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legal services

COMMISSION

*We help people get quality legal services that tackle real needs. This is our contribution to making the justice system fair, accessible and affordable for all, and to combating social exclusion.*

*Legal Services Commission*

# **CORPORATE PLAN**

Criminal  
Defence Service



Community  
Legal Service



**2003/04**

*Legal Services Commission*  
**CORPORATE PLAN**

**2003/04**



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## CHAIR'S PREFACE

This initial plan for 2003/04 sets out the Legal Services Commission's (LSC's) view of the priorities for the funding and development of legal advice services and management and maintenance of good quality suppliers. Our plan will be reviewed and revised when our funding situation is clarified through the on-going discussions between the Secretary of State for Constitutional Affairs and Treasury Ministers.

These discussions arose from a joint review by the Treasury and the then Lord Chancellor's Department in which we played a full part. The objective of the review has been to agree the basis for a sustainable legal aid scheme. In return for the commitment to a sustainable scheme, we pay a price in the short term of uncertainty. We anticipate confirmation of our funding for the coming year early in 2003/04, but the outline of the sustainable scheme for future years will await a further review of our approach to contracting for services.

Whatever the outcome of these discussions, the delivery of quality legal services that tackle real needs remains paramount. In this current environment we sincerely believe that the clients' best interests are served by our prioritising quality, cost control and value for money. This plan sets out our approach to making the best use of all of our resources, with the aims of bringing and keeping under control the very considerable and still increasing expenditure on criminal defence and asylum, as well as helping deliver the Department for Constitutional Affairs' (DCA's) Public Service Agreement.

A second external review, conducted by the National Audit Office (NAO) into our introduction of civil contracting, has also influenced our plans. That review found much to praise in the civil legal aid reforms. However, the NAO and the Public Accounts Committee, at its hearing in December 2002 and report published on 20 June 2003, looked to the LSC to take firmer, faster action against suppliers found to be making excessive claims. We have made the management of the contracts of suppliers who perform worst in our contract compliance audit one of our top priorities this year. We will expect to see significant improvements from these suppliers, or else we will remove their contracts and so their ability to carry out publicly funded work.

I am confident that we are taking these steps in the interest of clients. We have sound evidence that many of these firms who perform poorly at contract compliance audit provide poor advice and so place already vulnerable people at greater risk. Other contracted suppliers will also benefit from the removal of waste and inefficiency from the system.

The role of legal aid or community lawyers and advisers is not well understood beyond the legal and advice professions themselves and beyond the clients who have benefited from publicly funded advice and representation. We believe that a vibrant, sustainable legal aid service is crucial to having a just and fair society. We will work closely with our partners in Government, who share our aims for social justice and inclusion. For those partners to recognise the contribution that publicly funded legal advice can make to their objectives, we will need to provide clear evidence of its value. The evidence may point to existing practices that do not add value and we will need to show a commitment to ending these practices and promoting those that do really make a difference. We will continue to build from our evidence base a performance management framework that will promote and reward services that make a difference.

To have said so much without mentioning Steve Orchard and his recent retirement shows the scale of the challenges ahead. But it also shows the massive contribution he has made in turning legal aid into the Community Legal Service and Criminal Defence Service, where questions about clients' needs and the value for money of services provided can be properly addressed. I make this personal tribute to the drive, skill and pragmatism which he has brought to this task and to the towering leadership which he has displayed in fifteen years of service to legal aid, and the example and motivation which he has given to those who have worked with and for him.

It will be the responsibility of our new Chief Executive to give effect to this Corporate Plan. Clare Dodgson has a proven commitment to helping the vulnerable. We look forward to working with her to realise our vision for the Commission.

A handwritten signature in black ink, appearing to read 'Philip Ely', with a stylized flourish at the end.

Philip Ely, OBE  
Chair of Legal Services Commission

# SECTION 1: INTRODUCTION

## CORE PURPOSE

*We help people get quality legal services that tackle real needs. This is our contribution to making the justice system fair, accessible and affordable for all, and to combating social exclusion.*

- 1.1 The LSC is responsible for the Community Legal Service and the Criminal Defence Service. It funds, manages or facilitates services that touch the lives of a great variety of people in many different situations. Some common examples are: the representation of children in child care disputes; help for people denied their welfare benefits entitlement; advice to people detained in police stations; and representation in court of people at risk of losing their homes. Our responsibility for this work contributes to the delivery of a wide range of Government objectives, and most directly to the Department for Constitutional Affairs' (DCA's) Public Service Agreement to increase the number of people receiving suitable assistance in priority areas of law involving fundamental rights or social exclusion.

## VISION

- 1.2 Our vision for the LSC has four elements which enable us to pursue our core purpose.

*Supply of services. Making quality legal services happen – making quality legal services accessible.*

We rely upon other organisations and individuals to deliver legal services, with the important exception of the Public Defender Service. Our vision recognises that the relationships we build with suppliers are fundamental to our purpose, as is ensuring that we continue to improve the value for money of our expenditure.

*Partnership. Challenging social exclusion through services that tackle real needs.*

We understand that co-operation with other organisations will deliver the maximum benefit to the greatest number of people, whether it is in terms of protecting the vulnerable or improving the efficiency of the justice system.

*People. Access to quality legal services – making it possible through people.*

We want people at the Commission to be fulfilled by making an important difference to the lives of others through their work with suppliers and partners.

*Customer Service. Service which gives our customers confidence and us pride.*

There are many links in the chain that leads to someone getting help. We should think of everyone we have contact with as someone deserving of our best efforts.

## ABOUT THIS PLAN

- 1.3 The Access to Justice Act 1999 requires the LSC to prepare an annual plan for the approval of the Lord Chancellor. Once approved, it is to be laid before Parliament and published by the LSC. The Act specifies that the Plan should set out:

How it intends in that year –

- (A) to fund services from the Community Legal Service Fund
- (B) to fund services as part of the Criminal Defence Service, and
- (C) to exercise its other functions.

It is also to include a summary of what the LSC has ascertained about the need for, provision of, and quality of, services which comprise the Community Legal Service.

1.4 This Plan provides the detailed information for 2003/04 required by the Access to Justice Act, as well as outline plans for the years 2004/05-2005/06. We provide estimated financial figures for 2003/04 and 2002/03 (the latter remains subject to final audit approval), as confirmation of our funding for 2003/04 awaits the conclusion of discussions between DCA and Treasury Ministers. Financial figures for 2004/05-2005/06 are not yet settled and will be included in our next Corporate Plan. We will report on progress against the Plan in the LSC's Annual Report in July 2004. The appointment of the DCA's Chief Executive Operations to its Corporate Board will assist the LSC's delivery of the DCA's, and cross-government, policies.

1.5 For the first time we show our expenditure on a Resource Accounting and Budgeting (RAB) basis [\[LINK 1\]](#). Table A shows our estimated expenditure in both RAB and cash terms. In the remainder of the Plan, the financial data on legal aid is presented in terms of the value of claims for work carried out. This is the most suitable format for comparison between years as it is not affected by the accounting adjustments necessary to calculate RAB expenditure. We have also separated immigration and asylum work from the CLS Fund as it is now paid for from the Government's Single Asylum Budget, which is a fund for all Government activity related to the asylum system, jointly held by the Home Office, DCA and Treasury. Prior year figures will be shown on a like-for-like basis.

<b>TABLE A ESTIMATES OF LEGAL AID EXPENDITURE 2002/03 &amp; 2003/04</b>				
	2003/04		2002/03	
	RAB (£M)	CASH (£M)	RAB (£M)	CASH (£M)
CLS	605	713	655	645
CDS	1,142	1,175	1,107	1,096
CAPITAL CHARGE	(89)	-	(145)	-
CENTRAL FUNDS <sup>1</sup>	45	45	45	45
LSC ADMINISTRATION	76	78	73	70
SUB TOTAL	1,779	2,011	1,735	1,856
SINGLE ASYLUM BUDGET <sup>2</sup>	186 <sup>3</sup>	191	192	171
<b>TOTAL</b>	<b>1,965</b>	<b>2,202</b>	<b>1,927</b>	<b>2,027</b>

<sup>1</sup> Central funds are administrated by the Court Service, not the LSC  
<sup>2</sup> Includes a figure for LSC administration activity related to asylum work (2002/03: £3m; 2003/04: £5m)  
<sup>3</sup> Includes an estimate of capital charge of £5m  
<sup>4</sup> RAB figures exclude adjustments in provision to give comparable expenditure figures, year on year

## SECTION 2: THE COMMUNITY LEGAL SERVICE

### PURPOSE AND OBJECTIVES

- 2.1 The Community Legal Service (CLS) has been introduced to make it easier for people to find good quality legal help and advice that enables them to resolve their problems, assert their rights or seek the protection of the courts. The LSC has responsibility for the CLS, but the CLS is much wider than the aspects funded by the LSC. It exists as a broad network of many different organisations that fund and provide advice services for the public.
- 2.2 The CLS is at the core of the Public Service Agreement target (PSA 6) agreed by the Lord Chancellor for the period 2003/04 – 2005/06:

*Increase year on year the number of people receiving suitable assistance in priority areas of law involving fundamental rights or social exclusion*

There are two dimensions to its role:

- optimising use of the CLS Fund, to ensure the number of people helped is not less than the current level
  - continuing to work with partners to co-ordinate resources to best effect and engage with new partners capable of increasing the overall provision of advice.
- 2.3 The CLS also contributes to other DCA PSA targets for dispute resolution, asylum and user satisfaction with civil justice, <sup>1</sup> and assists other Government Departments in their delivery of targets, including:
- improving the condition of housing occupied by vulnerable groups (Office of the Deputy Prime Minister)
  - reducing the number of children in low income households (Department of Work & Pensions and Treasury)
  - payment of Pensioner Credit (Department of Work & Pensions)
  - improvements in race equality and social cohesion (Home Office)
  - empowering consumers (Department of Trade and Industry)
- 2.4 The Commission will fulfil its core purpose of helping people get quality legal services that tackle real needs in the area of civil law, as well as contributing to the achievement of the PSA targets, by pursuing the direction set in its vision statements. In this section, we describe how the CLS will develop in terms of the LSC's visions for supply of services and partnership.

**Supply of services:** The LSC administers the CLS Fund which is used to ensure that eligible individuals have access to advice and representation services, and to promote the availability of services to all. It sets and monitors quality standards for legal services and drives improvements in the value for money provided.

**Partnership:** working in co-operation with the great number and variety of organisations that fund legal and advice services can ensure that resources are used to meet need in the most effective way. By promoting co-operation between advice giving organisations, the public will experience a CLS that provides integrated services, helping them to the most appropriate provider for their problem.

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<sup>1</sup>PSA3 Reduce the proportion of disputes resolved by resort to the courts

PSA4 Increase year on year the level of satisfaction of users by taking speedy, high quality decisions and reducing unnecessary delay and cost, and by ensuring that outcomes are enforced effectively.

PSA5 [extract] Focus the asylum system on those genuinely fleeing persecution by taking speedy, high quality decisions and reducing significantly unfounded asylum claims.

- 2.5 Before describing the plans for the CLS, we provide a summary assessment of the services that comprise the CLS.

## **ASSESSMENT OF THE NEED FOR, PROVISION AND QUALITY OF SERVICE**

### **Need**

- 2.6 The Legal Services Research Centre has reported recently on its first national Legal Need Survey [\[LINK 2\]](#). The survey provides an invaluable insight into legal need and advice seeking behaviour. It suggests that more than one-third of the population experienced a legal problem in the period 1998-2001, with higher proportions amongst groups associated with social exclusion (e.g. income below £4,000 pa, long term ill and disabled, single parent families), rising to 83% of people in temporary accommodation, about whom a separate survey was commissioned. A key feature of individuals' experience of legal problems, underlined by the survey, is that of problem clustering: half of the people reporting a problem experienced more than one.
- 2.7 The most common problem types were: consumer, money/debt and housing. One in five people report taking no action to resolve the problem. Higher proportions taking no action (up to 60%) are found in problem categories that are amongst the highest priority: mental health, domestic violence, clinical negligence. The survey suggests that no action is taken towards over one million legal problems per annum, because it is believed that nothing can be done, to avoid damaging a relationship, or out of fear.
- 2.8 CLS Partnerships (CLSPs) [\[LINK 3\]](#) carry out needs assessment to assist the planning of local services. Using these plans, Regional Legal Service Committees (RLSCs) have made recommendations to inform the LSC's regional contracting strategies for specialist legal help services. The recommendations are for the re-allocation of existing resource to meet identified need as it becomes available within the fixed budget, as we do not believe it is realistic to expect new money. Each region's priorities for new contracts are summarised in Legal Services Commission Contracting Priorities and Strategies – An Overview [\[LINK 4\]](#). This devolution of planning ensures that local concerns surface. However, some themes emerge: the need for debt and welfare benefits contracts feature prominently; the situation in advice and representation of asylum seekers is dynamic and the LSC will respond to the need for specialist contracts outside of London arising from dispersal, new accommodation centres and the increase in the capacity of the Immigration Appellate Authority.

### **Provision**

- 2.9 The Legal Need Survey demonstrates the scale of existing provision, with advice serving around eight million legal problems annually. This far exceeds the reach of legal aid. Indeed the survey shows the wide range of sources to whom people turn for advice when faced by a legal problem. Only 45% of respondents sought advice initially from solicitors or Citizens Advice Bureaux. Predictably, the source of advice relates to the type of problem (e.g. solicitors for divorce), but of more concern is the strong association between social and demographic characteristics (e.g. ethnicity) and where advice is sought. The survey period straddles the introduction of the CLS. It demonstrates both the need for, and the progress still required, to attain the vision of a seamless Community Legal Service. Around one quarter of respondents made unsuccessful attempts to obtain advice. Many respondents turned to organisations that are unable to provide advice or refer to an organisation that can. A more recent 'model client' survey carried out for the LSC, found very little evidence of active referral between agencies. In many parts of the country, an 'advice maze' persists. This will prevent the CLS making the most effective use of its limited resources, as well as making some groups in society less likely to receive help with their problems.

- 2.10** We are encouraged by other Government Departments' commitment to provide improved information and advice to vulnerable people through initiatives like Fairer Charging, Job Centre Plus, Connexions and Third Age Service. There are other significant policies and programmes designed to meet the needs of the socially excluded that may not be optimally effective because they do not include provision for the advice needs of their users.
- 2.11** The LSC monitors its contracted supply base, testing suppliers' future intentions. Our view, consistent with recent industry surveys, is that the continued departure of family law suppliers would make it difficult for people to access advice in the non-metropolitan areas affected. Should these suppliers depart, there would be implications for the provision of other services they often provide, like social welfare law and criminal defence services.

### Quality

- 2.12** The continuing growth in the number of organisations holding the CLS Quality Mark (QM) [\[LINK 5\]](#) gives reassurance that organisations have the systems and structures that are needed to provide consistent, quality advice. In the cases where other Government Departments have initiatives to improve information and advice to vulnerable people, we are keen to ensure that these services are of QM standard, providing independent advice that complements existing provision.
- 2.13** We believe our contract management and audit scrutiny ensures that the majority of solicitors, advisers and other service providers funded by the LSC are providing a quality service at a reasonable cost. Our major concern centres on a small but significant number of London immigration firms who under peer review have been shown to provide poor quality service that jeopardises their clients' interests. Tackling these firms continues to be an urgent priority for the LSC.
- 2.14** Separate research into the quality of work carried out by firms under contract tolerances (i.e. outside of the topic areas of their specialist contract) provides mixed messages. It demonstrates that the quality of work can be compromised. This vindicates our policy of requiring specialisation of contract holders, but raises the challenge of developing more specialist services that can meet needs where currently there are insufficient.

### CLS FUND

#### Budget for 2003/04

- 2.15** We forecast increased claims and payments for civil legal help and representation in 2003/04. Confirmation of our budget remains subject to discussion between ministers at DCA and the Treasury, however even our forecast position represents a very tight allocation for CLS funded work, to which the LSC is responding in a number of ways:
- Continuing to drive value for money improvements from all CLS Fund spend, through monitoring of performance data, setting of standards, auditing and bill assessment. The management of the contracts of suppliers who perform worst in our contract compliance audits will be one of our top priorities.
  - Containing year-on-year average case cost increases for Legal Help to no more than 5% (subject to review).
  - Ensuring high priority work, defined by the Lord Chancellor's direction [\[LINK 6\]](#) and regional need assessments, receives resources.

2.16 We aim to make services available to people (c. 40-45% of the population) whose income and capital make them eligible for public funding to help resolve their legal problems [\[LINK 7\]](#). In doing so, we seek to reward suppliers fairly for work reasonably done. By eradicating work that adds little value to the users of services, we intend to mark our commitment to suppliers by providing increases to the rates payable if resources allow.

### Civil representation

2.17 Civil representation is for cases where the funded client is involved in court proceedings. It enables the LSC to address the Lord Chancellor's priorities of cases involving special Children Act proceedings, civil proceedings where the client is at a real and immediate risk of loss of life or liberty, domestic violence, welfare of children and proceedings against public authorities. The work is carried out, in the main, by solicitors' firms, all of whom hold license contracts and the Specialist QM, and the barristers they instruct. The work is authorised by application to the LSC, where the eligibility of the client and merits of the case are assessed against the Funding Code [\[LINK 8\]](#).

2.18 Net claims for completed cases in 2003/04 (£510m), are expected to increase by £27m compared to 2002/03. We expect there to be a similar number of cases started – around 170,000 - as in 2002/03. The ratio of family to non-family case starts will stay similar, with around 140,000 family cases. Two-thirds of non-family work is accounted for by housing and clinical negligence cases.

### Legal Help

2.19 Legal Help (non-immigration) is for non-court assistance (and representation of clients at Mental Health Review Tribunals). It helps fulfil the Government's social exclusion agenda, meeting the Lord Chancellor's priority of helping people with social welfare issues, as well as funding initial work prior to proceedings across all categories of law. There is a controlled budget, allocated to the LSC's regions, which let contracts to solicitors' firms and advice agencies with limits on the number of cases each supplier can start [\[LINK 9\]](#). A small proportion of the controlled budget is set aside for central development initiatives and the provision of information on legal rights and responsibilities.

<b>TABLE B ESTIMATE OF LEGAL HELP CLAIMS BY TYPE OF SUPPLIER (£M)</b>		
	2003/04	2002/03
CONTRACTS WITH SOLICITORS IN PRIVATE PRACTICE	132	117
CONTRACTS WITH NOT-FOR-PROFIT AGENCIES	38	38
GRANTS, PILOT CONTRACTS, PARTNERSHIP INITIATIVE BUDGET, INFORMATION & RIGHTS AWARENESS	23	15
<b>TOTAL</b>	<b>193</b>	<b>170</b>

2.20 The following tables indicate how we expect claims for completed work to be broken down by type of supplier, region and category of work. The breakdown of claims by category of work (Table C) is based upon information on cases already under way, allocated case starts in contract schedules and assumptions about how contract tolerances will be used.

<b>TABLE C ESTIMATE OF LEGAL HELP CLAIMS BY CATEGORY OF WORK (£M)</b>		
<i>CONTRACT CATEGORY</i>	<i>2003/04</i>	<i>2002/03</i>
<i>FAMILY</i>	69.3	59.1
<i>NON-FAMILY:</i>		
<i>ACTIONS AGAINST THE POLICE</i>	1.5	1.1
<i>CLINICAL NEGLIGENCE</i>	1.2	1.0
<i>COMMUNITY CARE</i>	1.1	0.9
<i>CONSUMER</i>	1.5	1.4
<i>DEBT</i>	15.9	15.4
<i>EDUCATION</i>	1.7	1.5
<i>EMPLOYMENT</i>	5.3	4.9
<i>HOUSING</i>	21.3	20.3
<i>MENTAL HEALTH</i>	22.4	20.7
<i>MISCELLANEOUS</i>	5.3 <sup>1</sup>	3.4
<i>PERSONAL INJURY</i>	1.2	1.6
<i>PUBLIC LAW</i>	0.5	0.5
<i>WELFARE BENEFITS</i>	22.0	22.0
<i>FILE REVIEW</i>	1.3	1.3
<b>TOTAL</b>	<b>170.1</b>	<b>155.0</b>

<sup>1</sup> The miscellaneous figure for 2003/04 includes an estimate of £0.9m for claims for work commenced prior to 2000, which has not been apportioned to individual categories.

2.21 Table D provides estimates of the number of case starts by category. In order for the number of people helped to remain at approximately the current year's level, we need to contain year-on-year case cost increases to 5%. This will be a significant challenge as annual case cost increases have been more than double that figure since the introduction of contracting in 2000. Our strategy for containing average case cost increases will involve:

- monitoring performance data to identify suppliers whose claims have significant average cost increases
- limiting the number of case starts for firms who, without good reason, have an average case cost of more than 10% above their average cost in the first six months of 2002/03
- recovering costs from suppliers whose contract compliance audit shows them to be over-claiming by more than 10%. The contract compliance audit is based on a sample of closed case files. In calculating the sum to be recovered, we will extrapolate the findings of the sample audit to all cases closed in the previous 12 months or period since their previous audit, whichever is more recent.

<b>TABLE D ESTIMATE OF LEGAL HELP MATTER STARTS ('000 OF CASE STARTS)</b>		
<b>CONTRACT CATEGORY</b>	<b>2003/04</b>	<b>2002/03</b>
<i>FAMILY</i>	343	339
<i>NON-FAMILY:</i>		
<i>ACTIONS AGAINST THE POLICE</i>	4	5
<i>CLINICAL NEGLIGENCE</i>	-	5
<i>COMMUNITY CARE</i>	2	3
<i>CONSUMER</i>	2	7
<i>DEBT</i>	43	54
<i>EDUCATION</i>	3	3
<i>EMPLOYMENT</i>	8	12
<i>HOUSING</i>	78	88
<i>MENTAL HEALTH</i>	31	29
<i>MISCELLANEOUS</i>	-	23
<i>PERSONAL INJURY</i>	-	6
<i>PUBLIC LAW</i>	1	2
<i>WELFARE BENEFITS</i>	78	81
<i>TOLERANCE<sup>1</sup></i>	54	-
<b>TOTAL</b>	<b>648</b>	<b>656</b>

<sup>1</sup> General Civil Contracts include an allowance for work outside the specific category for which the contract is awarded. This is known as 'tolerance' work. In the analysis of new matters started in 2002/03, it is recorded in the table according to the actual category of work undertaken.

### **IMMIGRATION LEGAL HELP AND CONTROLLED LEGAL REPRESENTATION**

- 2.22** Immigration and asylum expenditure is provided for from the Government's Single Asylum Budget. It funds advice for asylum seekers making applications and representation before, for example, the Immigration Appeals Tribunal. The same control mechanisms described for Legal Help apply here.
- 2.23** Immigration and asylum claims have risen steeply in recent years. However, we expect to see a levelling off and reduction in claim value in 2003/04, with a downward trend thereafter. The projected reduction is a factor of:
- the planned introduction of maximum fees for immigration and asylum Legal Help and representation, about which the Secretary of State is currently consulting [\[LINK 10\]](#)
  - LSC's contract management, with a particular focus on poor performing suppliers
  - controls on cases receiving funding for appeals [\[LINK 11\]](#) and Judicial Review [\[LINK 12\]](#)
  - the Home Office's forecast of a fall in the number of people claiming asylum and appealing against initial decisions. Significant variance against the Home Office forecast could have a major impact on LSC expenditure.

## *DEVELOPMENT OF THE CLS*

**2.24** In this section we depict the future programme for the CLS under the three broad aims of improvement to access, quality and value for money. For each of those aims, we distinguish the activities where our relationship is with services we fund directly (supply of services), from those where we work in partnership with other organisations. In the previous section, on the CLS Fund, we showed that we expect to be able to fund a similar number of case starts as in previous years. Therefore, the CLS's contribution to the Lord Chancellor's PSA target of increasing the number of people receiving suitable assistance in priority areas of law will come in two ways:

- optimising use of the CLS Fund, to ensure the number of people helped is not less than the current level
- continuing to work with partners to co-ordinate resources to best effect and engage with new partners capable of increasing the overall provision of advice.

### *Access*

**2.25** RLSCs have recommended priorities for new Legal Help contracted services, which will guide the use of any CLS Fund money that becomes available during the year. From April 2004, our regional offices will have a wider range of contract types at their disposal following the evaluation of the telephone, court possession duty scheme and support service pilots. We will continue to work with CLS Partners to use resources most effectively and to assist people in finding how to contact advice services (see Chart 1).

### *Value for Money*

**2.26** The LSC and other organisations that fund advice services face budget pressures that demand an even keener focus on value for money than hitherto (see Chart 2). The LSC will continue to press for value for money by ensuring that:

- funding is provided for merit-worthy cases and to suppliers that achieve positive outcomes for clients
- costs claimed are reasonable for the work carried out
- the service provided is proportionate to the issue at stake so that swift and fair resolution to problems occurs
- co-ordination of funding with other organisations continues to develop to make best use of scarce resources.

### *Quality*

**2.27** The LSC will continue its programme of supplier audits, operating under a new risk-based regime to ensure the audit is tailored for each supplier, and with a streamlined approach for handling poor performing suppliers. Looking to the longer term, we will work with partners to develop specialist panels and competency frameworks that enable quality assurance to apply to individual advisers, not just the organisations that employ them (see Chart 3).

CHART 1

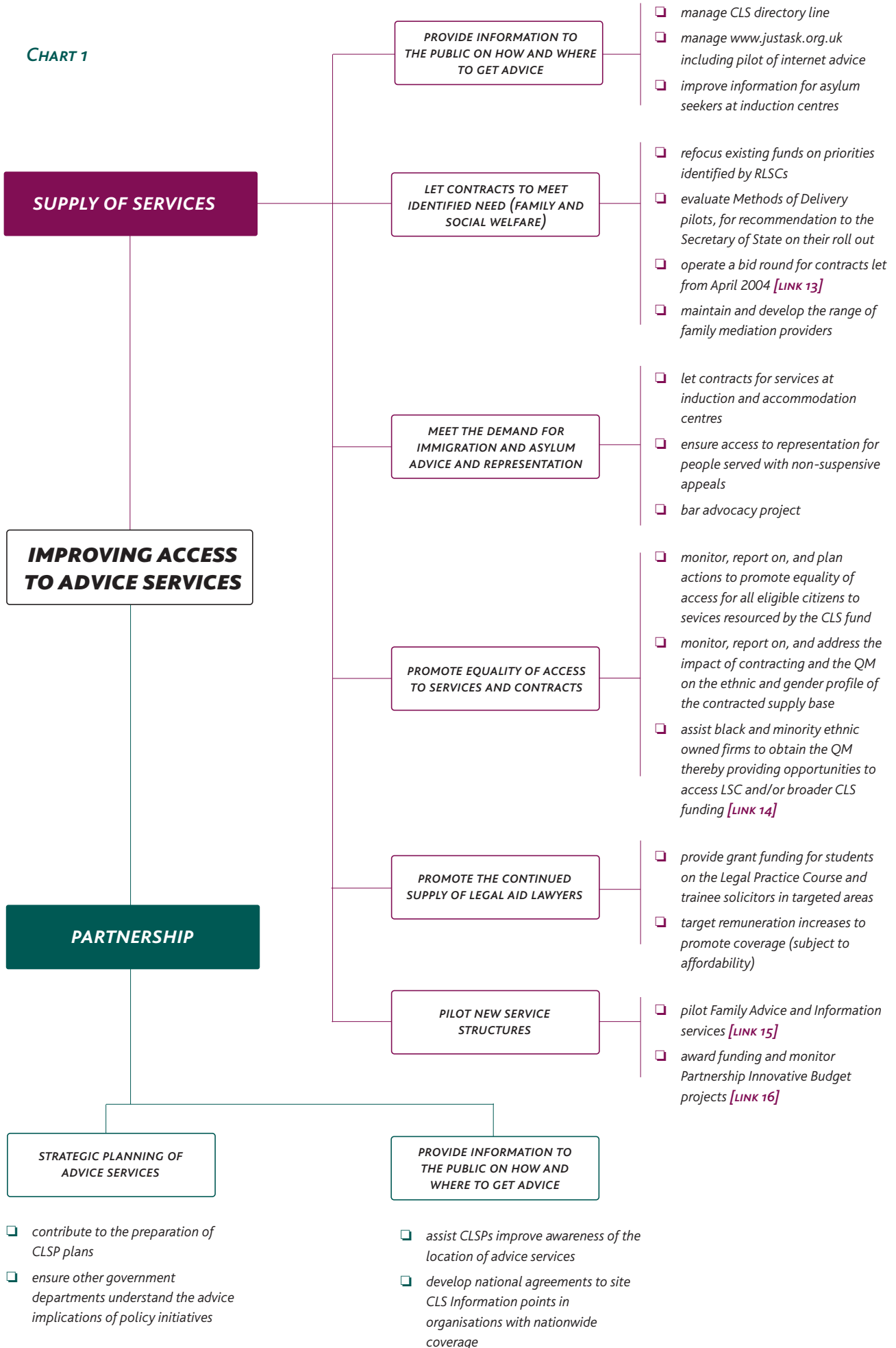


CHART 2

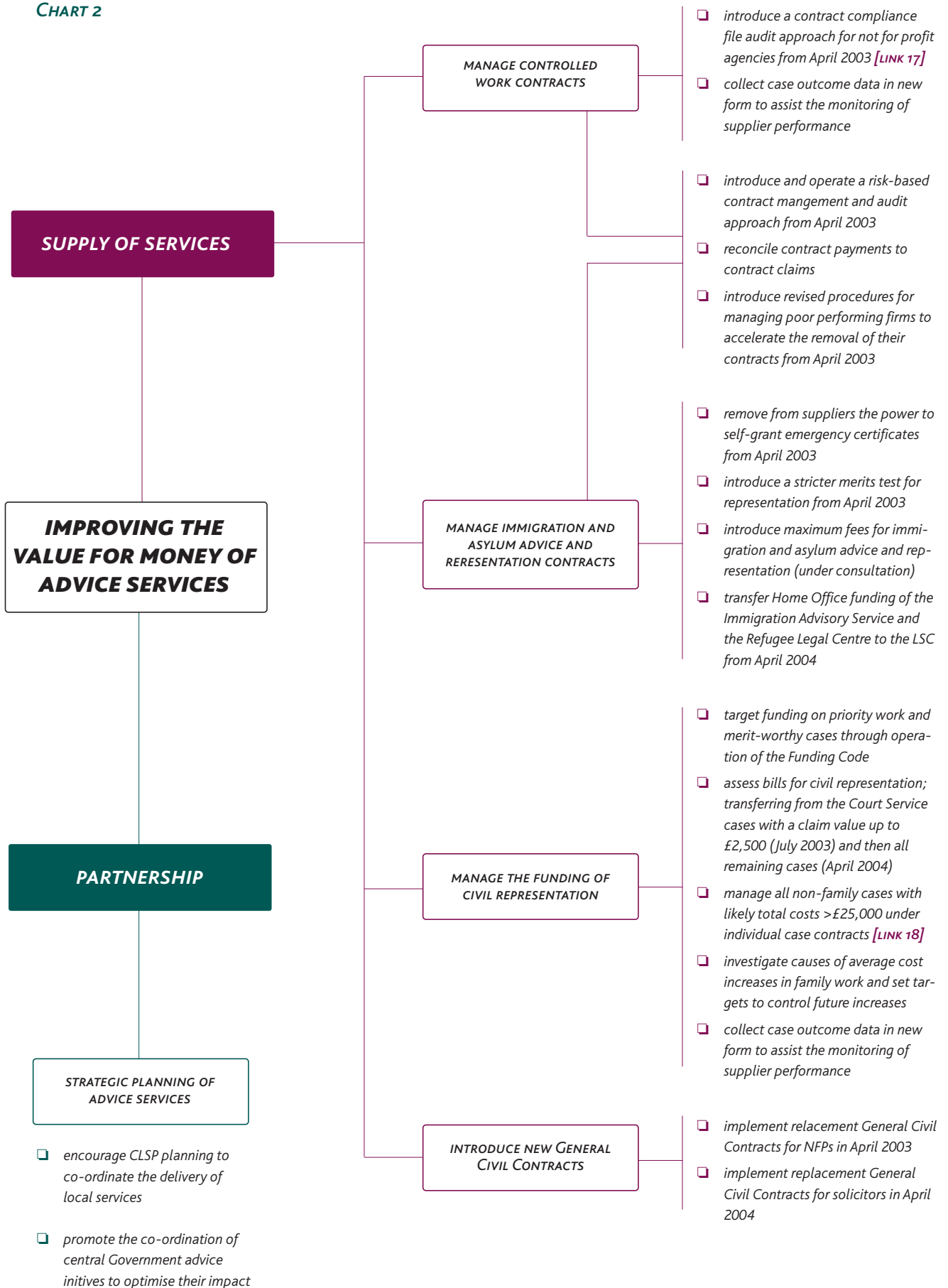
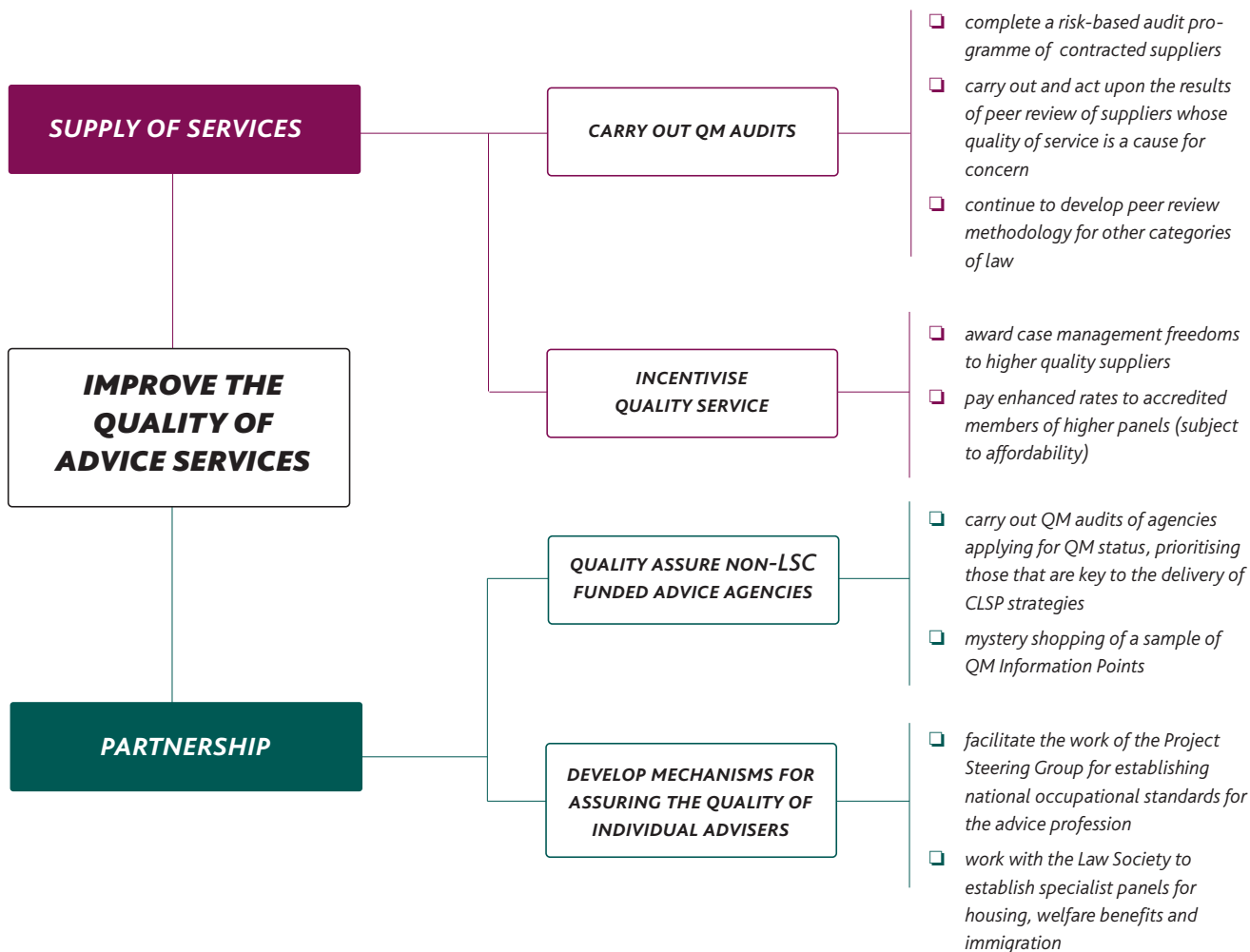


CHART 3



**COMMUNITY LEGAL SERVICE : Key performance targets**

- INCREASE YEAR ON YEAR THE NUMBER OF PEOPLE RECEIVING SUITABLE ASSISTANCE IN PRIORITY AREAS OF LAW INVOLVING FUNDAMENTAL RIGHTS OR SOCIAL EXCLUSION (DCA PSA 6)
- DEVELOP AND ESTABLISH A BASELINE QUALITY MEASURE USING A BASKET OF INDICATORS IN 2003/04
- ENSURE NO SUPPLIERS WITH A CATEGORY 3 RATING IN THEIR COST COMPLIANCE AUDIT HAVE THEIR CONTRACT RENEWED FROM APRIL 2004, OTHER THAN FIRMS ON TEMPORARY CONTRACTS
- CONTAIN AVERAGE CASE COST INCREASES IN LEGAL HELP TO 5% AND SET AND MONITOR VALUE FOR MONEY TARGETS FOR OTHER MAJOR AREAS OF FUNDING (E.G. FAMILY LEGAL REPRESENTATION)

## SECTION 3: THE CRIMINAL DEFENCE SERVICE

### PURPOSE AND OBJECTIVES

- 3.1 The purpose of the CDS is to ensure that people involved in criminal investigations or proceedings have access to the advice and representation that the interests of justice require. People receiving criminal defence services are typically detained in police stations, appearing in magistrates' courts, or the Crown Court.
- 3.2 The objectives of the CDS are to provide:
- Accessible services: to fulfil the Government's obligations to citizens under the Human Rights Act, and to ensure no delays to other parts of the Criminal Justice System (CJS) are caused.
  - Quality services: solicitors and barristers delivering the service must be sufficiently competent, well organised and managed to ensure that the service received by individuals is of an appropriate quality
  - Cost control and value for money: ensuring propriety of expenditure, and that services add value to clients and are obtained at the best possible price.

Achievement of these objectives is vital to the delivery of the Government's three PSA targets for the Criminal Justice System:

- Increasing the number of crimes for which an offender is brought to justice
  - Improving the level of public confidence in the Criminal Justice System
  - Increasing value for money from the Criminal Justice System.
- 3.3 The LSC's visions for supply of services and partnerships describe the means by which we achieve these objectives.

**Supply of services:** 2,900 solicitors' firms, eight Public Defender Service offices and barristers from chambers across the country comprise the CDS. Key issues for 2003/04 are maintaining the existing comprehensive coverage across England and Wales; and handling the minority of firms who provide unsatisfactory service at unreasonable price, so diverting scarce resources.

**Partnership:** CDS work arises out of the activities of other CJS agencies (police, Crown Prosecution Service, courts, etc). For the LSC to understand better the future need for defence services, there must be effective co-ordination with these agencies. This does not yet happen adequately, and we acknowledge the LSC can do more to ensure that the defence service perspective is taken into account in the development of policy and practice by these partner agencies.

### CDS EXPENDITURE AND VALUE FOR MONEY

- 3.4 CDS claims under the General Criminal Contract and in the Crown Court are set to continue to rise. At current rates, we forecast claims in 2003/04 of £1.173 billion, an increase of £77m on 2002/03. Gaining greater control of CDS expenditure is a top priority for the LSC in the period of this Plan. This represents good practice in the management of public funds, as well as ensuring that, with a single legal aid budget, any unnecessary growth in defence service costs does not reduce resources available to meet other priority need in the CLS.

3.5 Our approach will recognise our two key relationships: with suppliers and with other criminal justice agencies.

**Partnership**

3.6 The demand for defence services is a function of the level of crime, but more directly the policies and activities of other CJS agencies (Table E). We estimate that the number of acts of assistance to people at police stations will exceed 700,000; and the number of representation orders will be more than 550,000. Crown Court sitting days are expected to remain constant at around 101,000 in the year.

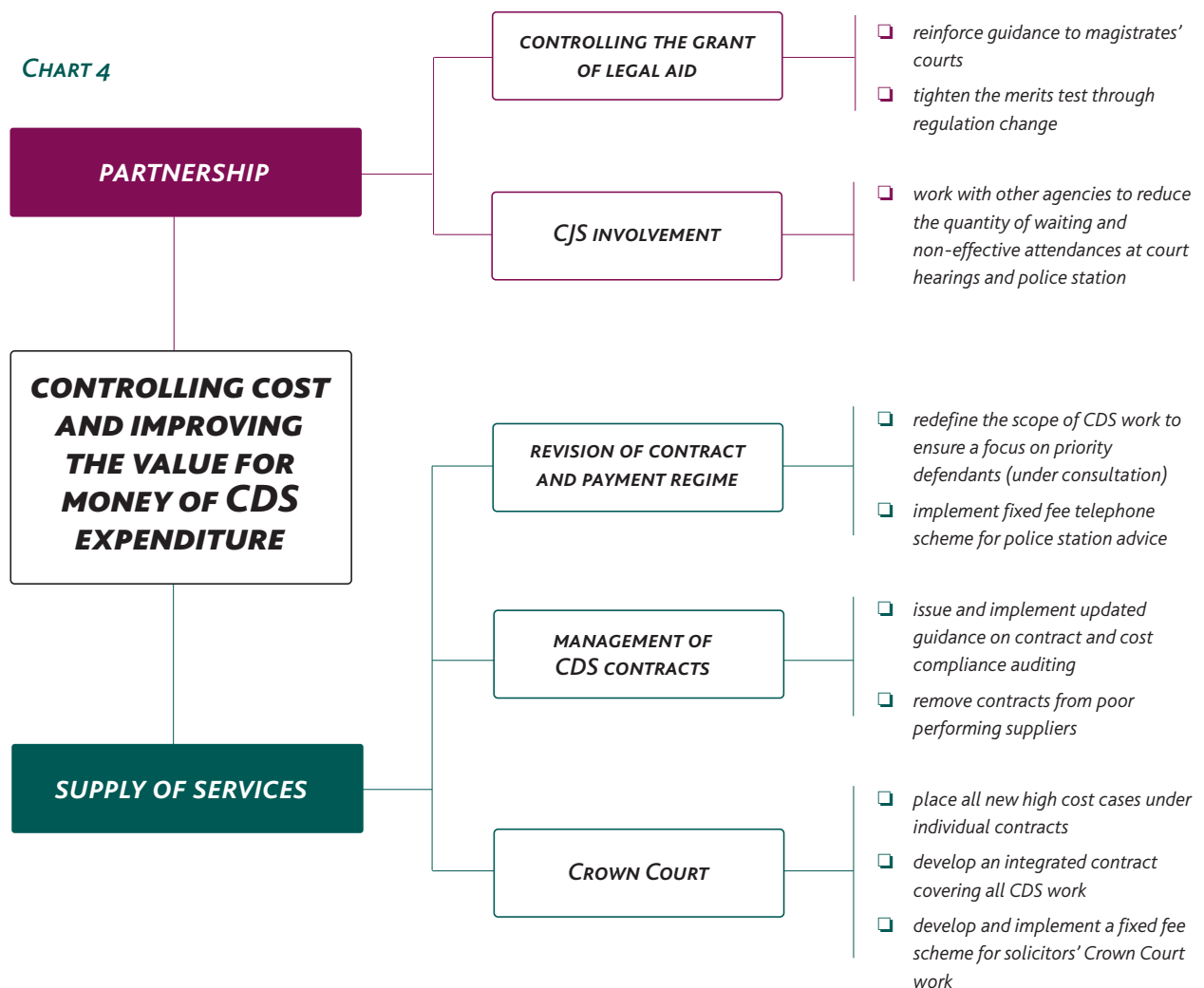
<b>TABLE E THE CRIMINAL JUSTICE SYSTEM AND DRIVERS OF CDS EXPENDITURE</b>		
<b>AGENCY</b>	<b>IMPACT ON CASE</b>	<b>EXAMPLE</b>
<b>POLICE</b>	<b>VOLUME</b>	<i>Number of arrests and charges which is influenced by e.g. crime initiatives, new offences created by legislation</i>
	<b>PRICE</b>	<i>Police Station interview practices</i>
<b>CROWN PROSECUTION SERVICE AND OTHER PROSECUTION AUTHORITIES</b>	<b>Volume</b>	<i>Changes to charging policy</i>
	<b>Price</b>	<i>Appropriate disclosure of evidence</i>
<b>MAGISTRATES COURTS</b>	<b>Volume</b>	<i>Application of criteria for grant of representation orders</i>
	<b>Price</b>	<i>Case listing (e.g. increasing lawyers' waiting time)</i>
<b>CROWN COURT</b>	<b>Volume</b>	<i>Increased sitting days</i>
	<b>Price</b>	<i>Case listing (e.g. causing multiple appearances)</i>
<b>PRISON SERVICE</b>	<b>Price</b>	<i>Arrangements for solicitors visiting defendants on remand</i>
<b>PROBATION SERVICE AND YOUTH OFFENDING TEAMS</b>	<b>Price</b>	<i>Failure to prepare reports for court hearings or use of stand-down reports substantially increasing waiting time</i>

3.7 Change to the policy and practice of CJS agencies is bound to accelerate in the period of this Plan as developments from the Government's legislative programme will impact upon the demand for defence services. The CJS Case Preparation Project will also be developing proposals to change systems, processes, capacity and culture to deliver improved performance across the CJS. It is reviewing current fee structures with the aim of encouraging early case preparation. Proposals for a new fee structure will be made in 2003/04, with pilots preceding implementation in 2005.

3.8 The LSC's strategy for controlling cost, in concert with the DCA, will be threefold. Firstly, the LSC will endeavour to take a higher profile role in the development of new policies so that the cost to defence services is understood and policies adjusted as necessary. Secondly, the LSC will seek to ensure that where other agencies institute policies that create unanticipated defence service costs, these costs will be identified and funding will be sought. Thirdly, the LSC will seek to align its accountability for the CDS budget with management responsibility for the decisions that incur cost.

## Supply of services

- 3.9 The LSC is committed to the fair remuneration of suppliers for work reasonably carried out. This represents a commitment to the majority of existing contracted suppliers. However, we are equally committed to driving waste and poor performance out of the CDS. With resources scarce, it is in the interests of the majority of suppliers, as well as citizens, that money is directed at quality, reasonably priced services to defendants and suspects in priority cases.
- 3.10 We will exercise better control through three approaches. Firstly, tightening up the General Criminal Contract, and our scrutiny of work carried out under it, to ensure only work properly within the contract is paid for. Secondly, re-focusing the General Criminal Contract so that CDS funds are used on defendants and suspects in priority cases. The Secretary of State is consulting on proposals to achieve these changes [LINK 19]. Thirdly, extending individual case contracting of high cost criminal cases, where enhanced cost control is urgent as the cost of the top 1% has risen to almost one-half of legal aid expenditure in the Crown Court [LINK 20].
- 3.11 The effect of the first two of these changes would be a re-direction of resources from categories of work where the individual's liberty is not at stake immediately, or where a court can subsequently grant a representation order, to higher priority work where the involvement of a lawyer can make a difference, like police station attendance and court representation in cases where the defendant could face a prison sentence.

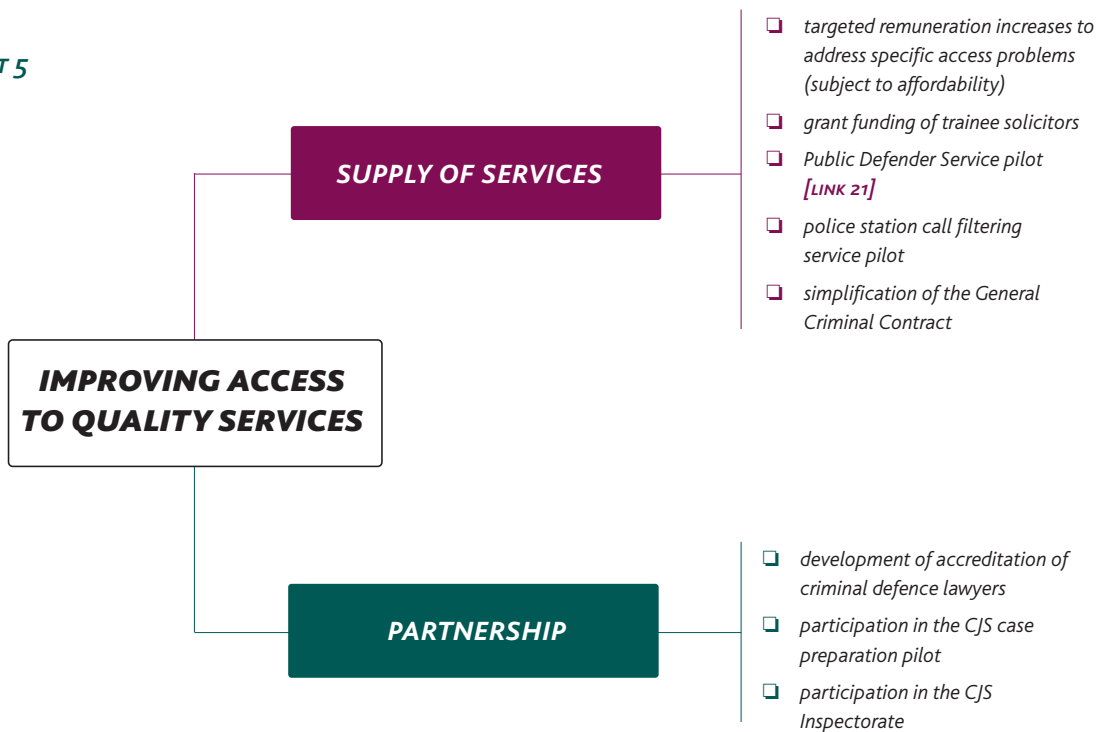


### Improving quality and access

3.12 The CDS, through contracted suppliers, provides comprehensive coverage across England and Wales to people charged with or suspected of committing crime, and who meet the interests of justice test. However, we have evidence of two potential problems. We are beginning to see examples of access problems in localised areas as a small number of suppliers have withdrawn from the scheme. Fewer solicitors are entering the criminal legal aid profession and recruitment is becoming increasingly difficult. The LSC will continue to monitor the future intentions of suppliers as well as seek to address the issues that are discouraging some from continuing in, or entering, this field: most typically, unprofitability, the inherent bureaucracy associated with publicly funded work and burdens of working unsocial hours.

3.13 We will continue to seek improvements to the quality of publicly funded criminal defence services. The principal step that we want to take, working with representatives of the profession, is the creation of an accreditation scheme for specialist criminal defence solicitors.

CHART 5



### COMMUNITY DEFENCE SERVICE : Key performance targets

- CONTAIN THE AVERAGE COST OF CASES IN MAGISTRATES' COURTS TO INCREASES NO GREATER THAN INFLATION
- DEVELOP AND ESTABLISH A BASELINE QUALITY MEASURE USING A BASKET OF INDICATORS IN 2003/04
- OBTAIN SAVINGS OF £30/70/90 (2003-04/2004-05/2005-06), COMPARED TO CURRENT TRENDS, FROM THE COMPREHENSIVE INTRODUCTION OF VERY HIGH COST CASE CONTRACTS
- ENSURE NO SUPPLIERS WITH A CATEGORY 3 RATING IN THEIR COST AND CONTRACT COMPLIANCE AUDIT ARE OPERATING UNDER THE GENERAL CRIMINAL CONTRACT UNLESS THEY ARE OPERATING UNDER A CONTRACT RECTIFICATION NOTICE

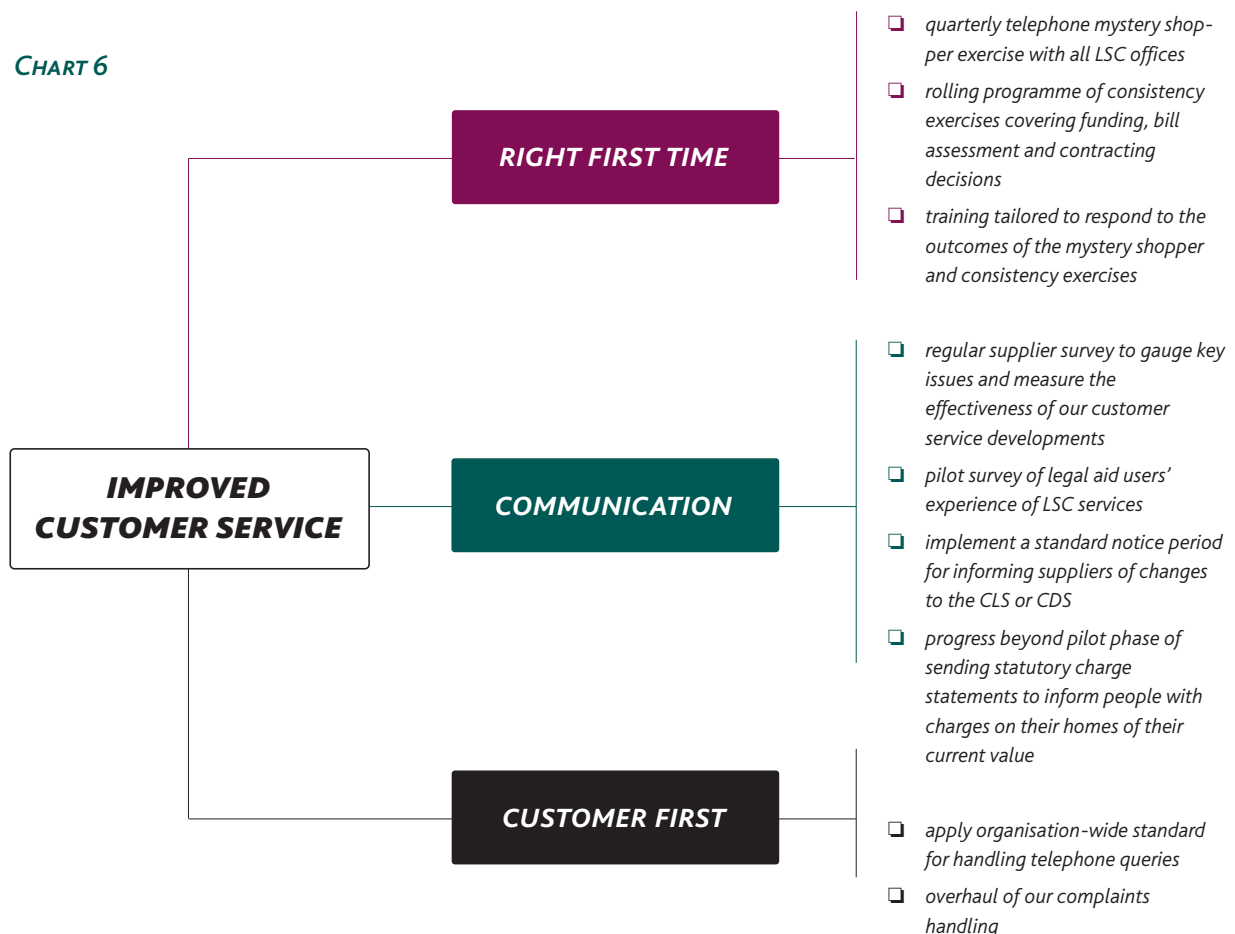
## SECTION 4: THE LEGAL SERVICES COMMISSION

- 4.1 The LSC will continue to experience change in 2003/04. It will be operating under a new Chief Executive, Clare Dodgson, and a new Chair, Philip Ely. Our visions for customer service and people will help the LSC retain a focus on its core purpose as the organisation settles down under its new leadership.
- 4.2 Our administration budget, in RAB terms, for 2003/04 is £81.1m, subject to decisions yet to be taken by DCA (2002/03: £73m). The principal causes of the increase are found in the LSC's priorities for the year:
- Activity to exercise greater control over asylum legal aid and respond to the Government's immigration and asylum policy initiatives
  - Activity to exercise greater control over criminal defence expenditure and respond to the Government's Criminal Justice reforms
  - Contract management expansion, linked to the two points above, as well as to strengthening our response to suppliers whose General Civil or General Criminal contract claims are not justified at audit.

### CUSTOMER SERVICE

- 4.3 We will continue the customer service programme that we began in 2002, which we believe has already delivered improvements. One of the outputs of this work was the agreement of a vision for customer service for the LSC. We have established a vision that should stretch and motivate people at the LSC by stating clearly the sort of organisation we want to be known as. We recognise the challenge of living up to this vision, but are willing to be measured against it.

CHART 6



*Service which gives our customers confidence and us pride.*

In everything we do, we need to remember that ultimately our aim is to help people get better access to quality services. There are many links in the chain that leads to someone getting help. We may come into contact with CLS partners, who plan and fund services, information providers, suppliers, colleagues in the Commission and many, many others. We should think of everyone we have contact with as customers deserving of our best efforts.

4.4 The framework for our activity in 2003/04 is provided by the headings of:

- right first time: a more intensive scrutiny of our decisions, closely linked to our training programmes
- communication: improving the use we make of the feedback that we collect from stakeholders, as well as the helpfulness of our communication
- customer first: a more responsive service, in particular on the telephone and when complaints are lodged against us.

4.5 We shall also be piloting a compound measure of customer service, to enable us to track and report on our overall performance. This measure will draw on results from surveys, independent checks of our services and the performance of our processes.

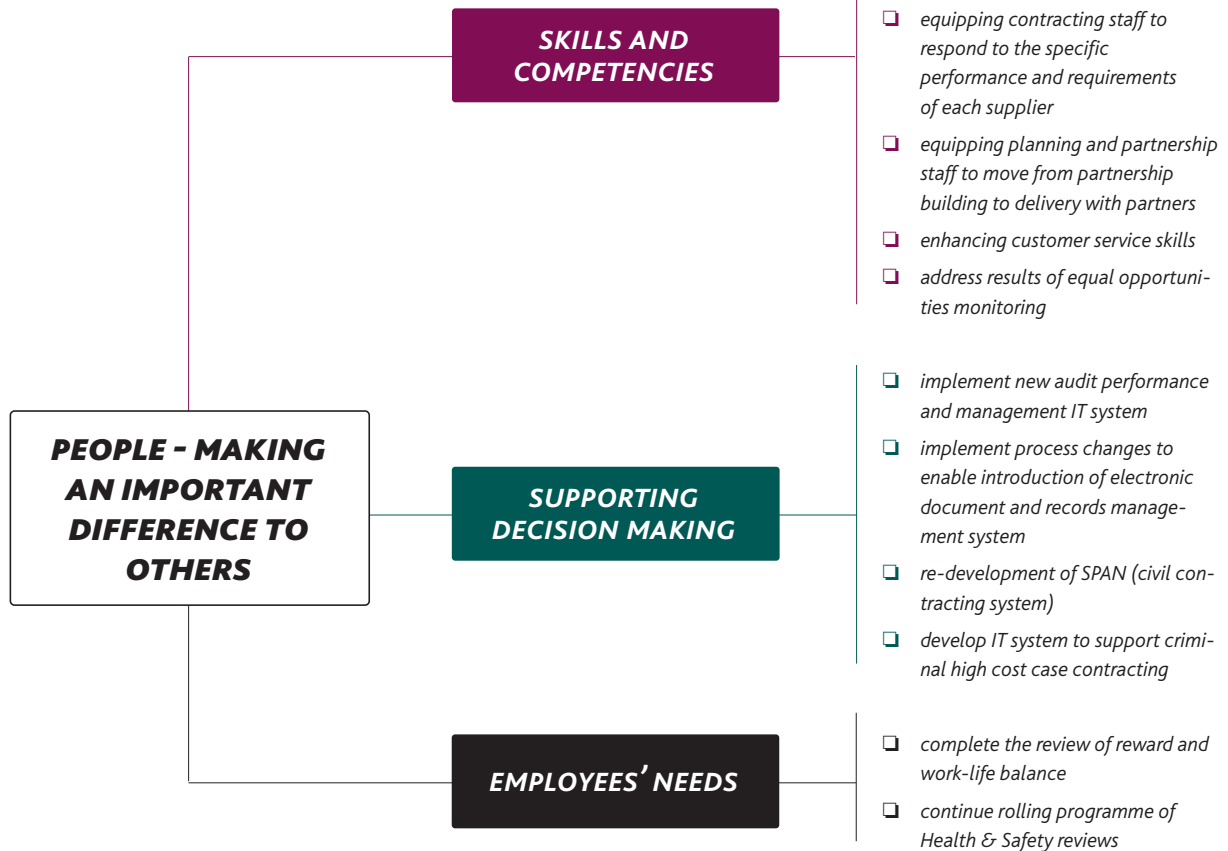
**PEOPLE**

4.6 In sections 2 and 3 of this plan we have shown the role of our visions for the supply of services and partnership in helping people get quality legal services that tackle real needs. People at the LSC do not feature prominently in that description. In fact, by assessing need, planning services, letting and managing contracts, monitoring performance, quality assuring services, making payments, collecting sums due, providing information about legal aid and the many other supporting tasks,

*People at the LSC are making access to quality legal services possible.*

*In our vision, we want people at the Commission to see that they are making an important difference to the lives of others.*

CHART 7



4.7 The current challenge for people at the LSC, having managed the implementation of the legal aid reform programme, is to deliver the benefits of those changes. We anticipate a different emphasis to the activities we perform, with a need for skills to be strengthened in a number of areas related to key business priorities like, for example, addressing the poor performance of suppliers. We will be adapting the roles and responsibilities framework in the organisation to ensure we are best structured to deliver these objectives. Business performance is also affected by how successful we are in having an employee base that reflects the diversity of society. We have an on-going programme of equal opportunities monitoring that will assist us in this, as well as in complying with the Race Relations Amendment Act and other equalities legislation.

4.8 People at the LSC make decisions affecting the provision of quality, accessible legal services. To support that decision-making, there is a continuing programme of information system development, affecting key processes like audit and contract management.

4.9 A review of reward at the LSC will help us to make the most of our administration budget in incentivising and recognising performance.

**GOVERNANCE**

4.10 The Lord Chancellor is accountable to Parliament for the LSC and sets its policy and performance framework. The Lord Chancellor appoints the Chair of the Commission and its other members. The

Executive Board, chaired by the Chief Executive, manages the LSC. The Commission and the Chief Executive are supported in their exercise of corporate governance by, amongst other functions, the LSC Internal Audit Service, external audit provided by the National Audit Office, the operation of an ISO accredited Quality Management System and a structure of formal committees. The LSC's committee structure includes a Finance Committee and an Audit Committee – each of which are chaired by a Commission member; and a Human Resources Committee, headed by the LSC Chair. The full details of governance arrangements are published in the Chief Executive's annual statement on internal control [\[LINK 22\]](#).

<b>MEMBERSHIP OF THE COMMISSION</b>	
<b>PHILIP ELY OBE</b>	<i>Chair of the Commission and Chair of the RLSC for London</i>
<b>ANTHONY EDWARDS</b>	<i>Non-Executive and Head of Professional Service for the Public Defender Service</i>
<b>JULIET HERZOG</b>	<i>Non-Executive and Chair of RLSCs for Merseyside and NW England</i>
<b>SHEILA HEWITT</b>	<i>Non-Executive and Chair of RLSCs for East and SE England</i>
<b>CLARE DODGSON</b>	<i>Chief Executive</i>
<b>MARGARET RICHARDS</b>	<i>Non-Executive and Chair of RLSCs for Yorks &amp; Humberside and NE England</i>
<b>JIM SHEARER</b>	<i>Non-Executive and Chair of RLSCs for E &amp; W Midlands</i>
<b>YVONNE MOSQUITO</b>	<i>Non-Executive</i>

- 4.11 Of paramount importance will be the continued development of a performance management framework that communicates to Government and stakeholders what it is we plan to deliver; to people at the LSC what is expected of them and their teams; and provides those with responsibility and accountability for performance with reliable information on progress and reasons for the performance levels attained.

## LINKS

Further information on our plans is available from the following sources. For LSC publications that are available in hard copy, the relevant department is shown alongside the link. All departments are located at 85 Grays Inn Road, London WC1X 8TX.

REFERENCE TO LINKS IN TEXT	
<b>LINK 1</b>	<a href="http://www.hm-treasury.gov.uk/spending_review/spend_sr02/report/spend_sr02_repannxb.cfm">http://www.hm-treasury.gov.uk/spending_review/spend_sr02/report/spend_sr02_repannxb.cfm</a>
<b>LINK 2</b>	<a href="http://www.lsrc.org.uk/Needpublications.htm">http://www.lsrc.org.uk/Needpublications.htm</a> <i>Legal Services Research Centre</i>
<b>LINK 3</b>	<a href="http://www.legalservices.gov.uk/partners/index.htm">http://www.legalservices.gov.uk/partners/index.htm</a>
<b>LINK 4</b>	<a href="http://www.legalservices.gov.uk/contract/contract_awards_contracting_priorities_and_strategiescomplete.pdf">http://www.legalservices.gov.uk/contract/contract_awards_contracting_priorities_and_strategiescomplete.pdf</a> <i>Civil Contracting Policy Unit</i>
<b>LINK 5</b>	<a href="http://www.legalservices.gov.uk/qmark/index.htm">http://www.legalservices.gov.uk/qmark/index.htm</a> <i>Supplier Development Group</i>
<b>LINK 6</b>	<a href="http://www.legalservices.gov.uk/stat/cls-funding-priorities.pdf">http://www.legalservices.gov.uk/stat/cls-funding-priorities.pdf</a>
<b>LINK 7</b>	<a href="http://www.legalservices.gov.uk/leaflets/lsc/prac_guide_cls_802.pdf">http://www.legalservices.gov.uk/leaflets/lsc/prac_guide_cls_802.pdf</a>
<b>LINK 8</b>	<a href="http://www.legalservices.gov.uk/stat/fc_criteria.htm">http://www.legalservices.gov.uk/stat/fc_criteria.htm</a> <i>Funding Policy Team</i>
<b>LINK 9</b>	<a href="http://www.legalservices.gov.uk/contract/g_civil.htm">http://www.legalservices.gov.uk/contract/g_civil.htm</a> <i>Civil Contract Policy Unit</i>
<b>LINK 10</b>	<a href="http://www.lcd.gov.uk/consult/leg-aid/asylum.htm">http://www.lcd.gov.uk/consult/leg-aid/asylum.htm</a>
<b>LINK 11</b>	<a href="http://www.legalservices.gov.uk/contract/amends_sec5_gccnfp_oct02.pdf">http://www.legalservices.gov.uk/contract/amends_sec5_gccnfp_oct02.pdf</a>
<b>LINK 12</b>	<a href="http://www.legalservices.gov.uk/contract/letter_to_immigration_suppliers_feb03.pdf">http://www.legalservices.gov.uk/contract/letter_to_immigration_suppliers_feb03.pdf</a>
<b>LINK 13</b>	<a href="http://www.legalservices.gov.uk/contract/bid_round_briefing.pdf">http://www.legalservices.gov.uk/contract/bid_round_briefing.pdf</a>
<b>LINK 14</b>	<a href="http://www.legalservices.gov.uk/qmark/qm_leaflet.pdf">http://www.legalservices.gov.uk/qmark/qm_leaflet.pdf</a> <i>Supplier Development Group</i>
<b>LINK 15</b>	<a href="http://www.legalservices.gov.uk/fains/index.htm">http://www.legalservices.gov.uk/fains/index.htm</a> <i>Family Law &amp; Mediation Team</i>
<b>LINK 16</b>	<a href="http://www.legalservices.gov.uk/partners/index.htm">http://www.legalservices.gov.uk/partners/index.htm</a> <i>CLS Policy Unit</i>
<b>LINK 17</b>	<a href="http://www.legalservices.gov.uk/contract/guidance_on_audits.pdf">http://www.legalservices.gov.uk/contract/guidance_on_audits.pdf</a>
<b>LINK 18</b>	<a href="http://www.legalservices.gov.uk/guid/scu.htm">http://www.legalservices.gov.uk/guid/scu.htm</a>
<b>LINK 19</b>	<a href="http://www.lcd.gov.uk/consult/leg-aid/cdserv.htm">http://www.lcd.gov.uk/consult/leg-aid/cdserv.htm</a>
<b>LINK 20</b>	<a href="http://www.legalservices.gov.uk/cds/vhcc.htm">http://www.legalservices.gov.uk/cds/vhcc.htm</a>
<b>LINK 21</b>	<a href="http://www.legalservices.gov.uk/pds/intro.htm">http://www.legalservices.gov.uk/pds/intro.htm</a>
<b>LINK 22</b>	<a href="http://www.legalservices.gov.uk/about_us/annual_report/lsc_annual_report_2001-02.pdf">http://www.legalservices.gov.uk/about_us/annual_report/lsc_annual_report_2001-02.pdf</a>







