2007
Introduce fixed fees for police stations	October 2007
Introduce graduated fees for crown court litigators	October 2007
Introduce replacement fixed and graduated fee schemes for most Civil, Family, Mental Health and Immigration and Asylum schemes	October 2007
Establish a quality assured and best value tender panel for very high cost cases	October 2007
Roll out of the new boundaries for the General Criminal Contract	October 2007
Launch best value tendering for criminal legal aid	October 2008

## 4 Corporate priority 4 Transforming our organisation

### Targets

Our Single Customer Service Score measures our performance in key service areas such as how quickly we make decisions on applications, pay bills, reply to correspondence and help legal aid clients and service providers on the telephone.

Over the past year, under more challenging performance standards, the overall satisfaction rate for legal aid application processing has increased dramatically. This year, we aim to maintain our customer service score at 88%.

Recognising the importance of employees to our success, we have created a Human Resources Scorecard and target to enhance our performance in recruitment, training, and employee and leadership development. We have also retained a separate target on leadership, which will be measured objectively using regular staff surveys.

Through our statutory charge, we recover legal aid costs from clients who are awarded property, money, shares or other valuables as a result of legal action. For those who choose not to pay us back immediately, the charge attracts interest on the legal aid client's debt until the whole amount is paid off. We remain committed to sending out an updated statement to all customers who have not yet received one and will continue to run dedicated telephone support service to deal with statement enquiries.

E-business plays a vital part in transforming our business, improving our efficiency and reducing costs over the next five years. Through e-business, we aim to reduce transaction costs across the board, allow service providers to spend more time on clients and less on administration, provide a faster service for legal aid clients, and improve our control over the legal aid fund. This year, we will increase the service provider data that we process electronically, focusing on larger firms that generate the largest amount of paperwork.

Priority	Targets 2006/07
Transform our organisation to enable it to deliver these objectives and excellence in all that it does.	4a Maintain the national customer service score target at 88% throughout the year
	4b Achieve the LSC human resources score of 85% throughout the year
	4c Maintain the positive response to leadership staff survey questions at 45%
	4d All customers that have an LSC registered charge against their property will be sent a statement informing them of their liability by 31 March 2007
	4e Increase the supplier data that we process by LSC on-line to 136,250 lines by 31 March 2007

### Change Management Programme

To ensure that we deliver the outcome of Lord Carter's recommendations after consultation, we have created two change programmes as part of our internal reorganisation - one focusing on civil and family legal aid and another on criminal legal aid. We will also set up management information systems to monitor the effectiveness of the changes.

The nature of Lord Carter's reforms and our own Preferred Supplier scheme mean that we must also radically change the way that we work with our providers in the future.

We need to ensure that the LSC is structured and resourced in the most efficient and effective way to obtain the maximum value from the reforms. Ultimately, we need to operate within the available resources and achieve savings against the current administration budget.

To deliver the necessary internal changes, a third change programme - Organisational Transformation - has been created. This will cover changes to our internal processes, including e-business, the size of our organisation and location of our offices.

People are key to transforming the organisation. Over the next three years, we will develop our coaching, mentoring and talent management programmes, all of which aim to identify, develop and retain high calibre employees.

A constant in our employee relations is our commitment to equality and diversity. We strive to ensure that no employee or job applicant receives unfavourable treatment on the grounds of race, sex, age, marital status, nationality, religion, disability, sexual orientation, ethnic origin or work pattern. We will also continue to provide comprehensive employee training on equality and diversity, and handle bullying and harassment in the workplace in line with best practice.

Finally, we will raise our benchmarks to meet new statutory duties to promote disability and gender equality: assessing how we can involve people with disabilities in policy-making; involving disabled people in the revision of our equality scheme; and preparing an equal pay policy for April 2007.

### **Project Milestones**

Delivery Transformation	Business case completed June 2007
Organisational Transformation Programme	Restructure the LSC by April 2010



We are embarking on a major programme of reform, so we can substantially reduce our administration costs to work more efficiently with providers to deliver legal aid services in the future

# Resourcing our work

The bulk of our work involves processing and paying for civil and criminal legal advice and representation. Recent and projected expenditure is outlined in the following table.

	2005/6 (£m)		2006/7 (£m)	
	RAB	Cash	RAB	Cash
<b>Legal Services Commission Expenditure</b>				
Community Legal Service (CLS)	714	729	769	771
Criminal Defence Service (CDS)	1,216	1,196	1,191	1,216
Administrative Costs	93	91	99	114
Capital Charge	(65)	-	(55)	-
Central Funds	69	62	48	55
<b>Total</b>	<b>2,027</b>	<b>2,078</b>	<b>2,052</b>	<b>2,156</b>
Single Asylum Fund (SAF)	90	108	80	93
Capital Charge	(2)	-	(1)	-
Total	<b>88</b>	108	79	93
<b>Overall Total</b>	<b>2,115</b>	<b>2,186</b>	<b>2,131</b>	<b>2,249</b>

## Understanding our figures

- RAB refers to Resource Accounting and Budgeting. This is principally an assessment of the value of work carried out, net of income and recoveries, in contrast to the net cash paid out.
- Implemented savings measures and external pressures, such as Government legislation, affect CLS and CDS costs and forecasts.
- The reforms announced by Lord Carter in his review of legal aid procurement will not begin to generate savings until 2007/8. However our administration expenditure is already being incurred in order to deliver those savings.
- The forecast increase in CLS expenditure reflects Family Public Law price and volume increases. A further contributing factor is the decline in recoveries from pre-2000 Personal Injury cases. The differences between RAB and cash spend are caused by timing differences.
- CDS RAB expenditure is forecast to decrease slightly as savings measures, introduced in 2005/6, take full effect whilst cash savings take effect later
- Administration figures exclude costs associated with managing asylum contracts but include administrative pressures and the impact of Carter. The costs of the Crown Court Service Level Agreement for both 2005/06 and 2006/07 are included in the 2006/07 figures. Asylum administration costs are included in SAF costs.
- This year's secured funds are currently £1,932 million RAB and £2,069 million Cash. Secured funds represent funding from DCA, excluding SAF but including assumed funding from the CJS and DoH; SAF is assumed to be fully funded. As this funding is less than forecast expenditure, we are consulting with the DCA on how to bridge the shortfall.
- The Admin Cash spend includes a figure of £5m for additional Pension scheme contributions, in line with previous years. This sum is yet to be finalised with the DCA.



With the help of 5,400 solicitor offices and not-for-profit agencies, more than 2 million people receive help for their legal problems each year

# Summary of corporate priorities and targets

Priority	Targets 2006/07
Ensure that legal aid clients have access to quality services which meet their needs	<p>1a Increase the number of acts of assistance (civil legal help) to our clients to 750,000 by 31 March 2007</p> <p>1b Maintain the national coverage of duty solicitor schemes</p>
Work with service providers who provide quality, value for money and client-focused services, in whom we have sufficient trust to liberate them to deliver	<p>2a Drive up performance standards by taking every action possible to either improve or remove all contracts with ineffective suppliers by 31 March 2007</p> <p>2b Reconcile 98% of contracts so that claims are within 90–105% of contract payments by 31 March 2007</p> <p>2c 95% of not-for-profit organisations to be performing against their contracts at 95% and 100% of not-for-profit organisations to be performing at 85% by 31 March 2007. The not-for-profit supplier base overall must deliver 95% of the total contracted hours</p>
Deliver a sustainable scheme within the resources available and demonstrate real value to government in terms of effective financial control, improving value for money and positive outcomes for clients	<p>3a Implement and manage changes to the scope of, and remuneration mechanisms for, legal aid approved by government to improve value for money and enable legal aid to be delivered within our resource provision, saving £181m by 31 March 2007</p> <p>3b To reduce debt by £20 million, including the recovery of £12 million of debit notes, by 31 March 07</p> <p>3c To quantify the financial position with 80% of the suppliers in the first tranche of suppliers with UPOAs (Unrecouped Payments On Account), and to have commenced the reconciliation process with them</p>
Transform our organisation to enable it to deliver these objectives and excellence in all that it does.	<p>4a Maintain the national customer service score target at 88% throughout the year</p> <p>4b Achieve the LSC human resources score of 85% throughout the year</p> <p>4c Maintain the positive response to leadership staff survey questions at 45%</p> <p>4d All customers that have an LSC registered charge against their property will be sent a statement informing them of their liability by 31 March 2007</p> <p>4e Increase the supplier data that we process by LSC on-line to 136,250 lines by 31 March 2007</p>



The CDS funds legal advice and assistance to people in police stations and at court on more than 1.6 million occasions a year

# DCA Public Service Agreements April 2005 - March 2008

1. Improve the delivery of justice by increasing the number of crimes for which an offender is brought to justice to 1.25m by 2007/8 (and 1.15m by 2005/6).
2. Reassure the public, reducing the fear of crime and anti-social behaviour and building confidence in the Criminal Justice System without compromising fairness.
3. Reduce unfounded asylum claims as part of a wider strategy to tackle abuse of the immigration laws and promote controlled legal migration.
4. By 2009/10, increase the proportion of care cases being completed in the courts within 40 weeks by 10%.
5. Achieve earlier and more proportionate resolution of legal problems and disputes by:
  - increasing advice and assistance to help people resolve their disputes earlier
  - increasing the opportunities for people involved in court cases to settle their disputes out of court and
  - reducing delays in resolving those disputes that need to be decided by the courts.

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