

## The LSC Unified Contract

### Q & A

**Q.1 Why is the Commission replacing its General Contracts with the Unified Contract?**

**A.1** General Contracts operate on an office-by-office basis. The Commission wishes to take a “whole organisation” approach to contract management.

The Unified Contract will facilitate firms of solicitors and not-for-profit agencies operating on the same contract terms.

The Unified Contract will facilitate the introduction of the Commission’s Preferred Supplier programme, enabling a “lighter touch” approach to auditing, a more partner-like relationship with service providers and simplifying documents and procedures.

General Civil Contracts will have been in force for over seven years and were due for updating.

The Unified Contract will facilitate the implementation of the recommendations in Lord Carter’s report “Legal Aid – a market-based approach to reform” (published July 2006) [www.legalaidprocurementreview.gov.uk](http://www.legalaidprocurementreview.gov.uk) and the proposals in the Commission’s consultation paper “Legal Aid: a sustainable future” (published July 2006) [www.legalservices.gov.uk](http://www.legalservices.gov.uk).

**Q.2 Why has the Commission published a contract - that facilitates the implementation of the proposals in its consultation paper, and the Carter recommendations - before it has considered the consultation responses? Has the Commission closed its mind?**

**A.2** The Commission has not closed its mind. It is very interested in the responses to its consultation. It is important to emphasise two things. First, the Commission would have wanted to introduce a more modern contract when the General Civil Contracts expired, anyway. Second, the published draft

contract will be amended to reflect the outcome of consultations. It makes sense to begin discussions on the terms of the Unified Contract now to allow service providers to become familiar with it and to enable it – in its final form, after consultation – to be implemented on 1 April 2007, when the General Civil Contracts expire.

**Q.3 What is happening to the General Criminal Contract? Hasn't it been extended to 31 March 2008?**

**A.3** The General Criminal Contract will be extended to 31 March 2008, subject to possible amendments to the Contract Standard Terms after consultation. The proposed amendments are few and (on the same basis as proposed for the Unified Contract) will facilitate the implementation of the recommendations in Lord Carter's report. They also introduce the 5% Assessment Reduction KPI and the Preferred Supplier Independent Peer Review Rating. From 1 April 2008, the Unified Contract will also cover crime.

**Q.4 What about the General Civil Contract (Not for Profit)?**

**A.4** The General Civil Contract (NfP) also expires on 31 March 2007 and will be replaced by the Unified Contract. Because the basis of payment under the Unified Contract will be different, the Commission is consulting the Advice Services Alliance on possible transitional provisions.

**Q.5 The SQM isn't part of the Unified Contract. What is happening to it?**

**A.5** Although it will cease to be a formal contract document, the Commission will maintain the SQM for three main purposes:

- We will continue to use and apply it, as now, for non-Preferred Suppliers
- We will use it as a standard by which to assess new providers' management systems and procedures
- It will be a best practice guide for Preferred Suppliers

**Q.6 Why does the Commission want an “open book” relationship with service providers (clauses 2.13 – 2.15 Unified Contract Standard Terms) and how would this work?**

**A.6** The Commission sees this as an important element of the new relationship it wishes to establish with service providers. However, in practice, financial information is likely to be required only if there is a need to establish a service provider’s financial position to allay concerns that clients and public monies might be at risk.

**Q.7 Why is the Commission requiring service providers to have a case management system that meets its requirements (clause 3.3 Unified Contract Standard Terms) and won’t this be expensive?**

**A.7** The requirement - which will not apply from day one, but after the Commission has given reasonable notice – will enable the Commission to exchange information with service providers electronically, saving costs all round. The Commission will not be requiring expensive functionality, but expects to be looking for no more data and system requirements than are normally found in any case management system acquired in the past few years.

**Q.8 The Unified Contract has new Key Performance Indicators (KPIs) (clause 4.6 and Annex G Unified Contract Standard Terms). How will they be used?**

**A.8** The General Contracts allow the Commission to introduce performance indicators and an Independent Peer Review performance indicator is already in force. The new civil KPIs (40% success rate, 5% assessment reduction and 20% fixed fee margin) and the new crime KPI (5% assessment reduction to be applied to the General Criminal Contract) are, for the time being, solely for monitoring purposes and failure to meet them will not be treated as a contract breach. The Preferred Supplier KPI (Independent Peer Review rating of 2) will be a requirement to qualify as a Preferred Supplier.

**Q.9 Why does the Unified Contract allow the Commission to specify (clause 5.8 Unified Contract Standard Terms) numbers of Licensed Work (certificated) cases and minimum numbers of Controlled Work matters?**

**A.9** The Commission wishes to be able to be sure that service providers will deliver services to clients where it has identified need. This is not consistent with service providers being able to choose whether or not to provide contracted services.

The Commission has no plans to introduce volume requirements for Licensed Work from 1 April 2007 and will consult further before introducing any such requirements. However, it makes sense to have the facility available from the start of the contract, to avoid future amendments, should this be implemented.

**Q.10 Why doesn't the Unified Contract confine amendments to the Specification to April and October (clause 7 Unified Contract Standard Terms) like the General Contracts?**

**A.10** The strict April and October "windows" have been a problem in practice. The Commission wishes to consult on a more flexible arrangement but would, nevertheless, be alive to service providers' wish to confine amendments to specified "windows" wherever possible.

**Q.11 The Unified Contract makes some changes to the Licensed Work payment on account (POA) provisions (clauses 9.4, 8.17 and 8.20 Unified Contract Standard Terms and Specification paragraph 6.17). What are these?**

**A.11** First, there will be a specified maximum POA limit - to enable the Commission better to monitor payments to service providers. Second, the £250 initial payment on the issue of a certificate will be abolished but, to compensate, eligibility for the first POA has been brought forward from six months to three months after the issue of a certificate – to simplify procedures. Third, POA become repayable on the third anniversary of a certificate – but the Commission will not require repayment if the service provider makes out good reason e.g. because the case is continuing – to secure better control in longer-running cases.

**Q.12 Why does the Unified Contract allow the Commission to terminate the contract on three-months notice (clause 19.2 Unified Contract Standard Terms)?**

**A.12** This allows the Commission to terminate only when it is necessary or desirable to do so to facilitate a reform of the legal aid scheme and will enable competitive tendering, as described in Lord Carter's report to take place. Three-months is the current notice period for General Criminal Contracts in London, introduced to enable competitive tendering to take place.

**Q.13 Why are the appeal procedures – for reviews of proposed sanctions etc – different (clause 22 Unified Contract Standard Terms)?**

**A.13** The process is simpler but the Unified Contract still includes provision for a review of decisions and for a hearing before the CRB in appropriate cases. The changes do not represent any change of approach by the Commission, which will continue to take care and to act fairly when making such decisions. However, some service providers were using the procedures to avoid a decision being made. The provision preventing sanctions from taking effect, unless there was a risk to the fund, has been removed as this also encouraged delay.

**Q.14 The civil Specification looks very different. Have there been significant changes?**

**A.14** The Specification has been rationalised and is now much shorter (though the category-specific sections have yet to be added). The aim is to make it simpler and easier to use. Some new provisions, to cover fixed fees, have been added.

**Q.15 How is the Commission consulting on the Unified Contract?**

**A.15** The Unified Contract includes the policy proposals that the Commission set out in its paper "Legal Aid: a sustainable future", which have been subject to consultation since July 2006. It also includes some other amendments – but these are of the kind that have been introduced, from time to time since the

Commission first began contracting with service providers for the provision of legal services, to reflect the Commission's experience of the day-to-day management of contracts.

The Commission is consulting key representative bodies including The Law Society, ASA and LAPG and others, with consultation set to conclude on 21 November 2006. Any changes, following consultation on Lord Carter's report, on the Commission's consultation paper or on the Unified Contract will be reflected in the final documentation.

The Commission has published the Unified Contract on its website [www.legalservices.gov.uk](http://www.legalservices.gov.uk). The Commission welcomes views on the contract (and details of how to respond are set out with the contract). However, Members of a representative body will be able to respond more effectively by sending their views to their representative body, which will be able to respond on behalf of the membership.

**31 October 2006**