



Ministry
of Justice

The Rt Hon Sir Alan Beith
Chair, Justice Committee
House of Commons
London
SW1A 0AA

**The Right Honourable
Chris Grayling MP**
Lord Chancellor and
Secretary of State for Justice
102 Petty France
London
SW1H 9AJ

T 020 3334 3555
F 020 3334 3669
E general.queries@justice.gsi.gov.uk
www.justice.gov.uk

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TRANSFORMING LEGAL AID

In advance of the Committee hearing on Wednesday, I want to set out my current thinking on my proposals for introducing competitive tendering for criminal legal aid.

My twin objectives in proposing the reforms set out in *Transforming Legal Aid: Delivering a more credible and efficient system* were to reduce the cost of legal aid in the context of the financial pressures we face while also ensuring a sustainable market, that delivers comprehensive coverage, a quality service and improved value for money.

My officials are currently analysing responses to the consultation document to inform the Government's response. As I have consistently made clear, this is a genuine consultation and I have been listening and continue to listen to the views of the professions and others. I have made clear throughout that I am open to alternative proposals that meet the same core objectives, including delivering the same level of savings.

One specific point in the consultation which has attracted significant response is the proposal to remove client choice in the model for competition for criminal litigation. The rationale for proposing this change was to give greater certainty of case volume for providers, making it easier and more predictable for them to organise their businesses to provide the most cost-effective service to the taxpayer – it is not a policy objective in its own right. However, I have heard clearly from the Law Society and other respondents that they regard client choice as fundamental to the effective delivery of criminal legal aid. I am therefore looking again at this issue, and expect to make changes to allow a choice of solicitor for clients receiving criminal legal aid.

I met the President of the Law Society again last week for another constructive discussion, and I have agreed to explore further the proposals they have put forward to consolidate the market in stages, using quality and capacity criteria to achieve this. We were both clear that any future scheme for criminal legal aid must guarantee quality legal advice and representation is available, without giving rise to advice

deserts. We agreed that in order to meet the challenges of the future, a managed market consolidation is necessary, ensuring services are sustainable. It is only through sharing back-office costs, developing new ways of working, and driving economies of scale – in the same way that all businesses and public sector organisations have had to do over the past few years - that legal aid providers can sustainably provide a cost-effective quality service both for their clients and the taxpayer. The terms of the Ministry's spending settlement means that all parts of the budget need to deliver savings.

I have asked my officials to work closely with colleagues at the Law Society to explore their proposals, in the context of our wider consideration of all the other responses we have received.

My ministerial team and I continue to listen to the views of the professions and other respondents. I am grateful to the all those who have engaged constructively in the consultation process. In light of last week's Spending Review no-one should doubt the need for my department to reduce its expenditure on criminal legal aid as outlined in the consultation document. I am determined to do this in a way that maintains a sustainable legal aid system, with quality at its heart.

I have written to you separately with regard the Ministry of Justice Spending Round 2013 Settlement in which I refer to the proposals to reform legal aid and the estimated savings from such reform.

I look forward to discussing the proposals with the Committee.

CHRIS GRAYLING