

**Check against delivery**

## **LSC Chair Sir Bill Callaghan**

### **Legal Aid Practitioners Group annual conference – 7 October 2011**

Thank you for inviting me to speak to you today.

When I addressed this event last year I spoke clearly about the need for good relationships. I made an appeal that all players in the legal aid market should make common cause to tackle the very significant changes that lay ahead.

By common cause I meant goodwill and a shared understanding that whatever the difficulties there was much we could achieve through:

- open and honest dialogue
- respect for our differences
- focusing on the clients

And I was very pleased to hear influential voices working in legal aid making their own calls for communication, engagement and the sharing of ideas.

For example, Nicola Mackintosh from the Legal Aid Practitioners Group argued strongly for 'Big Tent' discussions to build dialogue and understanding.

After some initial scepticism about whether we would be 'camping' or 'glamping', there were a number of meetings involving ourselves and groups such as the LAPG, The Law Society, Advice Services Alliance and the Association of Lawyers for Children. As some of the meetings were at Freshfields, I think we were definitely in 'glamping' territory.

But the idea of the 'Big Tent' conjures up a strong image. We inevitably have to think about:

1. **what** is encouraging us to step towards the entrance
2. **what** do we expect to find inside
3. **what** do we want to achieve

Firstly, the fact is that taking those first steps towards the entrance shows that we all accept the need for dialogue.

Secondly, we know that there are no magic wand answers when the talking begins. But we do understand that if we don't step inside we are marginalised.

Thirdly, I think we all want to feel that we are achieving the most constructive solutions available to us in a very difficult climate.

So, although I remain as anxious as anyone about the future I'm very happy that over the past 12 months there has been such a significant improvement in relations between the LSC and stakeholder groups. And I pay particular tribute to the contribution made by Lucy Scott-Moncrieff.

At the end of the day, it is inevitable that there should be tensions between legal aid practitioners and the LSC.

After all, we're commissioning and procuring work, administering payments and making checks on the validity of those payments. Some may consider our administrative budget to be large. However, it is smaller than in the past and stands at approximately £107 million for the current financial year. We're working to tighter limits and under detailed scrutiny, with an expectation that we will reduce our current spend by 23% over the next three years. We are already realising some of the savings related to our plans to become an Executive Agency, for example through

rationalisation of our estates with the Ministry of Justice, saving the Commission and the Ministry around £2m per annum.

Our performance is important to the taxpayer, to Government and to all of you here today.

We know that we are all doing difficult work in difficult times. There have been cuts in fees and Legal Aid Reform means changes to the scope of legal aid in areas such as family law. There are also changes to eligibility rules.

These reforms are rightly and properly the domain of Government.

Our priority as an administrator of legal aid is to ensure that people who qualify for legal aid can continue to get quality legal advice and representation when they need it.

And by regularly meeting and discussing key issues such as Legal Aid Reform and our approach to commissioning we can find the space to deal with the tensions that exist. We can also find constructive answers to take us forwards.

For example, we've considered the lessons from the difficulties with the family tender last year and recently ran a much simpler process for new family contracts starting in February 2012.

Before even before starting the consultation process we involved rep bodies and discussed our proposed approach. This pre-consultation process proved very constructive. We made changes as a result. And the consultation document reflected the very helpful input of practitioners.

Over the summer months senior executives from the LSC have met with more than 1,000 legal aid practitioners at events across England and Wales. We've provided updates on a wide range of issue including Legal Aid Reform, our payment systems and the importance of sticking to the terms of our contracts.

Feedback about the value of these events has been very positive with requests that we undertake them at least every six months. We've committed to do this and the next round will be in early 2012.

So much discussion over the past year has been about price. But we also need to make sure quality remains a cornerstone.

In addition, we are driving forward improvements to our financial checks and controls as we continue to tackle issues identified by the National Audit Office and the Public Accounts Committee. We are confident that 'our' and 'your' work will show significant improvements when our accounts are published in the next few weeks.

And we're also doing everything we can to ensure that legal aid applications and bill payments are turned around as quickly as possible. When backlogs occur we are working with rep bodies to tackle the problems. We have targeted our resources towards payments and away from auditing over the past couple of months and we are starting to see improvements. We hope for more.

We're also introducing more online working to grant legal aid and pay bills. We have a pilot lined up to test the new ways of working in 2012. This will take place in South Tyneside.

So, we have key programmes to deliver and you will be aware that the LSC's chief executive Carolyn Downs will be leaving us in the near future to take up a new position at the Local Government Association.

Carolyn is a fine administrator and extremely skilled at building relationships. Discussions are taking place to find the best possible replacement and ensure that all our programmes continue without any disruption. In the meantime, Carolyn is doing all she can to help ensure a smooth transition.

Looking at the big picture we all know that the endgame for the LSC will be its transformation into an executive agency. The target date is October 2012, subject to the parliamentary timetable.

But until that happens, the LSC retains considerable powers as a non-departmental public body under the Access to Justice Act.

Yes, our focus is on administration and not policy. But I also know that ministers recognise our current status imposes certain duties upon the LSC. For example, I felt compelled to write to the Justice Secretary Ken Clarke earlier this year highlighting my fears about potential operational problems that could result from the scope and speed of the legal aid reform process.

I have already made clear it is not my job to question the policy decisions of ministers. That would not be appropriate.

But I do believe that anyone looking pragmatically at the legal aid market recognises the need for a stable and viable provider base. So, as chairman, if I think that problems in the administration of legal aid could result from specific decisions then I do believe it is my duty to draw attention to them.

In the overall scheme of things whether delivery of legal aid is overseen by a commission or ministers is not the most important issue.

But knowing that we can shine the searchlight of justice on unjust acts is what keeps me and LSC staff motivated – that is important.

The most notable case to hit the headlines recently was that of Baha Mousa, whose death after being arrested in Basra by British troops was the subject of a public inquiry. That inquiry could not have happened if the LSC had not funded a judicial review.

I hope that our new director of legal aid casework will be able to draw on the support of colleagues within the new agency in making these difficult and controversial decisions. He or she will also need to draw on support from the bodies such as the Special Cases Review Panel.

So, we live in interesting and challenging times.

Colleagues, we will have differences of view. It would be foolish to think that all our interests can be automatically aligned.

But that only makes stronger the case for an open and honest dialogue. Robust, yes but respectful too.

Thank you.