

Equalities Annual Report

PREFACE

Joint statement by Philip Ely OBE, Chair and Clare Dodgson, Chief Executive of the Legal Services Commission

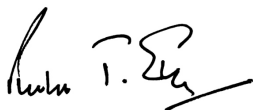
This is the Commission's first equalities annual report and it provides us with an opportunity to share the results of our work in this vital area since the publication of our *Equality Scheme* in May 2002.

We recognise that the purpose of the legislation is far more challenging than simply to report and publish. Indeed, we are more concerned with what the Commission plans to do to improve equality: what outcomes we aim to achieve and how. The *Report* provides the baseline data and the context within which we will propose an action plan in the new year.

We are dedicated to equality of opportunity both as an employer and in the provision of services. We oppose all forms of discrimination and are committed to the principle that no job applicant or employee shall face discrimination. We will not tolerate any practices that result in the provision of a lower standard of service to any group or individual because of unfair or unlawful discrimination.

Here at the Commission we believe it is important to have high-level commitment and responsibility for promoting equality. One Commissioner, Yvonne Mosquito, has special oversight for the area. With the strong support of senior executives and a staff Equality Group, we have been able to carry out a full and objective assessment of our functions and progress across the organisation.

The Community Legal Service and the Criminal Defence Service are key components of the Government's plans to modernise justice by improving access. Our equalities work is important because our aim to deliver services fairly in a diverse society helps us deliver our core purpose: to 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.



Philip Ely OBE, Chair



Clare Dodgson, Chief Executive

January 2004

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INTRODUCTION

About the Commission

The Legal Services Commission is an executive non-departmental public body reporting to the Department for Constitutional Affairs. It is our statutory responsibility to fund legal and advice services in England and Wales. We do this through the Community Legal Service (CLS) – which funds civil legal and advice services – and the Criminal Defence Service (CDS), through which we fund advice and representation for those under investigation or charged with a criminal offence. We also have a role to identify where there is unmet need for civil legal and advice services, and to develop suppliers and innovative services to meet the priority needs that we identify. In 2002/03 we received funding of £1.9bn¹ with which we funded over 2.5m acts of assistance.

We employ over 1,500 permanent staff working in twelve offices across England, one in Wales, and a London head office. We also employ staff to deliver CDS services in eight Public Defender Service (PDS) offices, as part of a pilot project. We spent £73.4m on administration costs in 2002/03.

The Commission's equality duties

The Commission has duties under the Race Relations Act 1976 as amended by the Race Relations (Amendment) Act 2000 to eliminate unlawful racial discrimination and to promote equality of opportunity and good relations between persons of different racial groups. We have specific duties to publish a race equality scheme and to have arrangements in place to monitor and assess the impact of our policies on different racial groups.

The Commission published its *Equality Scheme* in May 2002. We chose to include disability and gender within the scope of the scheme, as well as race. In the *Equality Scheme* we identified and prioritised the Commission's key functions (relating to service provision and employment), and included commitments in respect of impact assessments, consultations, monitoring, access to information, training and complaints.

Our first equalities annual report, covering the period 1 April 2002 to 31 March 2003 publishes the results of our impact assessments and monitoring. All reporting complies with the relevant legislation regarding data protection.

¹ Until 31 March 2003 the Court Service administered payment for the majority of criminal legal aid work in the Crown Court and higher courts, but on 1 April 2003 the Commission took on accountability for this work. To give a complete picture of publicly funded legal services the figure of £1.9bn includes this expenditure.

Summary of progress

Key public service functions

- Throughout 2002/03 the Commission monitored the ethnicity of clients in receipt of civil legal help and civil representation. Where client ethnicity was known, a very high proportion of clients assisted were of black and minority ethnic origin (BME): 35.6% in respect of civil legal help, and 20.3% for civil representation. We also monitored the ethnicity, gender and disability of clients of the PDS.
- The Legal Services Research Centre has conducted research on the legal needs of ethnic minority communities and equal opportunities of BME suppliers (solicitors and Not for Profit organisations).
- Staff have been trained in how to carry out an equalities impact assessment of a proposed policy and guidance is provided in the *Equality Scheme*.
- Holders of the Quality Mark and any organisation awarded a grant are required to have equal opportunities policies and comply with equality legislation: we audit suppliers on this requirement.
- The LSC's Partnership Initiative Budget (PIB) is targeted at projects designed to respond to local needs with innovative services that do not fit current funding mechanisms. A variety of projects targeted at improving services for BME clients have received grant funding through the PIB.

Employment duty

- Systems have been put in place to monitor the ethnicity, gender and disability of staff on a range of bases, including: staff applications, reward and recognition; staff trained; staff raising grievance complaints and staff subject to disciplinary proceedings.
- As at 31 March 2003, 10.4% of all Commission staff, including staff of the PDS, were BME. This compares favourably with the 2001 census figures, which put the BME population in England and Wales at 9.5%. In respect of gender, 60.1% of staff were female and 39.9% were male. 2.3% of staff considered themselves as having a disability.

Work of the Commission's equalities group

The equalities group is an executive staff group set up to help develop and implement strategies aimed at ensuring our ongoing compliance with anti-discrimination legislation. The group's role extends to oversight of the Commission's responsibilities in conducting its functions both as an employer and a public body.

The group consists of staff from central departments and regional offices with experience in key business streams. It generally meets on a monthly basis to discuss issues relating to integrating equalities considerations into the Commission's work. In addition to the main areas of work outlined in this report, the key contributions made by the group and issues discussed in 2002/03 included the following:

- **Training tender:** As part of the Commission's duty to provide training on equality and diversity issues, a tender exercise was carried out to identify a suitable contractor to undertake a staff training programme. The group contributed to the tender document and the non-executive Commission was involved in the tender process.
- **Accessibility issues:** The group considered several issues relating to accessibility. It helped draw up a paper on meeting accessibility requirements for disabled job applicants and attendees to meetings and produced an accessibility checklist for external meeting venues. The group is also overseeing work around compliance with the Disability Discrimination Act 1995 in respect of all the Commission's buildings.
- **Corporate Plan:** The group ensured that equalities issues were reflected in the Commission's Corporate Plan 2003/04 - 2005/06.
- **Monitoring discrimination complaints:** The group advised the Customer Services team on a complaints classification system, with a separate category for discrimination, in order that these complaints could be more closely monitored with a view to corrective action.
- **Consultation papers:** The group contributed to the drafting of the Commission's responses to equalities related consultation papers from various Government departments.

PART 1: Key Public Service Functions

- 1.1 The Commission's functions are wide-ranging and are prescribed by legislation (the Legal Aid Act 1988 and the Access to Justice Act 1999). We considered the full range of our public functions and the policies that underpin them and assessed their relevance to the general duty under the Race Relations Act 1976. The *Equality Scheme* sets out the results of our assessment and the commitments we made to monitoring the impact of our functions in relation to race, gender and disability. We report below on the results of the monitoring conducted in 2002/03.

Profile of clients funded by the Community Legal Service

We will review and report on relative success rates of individual applications for case funding

Equality Scheme, May 2002

- 1.2 The Commission provides publicly funded civil legal and advice services to the public through the Community Legal Service (CLS). Solicitors' offices and Not for Profit (NfP) organisations undertaking civil legal aid do so under contract with the Commission (the General Civil Contract). The contract specifies the categories of law that the suppliers are authorised to undertake.
- 1.3 The General Civil Contract operates under two heads: Controlled Work and Licensed Work. Controlled Work is referred to in this section as 'legal help'. The Controlled Work contract for solicitors outlines the number of cases that a supplier is authorised to start ('matter starts') in the financial year. The contract for NfP suppliers is based on an allocated number of hours of an adviser's time. Solicitors and NfP suppliers are authorised to decide whether a client's case should have funding; decisions about whether to take on a client's case are made by the supplier and are not referred on a case by case basis to the Commission.
- 1.4 Licensed Work covers all other civil representation, except for high cost cases which are managed on an individual contract basis. Licensed Work contracts do not limit the number of cases a supplier is authorised to start, rather an application for funding is made to the Commission in each case and a decision to approve funding is made according to the financial eligibility of the client and the merits of the case. The Commission's regional office will either grant or refuse the application.

- 1.5 Throughout 2002/03 the Commission monitored the ethnicity of clients in receipt of both legal help and civil representation. The Commission adopted the ethnic classification used by the 2001 census. In this section, we report principally on the basis of black and minority ethnic origin ('BME') and 'white' ethnic origin. However, in some places we report in further detail, either by the six main census 2001 categories² or their sub-categories.³
- 1.6 Further work is needed to improve our corporate information system before it will be possible to monitor the disabled status and gender of clients. We are taking steps to resolve these issues but owing to the extent of the adjustments required, it is not likely that we will be in a position to report on the disabled status and gender of clients before 2005/06.
- 1.7 For both legal help and civil representation there was a proportion of clients for whom information on ethnicity had not been provided. For legal help the proportion of clients whose ethnicity was 'not known' was 2.4% (21,097). For civil representation the figure was much higher, at 60.4% (124,605).
- 1.8 The Commission is aware that a combination of the data not being submitted by suppliers, and the fact that submitted data has not been consistently entered onto our corporate information system explains the high proportion of 'not known'. We will work to improve the data collection and input, so that over time we build up a more accurate picture of the ethnicity of applicants for civil representation.
- 1.9 Tables 1,2,3 and 4 which follow show the breakdown of ethnicity of clients on the basis of the 'known' proportion only. The 'not known' element has been removed for the purpose of meaningful analysis.
- 1.10 The Commission does not hold data on the ethnicity of the population financially eligible for legal aid. However, the 2001 census put the BME population in England and Wales at 9.5%. The figures show that compared with the overall population a significantly high proportion of clients assisted at both the legal help and civil representation levels were BME (35.6% and 20.3% respectively).

² The six main categories are: 'Asian', 'black', 'Chinese', 'mixed', 'other' and 'white'.

³ The sub-categories are: 'Asian British Indian', 'Asian British Pakistani', 'Asian British Bangladeshi', 'Asian British other'; 'black British Caribbean', 'black British African', 'black British other'; 'mixed white and black Caribbean', 'mixed white and black African', 'mixed white and Asian', 'mixed other'; 'white British', 'white Irish', 'white other'.

TABLE 1: Legal help matters completed in 2002/03 by ethnicity of client

Categories held in contracts	White %	BME %	Total numbers
Actions against the police etc	73.6	26.4	4,872
Clinical negligence	88.9	11.1	4,310
Community care	56.9	43.1	2,409
Consumer	82.6	17.4	8,539
Debt	88.7	11.4	55,333
Education	74.5	25.5	3,518
Employment	80.2	19.8	11,956
Family	89.8	10.2	302,902
Housing	70.0	30.0	85,713
Immigration – Asylum	9.1	91.0	184,924
Immigration – Non asylum	8.5	91.5	32,680
Mental health	75.2	24.8	27,938
Personal injury	82.4	17.6	7,721
Public law	73.4	26.6	1,449
Welfare benefits	76.0	24.0	82,325
Miscellaneous	89.7	10.3	23,729
TOTAL	64.4	35.6	840,318

- 1.11 Table 1 shows the legal help matters completed by ethnicity of client. A particularly high number of BME clients were helped in the following categories of law: community care, education, immigration and asylum and social welfare law. There was a relatively low number of BME clients in the clinical negligence, debt and family categories.
- 1.12 In breaking down the BME group beyond the six main 2001 census categories to the individual sub-categories, the following patterns were identified:
- black British Caribbean: higher in the categories of mental health and actions against the police etc
 - black British African: higher in community care
 - Asian British Indian: higher in consumer
 - Asian British Pakistani: higher in welfare benefits and personal injury
 - Asian British Bangladeshi: higher in housing and welfare benefits
 - Chinese: higher in mental health and community care
- 1.13 The Commission plans to undertake further work to analyse the data according to region, with a view to identifying patterns of need for particular communities. This will assist us in informing our decisions about the way we commit our funds through contracts with suppliers.

- 1.14 The Commission monitors applications for civil representation on the basis of the ethnicity of the applicant, the decision type, the category of law and the region of the Commission that took the decision. The number of applications granted in 2002/03, as set out in the tables below, may include decisions on applications received from the previous year. A number of decisions on applications received in 2002/03 would not be made until the following financial year.
- 1.15 The total number of applications for civil representation in 2002/03 was 206,267. The ethnicity of applicants was not known in 124,605 instances.

TABLE 2: Number of applicants for civil representation by ethnicity

Ethnicity	Total number of applicants	%
White	65,094	79.7
BME	16,568	20.3
TOTAL	81,662	100

TABLE 3: Number of applications received by category of law and by ethnicity

Categories held in contracts	White %	BME %	Total
Actions against the police etc	68.1	31.9	687
Clinical negligence	89.7	10.3	3,534
Community care	57.2	42.8	194
Consumer	73.9	26.1	705
Debt	73.6	26.4	428
Education	62.7	37.3	434
Employment	49.5	50.5	91
Family	85.8	14.2	63,002
Housing	49.5	50.5	8,113
Immigration & nationality	14.8	85.2	1,860
Mental health	77.8	22.2	81
Personal injury	58.0	42.0	603
Public law	68.2	31.7	454
Welfare benefits	41.4	58.6	58
Miscellaneous	78.3	21.7	1,418
TOTAL	79.7	20.3	81,662

- 1.16 Table 3 suggests that there was a higher number of applications from BME clients in immigration, welfare benefits, housing and employment. The data suggests there was a lower number of applications from BME clients in the clinical negligence and family categories.

TABLE 4: Relative success of applicants for civil representation by ethnicity

Ethnicity	Grant	Decision		Total
		Part grant ⁽¹⁾	Refuse ⁽²⁾	
White	90.0%	3.3%	6.8%	65,094
BME	90.9%	1.9%	7.2%	18,822

Notes

- (1) Part grant – this is when the solicitor is awarded a lower level of representation than is applied for eg the solicitor applied for Full Representation but was only granted authority to provide the client General Family Help. Part granting does not affect whether or not the client pays a contribution, only the amount of work that the Commission determines it is appropriate for the solicitor to undertake.
- (2) Applicants are entitled to appeal the Commission’s decision to refuse to grant civil representation. The figures give the data in respect of the Commission’s initial decision. If an applicant appeals their details are held on a separate part of the Commission’s corporate information system, where details are also held concerning whether or not the appeal was successful. Currently, it is not possible to provide a breakdown of the relative success rates of applicants who appeal the Commission’s decision to refuse civil representation.

1.17 We plan to undertake further analysis by region of the success rate of applications according to ethnicity and according to contract category alongside the work we need to do to improve data collection and input. In future this should assist us in informing our decisions about the way we commit our funds through contracts with suppliers.

National surveys of civil legal needs

We will conduct and publish national surveys of civil legal needs
Equality Scheme, May 2002

- 1.18 The first Legal Services Research Centre’s (LSRC) national periodic survey of justiciable problems, conducted between July and October 2001, constituted the baseline survey in a long-term project to provide a broad empirical base for civil justice policy development. It was designed to establish the nature, pattern and impact of people’s experience of justiciable problems across England and Wales, and detail the use and success of strategies for resolving problems.
- 1.19 The full findings of the first survey are to be published in February 2004.⁴ They include findings relating to the legal needs of respondents who were black or members of a minority ethnic group and who reported having a long-term illness or were disabled and who reported experiencing a discrimination problem within the previous three and a half years (the catchment period for the survey).

⁴ Pascoe Pleasence, Alexy Buck, Nigel Balmer, Aoife O’Grady, Hazel Genn and Marisol Smith, *Causes of Action: Civil Law and Social Justice* (TSO: London).

Award and management of contracts and management of the Quality Mark

*We will monitor and report on the organisations which have been awarded LSC contracts and Quality Marks and changes to these
Equality Scheme, May 2002*

- 1.20 All civil legal aid, which we fund through the Community Legal Service, is delivered through contracts with quality assured suppliers. There are separate contracts for solicitors and NfP suppliers, all of which are required to be holders of the Commission's Quality Mark and are subject to auditing by the Commission.
- 1.21 The LSRC has been responsible for monitoring the impact of our contracting programme on the ethnic and gender profile of suppliers. The LSRC has conducted equal opportunities research for the Commission since 2000 and has published a report each year on the profile of the supplier base. The reports are available on the LSRC website at <http://www.lsrc.org.uk>.
- 1.22 Between August 1999 and April 2000, the LSRC carried out a survey of legal aid solicitors. All firms invited to apply for a contract were asked to complete a form detailing the number of fee-earners working in their firm, the gender and ethnicity of those fee-earners and the categories of law in which the firm was applying for a contract. In January 2001 the LSRC published the results of this research in its *Report on the Findings of the Equal Opportunity Survey 2000*.
- 1.23 Based on a recommendation following the first report, the LSRC conducted research into the contracting process. The research consisted of three main strands: a survey of firms' experiences of the contracting and auditing process; a quantitative analysis of the Commission's contracting data and a qualitative study of the auditing process. In March 2002 the LSRC published its findings in its *Equal Opportunities Report 2002*.
- 1.24 During 2002 the LSRC conducted a second monitoring exercise of solicitors' firms and, for the first time, conducted a survey of Quality Mark advice providers many of whom were NfP suppliers. The LSRC published the results in the *3rd Annual Equal Opportunities Report*, August 2003.
- 1.25 The LSRC has undertaken to continue to monitor contracts with solicitors' firms during 2003/04. It will expand its research to include solicitors with contracts under the Criminal Defence Service and the collection of information on age and disability profiles of all solicitors' firms.

Equality impact assessments

We will publish a description and explanation of the policies we plan to introduce, and a brief summary of the results of our assessment of the likely effects of the policy as part of our consultation process

Equality Scheme, May 2002

- 1.26 Equality impact assessments are an important tool for ensuring that equal opportunities principles, strategies and practices are an integral part of the everyday work of the Commission. They are important for avoiding the adoption of policies that replicate discrimination and exacerbate inequality. In accordance with the specific duties introduced by the Race Relations (Amendment) Act 2000, the Commission undertook in its *Equality Scheme* to require that an equality impact assessment be carried out in respect of all new policies and proposed changes to existing policies that came into effect from May 2002 and that were required to go to external consultation under the Commission's *Code of Practice on Written Consultation*.
- 1.27 Equality impact assessments consider the impact on diverse groups, whether based on gender, race or disability. Guidance on how to carry out an equality impact assessment was included in the *Equality Scheme*, Annex C. In April and December 2002, the Commission ran workshops for policy staff on how to carry out an equality impact assessment.

Key impact assessments carried out during 2002/03

- 1.28 The requirement to carry out an equality impact assessment came into force mid-way through the reporting year. During the reporting period, equality impact assessments were carried out in the following consultations, which are available on the Commission's website at <http://www.legalservices.gov.uk>.

Consultation on the new NfP General Civil Contract from 1 April 2003

- 1.29 The Commission consulted on a new version of the General Civil Contract for NfP organisations. The main proposals were the introduction of a contract compliance process and time standards for NfP organisations for the first time and also a revised funding formula to calculate their payments. The new changes were assessed as likely to have a neutral impact on the promotion of equal opportunities across the supplier base. The new contracts were put in place on 1 April 2003.

Consultation on the amendments to the General Civil Contract (Solicitors) from 1 April 2003

1.30 In December 2002 the Commission issued a consultation paper proposing amendments to the General Civil Contract. We wished to amend the terms concerned with a breach of contract and make it easier for the Commission to recover money from suppliers that were found to have been significantly over-claiming. The latter amendments would only affect firms that were given a category 3 rating⁵. When the consultation was conducted the Commission was concerned that a higher percentage of immigration suppliers in London had been classified as category 3 relative to other categories of work. Since the percentage of BME suppliers practising in immigration was higher than in other categories, we provisionally assessed that the amendments might have a negative impact on BME suppliers relative to the supplier base as a whole, although not relative to other immigration suppliers. However, we also assessed that any improvement in the quality of immigration services would have a positive impact on BME clients. The policies were put into place on 1 April 2003. Since then the proportion of immigration suppliers in category 3 has reduced and by July 2003 was found to be in line with national averages. The Commission will continue to monitor the impact of the policies on the supplier base.

Consultation on amendment to rule 5.1 and section 12 in the Specification (Controlled Legal Representation)

1.31 In July 2002 the Commission consulted on draft amendments to the General Civil Contract concerning immigration work. We proposed an amendment to rule 5.1 in the Specification (Controlled Legal Representation) in order to clarify the guidance given on the application of the merits test for controlled legal representation in relation to asylum cases. We assessed that the proposed changes were likely to have a neutral impact, concluding that the removal of public funding from appeals with poor prospects of success was unlikely to affect the ultimate outcome of asylum applications. The policy change was intended to target public funding more effectively on cases with a reasonable prospect of success. The Commission also proposed a revision to the time standards contained in section 12 of the Specification to reflect procedural changes that had taken place since the first version was published. Again this change was assessed as likely to have a neutral impact.

Other impact assessments undertaken

1.32 Several of the consultations carried out were concerned with new policies and policy changes whose aims were specifically to identify and fill gaps in the provision of legal services to disadvantaged groups.

⁵ Category 3 is the lowest audit rating awarded following a cost compliance audit.

Consultation for the Casework Standard for Women

1.33 The Commission identified a need for a casework standard for women which would help organisations working specifically with women to achieve certification for the General Help with Casework level of the Quality Mark in the advice to women category. The new casework standard was assessed as likely to have a positive impact on legal services for disadvantaged women and the organisations providing those services, which themselves were likely to be controlled or staffed by women.

Partnership Initiative Budget (PIB) Second Round

1.34 Consultation was carried out on proposals for a second round of bids for expenditure from the PIB. The PIB was established as a source for funding initiatives that would have a direct impact on individuals' access to advice and information in priority areas of law. It was proposed that the second round should concentrate on providing services to excluded groups who had difficulty in accessing advice by developing links between community groups and legal advice providers. It was assessed that the second round would have a positive impact on the provision of services for BME groups, women and disabled people. We report on our monitoring of the first round of the PIB from paragraph 1.44.

Developing Legal Aid Solicitors

1.35 The Commission carried out an external consultation, in the paper *Developing Legal Aid Solicitors*, on its proposal to create a scheme to award grants to individuals wishing to enter the legal profession to enable them to take up places on Legal Practice Courses and training contracts with solicitors' firms carrying out a certain proportion of legal aid work. In devising the scheme, the Commission took account of research⁶ that showed that BME candidates and those from less privileged social class backgrounds gain entry to the solicitors' profession at a very low rate, which cannot be explained by the standard of their qualifications. Further, it was found that BME candidates were less likely to gain entry to City or major provincial practices, yet they were significantly more likely to find training contracts with high street practices where they suffered a disadvantage in terms of pay. Since the bulk of legal aid is provided by high street practices the Commission provisionally assessed that the scheme was likely to have a positive impact on those from ethnic minorities and less privileged backgrounds. The scheme was launched and the first grants provided in the autumn of 2002. We report on the first year of monitoring of this policy from paragraph 1.49.

⁶ Shiner, M. (2000) "Young Gifted and Blocked! Entry to the Solicitors' Profession", in Thomas, P. (ed.) *Discriminating Lawyers* (London: Cavendish Publishing).

Civil General Contract Consultation Paper on Regional Prioritisation and Bidding Rules

Background

1.36 In May 2002 the Commission announced the approach it would take to the future of civil contracting after the three-year General Civil Contract came to an end on 31 March 2003. We intended to extend contracts for one year only from 1 April 2003 and then to issue contracts on a rolling one-year basis thereafter. In order to minimise disruption to existing suppliers we did not intend to hold a national bid round for contracts in April 2003 or subsequent years. New contractors could be let in as and where the need arose. We undertook to publish the reports of the Regional Legal Services Committees (RLSCs), which would recommend priorities for letting contracts, followed by contracting strategies developed by the regions for allocating contracts in April 2003.

Consultation

1.37 In June 2002, in the context of its May 2002 announcement, the Commission consulted on the proposals for setting regional priorities through the production of RLSCs' reports and Regional Directors' contracting strategies effective from 1 April 2003, and the proposals for updated bid rules for the award of the General Civil Contract (Solicitors and NfPs) for Controlled Work. The impact of each set of proposals was assessed as likely to be positive overall.

1.38 Many respondents expressed their concerns that the plan not to hold a bid round would potentially stifle competition and did not go far enough to enable new entrants, many of whom might be BME firms, into the market. Furthermore, the general view was that three-year contracts were important to suppliers' future stability and business planning.

Commission's response – bidding rules

1.39 The Commission was persuaded that there might be a potential effect on equalities, as we clearly wanted to ensure BME firms could participate on an equal footing. On the basis of the responses to the consultation we announced, in April 2003, our intention to issue contracts on a three-year basis and to hold a bid round during 2003 for contracts that would start on 1 April 2004. At the time of publication, decisions are being made on competitive bids; that is, bids in those areas where demand exceeds the number of contracts that we feel that it would be appropriate to award. We have assessed that the policy is likely to have a positive impact on equalities overall as it will allow new entrants to be considered on an equal footing to existing suppliers. The Commission decided to exclude category 3 firms confirmed as such on two occasions from eligibility for contracts from April 2004. This is justified in the context of our duties to secure quality service to clients and to obtain value for money. We will of course be keeping this policy under review and will assess its impact at the end of the bid round. We will publish information in due course.

Regional prioritisation

- 1.40 The Commission's understanding of local and regional needs and priorities in the provision of access to justice is essential in informing our decisions about the way we commit our funds through contracts with suppliers. During 2002/03 the RLSCs carried out work on the prioritisation and contract awards process. Each RLSC evaluated the strategic plans and needs assessments of Community Legal Service Partnerships (CLSPs) in their regions and made recommendations as to the priorities for regional contracting spend. Each published a regional report on the main priorities for new contracts and the Commission's regional offices prepared a contracting strategy in response, setting out how the priorities should be addressed. Even though this work was not required to go to external consultation, each regional report incorporated an equality impact assessment of its recommendations.
- 1.41 The Commission published a booklet, *Regional Prioritisation and Contract Awards: An Introduction*, to accompany the regional documentation to explain the process. We also published *Legal Services Commission Contracting Priorities and Strategies: An Overview* which summarised the top regional priorities for contracts and outlined our methods of delivery pilots and other development work. The *Overview* highlighted areas of strategic work for 2003/04.
- 1.42 All the RLSCs' reports concluded that their recommendations would have a positive impact on socially excluded groups. The following points of particular interest were highlighted:
- London: positive recommendations to improve specific access to legal services for BME communities, refugees and asylum seekers, children and young people, the elderly, disabled people, lesbians and gay men. The London RLSC's BME Working Group produced guidance for London CLSPs in developing local CLS strategies for BME communities
 - Eastern: recommendations on alternative methods of delivery and in the categories of community care and immigration would have a positive impact on access to legal services for BME groups, women and disabled people
 - North East: recommendations for improvement in the design and delivery of those services with a positive benefit for vulnerable social groups
 - North Western: recommendations with a positive impact on access to services for the elderly as well as BME groups, women and disabled people
 - South Eastern: the needs of the elderly, young people, BME groups and prisoners should be prioritised within local strategic plans

Conclusion

1.43 Significant progress has been made in this first year of formal equality impact assessments, in making equalities considerations an integral part of policy-making. The Commission will work to improve its procedures for carrying out assessments and considering and sharing the outcomes of assessments.

Award of grants to organisations

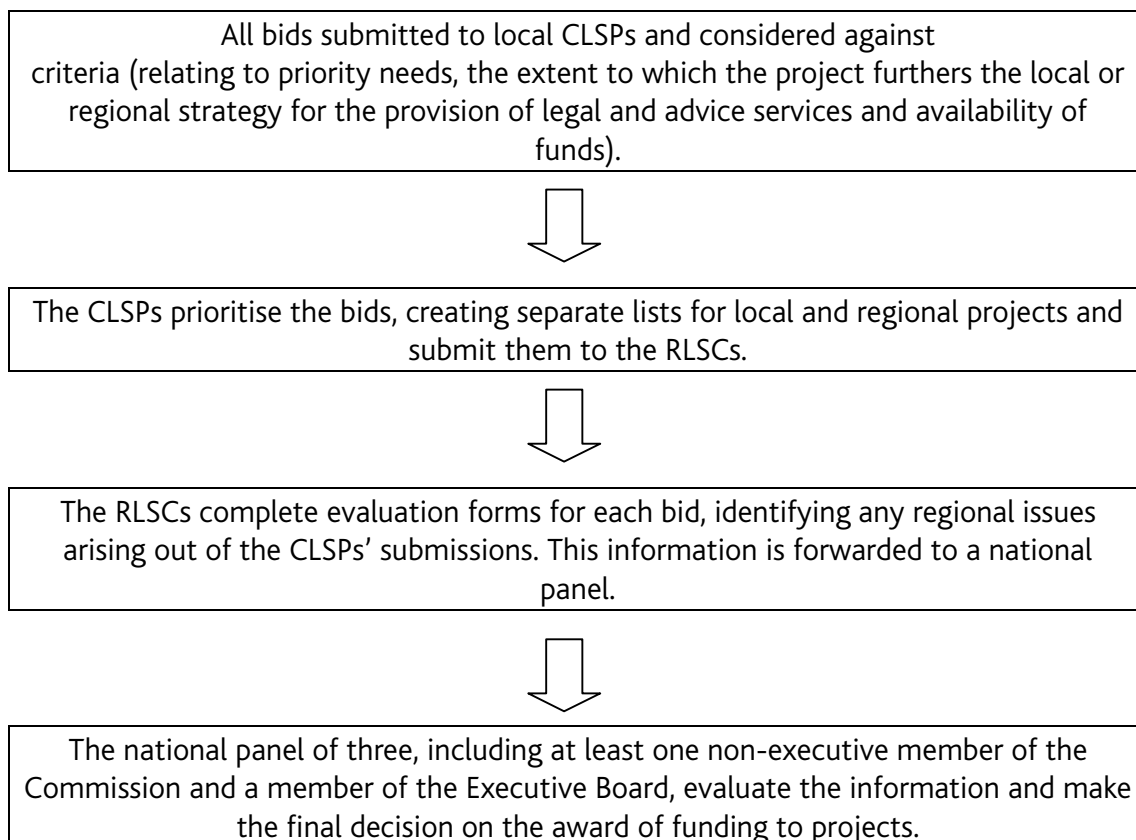
We will monitor and report on the organisations in receipt of grants and changes to these

Equality Scheme May 2002

Partnership Initiative Budget

1.44 Initial bids for the first round of the Partnership Initiative Budget (formerly the Partnership Innovation Budget) were invited in May 2001. The aim of the PIB is to provide flexible funding to support initiatives which will have a direct impact on individuals' access to advice and information in priority categories of law. The process for the award of funding was open and transparent, involving consideration by three separate panels:

First round PIB award process



- 1.45 In total, 73 projects received PIB funding in the first round, covering a wide range of services. Equal opportunities data have been collected for a number of organisations in receipt of funding. However, the quality and quantity of data collected were poor, making any meaningful quantitative analysis of the data difficult. As an alternative, we have adopted a qualitative approach to monitoring the equality impact of PIB funding, considering the target client groups of the projects funded.
- 1.46 The criterion that services must be provided by an existing provider of legal and advice service holding the Quality Mark, or that an organisation not holding the Quality Mark must show commitment and ability to obtain it, acts as a guarantee that all organisations involved in the projects have a full equal opportunities policy in place: this is a Quality Mark requirement.
- 1.47 Some of the key projects of the first round PIB, which aimed to improve advice and access to services for BME communities are detailed in Table 5 below.

TABLE 5: Selected first round PIB projects

Name of project (LSC region)	Project description	Progress
IT for Community Advocates Network Project (London)	Increase access to IT for BME advice centres. Support community advocacy centres by developing strategies for IT training and management and purchasing of kit.	Successfully completed
GP Surgery Welfare Benefits Pilot (South Eastern)	One year pilot to provide welfare rights advice to Asian women via GP surgery.	Successfully completed
Positive Advice Action Training (Wales)	Provides training for a BME caseworker to become accredited.	Trainee in post
Advocacy workers (Wales)	To employ four advocates to work with BME women to identify and tackle barriers to accessing legal advice and information services.	Good initial links formed with BME communities and organisations. Progress delayed owing to recruitment problems but the project is now on course.
The Leo Schultz Project (Yorkshire & Humberside)	Outreach advice and information service targeted at asylum seekers and refugees.	Initial staffing problems overcome. Clients from a wide range of BME backgrounds now seen on an outreach basis. Volunteers programme and joint work with solicitors now underway.
Health Advice Benefits Initiative (Merseyside)	Work with primary health care staff to deliver welfare benefits advice to BME groups and those aged over 75.	Positive results achieved

- 1.48 Bid proposals for the second round of the PIB projects were invited in October 2002. A similar process to that undertaken in the first round was followed. We continue to monitor those projects specifically related to equalities and aimed at improving access to services for minority groups.

Award of Legal Practice Course grants and training contracts

- 1.49 In 2002 the Commission began a new scheme of awarding training grants to solicitors' firms. The scheme was developed in response to growing concerns about a shortage of Legal Practice Course (LPC) students choosing a career in legal aid work. Under the proposals the Commission provided grants to meet the tuition fees of students on the LPC and grants to support the provision of training contracts for successful LPC students.
- 1.50 A consultation paper, *Developing Legal Aid Solicitors*, was published in June 2002 (see paragraph 1.35). The Commission has monitored the impact of the scheme and has undertaken to make any adjustments necessary to ensure that all successful organisations provide equal opportunities in their employment practices.
- 1.51 The first stage of the project was the allocation of grants to the Commission's regions, based on a centrally developed model. The regional offices were then asked to set priorities for the award of grants, either focused on categories of law or geographical areas, and to invite expressions of interest from suppliers for the grants based on these priorities. To receive grants firms were also required to meet national criteria. In the first round, this included deriving at least 50% of income from legal aid work and complying with Specialist Quality Mark (SQM) requirements; compliance with the SQM ensures that firms have in place an equal opportunities policy.
- 1.52 We made 188 grants under the scheme. From the data returned, we know that 58 LPC and 130 training contract grants were awarded. We hold data on 98 firms involved: 89.8% were white and 10.2% were BME. A higher proportion of BME firms were awarded grants under the scheme than BME firms generally contracted to the Commission (9.5%).
- 1.53 Those organisations successfully awarded grants were responsible for the advertising and selection process for allocating the grants. However, the Commission monitored the individual candidates who received LPC or training contract funding: 133 of 188 recipients returned equal opportunity forms. Of those who returned forms, 30.8% were male and 69.2% were female. 70.7% of recipients were white and 29.3% were BME. Of those recipients returning data, 3.0% considered themselves disabled. A further breakdown of the figures according to the type of grant awarded can be found in Tables 6 and 7.

TABLE 6: Recipients of grants according to type of funding received by ethnicity

	White %	BME %	Not stated %	Total
Training contract	50.8	18.5	30.8	130
LPC	50.0	24.1	25.9	58
Total	50.5	20.2	29.3	188

TABLE 7: Recipients of grants according to type of grant received by gender

	Female %	Male %	Not stated %	Total
Training contract	49.2	20.0	30.8	130
LPC	50.0	24.1	25.9	58
Total	47.2	21.0	31.8	188

- 1.54 On 12 August 2003 we announced our intention to award a further 100 grants to help fund the training of new legal aid solicitors. Fifteen of the grants will be ring-fenced to NfP organisations. The criteria for the second round of grants will be the same as for the first round, except that firms no longer have to demonstrate that they derive at least 50% of their income from legal aid work. This reflects the fact that many firms are mixed practices and the requirement was found to have excluded many legal aid suppliers. The Commission will continue to ensure that those organisations awarded grants operate robust equal opportunities policies and will continue to monitor those candidates funded by the grants and the organisations in receipt of them.

Selection of duty solicitors

We will monitor the approval of duty solicitors and their allocation to local duty schemes to ensure equality of opportunity for all applicants
Equality Scheme, May 2002

- 1.55 The Commission operates duty solicitor schemes for both police stations and magistrates' courts. The schemes ensure that clients who do not have, or cannot contact, their own solicitor have access to Criminal Defence Service advice. Duty solicitors and police station representatives are required to be accredited to join the Commission's schemes. The Law Society licenses the Criminal Litigation Accreditation Scheme for duty solicitors and the Police Station Representatives Accreditation Scheme, which are administered by independent assessment organisations.
- 1.56 The Commission allocates duty solicitors to local duty solicitor schemes on the basis of the geographical location of the applicant's office. This ensures that the time and cost for a client who wishes to continue to instruct a duty solicitor is minimised.

- 1.57 We believe that it is appropriate to carry out equalities monitoring at the accreditation stage rather than at the point of allocation to a panel, since accreditation is a prerequisite of participation in the duty solicitor schemes. We are working closely with The Law Society and the assessment organisations to implement an equalities monitoring system for the accreditation schemes. In conjunction with The Law Society, we are in the process of devising an appropriate monitoring form for candidates on the schemes and it is expected that a monitoring procedure will be in place by the start of 2004/05.

Direct provision of legal information

We will monitor and report on requests for provision of information in other languages and formats and outcomes of these requests
Equality Scheme, May 2002

- 1.58 We produce 24 public information leaflets covering key civil legal issues. We also produce nine leaflets about the Commission and the funding we provide. Nine of the public information leaflets we produce are available in Welsh, Braille and audio format but this will be extended to cover all 24 in 2004. In addition, the leaflet on asylum is available in six other languages (Albanian, Arabic, Farsi, French, Turkish and Urdu). All requests for the provision of the leaflets in other languages and formats are recorded on a central database. A breakdown of this information is provided in Table 8.

TABLE 8: Requests for leaflets in alternative formats April 2001 – July 2003

Language/format	Number of requests	Language/format	Number of requests
Albanian	194	Mandarin	34
Arabic	238	Pakistani	12
Audio	25	Polish	58
Bangladeshi	33	Portuguese	93
Bengali	419	Punjabi	645
Braille	11	Pushtu	38
Cantonese	66	Romanian	5
Chinese	188	Russian	75
Czech	34	Serbo-Croat	37
Dari	36	Somali	282
Farsi	141	Spanish	320
French	242	Sylheti	22
German	4	Swahili	26
Greek	82	Tamil	104
Gujerati	346	Thai	6
Hindi	370	Turkish	268
Iranian	6	Urdu	982
Iraqi	46	Vietnamese	103
Italian	84	Welsh	145
Kosovan	64	Yiddish	23
Kurdish	113	Miscellaneous	31
Total requests for alternative formats			6,051

- 1.59 The customer service leaflet was the most requested in other languages (893 requests in the period). 26.2% of those requests were for the leaflet to be provided in Urdu, 15.7% of requests for Punjabi, 6.5% for Hindi, 5.5% for Spanish and 5.4% of requests for a Bengali translation. The other most requested leaflets in alternative languages and formats were 'claiming asylum', 'welfare benefits', 'immigration and nationality' and 'equal opportunities: dealing with discrimination'.
- 1.60 In October 2002 we commissioned research into the usefulness and accessibility of our information leaflets to those from minority ethnic communities. The research recommended that each leaflet include a summary section, diagrams be used to demonstrate a chain of events or required actions, and tables be used to present complicated legal issues in a simplified format. It was also suggested that summaries of leaflets may be produced in alternative languages.
- 1.61 Further research into the provision of the leaflets in other languages on our Just Ask! website is also being undertaken.
- 1.62 We will use the outcome of this research to inform our future plans for producing information for the public in other languages and formats.

PART 2: Workforce Monitoring

We will monitor and report on relative success rates of individuals to recruitment, promotion, pay awards, performance ratings, access to training and secondments, and requests for special assistance. We will also report on outcomes of disciplinary proceedings, grievances and exit interviews
Equality Scheme, May 2002

Introduction

- 2.1 The Commission monitors the ethnic origin of staff in accordance with its duty to promote good race relations under the Race Relations Act 1976 s 71 and commitments made under the Commission's *Equality Scheme*. The Commission also monitors staff's gender and disability status under additional commitments set out in the *Equality Scheme*.⁷
- 2.2 The statistics on workforce monitoring provide the baseline data from which the Commission will assess the effectiveness of its equalities policies over time. We report the results of our workforce monitoring here for the first time, for the period 1 April 2002 to 31 March 2003. Statistics for non-executive Commission members and external appointees to Regional Legal Services Committees are reported from paragraph 2.40.
- 2.3 The Commission has adopted the ethnic classification used by the 2001 census, but given the small numbers of staff falling into sub-categories, and the need to maintain anonymity, we report on one of two bases: (1) the six main 2001 census categories ('Asian', 'black', 'Chinese', 'mixed', 'other', 'white') or (2) black and minority ethnic origin ('BME') and 'white' ethnic origin. Applicants for posts and staff have been invited to provide equal opportunities data on a voluntary basis. Where information on ethnicity has not been provided we report it as 'not known'.
- 2.4 The Commission operates from its head office in London - which houses the central departments (CD) including finance, operations, human resources and IT - and 10 regional offices in England, and an office in Wales, as follows:
- East Midlands (EM); Eastern (E); London (L); Merseyside (M); North East (NE); North Western (NW); South Eastern (SE); South Western (SW); Wales (W); West Midlands (WM) and Yorkshire & Humberside (YH). The Commission also operates a processing office in Chester (Ch) and eight Public Defender Services (PDS) offices.

⁷ The Commission also monitors staff on the basis of age and religion, whether they have caring responsibilities, by length of service, grade and employment status.

- 2.5 For the purposes of this report we have simplified our staff structure of 10 levels into four groups⁸ in order of seniority:
- Group A covers our most senior members of staff, including executive board members, director positions, regional directors and heads of central departments
 - Group B includes contract managers, regional planning and partnership managers and consultants, account managers and similar positions
 - Group C includes regional and planning partnership executives and support officers, operations supervisors, senior caseworkers and similar positions
 - Group D covers caseworkers and administration staff
- 2.6 Overall, during 2002/03, 2.7% of staff were employed at levels that fell within Group A; 21.2% within Group B; 41.3% within Group C and 34.9% within Group D.

Staff in post

- 2.7 For the purposes of equal opportunities monitoring, the Commission employed 1,687 staff as at 31 March 2003.⁹ 10.4%¹⁰ (175) of all Commission staff were BME and 86.5% (1,459) were white. Table 9 shows the percentages of staff by the six main 2001 census categories. 60.5% (1,020) of all Commission staff were female, 39.6% (667) were male and 2.3% (39) of staff considered themselves disabled.

TABLE 9: Ethnicity of staff in post

	Asian	Black	Chinese	Mixed	Other	White	Not known
Staff %	3.4	4.7	0.3	1.5	0.5	86.5	3.1

⁸ We have not included in the four groups a very small number of staff employed on a technical scale.

⁹ This is a snapshot of staff for whom we held equal opportunities data as at 31 March 2003. This figure includes PDS staff and employees on temporary contracts but does not include those on agency contracts and a small proportion of staff recruited towards the year-end for whom equal opportunities data had not been returned and processed.

¹⁰ Percentages have been rounded up and so may not total 100%.

Staff in post: Ethnicity

TABLE 10: Ethnicity of staff by level

	BME %	White %	Not known %
A	2.3	97.7	0.0
B	7.3	89.0	3.8
C	8.5	88.7	2.8
D	15.5	82.2	2.3

2.8 Across the Commission as a whole, most staff were employed at levels that fell within Group C. However, Table 10 shows that the highest percentage of BME staff (15.5%) were employed at levels within Group D.

TABLE 11: Ethnicity of staff by office

	All staff %	BME %	White %	Not known %
All LSC ¹¹	100	10.5	86.7	2.8
CD	26.8	15.4	78.6	6.0
Ch	3.5	0.0	98.2	1.8
E	4.9	1.3	98.8	0.0
EM	7.2	6.8	92.3	0.9
L	12.1	25.5	71.9	2.6
M	4.4	1.4	97.2	1.4
NE	6.2	2.0	98.0	0.0
NW	6.2	5.0	93.0	2.0
SE	7.1	7.0	92.2	0.9
SW	5.9	3.1	89.6	7.3
W	4.3	4.3	95.7	0.0
WM	5.7	18.3	80.7	1.1
YH	5.9	7.3	93.7	0.0

2.9 Table 11 shows that the highest percentages of BME staff were located in the West Midlands office and in the London offices (London regional office and central departments).

2.10 Further analysis of data according to level has shown that in most offices a higher percentage of BME staff were employed at levels within Group D, as is seen for the Commission overall (see Table 10). In the South Eastern and Wales offices and the central departments a higher percentage of BME staff were employed at levels within Group C.

¹¹ Table 11 excludes PDS staff, who are reported separately at Part 3.

Staff in post: Gender

TABLE 12: Gender of staff by grade

	Female %	Male %
A	20.5	79.5
B	51.5	48.6
C	58.1	41.9
D	71.3	28.8

2.11 Table 12 shows that across the Commission as a whole the highest percentage of female staff were employed at levels falling within Group D (71.3%) and the lowest within Group A (20.5%).

TABLE 13: Gender of staff by office

	Female %	Male %
All LSC ¹²	60.1	39.9
CD	54.3	45.8
Ch	71.4	30.4
E	56.3	43.8
EM	63.3	35.0
L	54.1	45.9
M	66.7	33.3
NE	59.0	41.0
NW	63.0	37.0
SE	68.7	30.4
SW	64.6	35.3
W	62.9	37.1
WM	64.5	30.1
YH	66.3	33.7

2.12 Table 13 shows that 60.1% (977) of staff working for the Commission as a whole were female and 39.9% (648) were male. A similar ratio of female to male staff was found across most offices, with the exception of Chester, which had a much higher percentage of women (71.4%).

¹² Table 13 excludes PDS staff, who are reported separately at Part 3.

2.13 Further analysis of data according to level has shown that, for staff at levels falling within Group A, the percentages of female and male staff were similar across the individual offices to those for the Commission as a whole (see Table 12). The percentages of staff at levels falling within Group B in individual offices were also broadly similar to those for the Commission as a whole with the exception of the North Western office, where there were almost twice as many female as male staff, and the North East office and central departments, where there were almost three times as many female staff as male staff. The percentages of staff at levels falling within Group C in individual offices were again broadly similar to those for the Commission as a whole, with the exception of the Eastern and London offices, where male staff outnumbered female staff, and the Merseyside office, where there was an even split of female staff and male staff.

Staff in post: Disability

TABLE 14: Percentage of staff with a disability

	Regional offices %	Central departments %	All LSC (inc PDS) %
A	0.0	0.0	0.0
B	0.2	1.2	0.4
C	0.7	1.2	0.8
D	1.3	0.0	0.9
Total	2.3	2.3	2.3

2.14 Table 14 shows that 2.3% of staff across the Commission as a whole considered themselves as having a disability for the purposes of the Disability Discrimination Act 1995. On further analysis the proportions of disabled staff were similar across all offices.

Recruitment, promotion and retention of staff

2.15 During 2002/03, the Commission had procedures in place to monitor all applicants for a number of key posts but we need to establish procedures to monitor applicants for all posts. The Commission's recruitment procedures make use of CVs as opposed to application forms. These are cost and time efficient and more in line with our understanding of the expectations of the labour market which we are targeting. Since we are aware that using CVs makes it more difficult to collect equal opportunities data and that as part of our employment monitoring duty we need to obtain this information, we are considering a range of options to improve data collection; for example, the use of online applications that encourage the submission of an equal opportunities form with a CV.

2.16 During 2002/03, the Commission made a total of 171 appointments, 94 of which were external and 77 of which were internal: see Tables 15 and 16.

TABLE 15: External candidates appointed

	BME %	White %	Not Known %	Female %	Male %	Disabled %
Regional Offices	15.6	71.9	12.5	53.1	46.9	3.1
Central Departments	18.4	71.1	10.5	36.8	63.2	0.0
All LSC (inc PDS)	13.8	70.2	16.0	52.1	47.9	1.1

TABLE 16: Internal candidates appointed

	BME %	White %	Not Known %	Female %	Male %	Disabled %
Regional Offices	4.4	91.3	4.4	67.4	32.6	0.0
Central Departments	3.3	96.7	0.0	56.7	43.3	0.0
All LSC (inc PDS)	3.9	92.2	3.9	62.3	37.7	0.0

2.17 During 2002/03, a total of 319 staff left employment with the Commission. Table 17 provides the percentages of staff who left the Commission by ethnicity, gender and disability status.

TABLE 17: Staff leaving the Commission

	BME %	White %	Not Known %	Female %	Male %	Disabled %
All reasons	6.3	52.7	41.1	59.9	40.1	1.3

2.18 The Commission monitored the ethnicity, gender and disability status of all staff who left the employment of the Commission against the following reasons for leaving: dismissal; resignation; end of contract; ill-health; retirement; not confirmed from probation; redundancy and unknown reason. The number of staff who left for a reason other than resignation is too small to report in detail: 78.1% of staff leaving did so by resigning from the Commission. Of those resigning 60.6% were female, 39.4% were male and 1.6% were disabled. 7.6% were BME, 60.2% were white and the ethnicity of 32.1% of staff resigning was 'not known'.

Staff training

- 2.19 Managers are provided with a training budget each year, based on head count within their department. This provides managers with flexibility and discretion to respond to individual training needs within the remit of departmental budgets.
- 2.20 During the period 2002/03, 1,347 of 1,687 employees received training. Statistics for staff training include all those employees who received training regardless of whether they subsequently left employment with the Commission.

TABLE 18: Staff trained by ethnicity

	BME %	White %	Not known %
Trained	7.3	76.5	16.3

TABLE 19: Staff trained by gender

	Female staff %	Male staff %
Trained	59.8	40.2

TABLE 20: Staff trained by disability status

	Disabled staff %	Non-disabled staff %
Trained	1.9	98.1

Reward and recognition of staff¹³

- 2.21 The Commission operates a system of performance related pay. At present the Commission has seven pay bands excluding the Senior Civil Service scales that apply to only a small group of the most senior staff. These pay bands replaced the Civil Service incremental scales that the Commission inherited. The salary bands are sub-divided into three zones¹⁴: zone 1, training and developing (roughly the bottom third of the scale); zone 2, fully effective (roughly the middle third of the scale); zone 3, a bar beyond which only those who achieve sustained superior ratings can progress (roughly the upper third of the scale). Starting salaries are based on an individual's qualifications, experience and current, or most recent, salary.

¹³ We have excluded the members of the Executive Board from the statistics under reward and recognition because they are not included in the mainstream pay award or bonus scheme. We report on remuneration for the Executive Board for the period under report in the Commission's Annual Report 2002/03, Note 3 to the Commission's Financial Statements.

¹⁴ The pay zone system in operation during the reporting period 2002/03 is currently under review. Therefore the data in relation to remuneration presented in this report may not offer a baseline from which comparison may be made with data in future years.

TABLE 21: Distribution across pay zones¹⁵

	All staff	All staff %
Zone 1	324	19.2
Zone 2	1,175	69.7
Zone 3	120	7.1
Other	68	4.0

- 2.22 Following a six-month probation period, or at the end of a training contract, staff agree personal targets and objectives for a personal development plan with line managers. Under that plan staff receive one or more appraisals each year, at which they receive a rating based on their performance against personal targets and objectives. Performance ratings range from 'outstanding', 'very good', 'effective', 'not fully effective' to 'unsatisfactory'.
- 2.23 For the period 1 April 2002 to 31 March 2003, 1,265 staff received appraisal ratings and 356 received no rating because, for example, staff on probation are not entitled to an annual pay award.

TABLE 22: Distribution across appraisal ratings¹⁶

	All staff	All staff %
Outstanding	106	6.5
Very Good	464	28.6
Effective	641	39.5
Not Fully Effective	38	2.3
Unsatisfactory	16	1.0
No rating	356	22.0

- 2.24 During 2002/03 most staff were given appraisal ratings of either 'effective' (39.5%) or 'very good' (28.6%) and the majority of staff were placed in pay zone 2: see Tables 21 and 22. Staff who qualified for an annual pay increase during 2002/03 received on average an increase of 3.3%.¹⁷ In addition, 389 staff received a non-consolidated one-off bonus.

¹⁵ Total = 1,687 staff (includes PDS staff)

¹⁶ Total = 1,621 staff (excludes PDS staff)

¹⁷ This is the consolidated pay increase i.e. the amount added to an employee's pensionable salary.

Reward and recognition: Ethnicity

2.25 There was no significant difference in the distribution of BME and white staff across pay zones. The majority of staff were positioned in pay zone 2, regardless of ethnicity: see Table 23. Similarly, the distribution of staff across appraisal ratings was similar for staff of different ethnic groups: see Table 24. The majority of BME staff were rated as 'effective' and the next largest BME group was rated 'very good'. However, a higher proportion of BME staff received 'no rating', than did white staff. This may be explained by the fact that those on probation are not allocated a rating and that a higher percentage of BME staff were on probation than the percentage of BME staff employed by the Commission overall (see Table 15 and paragraph 2.23).

TABLE 23: Distribution across pay zones by ethnicity

	BME %	White %	Not Known %
Zone 1	12.7	83.3	4.0
Zone 2	10.0	87.5	2.5
Zone 3	10.0	87.5	2.5
Other	5.9	82.4	11.8

TABLE 24: Distribution across appraisal ratings by ethnicity¹⁸

	BME %	White %	Not Known %
Outstanding	1.9	95.3	2.8
Very Good	5.6	90.5	3.9
Effective	9.5	87.7	2.8
Not Fully Effective	26.3	65.8	7.9
Unsatisfactory	6.3	87.5	6.3
No rating	11.8	65.2	23.0

2.26 BME staff received an average annual pay increase of 2.6% (£512.69), which was slightly less than an average of 3.3% (£726.81) received by all staff and 3.4% (£848.47) received by white staff.

TABLE 25: Annual pay increase by ethnicity

	BME	White	Not known
%	2.6	3.4	0.7
£	512.69	847.89	103.65

¹⁸ Table 24 includes PDS staff.

2.27 During 2002/3, 91.0% of staff who received a bonus payment were white and 5.9% were BME. White staff received on average a bonus payment of £633.64 and BME staff received on average a bonus payment of £435.52.

TABLE 26: Non-consolidated bonus awards by ethnicity

	BME	White	Not known
Number of staff	23	354	12
Staff receiving a bonus %	5.9	91.0	3.1
Average bonus £	435.52	633.64	1,092.92

2.28 The differences in pay increases and bonuses received by BME staff in comparison with white staff may be explained by the fact that the majority of BME staff were employed at levels within Group D: see Table 10. Further analysis will be undertaken to investigate the effect of level on pay increases and bonuses.

Reward and recognition: Gender

2.29 During 2002/03, for the purpose of distribution of staff across pay zones, there was a ratio of female to male staff of 1.5:1. The distribution of staff by gender to each pay zone was close to the ratio of 1.5:1.

2.30 During 2002/03, 995 female staff and 626 male staff received appraisals, so that the ratio of female to male staff was 1.6:1. Table 28 shows that the distribution of staff by gender to each rating was close to 1.6:1, with the exception of not fully effective, which had a ratio of 1.9:1 and unsatisfactory, which had a ratio of 1.2:1.

TABLE 27: Distribution across pay zones by gender

	Female %	Male %
All LSC staff	60.5	39.5
Zone 1	58.3	41.7
Zone 2	61.6	38.4
Zone 3	56.7	43.3
Other	57.4	42.7

TABLE 28: Distribution across appraisal ratings by gender

	Female %	Male %
All LSC staff	61.4	38.6
Outstanding	62.3	37.7
Very Good	59.9	40.1
Effective	62.4	37.6
Not Fully Effective	65.8	34.2
Unsatisfactory	56.3	43.8
No rating	61.0	39.0

2.31 Table 29 shows that the average pay increase was 3.3% (£637.80) for female staff and 3.3% (£869.48) for male staff. The difference in the average pay increase received by female and male staff may be explained by the fact that more female staff than male staff were employed at levels within Group D: see Table 12.

TABLE 29: Average consolidated pay increase by gender

	Female	Male
%	3.3	3.3
£	637.80	866.59

TABLE 30: Non-consolidated bonus awards by gender

	Female	Male
Number of staff	225	164
Total bonus fund awarded %	48.9	51.1
Average bonus £	537.92	770.77

2.32 During 2002/03, 57.4% of staff who received a bonus payment were female and 42.2% were male. Female staff received on average a bonus payment of £537.92 and male staff received on average a bonus payment of £770.77.

2.33 As for the average pay increase received, the difference in bonuses received by female staff in comparison with male staff may be explained by the fact that more female staff than male staff were employed at levels within Group D: see Table 12. Further analysis will be undertaken to investigate the effect of level on pay increases and bonuses.

Reward and recognition: Disability

2.34 During 2002/03, most disabled staff were rated either 'very good' or 'effective'. The distribution of disabled staff to each rating broadly reflected the overall percentage of disabled staff employed in the Commission (2.2%).

TABLE 31: Distribution across appraisal ratings by disability

	Disabled %	Non-disabled %
All LSC staff	2.2	97.8
Outstanding	1.9	98.1
Very Good	2.6	97.4
Effective	2.5	97.5
Not Fully Effective	2.6	97.3
Unsatisfactory	— ⁽¹⁾	0.0
No rating	0.8	99.2

Notes

(1) The percentage of disabled staff given an 'unsatisfactory' appraisal rating is too small to report.

TABLE 32: Distribution across pay zones by disability

	Disabled %	Non-disabled %
Zone 1	2.8	97.2
Zone 2	2.0	98.0
Zone 3	2.5	97.5
Other	4.4	95.6

TABLE 33: Average annual pay increase by disability

	Disabled	Non-disabled
%	3.5	3.3
£	717.23	725.82

TABLE 34: Bonus awards by disability

	Disabled	Non-disabled
Staff receiving a bonus %	1.5	98.5
Total bonus fund awarded %	1.3	98.7
Average bonus £	523.33	637.86

- 2.35 Slightly more disabled staff were positioned in pay zone 1 than the other pay zones. Although disabled staff received on average a higher percentage pay increase than non-disabled staff, they received a slightly smaller pay increase in monetary terms than non-disabled staff: see Table 33. Those disabled staff who received a bonus, received less than the average bonus received by all Commission staff: see Table 34. This may be explained by the fact that where staff are positioned in pay zone 1, managers are encouraged to award consolidated pay increases rather than non-consolidated bonuses in order to move individuals towards the middle of the pay band.

Grievance and disciplinary proceedings

- 2.36 During 2002/03, three grievance proceedings were commenced by staff, all of whom were white: one was male and two were female.
- 2.37 In 37 disciplinary cases brought against staff during the period, 31 employees were white, four were BME and the ethnicity of two was not known; 21 were female and 16 were male.
- 2.38 Staff appealed against the decisions of five disciplinary cases, all of whom were white; two were male and three were female.
- 2.39 No disabled staff were involved in either grievance or disciplinary proceedings.

Public appointments to the Legal Services Commission

Selection of Commission members

- 2.40 The Secretary of State for the Department for Constitutional Affairs, in his capacity as Lord Chancellor, appoints and sets the terms and conditions for non-executive members of the Commission following an open, competitive selection process carried out in accordance with guidance issued by the Office of the Commissioner for Public Appointments.
- 2.41 The composition of the Commission is monitored by Government for equal opportunities purposes but for completeness an analysis is included in this report. At 31 March 2003, there were nine non-executive Commission members and one executive Commission member.

TABLE 35: Legal Services Commission members 31 March 2003

	BME %	White %	Female %	Male %	Disabled %
Commission members	20.0	80.0	40.0	60.0	10.0

Members of Regional Legal Services Committees

2.42 The Commission's Regional Legal Services Committees (RLSCs) correspond to the Commission's boundaries in England and Wales and provide an independent element in the strategic planning process, assessing need for legal services in their regions. Each RLSC is made up of a number of external members and is chaired by a non-executive Commission member. The RLSCs provide an independent evaluation of whether the Community Legal Service and Community Legal Service Partnerships are developing appropriately within the region. The Committees also work to establish links with local and regional initiatives. Needs assessments undertaken by RLSCs inform the Commission's contracting process, influencing where contracts are let and for what type of service.

2.43 External members of the RLSCs are required to have knowledge and experience of the supply, funding or use of publicly funded legal services. They are appointed by the Chair of the Committee with the prior approval of the Chair of the Commission. As external appointees they are not employees of the Commission but are bound by the Terms and Conditions of External Appointments to the Legal Services Commission's Regional Legal Services Committees and follow the *Code of Best Practice for Legal Services Commission members*.

2.44 Table 36 provides statistics for the 57 RLSC members serving at 31 March 2003.

TABLE 36: Regional Legal Services Committee members 31 March 2003

	BME %	White %	Not Known %	Female %	Male %	Disabled %
RLSC members	10.5	82.5	7.0	38.6	61.4	17.5

2.45 In addition to the RLSCs, the Commission's corporate governance structure contains several other national level committees. We are currently collecting equal opportunities data for our remaining committees and will report further in 2003/04.

PART 3: The Public Defender Service

- 3.1 The Public Defender Service (PDS) was launched in 2001/02 in response to the Government White Paper *Modernising Justice*, which proposed that a proportion of services delivered under the Criminal Defence Service (CDS) should be provided by lawyers directly employed by the Commission. The first PDS offices opened in Liverpool, Middlesbrough and Swansea in May 2001 followed by Birmingham in July 2001 and Cheltenham in April 2002.
- 3.2 In order to establish access to the service in smaller towns, a decision was taken to use some of the major city offices as management centres for satellite branch offices. The first of these was in Pontypridd, a branch of the Swansea office, which opened in September 2002. Two further satellite branches were opened in Chester and Darlington in February 2003, which are managed by the offices in Liverpool and Middlesbrough respectively.

Provision of Criminal Defence Services by the Public Defender Service

We will monitor and report on the profile of clients accessing these services
Equality Scheme, May 2002

- 3.3 During 2002/03 the PDS handled a total of 2,831 cases compared to a total of 1,547,044 cases dealt with under the whole of the CDS.

TABLE 37: Public Defender Service client base by ethnicity

Office ⁽¹⁾	Number of cases 2002/03	White %	BME %	Not known %
Birmingham	475	59.4	39.2	1.4
Cheltenham	425	91.5	3.3	5.2
Liverpool	545	81.3	13.9	4.8
Middlesbrough	547	62.9	5.7	31.4
Pontypridd ⁽²⁾	188	94.2	1.1	4.3
Swansea	613	91.2	4.9	3.9

Notes:

(1) Owing to the fact that the Chester and Darlington offices opened towards the end of 2002/03 and handled only a small number of cases in that period we have not included data for these offices here.

(2) The Pontypridd office was open for only part of 2002/03.

- 3.4 The amount of data recorded as 'not known' in the Middlesbrough office was particularly high and we intend to improve this during 2003/04. However, disclosure of personal information relating to equal opportunities remains voluntary.

TABLE 38: Public Defender Service client base by gender

Office ⁽¹⁾	Number of cases ⁽²⁾	Female %	Male %	Not recorded %
Birmingham	264	18.9	71.2	9.8
Cheltenham	244	16.4	66.8	16.8
Liverpool	270	11.9	72.2	15.9
Middlesbrough	301	15.3	77.7	7.0
Pontypridd ⁽³⁾	183	21.3	62.3	16.4
Swansea	321	22.1	64.5	13.4

Notes:

(1) See note 1 to Table 37.

(2) Data on gender was only captured for the period 1 October 2002 to 31 March 2003 owing to a fault in the PDS IT system.

(3) See note 2 to Table 37.

TABLE 39: Public Defender Service client base by disability

Office ⁽¹⁾	Number of cases in 2002/03	Disabled ⁽²⁾ %	Not recorded/ known %
Birmingham	475	2.3	8.2
Cheltenham	425	3.3	5.4
Liverpool	545	6.4	6.6
Middlesbrough	547	2.4	36.2
Pontypridd ⁽³⁾	188	6.4	0.0
Swansea	613	2.9	3.6

Notes:

(1) See note 1 to Table 37.

(2) In 2002/03 clients were asked whether they were 'able bodied', 'unregistered disabled' or 'registered disabled'. For the purposes of this report, we have assumed that data recorded under the categories 'unregistered disabled' and 'registered disabled' are 'disabled' and will amend the equal opportunities monitoring form used by the PDS to include the category 'disabled', as applied by the Commission elsewhere.

(3) See note 2 to Table 37.

3.5 Again, the amount of information not known or recorded by the Middlesbrough office is particularly high; we aim to improve this in 2003/04.

3.6 The 2002/03 data will be used as a benchmark for future analysis of PDS clients.

Public Defender Service workforce monitoring

- 3.7 On 31 March 2003, a total of 62 staff were employed in the PDS. Since the numbers employed in individual PDS offices are very small, ranging between two and twelve, statistics published here show the 'staff in post' profile of the PDS as a whole. Statistics for PDS employees' training, promotion, reward and recognition, grievances and dismissals are included in the overall figures for all Commission staff within Part 2.
- 3.8 On 31 March 2003, 6.5% of staff were BME and 80.7% were white. The ethnicity of 12.9% of staff was 'not known'. 61.3% of PDS staff were female, 38.7% were male and 1.6% were disabled.

TABLE 40: Staff appointed to the Public Defender Service

	BME %	White %	Not Known %	Female %	Male %	Disabled %
PDS staff	3.9	61.5	34.6	69.2	30.8	0.0

TABLE 41: Staff leaving the Public Defender Service

	BME %	White %	Not Known %	Female %	Male %
PDS staff	0.0	75.0	25.0	50.0	50.0

- 3.9 During 2002/03, 26 staff joined the PDS, 3.9% were BME and 61.5% were white. The ethnicity of 34.6% of new employees was 'not known'. 69.2% of new starters were female, 30.8% were male and none were disabled. In the year, 12 employees left the employment of the PDS: six were male and six were female. None were disabled.

legal services

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