

“The legal aid system is fundamental to social and legal justice. Our work protects people’s rights, ensures they get a fair trial and helps enable them to play a fuller role in society”



Contents

Foreword	01
The Legal Services Commission	02
Our Vision and priorities	06
Achieving our Vision	12
Resourcing our work	20
DCA Public Service Agreement targets	22
LSC corporate priorities and targets	24

Foreword

The Legal Services Commission purchases for clients some £2 billion of legal services annually. These services provide legal advice, assistance and representation to over 2 million people each year.

Legal aid is important to clients. These legal services enable people to:

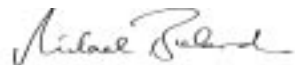
- protect their fundamental rights in the face of action by public authorities and to receive a fair hearing, for example in criminal, mental health and public law children cases
- resolve their private law disputes without recourse to the courts and to access the court process where this is the only, or most appropriate, route to resolving such disputes, for example in private law family and medical negligence cases
- address problems which contribute to their social exclusion or which can help move them out of social exclusion, for example in debt, welfare benefits and housing cases.

We spent more on providing legal aid in 2004/05 than ever before and expect to spend more in 2005/06.

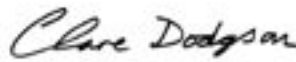
However, the legal aid budget faces significant pressure from rising case complexity and cost, as well as demand, particularly in Public Law Children and criminal cases. These pressures mean that the legal aid scheme is not sustainable in its current form within the level of resources allocated for it in the coming years. Reform of the scheme is essential if we are to continue to provide fundamentally important services to some of the most vulnerable members of society.

Part of this reform programme is set out in this Plan but we would expect a wider range of initiatives to come forward as a result of the work announced in the Department for Constitutional Affairs' paper 'A Fairer Deal for Legal Aid' which was published on 5 July. In particular we believe that we must do more to address the complexity and demand for services through the reform of the underlying justice systems and more to modernise the way in which we procure legal services.

Our key challenge over the period of this Plan is to continue to deliver accessible, quality, value for money legal services which meet people's needs whilst, at the same time, delivering the reformed system which will put legal aid on a sustainable footing for the long term.



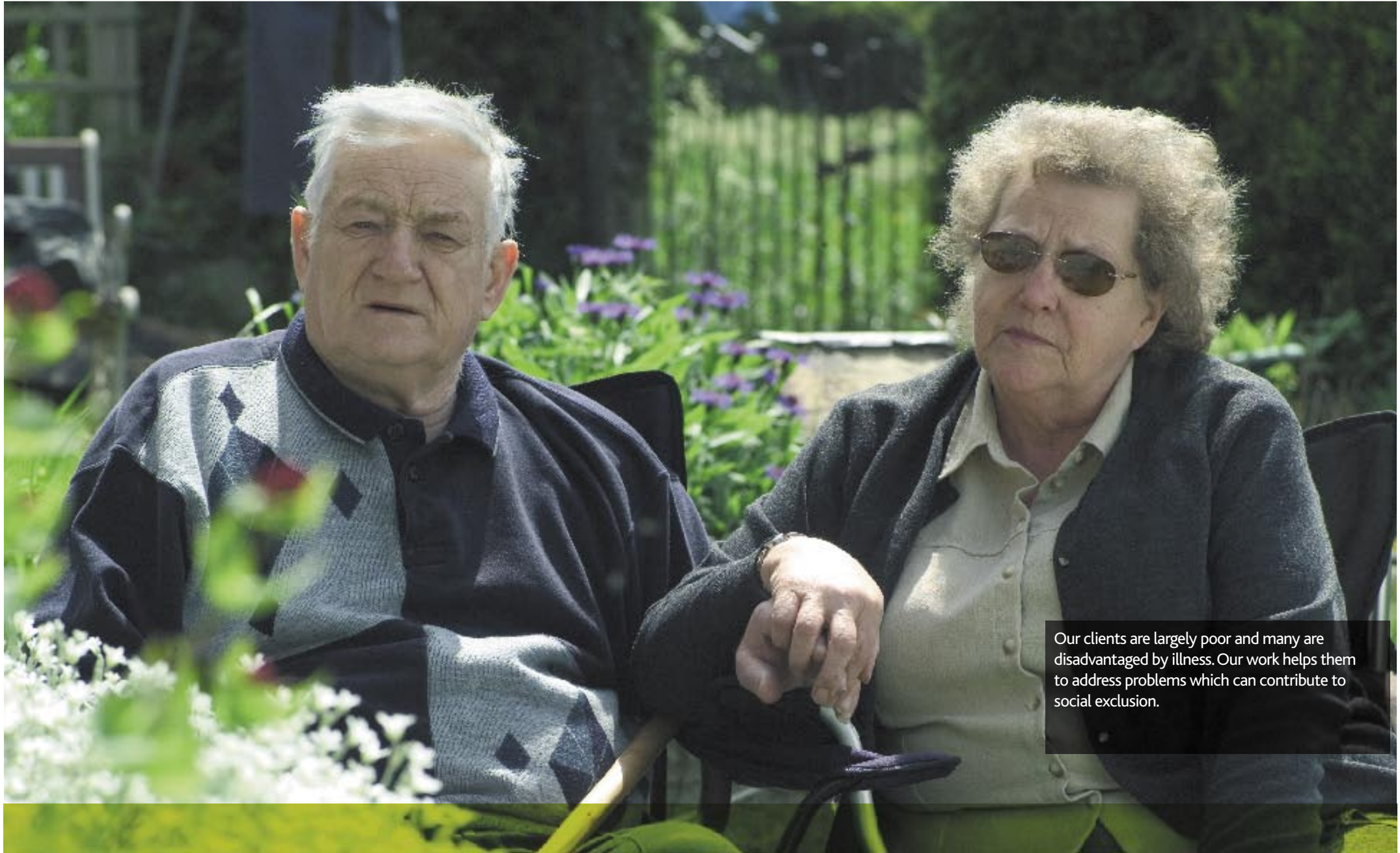
Sir Michael Richard *Chairman*



Clare Dodgson *Chief Executive*



The Legal Services Commission



Our clients are largely poor and many are disadvantaged by illness. Our work helps them to address problems which can contribute to social exclusion.

“Independent research by the Legal Services Research Centre shows that one in three people will experience a civil legal problem in a 3½ year period. Problems appear in ‘clusters’ and act as ‘triggers’ for other problems and can increase a person’s vulnerability to social exclusion”

The Legal Services Commission (LSC) is responsible for the provision of legal aid in England and Wales.

We help around 2 million people every year to get the information, advice and legal representation they need to protect their fundamental rights and deal with their problems. Our services are provided through the Community Legal Service and the Criminal Defence Service.

The LSC was established under the Access to Justice Act 1999 and replaced the Legal Aid Board in April 2000. We are a non-departmental public body sponsored by the Department for Constitutional Affairs (DCA). The Secretary of State for Constitutional Affairs is accountable to Parliament for our performance and activities and a board of independent Commissioners oversees our work.

Our contribution to social justice

Our clients – the people receiving legal aid – are at the heart of everything we do. The legal services that we help people to access have three main purposes:

- To enable them to protect their fundamental rights in the face of action by public authorities and to receive a fair hearing, for example, in criminal and mental health cases and those relating to children at risk.
- To facilitate their access to the legal process where this is the only, or most appropriate, route to resolving private law disputes, for example, in family breakdown and clinical negligence cases.
- To address problems which contribute to their social exclusion or which can help move them out of social exclusion, for example, debt, welfare benefits and housing.

Legal aid provided for the purpose of protecting people’s rights is fundamental to the Government’s compliance with the European Convention on Human Rights, particularly the right to a fair trial. It also underpins the effective delivery of the justice system, large parts of which can only operate on the basis that defendants and others are represented. Protecting people’s fundamental rights accounts for 75-80 per cent of our legal aid budget.

As a result of the financial eligibility criteria that apply to the services we fund in the Community Legal Service and the nature of those services, our clients are largely poor, socially excluded and heavily dependent on help provided by other government and local authority agencies. Research also shows that where they have one problem capable of legal resolution they are likely to have others.

Our statutory responsibilities

The LSC sets its corporate priorities and targets in discussion with the DCA, whose own objectives are agreed with the Treasury based on the Government's agreed policies and priorities. Our work provides an important contribution to the Public Service Agreement (PSA) that exists between the DCA and the Treasury. (The targets set out in the agreement are listed on page 22 of this document.)

The Community Legal Service (CLS) is made up of a network of legal and advice providers, some of whom are funded by the LSC. As part of the CLS, we help people who are eligible for legal aid to protect their civil rights. We fund a network of Quality Marked solicitors and advice providers to help people who need assistance with relationship breakdown or problems with debt, housing, domestic violence or benefits. Legal help is also available for asylum and immigration, education, employment, mental health and community care issues.

The legal services that we provide range from information leaflets and directing people to the most appropriate services, to providing specialist advice and funding cases to go to court where necessary.

The Criminal Defence Service (CDS) helps people who are under police investigation or facing criminal charges. By ensuring that people accused of crimes have access to legal advice and representation, the CDS makes the right to a fair trial available and helps enable the police and the Criminal Justice System (CJS) to operate fairly and efficiently.

We fund a network of duty solicitors to advise clients at police stations and represent them at Magistrates' Courts. Our public defenders also act directly for clients in more than 4,000 criminal cases each year through our Public Defender Service (PDS).

Our organisation

The LSC has its head office in London and our 1,800 staff work in 15 offices across England and Wales. We also operate eight PDS offices, which directly provide legal advice and representation in police stations and in court.

Our work is delivered through four directorates – each of which is represented on our Executive Team by an executive director.

We are committed to promoting diversity and equality of opportunity throughout the organisation. Our policy is to ensure that no employee, client or job applicant receives unfavourable treatment on the grounds of race, sex, colour, age, marital status, nationality, religion, disability, sexual orientation, ethnic origin or hours of work.

Working across departments and agencies

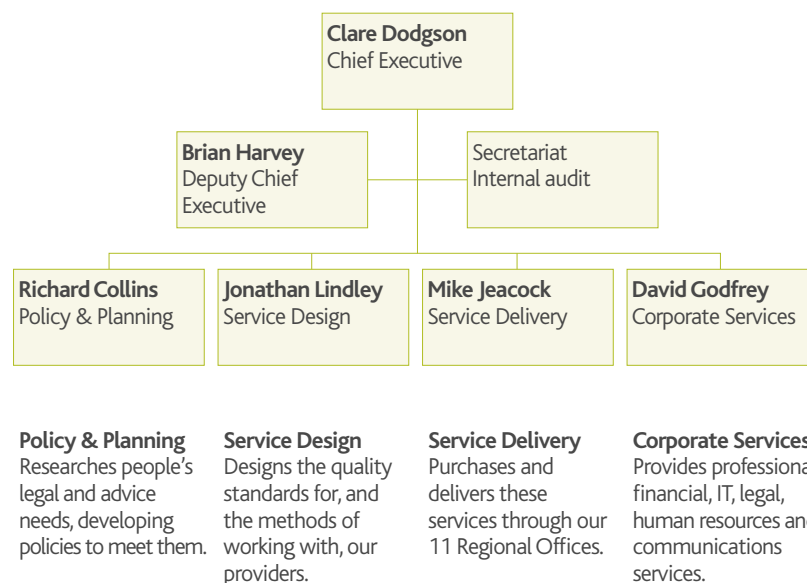
We are forming closer links with government departments whose work impacts on ours, including the Home Office, the Department for Education and Skills (DfES) and the DCA. This is important to us because, for example, Home Office changes to asylum policies and crime legislation have an immediate impact on our asylum and criminal legal aid budgets. Similarly, the DfES is the department responsible for children and families policy and a productive working relationship between us is essential as we spend £500 million on family work each year. As well as being our sponsoring department, the DCA also has responsibility for the courts and key justice processes and we therefore maintain close working relationships throughout the department.

This plan contributes to some of the key priorities set out in the DCA five-year strategy such as protecting the vulnerable and more effective dispute resolution. Our Vision and corporate objectives set out in this plan will be achieved

by continuing to work in partnership with other government departments and organisations in the legal and advice sector. We recognise that the more effective our links, the greater our influence for the benefit of our clients.

Working within the Criminal Justice System

We are also linking up with colleagues in the CJS, including local Criminal Justice Boards, Her Majesty's Courts Service, the police service and the Prison Service, especially on initiatives designed to improve efficiency. For instance, we work with the Office for Criminal Justice Reform on their Criminal Case Management Programme, which focuses on reducing the number of ineffective or unnecessary hearings in the criminal courts, thereby increasing their capacity to manage more cases.





Our staff work together across locations and directorates to ensure the best possible delivery of services for our clients.

Our Vision and priorities



By funding projects such as 'Staying Put' in Bradford, the LSC gives victims of domestic violence and their families the support they need to feel safe in their homes.



“Each year, the Legal Services Commission spends £2 billion on legal aid and advice services and helps around two million people”

Last year, we set out our Vision for the future.
We said that we wanted to be:

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

Our four corporate priorities for the next three years will ensure that we achieve this vision. They are:

- to ensure our clients have access to quality services which meet their needs
- to work with suppliers who provide quality, value for money and client focused services, in whom we have sufficient trust to liberate them to deliver
- to 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
- to transform our organisation to enable it to deliver these objectives and excellence in all it does.

Corporate priority one: Ensuring our clients have access to quality services

Making services more accessible to the people who need them is one of our biggest challenges. We know that many people don't realise that help is available or know where to obtain it. Research also tells us that some of the most vulnerable and disadvantaged clients find it difficult to access traditional services such as face-to-face advice from high street solicitors and advice centres.

In 2004/05 we helped around 2 million people through the CDS and CLS. The introduction of Community Legal Service Direct in 2004 further enhanced our drive to improve access. Some 30,000 people have received professional legal

advice from the national helpline since it was launched in July 2004 and the Community Legal Service Direct website receives over 80,000 visitors each month. We also have 31 public information leaflets on civil law topics available free to the public from libraries, police stations, local councils and other organisations across England and Wales.

In civil cases, our aim is to direct our resources into services that enable people to solve their problems at an earlier stage and avoid court where possible. Representation will continue to be available where it is the best, or only, option. We focus our limited resources on the people who need them most:

- those at risk of harm or losing their life or liberty, affected by abuse of authority, or whose human rights are threatened
- those who face poverty, disadvantage, discrimination or exclusion.

It is also vital that people have effective geographic access to services. This is of particular concern to us within the CLS and we remain committed to ensuring that clients are not denied access to legal services as a result of geographic gaps in supply.

We have recently published proposals for further developing the CLS in a new CLS five-year strategy which will set out how we plan to deliver services in the future, targeting those most in need. These proposals include a planned significant increase in the availability of telephone advice and assistance through Community Legal Service Direct. This will provide national access to our whole range of services in social welfare areas of law.

We also plan to test new contracting arrangements in criminal work, such as competitive tendering. While we consult and develop our strategies, we have set the following targets to ensure that we maintain or increase our clients' access to services over the next year.

LSC corporate priority	Corporate targets 2005/06	Notes
Ensure our clients have access to quality services which meet their needs	Increase the number of acts of assistance (civil legal aid) to our clients to 650,000 by April 2006	Contributes to PSA Target 6 Spending Review (SR) 2002 and PSA Target 5 SR2004
	Increase success rate of cases where legal aid has been granted to assist people seeking Asylum (Controlled Legal Representation) to 40% by April 2006	Contributes to PSA Target 5 SR2002
	Maintain national coverage of CDS Duty Solicitor schemes throughout the year	



**Corporate priority two:
Working with suppliers who provide quality, value for money and client focused services**

We want all of our clients to have access to quality advice, assistance and representation. The improvement of the quality of advice and representation has been a major theme for the Commission and its predecessor, the Legal Aid Board. It will continue to be a priority over the next three years. Our objective is to work with a network of committed legal firms, barristers and not-for-profit agencies that offer quality services for clients and good value for taxpayers.

While we develop our plans for further improving the way we work with our service providers, it is important that we focus on making our existing quality and financial controls as effective as possible, extending the use of peer review and ensuring that all of our contracts with suppliers are well managed. Enhancing the way we work with the not-for-profit sector is also a priority. This will include developing arrangements to bring this sector into the Preferred Supplier initiative that we are taking forward with solicitor firms.

We will also need to have regard to the independent review of legal aid procurement by Lord Carter of Coles announced on 5 July. Lord

Carter is producing a plan by early 2006 showing how to deliver modern procurement methods that contribute to a more effective way of spending legal aid. The review will assess the impact of new procurement methods on our suppliers.

Our targets for the coming year focus on improving both the quality of service from our suppliers and our financial control so that we are in a position to take forward the initiatives in our change programme.

LSC corporate priority	Corporate targets 2005/06	Notes
Work with suppliers who provide quality, value for money and client focused services, in whom we have sufficient trust to liberate them to deliver	Drive up performance standards by taking every action possible to either improve or remove all contracts with ineffective suppliers (those with cost assessments of Category 3 or quality assessment peer reviews at 4 or 5) by April 2006	This means focusing on suppliers who achieved a Category 3 (unacceptable) cost assessment or less than effective (3) in a peer review audit
	Reconcile each contract so that claims are within 90 – 105% of contract payments by April 2006	We make a monthly payment to suppliers in anticipation of work that they will do, then match those payments with work reported as completed



Corporate priority three: Delivering a sustainable scheme within the resources available

A value for money legal aid scheme

Controlling costs and improving value for money is vitally important, not only to operate within the resources available to us but also because the better value we can achieve, the more people we can help. Last year's Regulatory Review of Legal Services by Sir David Clementi and the review of legal aid procurement by Lord Carter of Coles, may also initiate changes in the legal services market and in the way that legal aid services are delivered.

We are exploring a number of ways to achieve the best possible value for money when buying services. These include the Tailored Fixed Fee scheme for civil controlled work (excluding immigration and mental health) that was introduced in April 2005 to give us better control over our limited budget in this area. We also issued a consultation paper on the use of experts in late 2004. The responses will be reviewed and we will publish further proposals to improve the standard of services provided by experts and gain greater control over the rising costs of experts' fees in late Summer 2005.

In order to contain the rate of growth of legal aid expenditure and remain within the resources available, the LSC, working with the DCA, has had to make a number of changes to the scope of legal aid and the ways in which services are purchased. It will be important for us to ensure that these changes are successfully followed through in order to achieve the planned outcomes.

We are also working to realise efficiencies from the restructuring of the business and investigating opportunities to share services with DCA where appropriate in order to realise the £2.75 million savings in the Administration budget this year and at least the same amount the following year.

Developing future lawyers

Attracting future generations of lawyers and advisers into legal aid work is vital in ensuring a sustainable legal aid system. This is a challenging task but we have already made progress with our 100 annual grants to firms taking on legal aid trainees. We have also developed, with the College of Law and The Law Society, a Legal Practice Course with a specialist option in legal aid work, which will begin in September 2005.

LSC corporate priority	Corporate targets 2005/06	Notes
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	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 resources, saving £102m from the following initiatives: <ul style="list-style-type: none"> – New focus on legal aid – Tailored Fixed Fees – CDS scope controls – Very high cost cases 	Includes £67m efficiency savings towards PSA Target 7 SR2002



Corporate priority four: Transforming our organisation

We are first and foremost a delivery organisation and we are committed to providing high quality services to legal aid clients and service providers. In addition, we are clear that our credibility to demand high standards from legal services suppliers and to reform the legal aid system depends on our ability to demonstrate high delivery standards ourselves.

Our customer service target is a key performance indicator in this area. The single customer service score covers our performance in key service areas such as the speed with which we decide

applications, pay bills, reply to correspondence and help clients and providers on the telephone. Over the coming year, we aim to maintain our overall customer service score at 85 per cent, whilst setting tougher targets within this for processing applications and payments.

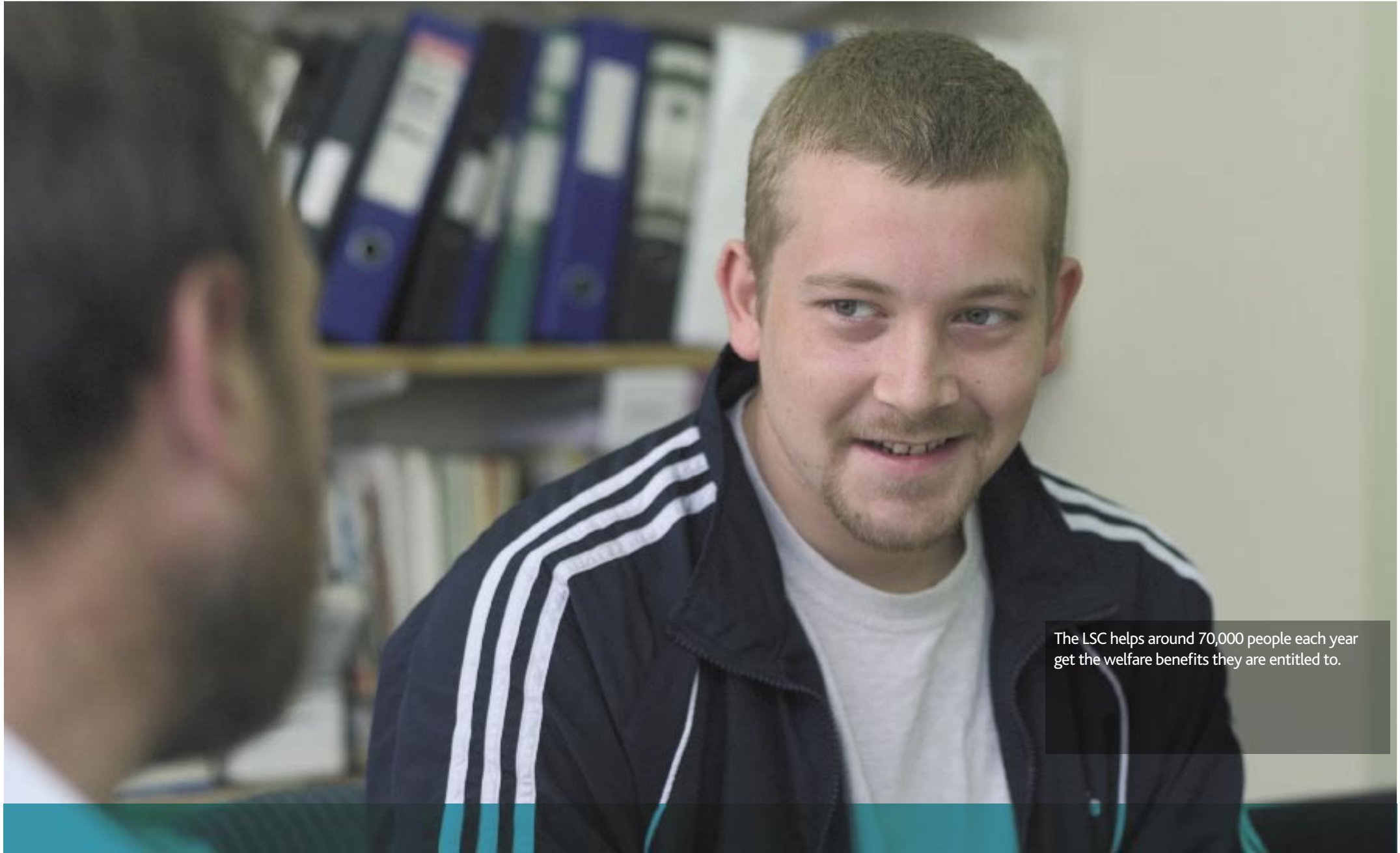
Successful delivery and implementation of change requires inspiring and effective leaders, and this is reflected in our Vision statement. This is particularly important at a time when legal aid faces significant challenges. We are investing in the future of the organisation and seeking to improve its capability through a leadership development programme and by introducing a new talent management programme.

Transforming the way in which we do business with legal aid providers is an important element in improving the overall efficiency of legal aid delivery. Over the next three years, we will focus on increasing the number of suppliers with whom we transact electronically. Our aim is to progressively move to a position where we undertake all of our business with suppliers electronically in order to reduce the transaction costs on both sides and improve the timeliness and accuracy of management information.

LSC corporate priority	Corporate targets 2005/06	Notes
To transform our organisation to enable it to deliver these objectives and excellence in all it does	Maintain overall customer service score at 85% whilst introducing more challenging targets for processing within the overall score	Times for processing applications for legal aid and making payments are included in the overall score. Our target will be to process 70% of applications within 2 weeks (current baseline 56%)
	To increase the extent to which the organisation sees itself as being inspired by strong, visible leaders	This will be measured in part by improving the average score of 25% of leaders against the Leadership Profile standard
	Increase the number of suppliers who submit their monthly claims online to 1,500 by April 2006	The baseline is 433



Achieving our Vision



The LSC helps around 70,000 people each year get the welfare benefits they are entitled to.

“The Community Legal Service helps 1 million people with problems such as relationship breakdown, housing, debt, benefits and domestic violence each year”

To achieve our Vision and meet our priorities, we are driving forward a programme of significant change, transforming the way we work to ensure that we use our budget to help as many people as possible. As part of this change programme, we have identified key projects, fundamental to the achievement of our Vision, which include developing new methods of delivering and purchasing services. During this period of change, it is important that we deliver our current services as efficiently and effectively as possible so that we have a firm base on which to build.

We will take time to develop strategies in both civil and criminal legal aid delivery, consulting where appropriate and reaching decisions that give the best possible service to clients. For these reasons, we have set targets for the coming year only whilst giving indications as to the type of project work that we are currently doing.

Cutting across our organisational structure and ensuring our work is co-ordinated are five programme boards, which include senior members from all four directorates. These programme boards focus on key aspects of our change programme and are responsible for delivering our top priority projects on schedule and within budget. These boards cover:

- The Community Legal Service
- Children and Family Services
- The Criminal Defence Service
- Supplier management
- Enabling delivery

The Change Programme Board oversees the above boards, assessing their activities in turn to make sure that development work forms a coherent strategy and will take us forward to achieve our Vision. The programme of work for each board is outlined below.

The Community Legal Service

The LSC was given responsibility for the development of the CLS in April 2000 to find a new way of delivering the legal and advice services that people need to exercise their civil rights, resolve disputes, challenge public authorities or go to court if necessary. It operates on the basis that people do not face 'legal problems' but problems for which the law may offer a solution. These include: debt, relationship breakdown and divorce, asylum, mental health, homelessness and discrimination.

The CLS extends beyond the services that the LSC funds. The services we fund are at the core of the CLS. However organisations including local authorities and government departments also make a significant contribution to funding advice services. One of our key challenges is to work with other funders of legal and advice services so that we provide integrated and seamless services that make civil rights a reality.

We have published a consultation paper setting out how we intend to develop a CLS strategy for the next five years, together with other funders, service providers and partners in the CLS during 2005/06. The strategy is focused on the civil rights of individuals and proposes to develop the CLS so that it is:

- client-focused and accessible
- independent
- cost effective and co-ordinated
- quality assured.

To make the strategy a success, we will actively engage with our partners in the CLS, including local authorities, local family boards, the Law Society and not-for-profit agencies such as Citizens Advice and the Law Centres Federation.

Initially, during 2005/06 we will be developing proposals for a significant expansion of the Community Legal Service Direct national helpline. This will ensure that more people have access to basic information and advice, as well as providing a legal advice service in areas where face-to-face services are unavoidably limited.

Asylum and Immigration Services

The LSC has already improved the quality of legal advice and representation to asylum and immigration clients and we have also significantly reduced costs in this area. In 2003/04, we spent £184 million in this area of law. In 2004/05, we spent £107 million.

The changes to funding in April 2004, which included the introduction of accreditation for legal advisers, represented major reforms to asylum and immigration legal aid. A 'Single Tier' appeals system was also introduced with the creation of the new Asylum and Immigration Tribunal. Over the next three years we will consolidate these reforms and explore new projects that may include:

- where practicable, the introduction of further exclusive location-specific contracts to avoid unnecessary duplication of work and funding
- working with preferred suppliers or those with devolved powers to develop large regional contracts in major cities and dispersal areas for asylum seekers

- how best to provide accessible legal services to clients being held in detention or at police stations
- moving towards a possible fixed fee structure as we have with other areas of civil law.

In addition, we are working closely with the Home Office, the DCA and UK visas to ensure that as new processes are introduced to deal with asylum and immigration applications, as part of the new five-year strategy, access to legal advice and representation is maintained.

Mental Health

The proposed Mental Health Bill is expected to more than double our work in this area of law, particularly in the funding of tribunal hearings. We are currently involved in discussions with the DCA and the Department of Health about the Bill to ensure that its impact on legal needs is understood and funded. The Bill, if passed, will also create a need for increased supply and we will be encouraging suppliers to provide a more holistic service to clients with mental health problems.

We will issue a paper in Summer 2005 outlining our plans to offer new Mental Health Law contracts which:

- are based on (but not restricted to) serving a particular hospital/location
- test out models of funding that move away from hourly rates; these models could include block payments or funded posts
- provide an integrated legal and advice service to clients, including social welfare law.

The paper will also consider how an element of community care advice can be best provided by mental health contractors – perhaps through inclusion of community care elements in the mental health category. It will also examine how clients who have mental health problems but are not detained can be given access to social welfare advice through targeted outreach.

Key Milestones

Publish final CLS strategy following consultation	Winter 2005/06
Implementation of strategy pilot	2005 – 2006
Proposals for expansion of Community Legal Service Direct	October 2005
Consideration of fixed fees for asylum work	January 2006
Proposals for mental health contracts	Summer 2005



Children and Family Services

With children and family work accounting for around 25 per cent of our total budget, we need to use this money effectively so that we help as many people as possible. Central to this will be the development of a strategy for the provision of legal advice and information for children, young people and their families. This strategy will be developed in consultation with clients and the profession and will take account of new legislation contained in several recent Acts – the Adoption of Children Act 2001, the Children Act 2004, the Domestic Violence, Crime and Victims Act 2004 and the Civil Partnerships Act 2004.

We are also working on pilot projects encouraging earlier resolution of family conflicts, particularly where children are involved, as part of our contribution to improving services for separating families as published in the recent Green Paper response, 'Parental Separation: Children's Needs and Parents' Responsibilities – Next Steps'.

As a result of this document, which sets out the Government's agenda for change, we will be piloting a number of new services, including a 24-hour family telephone advice line to deliver legal advice on the issues arising from relationship breakdown plus access to other support services. We will be working closely with other stakeholders to deliver the pilot and will explore how such a service might work as part of Community Legal Service Direct. We will also be working closely with other stakeholders to implement the Government's agenda for change.

The direction set out in the 'Next Steps' document also supports our commitment to ensuring that our funding decisions help to reduce the number of family disputes unnecessarily going to court. Solutions achieved through mediation and collaborative law are almost always better for families, and less adversarial methods also put considerably less strain on our budget. Collaborative law involves two parties trying to reach settlement, accompanied by their lawyers, before court action

is considered. Solicitors and other practitioners involved in the delivery of the Collaborative Law pilot are currently training and together with Resolutions (formerly the Solicitors' Family Law Association) we are planning the launch of the first pilot later in 2005.

Later this year, we will also be assessing the success of our Family Advice and Information Service (FAInS) in delivering high quality, holistic and seamless services to families which support the early and amicable resolution of family cases where appropriate. We are also examining how we can develop FAInS within our Preferred Supplier framework. The FAInS evaluation report will be available in Spring 2006.

To further encourage the early and amicable resolution of family cases, we are proposing to replace the various levels of Legal Help for family cases with a single level of service, to be known as 'Family Help'. It will cover all non-adversarial family dispute cases.

We are proposing to pilot Family Help later in 2005, with a view to rolling it out nationally if it can be shown to meet its objectives including effective control of costs.

Key Milestones

Pilot Family Legal Helpline	Autumn 2005
Integrate helpline into CLS Strategy	2006
Launch of Publicly Funded Collaborative Law pilot	Autumn 2005
Report of FAInS pilot evaluation	Spring 2006
Pilot of Family Help funding	Summer 2005



The Criminal Defence Service

The CDS was created in April 2001 to ensure that people under police investigation or facing criminal charges have access to legal advice and a fair trial. Core CDS activities include:

- providing criminal defence services in police stations and Magistrates' Courts through contracts with private practice solicitors' firms
- managing the national network of police station and Magistrates' Court Duty Solicitor schemes
- managing individual case contracts for very high cost cases (those lasting 40 days or longer at trial), working closely with defence teams
- providing services directly to the public through the PDS

- contributing to the development of the CJS through links with the DCA in relation to the PSA and the Office of Criminal Justice Reform.

A more sustainable CDS

The CDS budget has risen every year since its inception and controlling costs is a high priority over the next three years. In 2005, our focus will be on continuing our work (begun in October 2004) to identify new funding arrangements for solicitors' Crown Court fees and on working with the Carter Review of legal aid procurement, which will look at a number of options for new procurement methods including block contracting, price competition and a lead supplier delivering all Crown Court Services.

At police stations and Magistrates' Courts

We will also continue to ensure that the legal services provided at police stations and in Magistrates' Courts are high in quality and value, and that funds are focused on those who most need help. Key projects in this area include:

- piloting Criminal Defence Service Direct, a new telephone advice service for less serious cases not requiring face-to-face advice
- continuing our review of funding for advocacy assistance and police station work, which could see the introduction of standard fees
- re-introducing means testing for legal representation and taking over responsibility for the granting of legal aid in the Magistrates' Courts (this is subject to the passing of the Criminal Defence Service Bill).

The Public Defender Service

The final report evaluating the success of the PDS pilot, which provides criminal legal services through lawyers directly employed by the LSC, will be published towards the end of 2005. Decisions about how to move the service forward will be made following the report's publication.

Across the Criminal Justice System

Investigating ways of integrating those who have spent time in prison or young offender institutions back into the community is also an area of focus, particularly for our regional offices where many staff are playing a greater role in local programmes aimed at reducing re-offending.

“The Criminal Defence Service funds 5,100 Duty Solicitors to provide advice at police stations and Magistrates' Courts across England and Wales 24 hours a day, 365 days a year”

Key Milestones

Identify new Crown Court funding arrangements	2005
Possible introduction of new Crown Court funding	2006
Pilot CDS Direct	October 2005
Propose new funding arrangements for police station work	End 2005
Reintroduce means testing and transfer responsibility for granting legal aid in Magistrates' Courts to the LSC	2006 (timing dependent on the CDS Bill)



Each year, the LSC gives the people involved in around 650,000 criminal court appearances the chance to defend themselves.

Supplier management

Over the past 10 years we have worked closely with our suppliers to improve the quality of service to clients through the introduction of franchising, the Quality Mark, Peer Review, contracts and accreditation schemes. We are now building on these initiatives with our Preferred Supplier pilot which began in 2004. This initiative is designed to ensure that we work with firms that can deliver a high quality service and value for money and our working relationship can be simpler and less bureaucratic as a result. Firms involved in the pilot have reported that major benefits include lighter-touch audits and greater authority to take clients' cases forward with legal aid funding. We are currently evaluating this project and will consult on our proposals later this year.

We are exploring new ways to contract with suppliers of criminal legal and advice services, including how managed competition can be used for the award of contracts for police stations and Magistrates' Courts work in London in 2006/07. Under the proposals, firms which successfully bid for criminal contracts will be those that show they can deliver high quality services for clients efficiently and cost-effectively.

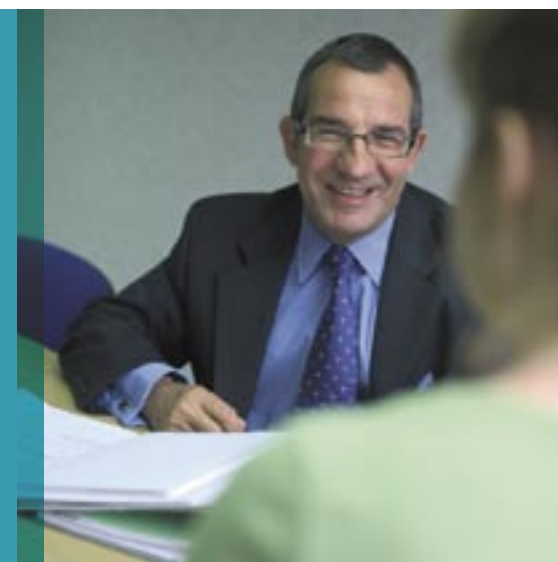
Not-for-profit organisations are also important suppliers of legal services. We are developing our performance and quality management systems for these suppliers over the next few months and will extend our current contracts with not-for-profit service providers by a year, to March 2007, while the work is carried out. This date has been chosen as solicitor contracts end at that time and we plan to introduce a new type of contract for all service providers from April 2007.

We will fully evaluate the operation of the Tailored Fixed Fee scheme, introduced in April 2005 to give us better control over our limited civil budget, before developing our remuneration strategy further. Proposals for its further development will be consulted on before implementation.

The Legal Services Research Centre conducts an annual Equal Opportunities survey of our suppliers. This has shown that the proportion of firms with black and ethnic minority solicitors has increased over the last four years and we are working to ensure that our policies, for example competitive tendering, do not have a disproportionate impact on those firms.

Key Milestones

Issue the consultation on the introduction of Preferred Suppliers	Autumn 2005
Begin the roll out of the Preferred Supplier scheme	2006
Implement London competitive tendering	2006/07 (subject to consultation)
Introduce new contracts for all suppliers	April 2007



Enabling delivery

At the heart of our business are the support services that provide the infrastructure for delivery. The management structure of the LSC was reorganised at the beginning of our change programme in 2004 and we are now looking at how we can deliver our services more effectively through our office network. It is important for us to achieve administration efficiencies over the next 3 – 5 years in order to meet our efficiency targets. This is a major priority for the LSC and options for restructuring our processing activity will be produced later this year.

As we re-engineer our business, we will further develop our strategy for e-business so that we make the best use of new technology both for our internal processes and our contact with suppliers.

The focus on core activities and efficiency this year will be helped by the development of new models to forecast the effect of policy changes on the legal aid budget. The first phase of this project, the development of a test model for civil representation, was completed in May 2005.

People are at the heart of everything we do and our organisation needs strong leadership and the development of future leaders. Our Human Resources team is setting up a project to enable us to recognise and manage the talent in the LSC and develop future leaders.

Key Milestones

Produce a vision for Service Delivery	Summer 2005
Develop e-business strategy	2006
Launch of talent management system	December 2005



Resourcing our work

The bulk of our work involves processing and paying for legal advice and representation in the civil and criminal courts. The financial framework is set out below:

	2004/05 ¹		2005/06 ²	
	RAB £'m	Cash £'m	RAB £'m	Cash £'m
CLS ³	608	674	727	729
CDS ³	1,152	1,192	1,215	1,189
Capital charge	(79)	-	(74)	-
LSC administration ⁴	94	104	92	99
Sub-total	1,775	1,970	1,961	2,018
Single asylum fund (SAF) ⁵	107	177	98	117
SAF capital charge	(3)	-	(2)	-
Sub-total ⁶	104	177	96	117
Total	1,878	2,147	2,057	2,134

Notes to the table:

1 Figures represent the spend for the year and are provisional, subject to finalisation following year-end audit.

2 Figures represent the forecast spend for the year and are provisional. Funds secured against spend (excluding SAF, shown in the first sub-total above) are currently £1,836 million Resource and £1,911 million Cash (including £5 million CJS funding). DCA and LSC will be consulting on how to bridge this funding gap.

Both figures exclude an estimated £45 million central funds charge. The SAF expenditure is assumed to be fully funded.

3 Dependent on savings measures, which require Ministerial approval. Also includes pressures.

4 Excludes costs associated with managing asylum contracts, which are in the SAF. Includes administrative pressures and the cost of Crown Court Service Level Agreement.

5 Includes administrative costs associated with managing asylum contracts.

6 Expenditure funded through the SAF.

Understanding our figures

The heading 'RAB' refers to Resource Accounting & Budgeting, which is an assessment of the value of work carried out in year, in contrast to the cash paid out.

The Community Legal Service (CLS)

The forecast increase in spend in 2005/06 over the previous year reflects both a volume increase and unavoidable case cost inflation. Differences between the RAB spend and Cash reflect timing differences.

The Criminal Defence Service (CDS)

Payments are forecast to stay relatively flat over the period, due to savings initiatives aimed at containing costs.

The Single Asylum Fund (SAF)

In RAB terms, this shows a small decrease from the previous year, driven principally by fewer cases. Cash is forecast to be substantially lower in 2005/06, following a large payment towards unpaid Work in Progress in the previous year. The high level of payments in 2004/05 arose from the introduction of the new scheme, with shorter cases and therefore an acceleration of claims (cash spend) in the year.

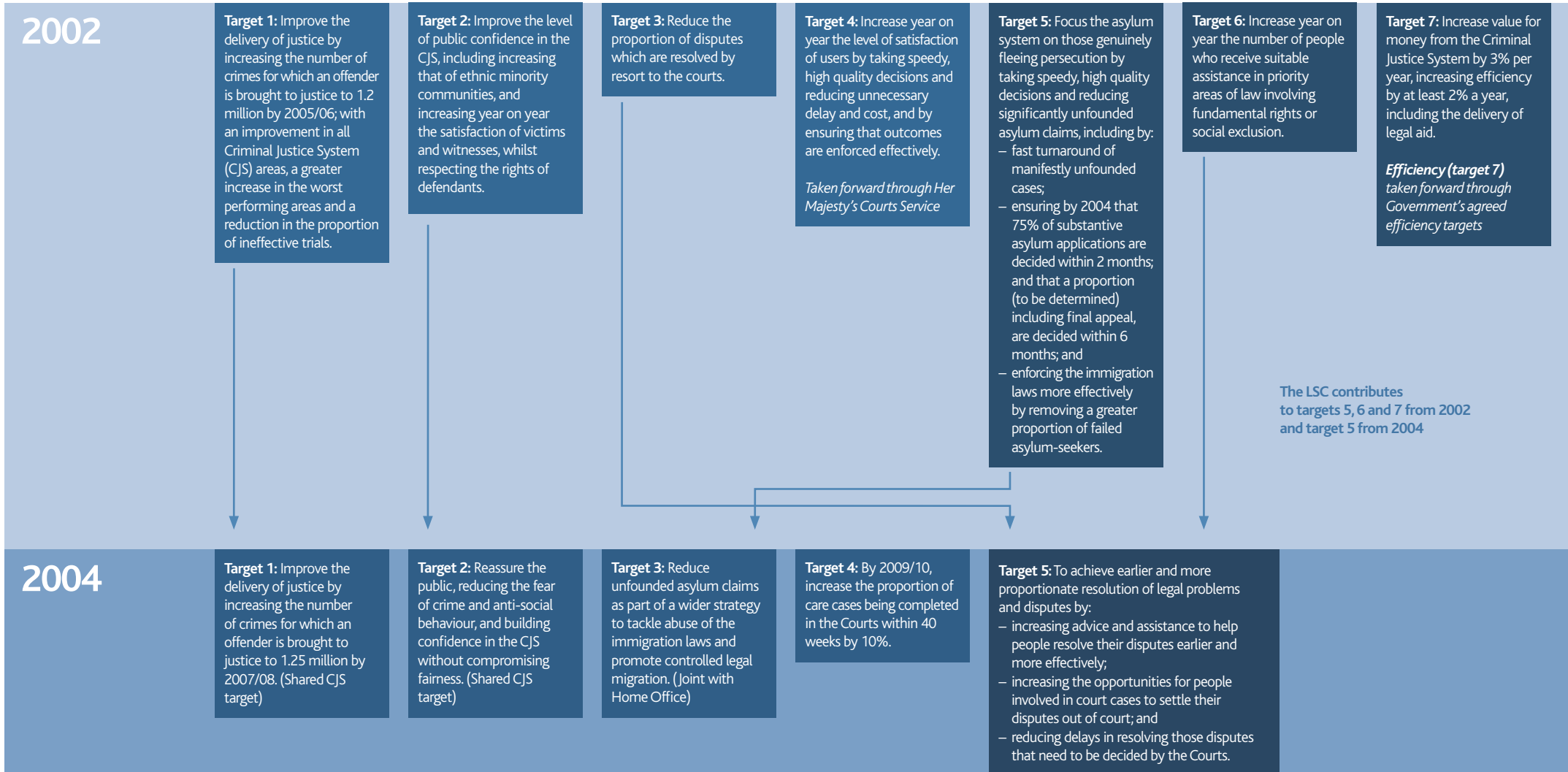


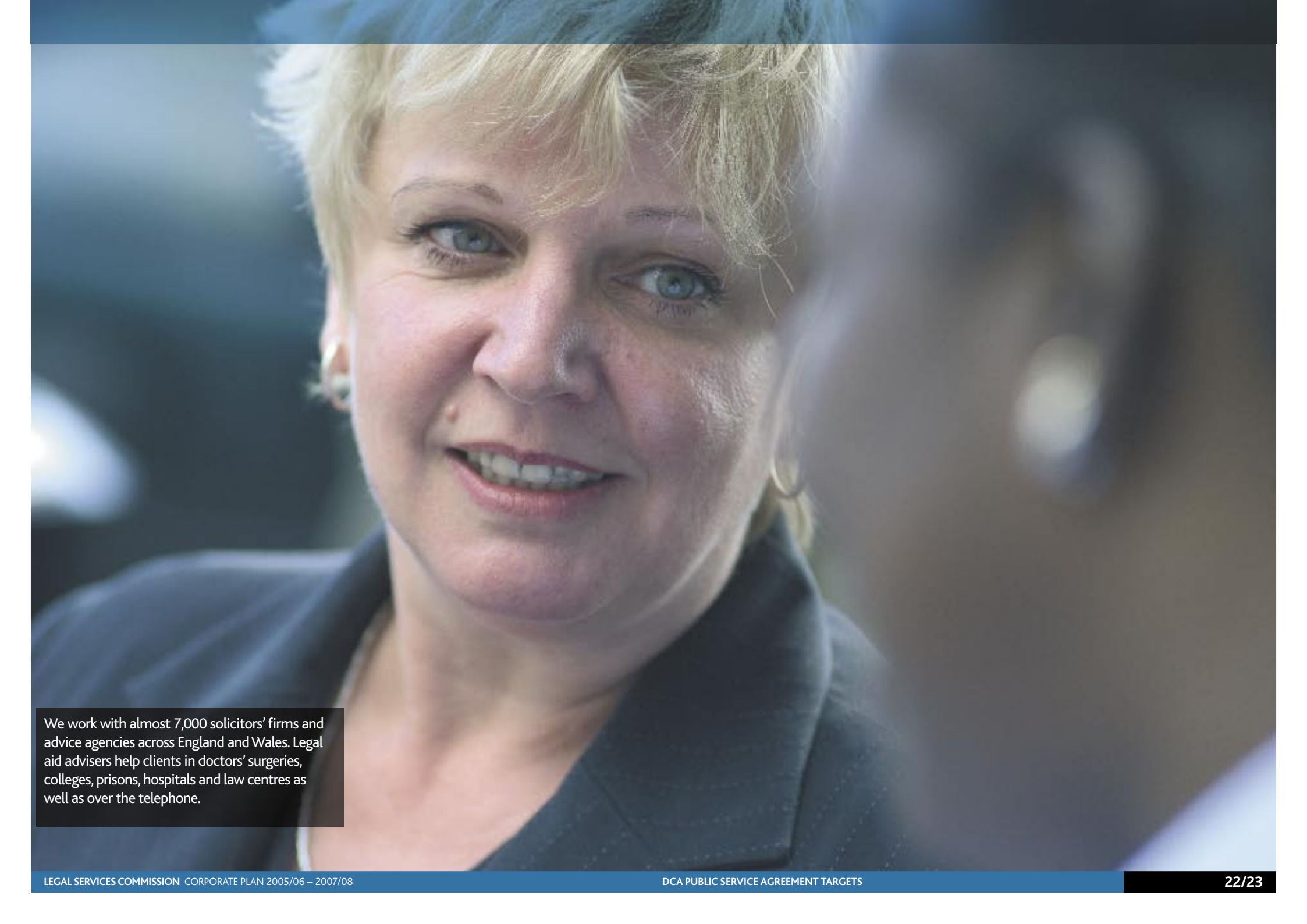
While the majority of our staff are focused on ensuring that we deliver our current services effectively, others are driving forward our top priority projects to transform the way we work in future.

DCA Public Service Agreement targets

Mapping Spending Review 2002 and Spending Review 2004 Targets

These are set as part of the agreement between the Treasury and the Department for Constitutional Affairs.





We work with almost 7,000 solicitors' firms and advice agencies across England and Wales. Legal aid advisers help clients in doctors' surgeries, colleges, prisons, hospitals and law centres as well as over the telephone.

LSC corporate priorities and targets

LSC corporate priority	Corporate targets 2005/06	Notes
Ensure our clients have access to quality services which meet their needs	Increase the number of acts of assistance (civil legal aid) to our clients to 650,000 by April 2006	Contributes to PSA Target 6 Spending Review (SR) 2002 and PSA Target 5 SR2004
	Increase success rate of cases where legal aid has been granted to assist people seeking Asylum (Controlled Legal Representation) to 40% by April 2006	Contributes to PSA Target 5 SR2002
	Maintain national coverage of CDS Duty Solicitor schemes throughout the year	
Work with suppliers who provide quality, value for money and client focused services, in whom we have sufficient trust to liberate them to deliver	Drive up performance standards by taking every action possible to either improve or remove all contracts with ineffective suppliers (those with cost assessments of Category 3 or quality assessment peer reviews at 4 or 5) by April 2006	This means focusing on suppliers who achieved a Category 3 (unacceptable) cost assessment or less than effective (3) in a peer review audit
	Reconcile each contract so that claims are within 90 – 105% of contract payments by April 2006	We make a monthly payment to suppliers in anticipation of work that they will do then match those payments with work reported as completed

LSC corporate priority	Corporate targets 2005/06	Notes
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	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 resources, saving £102m from the following initiatives: <ul style="list-style-type: none"> – New focus on legal aid – Tailored Fixed Fees – CDS scope controls – Very high cost cases 	Includes £67m efficiency savings towards PSA Target 7 SR2002
To transform our organisation to enable it to deliver these objectives and excellence in all it does	Maintain overall customer service score at 85% whilst introducing more challenging targets for processing within the overall score	Times for processing applications for legal aid and making payments are included in the overall score. Our target will be to process 70% of applications within 2 weeks (current baseline 56%)
	To increase the extent to which the organisation sees itself as being inspired by strong, visible leaders	This will be measured in part by improving the average score of 25% of leaders against the Leadership Profile standard
	Increase number of suppliers who submit their monthly claims online to 1,500 by April 2006	The baseline is 433

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