

Review of Civil Legal Aid

Summary Report

2025

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Any enquiries regarding this publication should be sent to us at rocla@justice.gov.uk

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Executive Summary

Background and the Review of Civil Legal Aid

The ability of individuals to resolve their legal issues is vital for a just society. People need to be able to avail themselves of the justice system to assert their legal rights. In England and Wales, the civil legal aid system plays an important role in ensuring access to publicly funded legal advice, family mediation and civil representation in a court or tribunal. The Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO) sets out the matters in scope of civil legal aid and the eligibility criteria, and seeks to ensure that legal aid is available to those most in need. The Review of Civil Legal Aid (RoCLA) was launched in January 2023 to understand how the system is functioning and investigate indications the civil legal aid system was experiencing challenges.

The Review's aim was to identify evidence-based options which will improve the sustainability of civil legal aid provision, ensuring it delivers access to justice over the long term. To gather this evidence RoCLA was comprised of four main analytical workstreams: the Economic Analysis; Comparative Analysis; User Journey Social Research; and Data Publications. A Call for Evidence gathered additional input from the sector in addition to a programme of stakeholder engagement.

Whilst several workstream reports have been published containing more detailed analysis of individual findings, this report synthesises key findings from across the totality of RoCLA's evidence base, in addition to including supplementary evidence where beneficial. Findings are grouped into a selection of themes which offer a holistic review of the system.

Accessibility of civil legal aid services

RoCLA gathered evidence on the accessibility of the civil legal aid system, seeking to understand the experience of individuals (or "users") as they access and interact with the system.

User profiles and barriers faced by vulnerable groups

Whilst there is no one type of individual who may use civil legal aid, users of the system can often be vulnerable individuals. Vulnerability can be experienced because of personal circumstances or societal barriers, in addition to being experienced as a transient, or more long-term condition. Common barriers faced by vulnerable individuals include: poor literacy and comprehension; limited digital access and skills; language barriers; special educational needs and disabilities (SEND) and physical disabilities; facing or recovering from traumatic circumstances; and chaotic or insecure living conditions.

Delays that occur within the legal aid system can disproportionally impact the vulnerable, especially those who have experienced traumatic events, or those with mental health problems. Users and providers reported delays stemming from time spent gathering proof of eligibility, getting funding in place, difficulties with provider capacity, time spent dealing with third parties (e.g. Department for Work and Pensions, local authorities or healthcare professionals), and poor or slow provider-client working relationships.

Linked to this are reports of increasingly complex user needs. More complex needs can make cases harder to handle, which may lead to more frustrated users and place strain on their relationships with providers.

Lack of awareness and capability

Individuals are often unaware that their problems are legal in nature, or that there is a potential legal solution. Legal aid providers considered existing legal knowledge among their prospective or current clients to be low. This included the existence of civil legal aid, civil legal aid processes and the justice system more generally. Evidence suggests that levels of legal capability in the general population tend to be low.

Misconceptions can lead users to believe that they are ineligible for legal aid, or that it is not available for their issue, which can delay resolution of their legal issues. Some users spend time and money on other types of legal advice before applying for legal aid. Poor awareness and understanding about scope and eligibility criteria, evidence requirements, potential timelines for progressing cases, and realistic outcomes mean that providers must manage expectations and support users.

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High levels of demand

RoCLA's Provider Survey spotlights reported levels of high demand for legal aid services, with 80% of participants stating demand for their civil legal aid services was above a standard level, and 50% indicating that demand was very high.¹ Some providers reported that they turned away potentially eligible civil legal aid cases – amongst providers who reported an excess level of demand, an average of 26 potentially eligible cases were turned away in the month preceding the survey, per provider. Call for Evidence respondents and providers participating in the User Research similarly reported turning away prospective service users due to organisational capacity issues. It is unclear whether these potential users went on to find a provider. Some users reported struggling to find a legal aid provider with capacity to take on their case, with some contacting large volumes of providers unsuccessfully.

User access is not an even picture across England and Wales. The Review has heard reports of individuals struggling to find providers in some categories of law in certain regions, with providers also reporting receiving calls from prospective clients based further afield as these individuals cannot find legal aid providers in their locality. Call for Evidence responses and stakeholder engagement frequently saw housing & debt and immigration & asylum singled out as areas of concern, two of the largest civil categories of law, with respondents noting that it could be challenging to secure a provider in these areas of law. Sub-segment analysis from the Provider Survey suggests that for specific civil legal aid contracts, very high demand was significantly more likely to be reported for housing & debt (65%) and immigration services (83%) against the average across civil legal aid categories in the survey.²

Multiple reports of users struggling to secure providers and providers turning away prospective clients due to capacity indicate that unmet legal need could be an area of concern. Further research would help to understand levels of demand and what may be happening if prospective users don't secure legal aid provision.

¹ Review of Civil Legal Aid: Provider Survey Report - GOV.UK

² It is important to note that sample sizes restricted this analysis to four categories of law, but this still shows a clear distinction between these categories and family and public law, and the average across civil legal aid categories in the survey.

When users don't secure legal aid they may proceed as Litigants in Person (LiPs) or a few may receive pro bono legal services. In other situations, unregulated legal services are called on for additional support, such as McKenzie friends or lay advisors. Individuals turning to unregulated advice may be a concern as they do not receive formal legal advice and there is no guarantee of the quality of advice. Reports have been shared from those working in the sector of increases in LiPs and the perceived negative impacts this can have. They felt progressing a case as a LiP without formal legal advice may lead to poor outcomes for individuals and potentially be detrimental to the functioning of the civil courts, leading to higher costs. Participants commonly felt that if more individuals were able to access civil legal aid advice at the earliest stages of their case, then there would be fewer LiPs and fewer cases going to court overall.

Escalation and clustering of legal issues and early intervention

Social welfare problems can escalate and cluster together if an initial issue is not tackled correctly, resulting in a more complex problem.

Often, by the time an individual seeks legal intervention or advice, or more specifically legal aid, their issue will already be at an advanced stage. As legal issues escalate, not only do they tend to become more complex and burdensome (for the individual, legal professionals involved and wider society), but options for legal resolution become increasingly limited. For instance, some users engaged with during RoCLA reported that they only became aware of legal aid at a stage when their legal issue had already advanced to court proceedings.

There is no universal reason as to why some individuals' issues cluster and escalate and why they delay seeking legal advice; however, frequently it is due to the low levels of awareness and capability. When individuals don't have the legal knowledge to diagnose their issue as a legal one, or the awareness to understand the range of options available to them such as legal advice or alternative methods of resolution, it is unsurprising that issues escalate.

Call for Evidence responses acknowledged the importance and potential benefits of early intervention. Numerous respondents felt that legal aid could play a role in early intervention and prevention. They saw benefits of early intervention and felt like there was

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a need for it given how clients often only became aware of support when their issue was far advanced. However, they felt like this work didn't happen as frequently as it could.

Effectiveness of civil legal aid systems

The Review has built evidence on engaging with and navigating the legal aid system for both users and providers, with a view to understanding any barriers or inefficiencies that may exist.

Complex and burdensome nature of systems

The level of complexity inherent to much of the civil legal aid system and regulations was raised as a barrier to the system's effectiveness:

Evidential and financial requirements

The current evidential and financial requirements for legal aid applications were raised most frequently as a key barrier for those seeking help. Users encounter difficulties including: obtaining payslips, knowing how to access bank statements, not having access to the technology to print or email the documents, or the digital literacy to know how to do so and having limited access to in-person banking services. These financial requirements frequently place burden on providers too as they can end up supporting clients with evidence gathering.

Administration

Administration associated with civil legal aid was frequently raised as burden for providers within the system. The Provider Survey highlighted admin as a key pain point for those operating in the sector. Half of respondents reported facing admin pain points on a weekly basis, with 49% of respondents highlighting admin related to getting paid as an issue likely to prevent their continued service. Admin burdens come in a number of forms including: navigating the fees system; the billing process; managing service users; eligibility/evidential requirements; audits; and navigating Legal Aid Agency (LAA) systems/lodging applications. These tasks all take up significant provider time and are often unbillable and perceived as disproportionately time consuming and inefficient. When asked in the Call for Evidence what changes could improve the system, a large portion of

respondents felt that administrative burdens needed to be reduced. An overwhelming desire for simplification comes from those who practise in the sector.

Contracts

Providers raised issues about certain aspects of civil legal aid contracting. The relative in-frequency of the Standard Civil Contract 2018 being tendered every four years was viewed as inflexible and something which may disincentivise new providers from entering the market.³

The complexity of the Standard Civil Contract was highlighted by some stakeholders and some of the provisions within were considered to further contribute to the high levels of regulation and bureaucracy that go into managing and auditing compliance with the legal aid scheme. Despite this it was felt that aspects of the contract could be unclear and may be interpreted subjectively. This complexity could again deter new providers from joining the market. Respondents also highlighted requirements such as mandatory office presence in categories where the majority of clients are detained, which they say incurs significant costs. Respondents also had similar views about the 50% limit on remote advice within contracts, with many desiring greater flexibility to deliver services in a way they felt best served their clients.

Billing

Across the Review, evidence indicates that the billing evidential process is burdensome for providers. Claim requirements can be very detailed and may take providers significant time to fill out and submit every period. In the Provider Survey, 94% of respondents experienced problems arising from time associated with administration relating to getting paid – with 45% of respondents experiencing these issues on a weekly basis.

³ It should be noted that, subsequent to data collection for this report, in December 2024 the LAA moved to an "always on" tender process which means that prospective bidders will have multiple opportunities to apply for a contract during the life of a contract.

IT Systems

Legal aid IT systems, particularly the Client Cost Management System (CCMS) are a pain point for providers of civil legal aid. The strength of feeling about this matter was apparent from Call for Evidence responses and engagement across the Review.

Decision making

In the Provider Survey, the way the LAA makes decisions elicited high levels of dissatisfaction. LAA infrastructure and decision-making was singled out in the survey as one of the key frequent (weekly) pain points for providers, illustrating a discontent with current practice and the legal aid regulations which the LAA must follow. There was a general feeling that improvements could be made in this space. Stakeholders note discrepancies in both case and billing outcomes. It was felt that sometimes decisions were made with little rationale, or that rejections (for example for billing) would come without any prior consultation. Some went further, critiquing the working relationship between the LAA and providers and describing it as adversarial.

Exceptional case funding

Regarding Exceptional Case Funding (ECF), it was felt that applications were complex, time consuming and financially onerous for providers. Some respondents argued that if legal professionals find it difficult to navigate, there is little hope for trusted intermediaries to understand when a person might be eligible for ECF, or for individuals to engage with ECF independently.

Few providers take on ECF cases due to the perceived risks involved, such as delayed processing times and uncertain outcomes. They felt a more streamlined and dynamic process is needed, with some saying that immediate activation of funding upon ECF approval would alleviate delays and provide timely assistance. Many thought that challenges associated with the ECF process delayed the provision of legal representation.

Languages

The legal aid system is not optimised for individuals who experience language barriers. Users may need an interpreter to effectively access and engage with the system. The User Research workstream gathered reports of difficulties finding an interpreter who is suitably qualified and willing to work for the legal aid rates set out in legislation (which were

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considered uncompetitive). This had potential to cause delays to the legal process. Concerns around costs and uncertainty of funding for interpreters were raised. Providers sometimes had to take on initial costs themselves and find ways to cater for clients with language barriers. The importance of having a consistent and trusted interpreter was stressed by participants who worked with vulnerable clients, particularly those in the family and immigration & asylum practice areas.

Use of technology

Use of technology has evolved within the legal aid sector, with the COVID-19 pandemic driving a more rapid uptake of digital ways of working. The legal advice sector developed blended approaches, with a mix of in-person and remote delivery being used.

Mixed views on digital service delivery

An overarching message emerged from the Review: that there are great benefits to be had in the legal aid space from utilising and leveraging digital tools, but that technology is not a panacea and it is important to understand the risks of digital exclusion and the importance of face-to-face support in certain contexts. Both providers and users warmly welcomed the flexibility offered by digital service delivery. Yet it was felt that in-person service could be beneficial in terms of relationship building, conveying complex information and for some vulnerable users.

Accessibility, digital exclusion and capability

RoCLA has heard about how accessibility of technology poses challenges for remote advice. This digital exclusion, exacerbated by factors like lack of Wi-Fi or data plans, hinders remote assistance. Even when individuals may have access to technology, levels of capability can be poor. Increasing the use of digital platforms in the legal aid space may disadvantage individuals, most likely the most vulnerable, meaning access to a physical venue is critical for some people and that digital exclusion and capability should be a key consideration for policy development. Particular concern was raised that users from ethnic minorities and facing language barriers were less likely to access services remotely. Similarly, more barriers exist for those within the immigration & asylum space and those experiencing homelessness.

Functioning of the civil legal aid market

Key challenges: Fees and financial viability

Providers report financial viability challenges in the civil legal aid system, largely driven by current fee levels and fee structures.

Fee levels

Most fee levels in civil legal aid haven't been increased since 1996. Furthermore, many fee rates were cut by up to 10% through the Legal Aid Reform Programme in 2011. A substantial amount of feedback from the sector (via Call for Evidence responses and engagement) highlights lower fees as a key challenge facing providers. Respondents state fee levels do not cover legal aid costs. The Law Society's Sustainability Research⁴ shows that current fee levels are generally insufficient to cover providers' legal aid costs for the sample of housing and private family providers surveyed.

Fee structures

In some categories of law, the structure of fees is complex, which across the whole of remuneration scheme for all categories, consists of 288 different fees and hourly rates. Providers report needing to spend a disproportionate of time navigating the fee system and submitting billing information: the correct fee must be identified, which can change according to when a case was opened, the type of case, and the seniority of the court involved; activity is recorded at a granular level; and this granular information must be collated and accurately inputted. This complexity is imposing higher administrative costs on providers.

Providers report that fixed fees (used for a majority of legal help cases) are not covering their costs. The modelling underpinning fixed fee rates, on the average legal help case mix, was last conducted in 2006. Since then, evidence suggests that the complexity of legal help cases has increased, including a rise in the average duration of legal help cases, the average provider revenue gained from them, as well as a rise in the proportion of fixed fee cases meeting their escape threshold. Therefore, it's unlikely that fixed fee

⁴ Civil legal aid: sustainability research | The Law Society

levels reflect the average legal help case mix of today, and in turn, the average legal help case may be incurring costs that are greater than the corresponding fixed fee.

Providers and barristers also report that a sizeable proportion of their work on civil legal aid cases isn't billable. The Legal Aid Practitioners' Group's Legal Aid Census finds that for every 90 minutes of work invested into a case that uses hourly rates, only 60 minutes are financially renumerated, with a similar figure cited for fixed fee cases.⁵ Providers and barristers report that the following activities are not sufficiently billable: elements of case preparation and legal research, administrative work, and providing additional support to clients. In some cases, this work may not be billable at all, or when fixed fees are in use, it may be that the work requires longer than what the fixed fee accounts for.

Provider financial viability

Owing to the combination of challenges with fee levels and fee structures, many civil legal aid providers report that they are loss-making. Across the civil legal aid system, 33% of responders to the Review's Provider Survey self-reported as loss-making, 22% as breaking-even, and 45% as profit-making. Looking to category-specific data, The Law Society's research into the sustainability of civil legal aid found that the median housing provider was making a loss of around £30k per full-time fee-earning staff member (FTE). For family providers, the median provider was roughly breaking-even, but this masked a loss on private family law work and a small profit on public family law work.

Profitability also varies between legal services, with legal help work frequently reported as not financially viable to deliver for providers. Legal help work predominantly uses fixed fees whereas civil representation largely uses hourly rates, the latter of which is viewed as a fairer reflection of the costs that providers typically experience.

Key challenges: Recruitment and retention

Providers report they are experiencing substantial challenges in recruiting and retaining solicitors. Overall, the solicitor workforce is decreasing in size, from 20,680 practitioners in 2014–15 to 18,140 in 2021–22, a decrease of 12%.⁶

⁵ We are Legal Aid, Findings from the 2021 Legal Aid Census

⁶ <u>Review of Civil Legal Aid Data Publication Series: Provider Overview Report</u> - Table 2.1.1.

Regarding the recruitment of solicitors, from 2015–16 to 2021–22, the number of solicitorjoiners per year in civil legal aid decreased from 3,370 to 2,460 (27%).⁷ Recruitment challenges are driven by several factors. Prospective practitioners may perceive weak incentives to join the profession due to large pay disparities between civil legal aid and private legal work, and even pay disparities between civil legal aid and public bodies (such as Local Authorities). Training pathways into the profession may be another barrier, with pathways offering less structure in terms of firm open days, paid internships, and few funding opportunities to cover the costs of solicitor-qualification, as well as the culture of legal education (e.g. the views of professors) reportedly dissuading prospective practitioners from entering the civil legal aid profession. The capacity of the system to train junior practitioners also hinders recruitment efforts, with a lack of supervisors in the profession and supervisors lacking capacity to train due to prioritising casework.

Evidence suggests retaining solicitors is a greater challenge for providers than attracting new joiners, and 3–12 years' tenure in the legal profession appears to be a key drop-off point for solicitors. One reason for these challenges in retaining staff is the lack of opportunity to progress one's career. It's reported that when one progresses into more senior roles, the corresponding salary increases are limited. The lack of progression is also associated with the nature of solicitors' roles; in some cases, senior practitioners are not able to undertake wholly managerial roles as resource and financial viability challenges necessitate that staff members need to be directly involved in casework.

Challenging working conditions in the profession can lead to high levels of stress and burnout. Practitioners often support vulnerable users who may be experiencing traumatic situations, which places a high emotional toll on practitioners. This is particularly prevalent in immigration & asylum. These challenging working conditions are exacerbated by a frequently cited need to work far beyond contracted hours.

Alongside challenges recruiting and retaining solicitors, data suggests that incentives for barristers to undertake non-family civil legal aid may be a challenge for the system. The number of barristers undertaking non-family civil legal aid work has decreased from 1,050

⁷ Ibid., Table 2.2.1

in 2015–16 to 980 in 2022–23 (7%),⁸ and non-family barristers are over-represented in the lowest groupings for income gained from civil legal aid and case volumes. Subsequently, in the Review's Advocacy Research, instructing solicitors reported a shortfall in available barristers able to undertake civil legal aid cases.

Impacts: Supply and sustainability

The barriers and disincentives discussed, including challenges with financial viability, recruitment and retention, and high administrative costs, impact provider decision-making on their involvement and provision in the civil legal aid market.

Provider decision-making on market exits, the amount of civil legal aid provision they offer, and the size of civil legal aid providers

From 2014–15 to 2021–22, providers have been leaving the civil legal aid market on a net-basis in every year except 2019–20 (more providers entered the market on a net-basis in 2019–20 as a procurement round was conducted in 2018–19). During this time period the number of active civil legal aid providers decreased from 1,570 to 1,230 (22%).⁹ In this period, providers have increased the average number of civil representation cases they are delivering (per provider), rising from 42 in 2014–15 to 47 in 2021–22 (11%).¹⁰

Conclusions can't be drawn on how the composition of the market, in terms of provider size, has changed over time, as mixed trends are taking place across the system. There is though, a degree of consolidation between providers taking place, with 17.2% of the provider offices that exited their civil legal aid contracts from September 2017 to August 2023 doing so due to consolidation.

Overall, with provider numbers and the size of the solicitor and barrister (those that undertake civil legal aid work) workforces decreasing, it's likely that supply in the civil legal aid market is decreasing, as these factors tend to be greater determinants of a market's overall supply. However, it is notable that there are some counteracting forces taking place

⁸ Review of Civil Legal Aid Data Publication Series: Provider Overview Report- Table 3.1.1

⁹ Ibid., Table 1.1.3

¹⁰ Legal aid statistics: January to March 2023 - GOV.UK Table 6.3

on the market's supply, through the rise in civil representation caseloads and provider consolidation.

Provider decision-making on the type of civil legal aid provision they offer

Evidence suggests that legal help work is less profitable than civil representation work. The implication of this is providers appear to be growing in reluctance to undertake legal help work. From 2014–15 to 2021–22, the number of provider offices starting legal help work decreased from 2,232 to 1,620 (27.4%), and providers have decreased their legal help caseloads.

Market health and the link between supply and user-accessibility

Findings on decreasing supply do pose concerns with regards to the health of the civil legal aid market. Sustained market exits may suggest that providers are assessing that the market's conditions are not conducive to sustainable provision.

It is possible a decrease in the market's supply is driving issues with user accessibility. Providers leaving the market, solicitors leaving the profession, and fewer non-family barristers undertaking civil legal aid work, all negatively impact the civil legal aid market's capacity and ability to fulfil user-demand. Growing provider reluctance to undertake legal help work is also notable as this may be reducing the availability of services which are aimed at early intervention.

Introduction

The ability of individuals to resolve their legal issues is vital for a just society. The civil legal aid system in England and Wales provides access to publicly funded legal advice, family mediation and civil representation in a court or tribunal for matters set out in the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO).

The Ministry of Justice (MoJ) launched the Review of Civil Legal Aid (RoCLA) on 5 January 2023.¹¹ The objective of the Review is to identify evidence-based options which will improve the **sustainability of civil legal aid provision**, ensuring it delivers access to

¹¹ Review of Civil Legal Aid - GOV.UK

justice over the long term. In addressing the issue of sustainability, the Review also considers the **efficiency and effectiveness** of the system.

RoCLA contains four research and analysis workstreams, designed to adopt a comprehensive evidence gathering approach.¹² To complement this evidence gathering, a Call for Evidence was also conducted. The purpose of this summary report is to synthesise and present the evidence from across the Review's workstreams and the Call for Evidence into a single narrative. In turn, RoCLA's findings are helping the MoJ prioritise where to focus policy development.

Methodology

RoCLA's Findings

The breadth of the Review's analytical workstreams means there are a range of findings from across the civil legal aid system, with some findings being corroborated across multiple workstreams and others coming primarily from one. In places, the findings from RoCLA align with those from broader pieces of work the MoJ has undertaken, and the report spotlights these links, where helpful. At its inception RoCLA was designed to take a holistic approach to evidence gathering, drawing together multiple evidence sources, to determine how to improve the efficiency and effectiveness of civil legal aid, ensuring long term sustainability. Consequently, it is crucial that evidence is considered as a collective body. This report therefore plays an important role in bringing together the Review's evidence to identify key issues within the system.

To present the findings, this report is split into three parts: Part 1 focuses on the accessibility of civil legal aid for users; Part 2 examines the effectiveness of civil legal aid systems for both users and providers; and Part 3 explores the functioning of the civil legal aid market. Within these three parts the report groups findings into several thematic areas or topics. These topics have been selected with a view to holistically review the system, identify what works well and what doesn't. This will help to draw out specific issues and areas that the evidence suggests merit policy changes.

¹² Overarching Terms of Reference for the Review of Civil Legal Aid

The topics are:

- Part 1: Accessibility of civil legal aid services
 - User Profile and barriers faced by vulnerable groups
 - Lack of awareness and capability
 - High levels of demand
 - Escalation and clustering of legal issues and early intervention
 - Overall picture on the accessibility of civil legal aid
- Part 2: Effectiveness of civil legal aid systems
 - Complex and burdensome nature of systems
 - Use of technology
 - Overall picture on the effectiveness of civil legal aid systems
- Part 3: Functioning of the civil legal aid market
 - Contextualising civil legal aid providers
 - Key challenges: Fees and financial viability
 - Key challenges: Recruitment and retention
 - Impacts: Supply and sustainability

Whilst the Review has strived to build a comprehensive evidence base, looking at the entire system and drawing from multiple sources, it is the case that in certain places evidence gaps exist. These are areas where the evidence collected may be insufficient or have limitations. Where such evidence gaps exist, this report highlights them. In response to this, additional evidence was gathered during the RoCLA process, and where appropriate this report also draws on broader evidence which is relevant from outside of RoCLA. It may be that further research needs to be undertaken to fully understand these areas.

The Review has gathered evidence from a wide range of sources and stakeholders. As a result, some of the evidence and viewpoints shared by participants may be contradictory or lead to different conclusions on the same issues. Given the diversity of stakeholders within the legal aid system, it is understandable that different perspectives, needs, and priorities have emerged. This report sets out this breadth of evidence and perspectives

RoCLA collected, in the interest of presenting a comprehensive summary, but this does not mean that the MoJ implicitly endorse or agree with all the perspectives shared.

This summary report presents the headline findings from across RoCLA in a single place, explaining them and grouping them thematically. This is with the aim of giving a complete overview of the Review's findings. For more detailed findings, it is recommended to read the individual workstream outputs. These documents contain a finer level of detail and explain the methodology behind the research.

Timeframes of the Data

There is some inconsistency in the timeframes of data used across RoCLA, primarily due to the availability of data at different stages of analysis. As workstreams were completed at different times and relied on varying data sources, this naturally resulted in the use of data from different periods. For example, much of PA Consulting's Market Research drew on data from *Legal Aid Statistics: January to March 2023* and additional data from the Legal Aid Agency (LAA). Meanwhile, the Data Publications workstream was informed by a data-sharing exercise with The Law Society and The Bar Council. For solicitors, this data covers the period from 2014/15 to 2021/22, while for barristers, it spans 2015/16 to 2022/23. Although using data from different timeframes can make comparisons more challenging, it still allows for the identification of trends. This report clearly acknowledges the sources and periods of the data used throughout.

Background

Context

Legal aid plays an integral role in ensuring access to justice. It has undergone a number of changes since the introduction of the Legal Aid, Sentencing and Punishment of Offenders Act 2012 (LASPO).¹³ Therefore, this section sets out the context within which this Review is taking place.

The Lord Chancellor has a statutory duty to ensure that legal aid is made available in accordance with Part 1 of LASPO, and in making provisions to do so, must have regard to

¹³ Legal Aid, Sentencing and Punishment of Offenders Act 2012

the principle that access to justice must not be denied. In order to be entitled to legal aid, applicants must generally: have a legal issue that is in scope; and meet eligibility criteria, namely any relevant means and merits tests. Under the Access to Justice Act 1999, a legal matter was within scope and qualified for legal aid funding, unless it was specifically excluded by the Act. LASPO changed this approach to only listing matters in scope of legal aid in Schedule 1 of Part 1 of LASPO. It also provides a route, through an Exceptional Case Funding (ECF) scheme, for people to apply for legal aid in cases that do not fall within the scope of civil legal aid, but where the failure to do so would be a breach, or risk a breach of the individual's rights under the European Convention on Human Rights (ECHR), or other assimilated law, or where there is a significant wider public interest in funding legal representation for inquest cases.'

LASPO abolished the Legal Services Commission and replaced it with the Legal Aid Agency (LAA).¹⁴ The LAA is an executive agency of the Ministry of Justice with a remit to commission and administer legal aid in line with LASPO and the policy and strategy set down by the MoJ. In the main, the LAA delivers legal aid via contracts with third-party providers such as solicitors firms and law centres, and administers legal aid through the consideration of civil certificated applications and payment of providers. The Standard Civil Contract 2024 governs the provision of legal advice.¹⁵ LASPO also established appointment of the Director of Legal Aid Casework (DLAC) an independent public official who has responsibility for making funding decisions on individual cases.

A Post-Implementation Review (PIR)¹⁶ was undertaken to assess the extent to which LASPO achieved its objectives of delivering significant savings to the cost of the scheme by focusing legal aid on the highest priority cases (considering how effectively civil legal aid was being delivered in the process). It concluded that LASPO met some of its objectives, whilst identifying a number of challenges facing the system. In response to concerns raised and ideas suggested, the Legal Support Action Plan¹⁷ (LSAP) was published. This set out a response to challenges in the system with, seeking to take a

¹⁴ Legal Aid Agency - GOV.UK

¹⁵ Standard civil contract 2024 - GOV.UK

¹⁶ Post-Implementation Review of Part 1 of LASPO - GOV.UK

¹⁷ Legal Support Action Plan - GOV.UK

holistic approach that considered the totality of support available to people from information, guidance and signposting at one end of the spectrum to legal advice and representation at the other.

Background to the Review of Civil Legal Aid (RoCLA)

In the period following the introduction of LASPO, and in particular following the PIR, there have been indications that the civil legal aid system was not functioning optimally, such as providers leaving the market, intelligence gathered by the LAA and stakeholder led reports of end-users experiencing difficulties in securing legal aid services. Stakeholders and those operating within the sector expressed concerns about the long-term sustainability of civil legal aid.

The Review was launched to understand how the system is functioning, and investigate these concerns, with a view to ensuring long term sustainability. It consists of two phases, the first being an evidence-gathering phase to support future policy development, and the second being a policy development phase. The Review has sought to consider the civil legal aid system in its entirety, such as: how services are procured, how well the current system works for users and providers, and how civil legal aid impacts the wider justice system. The Review has examined the civil legal aid system as it currently functions and gathered evidence to understand any problems that the system faces.

RoCLA builds on the work and evidence gathered during the PIR and the LSAP with a view to further developing the evidence base and improving the system.

As part of the Review's first phase, four research and analysis-based workstreams were embarked upon. These are:

 The Economic Analysis workstream aimed to investigate the current functioning of the civil legal aid market and what is driving problems in it. Published outputs consist of a Provider Survey¹⁸ and a concluding Market Research Report.¹⁹ This research was conducted by an independent contractor, PA Consulting.

¹⁸ Review of Civil Legal Aid: Provider Survey Report - GOV.UK

¹⁹ Review of Civil Legal Aid Market Research Report

- The Comparative Analysis workstream undertook a comparative analysis of six other civil legal aid systems: Australia; Canada; Finland; the Netherlands; the USA and from within the UK, Scotland. The goal was to identify promising approaches to improve the efficiency and effectiveness of delivering civil legal aid and access to justice in England and Wales. The findings have been published in a final report.²⁰ This research was conducted by an in-house Government consultancy, the Open Innovation Team.²¹
- The Data Publications workstream aimed to summarise key descriptive information about the provision of civil legal aid services, with a focus on changes over time. To achieve this a series of documents have been produced. Published outputs include: an Overview Report; an Advocacy Research Report on the experiences of advocates who work on civil legal aid; and a series of deep dives.
- The User Journey Social Research workstream (or User Research as this report frequently terms it) conducted end-user research with people who have previously received civil legal aid, those who support them, and providers who deliver civil legal aid services. The research aimed to explore users' experiences with the civil legal aid process and to identify issues from a user perspective. Published outputs include two pieces of qualitative research on perceptions of civil legal aid user-experience, one focuses on users and trusted intermediaries and the other on legal aid providers. A review of existing literature on the user experience has also been undertaken.

Additionally, as part of this evidence gathering phase, RoCLA also undertook a call for evidence published on 10 January 2024. It invited comments from interested parties to identify options which will improve the sustainability of the civil legal aid system, ensuring it is capable of delivering access to justice over the long term. The call for evidence received 203 distinct responses. Further detail of the responses is provided in the Call for Evidence Summary report published alongside this report on gov.uk.

²⁰ Review of Civil Legal Aid: Comparative analysis of legal aid systems report - GOV.UK

²¹ About us - Open Innovation Team - GOV.UK

Throughout the Review the MoJ has undertaken a series of roundtables with both providers and barristers to learn about the experiences of those working in the sector. This report will also draw on the findings from these sessions and the Call for Evidence. The next stage of work involves continuing to use the evidence which has been gathered to inform the development of policy which helps achieve the overarching objective of improving the sustainability (and in doing so, improving the efficiency and effectiveness) of the civil legal aid system.

As mentioned, RoCLA sought to take a broad and holistic approach to evaluating the civil legal aid system. This means the Review considered evidence on civil legal aid in its entirety in England and Wales, across all eleven categories of law, and from the perspectives of service-users, providers, voluntary organisations and the LAA. RoCLA takes account of other MoJ workstrands, such as Legal Support, to align with departmental aims and promote a coherent approach. RoCLA evaluated a broad range of sources to analyse the system as a whole, using existing data, and where necessary, collecting new evidence.

The Review did not consider the sustainability of the criminal legal aid system. Work on the eligibility for civil legal aid was out of scope of consideration, however, consideration was given to the impact of any eligibility changes on the current legal aid system.

Part 1: Accessibility of civil legal aid services

Individual citizens are at the heart of the civil legal aid system. They are the ones who, when faced with legal problems, turn to civil legal aid to help them access justice and achieve a resolution. Accordingly, RoCLA aimed to deepen the MoJ's understanding of the experience of individuals (or "users" as the Review frequently terms them) as they access and interact with the civil legal aid system. By better understanding the users of civil legal aid and the issues they experience, the MoJ will be better placed to make policy interventions to improve the system for them.

The Review has heard first-hand how much the service meant to some civil legal aid users and the positive impacts it had:

"It's [civil legal aid] an amazing service where if you can't represent yourself or you know you are in any financial difficulty and need support, you know, they can really help..." **Service user**

Having a system which users can easily access and navigate is crucial to its effectiveness and the broader goal of ensuring access to justice in the long term. Therefore, Part 1 of this report begins by exploring the accessibility of civil legal aid services.

1.1 User profile and barriers faced by vulnerable groups

Presently in England and Wales 18–22% of the adult population are financially eligible for civil legal aid.²² This population contains a broad spectrum of users, with data showing that user demographics have remained relatively stable over recent years.²³ For civil

²² The percentage range represents those who are financially eligible from the total adult population. The range is calculated from the Means Test Review Impact assessment: Civil (publishing.service.gov.uk) which uses population data from the DWP Family Resources Survey: financial year 2019 to 2020 - GOV.UK (www.gov.uk). The range covers those currently eligible for non-contributory civil legal aid in England and Wales. The lower end of the range assumes all benefit units are on legacy benefits (baseline 1 in the IA) and the upper assumes they've all transitioned to UC (baseline 2).

²³ Legal aid statistics quarterly: April to June 2024 - GOV.UK

representation users are more frequently female, white, non-disabled, and more likely to be under 45 years old than over it. Legal help users are more likely to be male, non-disabled and again more likely to be under 45 years old (but with a higher average age than civil representation users).

It has been widely recognised that users of civil legal aid will often be vulnerable individuals.²⁴ This vulnerability may be experienced because of their personal circumstances or societal barriers (such as lower socio-economic backgrounds and poor social conditions which can impact opportunities, wellbeing and the ability to cope with external stressors). Vulnerability can also be experienced as a transient, or more long-term condition. RoCLA's workstreams delve into the challenges faced by vulnerable populations accessing legal aid.

The Review highlights pervasive barriers faced by vulnerable users, including difficulties with literacy, comprehension, and digital access, which can be compounded by language barriers and the diverse needs arising from disabilities, neurodiversity and complex lives. Vulnerable individuals may be facing traumatic and challenging circumstances, and mental health issues in addition to, or related to, their legal problems. The Review suggests that vulnerable populations can be disproportionately impacted by delays to legal proceedings.

Evidence gathered by RoCLA makes it clear that addressing these disparities and barriers is crucial to ensuring equitable access to legal aid and upholding justice for all members of society.

Barriers

Findings from across the Review stress how users of civil legal aid are frequently vulnerable. The barriers that individuals face will naturally vary, but some common barriers were identified.

²⁴ The Westminster Commission on Legal Aid: Inquiry Into The Sustainability And Recovery Of The Legal Aid Sector, October 2021; Justice Select Committee (2021) The Future of Legal Aid.; Newman, D., Mant, J. and Gordon, F. (2021) Vulnerability, Legal Need and Technology in England and Wales. International Journal of Discrimination and the Law

Literacy and comprehension

The User Research workstream highlighted the extent to which vulnerable users often struggle with literacy and comprehension. Users can find it difficult to read and properly understand information about legal aid and documentation available online or which is shared with them. The length of text, and the level of detail it often contains, proves challenging for many and can present a barrier early in the process of accessing legal aid. Completing the paperwork associated with legal aid can prove challenging for users with low literacy skills. This barrier has been raised frequently during engagement with providers, similarly respondents to the Call for Evidence shared how users could often have poor literacy and comprehension, and the impact this could have on their legal aid experience.

Participants in the User Research felt this barrier increases the likelihood of misunderstandings amongst users who can struggle to understand their legal position and options. As a result, providers and trusted intermediaries²⁵ frequently need to provide additional support and guidance to users to ensure they understand and are engaged with the legal aid process.

Digital access and literacy

Evidence from across RoCLA clearly identifies that many vulnerable users struggle with barriers related to low levels of digital access and literacy. Individuals may lack access to digital devices, email addresses and internet connectivity. Even when access isn't an issue, individuals may lack the digital capability to complete sometimes basic digital tasks. Not having access to technology, or poor digital literacy, makes it inherently challenging for some users to engage with the legal aid process. So much information about legal aid is available online and obtaining required documentation/evidence for eligibility checks (e.g. bank statements) frequently necessitates digital access and basic skills, which becomes an issue for many.

Access to devices and the internet and digital inexperience can also make staying in contact with providers difficult. Limited access to technology can extend to a more basic

²⁵ A trusted intermediary is often a frontline worker from community or public services who helps people to identify legal needs and navigate legal issues, connecting them to sources of legal help and support.

level, with reports that some users face barriers in accessing voicemails and returning calls (both from providers and the CLA helpline).

This all presents a barrier to delivering services to users and has the potential to lead to delays with cases. These delays may be because a user takes longer to access information which helps them access legal aid, or because it takes them longer to prove eligibility.

Language barriers

Participants in the User Research workstream in particular highlighted how language barriers are a factor for many vulnerable users. For users who don't speak English as a first language, or who may not speak it at all, this adds a layer of complexity to engaging with the legal aid process. Some trusted intermediaries shared the example of victims of trafficking as a group who may be disproportionately disadvantaged by language barriers.

So much of a user's legal aid journey and the processes they must go through relies upon communication, digesting often complex legal information, and completing paperwork, in English. If a user's understanding is limited due to language barriers, this can present an issue in terms of a user not fully understanding their legal position and can cause potential delays as providers and trusted intermediaries may need to deliver additional support, such as arranging interpreter services.²⁶

Additional barriers

There are a number of other factors which can function as common barriers. According to MoJ's data, 52% of users were not considered disabled, 20% were disabled and 29% were unknown or suppressed.²⁷ It is difficult to draw firm conclusions for most categories of legal aid on this characteristic because of the relatively high proportion of unknowns. The proportion of users presenting with a disability is also close to the level in the general population, where 17.8% of the population have a disability according to the 2021 census.²⁸ Trusted intermediaries reported how it was common for users to be experiencing diagnosed and undiagnosed special educational needs and disabilities (SEND) and

²⁶ Interpretation costs can be claimed as a disbursement under legal aid once a case has been opened.

²⁷ Legal Aid Client Diversity Statistics Dashboard

²⁸ Disability, England and Wales - Office for National Statistics (ons.gov.uk)

physical disabilities, which could impede their ability to make decisions and understand and engage with the process. Those users who identify as neurodivergent and/or disabled may also require adjustments.

Another layer of complexity can be added for users who may present signs of trauma from the experience that is occurring in their life and as such, can be considered vulnerable. When providers discussed the vulnerability of their clients, they emphasised the importance of continuity and building trusting relationships with the legal professionals who are helping them through often traumatic or difficult circumstances.

"...It depends on the client's vulnerability and ability to understand because we work with very vulnerable clients... I would say about 90% have mental health issues or are not that educated to understand how things work and unable to interact. Most clients when they have a provider, they basically hand everything regarding their legal issue over to that provider. So, they won't follow up or chase up unless their friend or somebody has a decision...So they're not that up to [or] clued up about what's going on or what's happening." **Trusted intermediary**

Sometimes it can be the nature of users' lives which acts as a barrier to their legal aid experience. Individuals may be facing an uncertain housing situation, insecure financial circumstances, familial breakdown, poor access to transport or a number of other factors which can complicate their lives and add to their needs as a service user. For individuals with busy lives and commitments it can be a challenge to find the time to seek out information and support.

Poor legal capability can be a barrier for users, as often individuals don't recognise that their problem is legal in nature, which can limit their options or even lead them down the wrong path. Users may also be confronted with the cumulative effect of compounding legal issues. This can make things overwhelming and present a barrier to accessing advice and support. These barriers are explored further in Section 1.2.

Impact of vulnerability and associated barriers

The barriers faced by vulnerable users can have impacts on them as individuals and on their legal cases. Because of their vulnerability, they may also be disproportionately

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impacted by other issues. This subsection sets out the impact that vulnerability and associated barriers can have.

Causes of delays and their impact on vulnerable populations

Delays occur for a variety of reasons and were frequently linked to frustration for users, including contributing to reasons users may not complete their civil legal aid journeys. Delays can be associated with the legal aid process itself, such as delays resulting from gathering proof of eligibility, or getting funding in place, and from a lack of provider capacity (meaning time spent searching for a provider or slower case progression resulting from providers' high workloads).

Users in vulnerable situations may be more susceptible to delays due to third parties as they frequently interact with official bodies such as the Department of Work and Pensions (DWP), Local Authorities, or healthcare professionals. Interactions with these institutions can lead to further delays in case progression, which in turn frustrates users. Some providers reported difficulties obtaining proof of eligibility when their clients had difficulty understanding the legal aid process, which often caused delays either because participants had to interact with third parties to provide financial and other eligibility paperwork, or because they had to request the LAA waive some of the eligibility proof requirements. Providers did highlight how, if they were able to speak to the LAA about the situation, the LAA, in particular circumstances had discretion to make risk-based decisions concerning the volume of documentation required to provide funding and this often allowed cases to progress. Although a lesser amount of documents were accepted, this required proof that efforts had been made to meet the usual proof of eligibility, which created additional delays.

The COVID-19 pandemic was also a factor in driving delays across the legal aid sector. The measures used to tackle the pandemic and maintain a functioning Justice system changed how individuals access courts and lawyers. There was a shift to remote hearings and advice (discussed further in Section 2.2), and pressures being experienced by courts before the pandemic were compounded. The pandemic resulted in delays to case progression, with reports of the negative impacts this sometimes had on the wellbeing of

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civil legal aid users. Participants in the Advocacy Research noted that these issues continue to this day.

The User Research workstream highlighted how delays and slow progression of cases tended to impact vulnerable users more, especially those who had experienced traumatic events or who suffered from mental health problems. Delays were said to prolong and exacerbate often already difficult circumstances, potentially negatively impacting the mental health of vulnerable users. For those individuals who had experienced traumatic circumstances, experiencing delays and slow case progression was said to force them to "live in the past" until their case was settled.

"So, if you said to them "right, we're working towards a date in June for your hearing." And then for whatever reason that gets put off, you know that often causes a massive spike in their anxiety. So, I think because they tend to be, you know, most legal aid clients tend to be quite vulnerable anyway, it does make it worse for them." **Provider**

Case complexity

Participants in RoCLA's Advocacy Research noted how the pandemic negatively impacted the personal and legal needs of their civil legal aid clients. They reported clients' needs were more complex, especially for law categories more likely to involve vulnerable people, such as mental health, housing, family, and immigration & asylum. Even before the pandemic though, stakeholders were reporting an increase in the complexity of the legal matters that clients were presenting with.²⁹

These findings were corroborated by responses to the Call for Evidence, where respondents who had been operating in the civil legal aid sphere for years, noted that clients' needs more generally had been increasing in complexity. There has been a gradual increase in average spend per civil legal aid case and case duration over the past decade. Whilst the increase in case duration can be partially attributed to delays in court proceedings, case complexity may also be contributing. One indicator we have of case

²⁹ Post-Implementation Review of Part 1 of the Legal Aid, Sentencing and Punishment of Offenders Act 2012

complexity is the proportion of cases which are deemed 'high cost' cases. A civil high-cost case³⁰ is any civil case where the final costs either to settlement or final hearing are likely to exceed £25,000. It is reasonable to assume that such cases are often those of a higher level of complexity. The volume of these cases has increased since 2018–2019, rising from 3% to 6% in 2023–2024.³¹

Another indicator of complexity is the proportion of legal help matters which earned "escape fees", which has also increased, from 3% in the years prior to LASPO, to 11%% in 2023–2024.³² Fees can "escape" from the fixed fee structure to hourly rates if a threshold is met for the cost to providers. If cases meet the escape threshold this can be taken as a sign that they are more complex for providers to handle. This may be because the case's complexity required more provider time to complete.

These more complex needs make cases harder to handle (potentially placing greater burden on providers, including emotional stress discussed further in Section 3.3) and slower to progress, which may lead to more frustrated users and place strain on their relationships with providers.

1.2 Lack of awareness and capability

For a civil legal aid system to effectively target and provide support to those most in need, there needs to be widespread awareness of the system, and a foundational understanding of what it offers and how it works. A challenge that has emerged consistently through the different evidence workstreams is a lack of awareness and understanding among potential users. RoCLA investigated levels of awareness and understanding, looking at the broader implications this has for both individuals and the civil legal aid system.

Low levels of legal capability

Evidence suggests that levels of legal capability in the general population tend to be low. Individuals are often unaware that their problems are legal in nature, or that there even is a potential legal solution to their issues (at least until their issues are far advanced – see

³⁰ Civil high cost cases - GOV.UK

³¹ LAA data (internal)

³² LAA data (internal)

Section 1.4). Legal aid providers taking part in the User Research considered existing legal knowledge among their prospective or current clients to be low. This included the existence of civil legal aid, civil legal aid processes and the legal process more generally. The MoJ's Legal Problem and Resolution Survey (LPRS) 2023 illustrates these low levels of general legal capability.³³ When people were asked if, at the outset of their problem, they would have described it as a 'legal problem', three-quarters (75%) said they would not have.

Several other countries, studied as part of RoCLA's Comparative Analysis workstream, grapple with the same issue of low legal capability and awareness amongst their populations. The approach of embedding advice in locations where individuals approach non-legal advisers and other trusted figures has been taken in comparator systems and holds potential to be an effective strategy. This is largely because this type of advice is more likely to reach those who may otherwise fall through the cracks and fail to consider seeking legal support. The MoJ has already undertaken work in this vein, trialling and evaluating health justice partnerships, co-located hubs and implementing an online signposting tool for people experiencing housing disrepair problems. Relevant GOV.UK pages, including the Finding Legal Advice and Information page, have also been updated. The lessons from these initiatives are being considered and incorporated into ongoing policy work and more information is provided below.

Low awareness and misconceptions about eligibility

Evidence from the Review suggests that awareness of civil legal aid is low amongst the population who may be eligible for it. The User Research workstream highlighted how some users were unaware of legal aid and unaware that they would be entitled to receive it for their legal issue. Some users had even spent time and money on other types of legal help before applying for legal aid. Misconceptions led users to believe that they weren't eligible for legal aid, and often this delayed the resolution of their legal issues (in some instances this meant individuals continued living in unwanted situations, which can be especially detrimental for the more vulnerable). Providers similarly felt awareness was an

³³ Legal Problem and Resolution Survey 2023 - GOV.UK

issue, with some being concerned that people with legal issues were not applying for civil legal aid, or seeking support with legal issues, despite being eligible.

"I was very confused. I didn't even know legal aid was a thing actually, I thought that you always paid. So, I guess that's sort of what I was looking for." **Service user, housing advice**

This finding was echoed across the Review, with respondents to the Call for Evidence noting that in many cases people think legal aid is no longer available. This issue of awareness also includes knowledge, or lack thereof, of how one can go about applying for legal aid.

This was attributed to limited knowledge on legal aid and information not being promoted. Providers felt a lack of awareness about legal aid and its value contributes to misconceptions. Some respondents drew a link to changes brought about by LASPO, they felt that negative perceptions of the legal aid system were more common post-LASPO and suggested that efforts were needed to promote the value and accessibility of legal aid.

The MoJ's LPRS 2023 draws attention to the issue of legal aid awareness. Only a small number of those who went to court or a tribunal received legal aid, with the most frequently reported reason for not applying for legal aid being the belief that they would not have been eligible for it (cited by 43% of those who did not apply). Around a quarter (23%) of those who did not apply stated they were not aware of legal aid, suggesting that a lack of awareness may be impacting levels of demand to some extent.

The burden that poor awareness and understanding can place on providers

Providers interviewed as part of the User Research workstream felt that this low awareness of legal aid and poor legal capability contributed to confusion and frustration. They reported having to manage clients' expectations, particularly about the complexities of the scope of civil legal aid and different eligibility criteria, what would be required to prove eligibility, and the potential timelines for progressing cases. They also noted how they'd sometimes be managing expectations about what outcomes were realistically achievable through legal avenues more generally.

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The Review's Provider Survey spotlights the demands that poor awareness and understanding can put on providers. Respondents' frustration regarding the time needed to manage service users seemed to stem from the significant amount of emotional support needed to help the client, and this was compounded by the fact that many service users do not understand the legal aid system and its scope.

Accessibility and signposting

During RoCLA's Comparative Analysis research, both experts (domestic and international) and stakeholders stressed the important role that effective signposting plays in helping users to understand their legal problem and receive appropriate support. For an individual with low legal capability and low awareness of the legal aid system, who may not know where to begin addressing their legal issue, signposting has the potential to facilitate the start of their journey to resolution. Respondents to RoCLA's Call for Evidence stressed that they felt it is often difficult for people to find a lawyer, with there being little or no current signposting, and gaps in the signposting provision which does exist. They felt there was scope to improve current signposting.

MoJ has undertaken several projects focussed on online signposting, all of which were designed to make it easier for people to find the right information for them. This includes working with the Ministry of Housing, Communities and Local Government to develop the Housing Disrepair Online Signposting tool (OST) to help individuals resolve housing disrepair issues in private rented accommodation. The tool aimed to help users understand their rights and responsibilities and identify an appropriate next step when trying to resolve issues before their problems escalate.

The OST received 35,553 visitors between the start of September 2021 and the end of August 2023and averaged 908 visitors per month between November 2023 and April 2024.³⁴ These numbers indicate that there is a desire from the public to have access to online services that can help capable users to resolve their legal issues, but offline and in person advice and support provisions are still needed for those with complex problems or less capacity for digital tools.

³⁴ Housing Disrepair Online Signposting Tool (OST)

Many people go to GOV.UK for information, and the MoJ has made improvements to make it easier for users to browse legal support content. A new web page, the Find Legal Advice and Information page (FLAI), provides users with guidance on difference sources of support available for out of court resolution, independent research, and access to free and/or affordable legal services. Given the clear benefits that signposting can have in helping individuals to access the system and navigate their legal issues, there is further work which can be done in this area.

Role of Trusted Intermediaries

Amidst this landscape of low awareness and poor legal capability, trusted intermediaries emerge as crucial actors, providing support in addition to that offered by providers. For the purposes of this Review a broad definition was taken for trusted intermediaries, to ensure that the full spectrum of individuals who offer support were captured.³⁵ The User Research workstream clearly conveyed the important role trusted intermediaries play in supporting users, improving their understanding of what they are entitled to and their legal rights.

A legal needs survey carried out in 2019 by the Legal Services Board and the Law Society found that when faced with a legal issue, two thirds (66%) of people who live in England and Wales receive some form of help, with this heavily skewed towards those who receive professional help (55% who had a legal issue) rather than those who just rely on help from a family member or a friend (11% who had a legal issue).³⁶ The same survey showed it was relatively common for doctors and family/friends to be the first advisor people contacted. The National Academy for Social Prescribing's Strategy 2023–26 and Citizen's Advice report that 1 in 5 GP appointments are as a result of health issues caused by

³⁵ Trusted intermediaries are often front-line workers from community or public services help others to navigate legal problems, connect them to sources of legal help and support the early interventions that are needed to avoid problems escalating. Trusted intermediaries provide people with legal information, make referrals to legal services, help clients fill out forms, and accompany people to meetings with legal service providers, including providing interpreting help. Community workers cannot give legal advice, but they can and do help people better understand the law and navigate the legal system. Some trusted intermediaries work for national general organisations, such as *Citizens Advice*, whilst others can serve a smaller section of society such as people with housing issues or victims of human trafficking.

³⁶ Legal needs of individuals in England and Wales report | The Law Society

unmet social needs e.g. loneliness, relationship problems or concerns about debt or housing.³⁷

Trusted intermediaries provide a range of support to users, from simply signposting to a provider to assisting them throughout the process (including with administrational tasks and gathering evidential requirements). All the trusted intermediaries engaged with as part of the User Research workstream had offered legal information to service users in some form. The exact approach taken varies between trusted intermediaries and cases, but trusted intermediaries reported offering initial casework assistance to individuals. In some cases, the trusted intermediaries would then give the prospective clients details of legal providers to contact. Other times, when a client had certain vulnerabilities, they would contact legal providers that they have experience with, to establish a link on behalf of the client. Others helped individuals to gather evidence for their case or for proving legal aid eligibility. The support they offer is invaluable to many in improving their awareness and understanding of legal aid and legal options, and in supporting the more vulnerable users of civil legal aid to navigate the system.

There is increasing evidence that trusted intermediaries are more effective in their role if they receive training. The evaluation of a Law for Life trusted intermediaries training course found that participants saw a significant improvement in their legal capability and confidence to assist someone with a legal problem.³⁸ For individuals supported by the trusted intermediaries, there was an improvement in legal capability, with 90% of the clients supported feeling more confident dealing with their problems because of the support received.

There are limitations to trusted intermediary provision. Whilst they provide a level of clarity for many users, trusted intermediaries shared their frustrations at the complexities of legal aid rules and regulations. They felt there wasn't enough awareness of how legal aid can help in certain sectors (e.g. immigration & asylum and exceptional case funding (ECF)), and that it was challenging to stay abreast of regulatory changes, meaning they couldn't always provide the quality of advice they'd like to. This finding was corroborated by

³⁷ NASP Strategy 2023-26

³⁸ Law for Life Community Links Evaluation report (lawforlife.org.uk)

providers, who shared positive experiences of working with local organisations and referrals from other legal professionals, but noted how in some cases, users have been inadvertently misinformed about the complexities and uncertainty of receiving legal aid funding in specific circumstances.

Trusted intermediaries shared how they generally want to empower users with information and support whilst avoiding creating a dependency on them. This is in part because they often face issues with capacity, meaning they are not necessarily able to "hand hold" users through a lengthy legal journey. They felt there had been a reduction in legal aid providers in recent years, which has increased the burden on them. They noted that placing someone with a suitable provider is more time consuming, and that they spent more time supporting individuals who represent themselves, or trying find them alternative, pro-bono legal representation.³⁹

Trusted intermediaries clearly play an important part in helping many individuals to tackle their legal issues and obtain the right support. It is therefore important that their role and contribution to the sector is factored into future strategy to ensure that they are supported and empowered to deliver their services.

1.3 High levels of demand

This section explores levels of demand for civil legal aid and the impact this has on accessibility for users. Within the civil legal aid sector, RoCLA has received numerous reports of users struggling to find providers, and providers turning away prospective clients, due to insufficient capacity. Indications are that users may experience difficulties in finding a provider, potentially resulting in eligible cases being turned away, with housing & debt and immigration & asylum being some of the larger categories of law facing such challenges.

While some legal aid categories have stabilised or even increased in case volumes, others face a decline, reflecting shifting demand patterns. Additionally, findings suggest that

³⁹ Pro bono' legal work is work that is conducted for clients at no cost. There are several mechanisms and requirements in place when conducting *pro bono* work. For more information, please see: www.lawsociety.org.uk/topics/pro-bono/introduction-to-pro-bono#practical

accessibility challenges may be more pronounced in certain categories of law, and locations, where we see reports of increased difficulty securing a provider.

There has also been a noticeable increase in litigants representing themselves,⁴⁰ which some stakeholders argue could in part stem from potential users struggling to obtain a provider or not being eligible for legal aid, which may in turn place burden on the courts.

Measuring demand and trends in case volumes

Defining and understanding demand for civil legal aid is not straightforward. This is complicated because of varying analytical approaches to what demand means and how it may be measured. Definitions can vary depending on the population being discussed, their eligibility for civil legal aid, whether their issue is in scope, if they seek legal advice at all and/or legal aid and whether the work is undertaken by the legal aid sector. Case volumes are often used as a high-level indicator of demand within the system, though they are an imperfect metric.

Civil legal aid covers 11 distinct categories of law, and within each category, only specific types of legal issue will be in scope. Those who experience an in-scope issue may or may not seek legal advice, they may or may not be eligible in terms of meeting the means and merits tests applicable, and/or they may decide not to pursue a matter or obtain legally aided advice if they do not find a provider immediately. On the provider side, there are a variety of types and sizes of provider firms operating in the sector offering different services over time and through different means (remote and face-to-face). This level of complexity makes it inherently difficult to monitor and understand trends in demand and capacity. Civil also lacks some of the metrics available in other areas of legal aid, such as arrest data for crime, which can be used to help estimate demand.

Demand for civil legal aid can be driven by policy and legislative changes and broader economic conditions and social trends. Because legal aid operates both upstream and downstream of the broader justice and public service systems, both legal aid demand and

⁴⁰ Litigants in person: the rise of the self-represented litigant in civil and family cases in England and Wales -House of Commons Library (parliament.uk), Letter from the Lord Chief Justice, on statistics on litigants in person, dated 25 January 2019 (parliament.uk), Perfect storm brewing in family courts as rising numbers represent themselves | The Law Society

expenditure are heavily influenced by policies from other government departments (such as DfE, DHSC, the HO, and MHCLG).

There is a clear underlying 'demand' for civil legal advice, with civil legal problems being common in the general population.⁴¹ This is demonstrated through research such as the LPRS 2023, which indicated that 44% of adults reported experiencing one or more civil legal problems in the 18 months before the survey.⁴² It is also challenging to monitor and quantify the extent of work that could be taken on by the legal aid sector (i.e. the person is eligible and issue in scope), but is not taken on by providers, for example because they do not have capacity. This is frequently referred to as 'unmet' demand.

Within this framework, the simplest way of measuring in-scope and eligible demand is typically through case volumes – the number of cases where an individual is in receipt of civil legal aid. Case volumes, however, will not capture individuals who are eligible for civil legal aid but, for whatever reason, do not seek legal aid, or are not able to obtain it.

LASPO significantly narrowed the scope of civil legal aid which caused a major fall in case volumes post 2012–13. Case volumes in the years since present a mixed picture. Civil representation and mediation cases have largely stabilised at a much lower level. Legal help case volumes continued to reduce in the years following LASPO. Case volumes, however, only give a partial picture and don't account for factors such as complexity of cases, case length and provider capacity. Nor does a rise or fall in case volumes indicate that demand has necessarily risen or fallen.

It is difficult to predict the outlook for future demand given the wide range of competing factors at play. In their Market Research, PA Consulting identified some of the key factors which may impact future demand. These include: rapidly evolving legislative changes in 'upstream' policy areas; changes to legal aid policy; the availability of other resolution options (such as Alternative Dispute Resolution); economic conditions; and demographic and social change. The MoJ has committed to looking for opportunities to improve the data

⁴¹ Though not all of these individuals or their problems will be eligible or in scope of legal aid.

⁴² Legal Problem and Resolution Survey 2023 - GOV.UK

it collects on demand for legal aid, so that it can be responsive to any potential future changes in demand.

The Market Research also identified changes to eligibility thresholds – stemming from the Means Test Review (MTR) – as a factor which is expected to have an impact. As the Market Research report notes "The impact will be greatest in the years immediately following implementation and will reduce as prices and incomes rise – pushing more individuals above the eligibility financial thresholds. These increases in demand will also only be sustained if these thresholds are regularly updated."

Recently the National Audit Office⁴³ (NAO) and Public Accounts Committee⁴⁴ (PAC) have suggested that the MoJ should seek to improve its routine monitoring of capacity and demand within the legal aid system. Work is underway to help achieve this aim.

Challenges faced by legal aid providers

The Review's Provider Survey highlights reported levels of high demand for legal aid services and providers ability to meet it.⁴⁵ 80% of participants stated demand for their civil legal aid services was above a standard level, and 50% indicated that demand was very high. Participants who reported experiencing a high or very high level of demand were then asked how many eligible civil legal aid cases (if any at all) they had turned away in the last month. Some providers reported that they turned away potentially eligible civil legal aid cases – amongst providers who reported an excess level of demand, an average of 26 potentially eligible cases were turned away in the month preceding the survey, per provider.

A similar picture of high levels of demand was painted across RoCLA's workstreams, with Call for Evidence responses conveying how providers were turning away prospective legal aid users, and providers taking part in the User Research workstream reporting frequently

⁴³ Government's management of legal aid (nao.org.uk)

⁴⁴ Legal Aid: Govt lacks understanding of costs and benefits of reforms, PAC warns - Committees - UK Parliament

⁴⁵ The data does not reveal whether these users were able to access legal aid services at another provider. Although the survey specified 'eligible cases', it is possible that providers would not know definitively if all the cases turned away were eligible for civil legal aid, due to a lack of accurately tracking these figures or not having fully assessed user eligibility. These numbers should therefore be viewed as indicative.

turning away prospective clients because their organisation was at, or close to, capacity, with most participants directing them to other suitable providers. The Review was unable to gather data on what happens to prospective users who are turned away, some may go on to find another provider, whilst others may not. Later on this section explores some potential impacts on users.

Non-profit organisations taking part in the provider survey reported facing higher overall levels of demand, turning away more cases, and showed higher levels of dissatisfaction with the market overall.

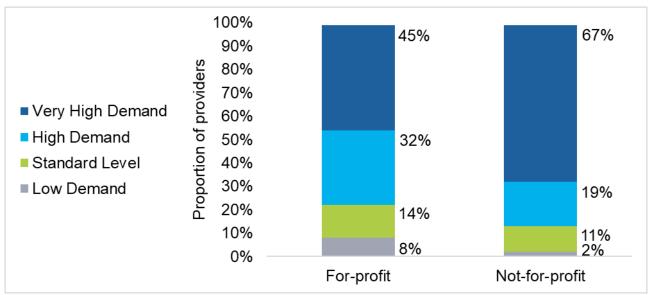


Figure 1: Reported levels of demand across providers

Source: PA Consulting Provider Survey: <u>Review of Civil Legal Aid</u>: <u>Provider Survey Report –</u> <u>GOV.UK</u> The response option 'Standard' level of demand can be defined as a level of demand that can be catered for comfortably or is reasonable, but this was left open to provider interpretation.

The condition of the legal aid market, including the capacity of the sector is explored in greater detail in Part 3 of this report.

Regional provision

User access is not necessarily an even picture across England and Wales. RoCLA highlights how certain regions experience some of the challenges discussed above more acutely. This means that it can be more difficult for users to secure a provider in certain areas within England and Wales. A common theme arising from the Call for Evidence was

issues with regional provision. Respondents frequently highlighted geographic areas where securing provision could be especially challenging.

"Our analysis of data from the Legal Aid Agency shows a number of areas of the country have little or no provision of legal aid advice... Legal aid deserts mean that people on low incomes facing important legal issues are struggling to get the local face-to-face advice..." **Representative body**

Providers noted that they often receive phone calls from prospective clients based further afield as these individuals cannot find legal aid providers in their local regions. Whilst the LAA permits firms to take cases outside their area, that is not always possible for firms because they may not have enough staff for their existing caseloads.

The NAO recently concluded that a smaller proportion of the population are now within 10 kilometres of an office in most categories of civil law. For example, the proportion of the population in England and Wales within 10 kilometres of a legal aid office for housing advice, for issues including eviction, fell nine percentage points, from 73% in 2013–14 to 64% in 2022–23. The proportion in 2022–23 falls to 57% when looking only at housing offices that actively took on new cases.

The Review's Market Research Report noted a decline in provider numbers in regions across England and Wales between 2010–2011 and 2022–2023, stressing the low number of providers in certain regions and categories of law. Participants in the Advocacy Research reported the same issues existed with the regional availability of advocates. These declining provider numbers are likely a key driver of region-specific access issues. Further analysis is however required to confirm the findings in this area.

Call for Evidence respondents and stakeholders from Wales explained that in many parts of the country, securing a provider could be challenging. They noted that users are sometimes referred to providers in England in order to try and access legal advice. They highlighted the disadvantages that can arise from this, as local knowledge is often highly beneficial (citing an example of how housing policy was a devolved area in Wales, meaning housing legal aid providers benefit from specialised knowledge). It's notable that Welsh providers reported high demand for civil legal aid services, with the majority

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reporting 'very high' demand. This is on a comparable level to English providers, but Welsh providers, who reported excess levels of demand, were more likely to say they have turned away a high number of potentially eligible cases in the month preceding the provider survey (an average of over 40 cases).

Providers and participants in the User Research noted that the fact that some individuals in these areas may then struggle to travel to their provider's office for meetings compounds the issue. Users might not have access to their own transportation and in turn may struggle to access (with transport links being poor in certain areas), or afford public transport, meaning it can be challenging to visit their provider. Again, there are differences in Wales-based experiences to highlight, with its rural nature, there can be limited transport links and a concentration of providers in larger settlements. Wales-based providers explained how challenging it can be for individuals living in rural areas to access a provider – even if they are within a seemingly reasonable distance from a provider (when measuring as the crow flies), it can be a laborious journey to reach a provider owing to the country's geography and transport links.

Providers reported having to cover transport costs for vulnerable clients to try and address this issue.⁴⁶ Remote delivery of legal aid enables services to be delivered from further afield and can help with transport barriers, but with face-to-face service being vital in many instances (see Section 2.2), ensuring localised availability of provision is crucial.

The MoJ is reviewing the data it collects on demand for, and access to, legal aid, and considering what opportunities there may be to improve data collection and visualisation. It is important that any such data collection minimises burdens placed on providers.

Trends in legal aid categories of law

The accessibility of civil legal aid varies across categories of law. Evidence suggests that it may be more difficult for individuals to secure legal aid provision in particular categories of law. Call for Evidence responses frequently singled out housing & debt and immigration & asylum as areas of concern, with respondents noting that providers often didn't specialise

⁴⁶ It should be noted that there is provision under legal aid for the provider to be paid for travel to the client in certain circumstances – see <u>Costs Assessment Guidance 2018 Version 10 Dec 2023</u> paragraph 2.47

in these areas of law. Some respondents recounted stories of desperate calls from individuals struggling to secure provision in the immigration & asylum category. Though it should be noted that a majority of respondents felt there was insufficient provision of legal aid advice across various categories of law more generally.

"During Sept 2022 – Sept 2023, 41 of 54 asylum seekers in our immigration clinics and wider services had no legal representation via Legal Aid before their substantive asylum interview. Of those who had been refused their initial asylum claim, under half had found representation of some type." **Practitioner for an advice charity, South West**

Turning again to the provider survey, whilst it is uncertain if all the cases providers report turning away would have been eligible for civil legal aid, and capacity in the market may be fluid and change on a weekly basis, the evidence is indicative of gaps in the market. Sub-segment analysis from the survey suggests user access issues may be more acute among housing & debt and immigration & asylum providers (see Figure 2 below). For specific civil legal aid contracts, very high demand was significantly more likely to be reported for housing & debt (65%) and immigration & asylum services (83%) against the average across civil legal aid categories in the survey. Sample sizes restricted this analysis to four categories of law, but this still shows a clear distinction between these categories and family and public law.

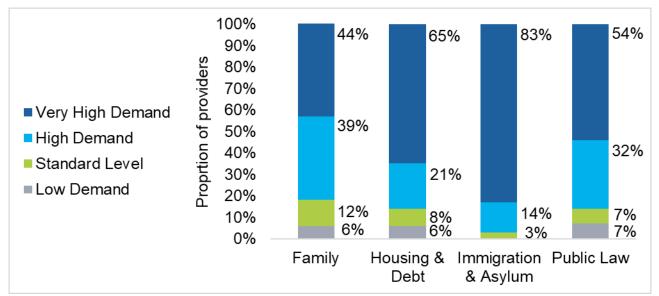


Figure 2: Provider reported demand for civil legal aid broken out by area of law

Source: Provider Survey (2024), Q24: For each legal aid area your organisation operates in, how much demand is your organisation currently experiencing for that service? Providers asked to choose a point on a 7-point scale, with 1 being 'overwhelming', 4 being 'standard' and 7 being 'very low'. Base: Family contract holders (n=141), housing and debt contract holders (n=65), immigration contract holders (n=36), public law contract holders (n=41)

Impact on users

Some users reported struggling to find a legal aid provider with capacity to take on their case, with some describing contacting large volumes of providers unsuccessfully. Struggling to secure a legal aid provider had negative impacts on individuals. Providers felt that the difficulty in finding legal representation caused frustration for prospective clients. Similarly, trusted intermediaries reported that finding a legal aid provider for a user was one of the biggest challenges of the legal aid process.

Participants in the User Research workstream believed that the impact of not finding legal aid representation due to the lack of provider availability and capacity can have adverse effects on a person and their legal journey; further adding to an already 'stressful' time in their life. The delays associated with this barrier can also potentially extend an individual's case and the time they spend living in challenging or potentially damaging circumstances (already discussed in Section 1.1 on Vulnerability).

Many providers had experienced former prospective clients, who they had previously turned away, getting back in touch having still not found a provider due to other providers

also being at capacity and unable to take on new clients. While participants weren't always aware of what prospective clients had done in the interim, many feared that it was a sign that no other providers of civil legal aid the client had contacted had capacity to take on the client. When individuals experiencing legal issues seek help and are passed from service to service or between providers, this is sometimes termed a 'referral roundabout'. This situation can frustrate and confuse individuals and can potentially lead to them giving up their search for help.

The Review also heard reports about situations where a conflict of interests occurred. When both parties involved in a case seek legal aid, but there is only one available provider in an area, then one of the parties must go further afield to seek legal aid representation, pay for private legal representation, or proceed as a litigant in person. High levels of demand are likely to increase the frequency of these types of occurrences.

Organisations which often handled urgent requests reported prioritising incoming requests and trying to 'fit in' clients where they could. This could slow down the progression of other cases. More generally, high levels of demand and increasing caseloads (including cases being more complex and having longer durations), means that individuals are more likely to experience delays and slow case progression. Struggling to find a legal aid provider can cause an individual's legal issue to escalate further as it may go unattended for longer. Ultimately, they may even opt to cease pursuing their legal claim.

"Demand for services does not meet supply and consequently the biggest barrier for clients is that they cannot access any services or the services they might access are at capacity and they are repeatedly referred on. This referral fatigue results in people dropping out of the system and failing to have their problems resolved resulting in more complex cases reaching crisis point, people being left to represent themselves in court or left in dangerous situations, for example, in cases where clients are unable to access a provider for domestic abuse services."

Representative body

Multiple reports of users struggling to secure providers and providers turning away prospective clients due to capacity indicate that unmet legal need may be an area of concern. Evidence from across RoCLA is inconclusive on this point, though there are

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indications that it may be an area of concern. Further research would help to better understand levels of demand and what may be happening if prospective users don't secure legal aid provision. This was an issue faced by other countries within the Comparative Analysis workstream, with systems seeking to understand the nature of legal need and the scale of any unmet legal need.⁴⁷ Improving the collection and use of data within legal aid was a theme among Call for Evidence responses and across stakeholder engagement, with some respondents emphasising how a deeper understanding of legal need would be beneficial. Data collection is key to measuring legal need and surveys are a popular tool used by comparators. Within England and Wales the MoJ's Legal Problems and Resolution Survey (referenced within this report) and independent research such as the Legal Services Board's legal needs survey encapsulate some research in this vein, though their findings are limited when it comes to legal aid.

Impact on users: Litigants in person

The topic of litigants in person has come up frequently during the Review. PA Consulting, in their Market Research Report, used Civil Justice statistics from National Statistics to provide a proxy for the broader civil legal system and give a possible indication of numbers of litigants in person. The data gives a breakdown by type of representation for civil cases (excluding family) over the period of 2013 to 2022. It shows that over the 10-year period, the proportion of those cases where both sides (i.e. claimant and defendant) were represented by a legal professional stayed relatively stable at around 55–61%, the proportion where only one side was represented was around 22%–29% and the proportion of cases where no side was represented was around 14–20%.⁴⁸

Evidence touches on what approaches individuals take to resolve their legal issues when they don't obtain legal aid. When a legal aid provider cannot be secured, some users proceed as Litigants in Person (LiPs) or may receive pro bono legal services. In other

⁴⁷ The Dutch Legal Aid Board collect data on their legal aid system via 360 Feedback loops. In Australia the National Legal Assistance Partnership (NLAP), a collaborative agreement, formalises the role of data gathering and system monitoring to help determine strategy, funding allocation and priority areas. In Australia they have also undertaken comprehensive legal needs survey: Legal Australia-wide survey - National Legal Aid. The Legal Services Commission in the USA has undertaken similar studies into unmet legal need: The Justice Gap Report (lsc.gov) and The Effect of State & Local Laws on Evictions | LSC - Legal Services Corporation: America's Partner for Equal Justice.

⁴⁸ Civil justice statistics quarterly: January to March 2023 - GOV.UK

situations, unregulated legal services are called on for additional support, such as McKenzie friends or lay advisors. Individuals turning to unregulated advice and support may be a concern as they do not receive formal legal advice and there is no guarantee of the quality of advice. Many operating in the sector felt this has the potential to lead to worse outcomes for individuals. One trusted intermediary highlighted how this could be especially concerning in immigration & asylum, as to give advice on that area you must be accredited to a certain level.⁴⁹ During the User Research, Trusted intermediaries reported that self-representation can lead to increased stress and have a negative impact on users.

Across the Review, reports have been shared from those working in the sector of increases in LiPs and the negative impacts this is having.⁵⁰ Multiple Call for Evidence respondents, as well as participants in the Advocacy Research, and MoJ's stakeholder engagement described an increase in LiPs. A consequence of larger numbers of LiPs could be greater inefficiencies in the functioning of the civil courts, possibly leading to higher costs.⁵¹ It was felt that LiPs were more likely to take a case to court that they had little chance of winning, or which would be damaging to the parties involved, that they were more likely to be unorganised and unprepared, and they required more support from judges and advocates during proceedings. This all links to the low levels of legal capability in the population discussed earlier in Section 1.2. It was felt this contributed to case backlogs and delays experienced in some areas of law.

Perpetrators of domestic abuse litigating in person can have a damaging impact upon victims of domestic abuse. Participants mentioned that perpetrators' ability to speak directly to the court could lead to them making inappropriate statements to the court. As discussed above, they were more likely to end up in court, as the case was less likely to be able to be settled out of court. One participating solicitor described this as another form of 'abuse' that a perpetrator could inflict upon a survivor by 'dragging' them through the courts. It is notable that the Domestic Abuse Act 2021 prohibits unrepresented alleged

⁴⁹ Paragraphs 8.13-8.20 of the <u>2024 Standard Civil Contract: Immigration and Asylum Category Specific Rules</u> set out the required service standards for practitioners holding an immigration & asylum contract.

⁵⁰ For example, in April to June 2023, the proportion of private family disposals where neither the applicant nor respondent had legal representation was 40%, increasing by 26 percentage points since January to March 2013. Family Court Statistics Quarterly: April to June 2023 - GOV.UK

⁵¹ Implementing reforms to civil legal aid - NAO report

perpetrators of abuse from cross-examining their victims in specified family and civil proceedings, and vice versa, as this can help protect victims from being retraumatised by their alleged perpetrator. The Qualified Legal Representative (QLR) scheme was established in July 2022. The QLR scheme allows courts, at a judge's discretion, to appoint a centrally-funded QLR to undertake cross-examination in the interests of the prohibited party. QLRs are qualified solicitors or barristers who choose to register for the scheme. Their role in the proceedings is limited only to preparing for, and conducting, cross-examination of a vulnerable witness.

The multiple downsides of large numbers of LiPs underscores the importance of an effective legal aid system and of early intervention (discussed further in Section 1.4). Participants commonly felt that if more individuals were able to access civil legal aid advice at the earliest stages of their case, then there would be fewer litigants in person and fewer cases going to court overall.

People proceed as LiPs for multiple reasons, not just legal aid provider availability. Certain legal issues are not within scope of civil legal aid. Furthermore, sometimes despite an issue being in scope it may qualify for legal advice, but not representation in court.

Despite these findings, there is still an evidence gap in relation to LiPs. More information is needed on the causes of LiPs and their impact on the system. Further evidence would also help quantify any link between civil legal aid access issues and the rise of LiPs. In their 2024 reports, the National Audit Office and Public Accounts Committee were also concerned with the availability of data on providers turning away individuals due to capacity, and on the impact of LiPs on the running of the courts service. The MoJ is undertaking work on both issues.

1.4 Escalation and clustering of legal issues and early intervention

This section examines early intervention and preventative measures in the justice system, highlighting its capacity to address legal issues early on, preventing escalation and helping to ensure broader access to justice. It will also address barriers to early intervention and support, and how these barriers combine with other factors already discussed in this report to contribute to the escalation of legal matters and the clustering of legal issues.

Escalation and clustering of legal issues and when people seek support

Everyone can experience legal problems, however, an individual's ability to successfully go about resolving those problems can vary greatly. People requiring legal services have different needs, circumstances, and capabilities; all of these will influence the way they access support and what kind of support is the most appropriate for their individual situation.

Social welfare problems can escalate and cluster together if an initial issue is not tackled correctly, resulting in a more complex problem. For example, issues related to benefits and debt can commonly link to employment, housing, and family issues.⁵² A singular legal problem can be easier to resolve than one which has clustered with other social welfare issues, so ensuring people can quickly access the right support and advice to identify a route to resolution is essential for reducing the likelihood of problems escalating. According to 2023's Legal Problems and Resolutions Survey, 56% of people with a legal problem experienced two or more categories in the 18-month period preceding the survey.⁵³ These clustered and complex issues can perpetuate wider social problems and be harder to break. Quality early legal advice and support can help people resolve their problems more effectively and acts as a preventative measure against problems developing into more complicated and multifactored issues.

Often, by the time an individual seeks legal advice or intervention, or more specifically legal aid, their issue will already be at an advanced stage. As legal issues escalate, not only do they tend to become more complex and burdensome (for the individual, legal professionals involved and wider society), but options for legal resolution become increasingly limited. For instance, some users engaged with during RoCLA reported that

⁵² Moorhead, R., Robinson, M., and Matrix Research and Consultancy <u>A trouble shared – legal problems</u> <u>clusters in solicitors' and advice agencies</u> DCA Research Series 8/06 November 2006; Pleasence, P. et al., <u>Multiple Justiciable Problems: Common Clusters and Their Social and Demographic Indicators</u> July 2004 Journal of Empirical Legal Studies 1(2):301 – 329; Pleasence, P. et al., Report of Wave 1 of the English and Welsh Civil and Social Justice Panel Survey <u>Data Archive SN 7643 - English and Welsh Civil</u> and Social Justice Panel Survey: Waves 1-2, 2010-2012; Advice Trends Nov 2023 | Tableau Public

⁵³ Legal Problem and Resolution Survey 2023 - GOV.UK

they only became aware of legal aid at a stage when their legal issue had already advanced to court proceedings. Providers discussed how, although certain areas of law naturally needed immediate legal input, clients tended to wait before engaging with legal professionals.

There is no universal reason as to why some individuals' issues cluster and escalate and why they delay seeking legal advice. However, frequently it is due to the low levels of awareness and capability discussed earlier in this report. When individuals don't have the legal knowledge to diagnose their issue as a legal one, or the awareness to understand the range of options available to them such as legal advice or alternative methods of resolution, it is unsurprising that issues escalate. It is well documented that certain individuals, such as those with long standing health issues, lone parents, unemployed adults, and those receiving benefits, are more likely to experience legal problems and more likely to report experiencing clustered legal problems.⁵⁴ Individuals with certain vulnerabilities or complex issues may find taking legal action particularly difficult, increasing the risk of their problems escalating and requiring more extensive support.

The Review has also conveyed how users may present with multiple, sometimes interconnected, legal issues, which only serves to make the path to resolution more complicated. The Comparative Analysis highlighted how users seeking legal services often have multifaceted problems: they are not necessarily a clearly defined single legal issue but rather intersect with other areas. This is linked to the escalation of issues, as legal problems are more likely to cascade and cause other issues when left unattended. When an individual has multiple legal issues, it is more likely that not all them will map neatly onto the scope of legal aid, which raises a set of challenges. Providers engaged with during the User Research highlighted such complex situations where a client's legal issue may not align neatly with the scope of civil legal aid. They explained that in such situations clients may have to pay for part of their legal work. This increased the risk that a costs order could be made against them at the conclusion of the litigation, which they would be protected from if they were in receipt of legal aid. Providers viewed paying these costs,

⁵⁴ Findings from the Legal Problem and Resolution Survey, 2014-15

and paying legal aid contributions, as a stressful experience for clients. Similar findings were presented within the Call for Evidence feedback:

"If we are representing a client under a legal help, family public law case, we can advise them regarding the PLO [public law outline] process and LA [local authority] involvement but cannot advise them on related private law issues such as parental responsibility as they do not have the requisite gateway and this means the client is often left without all issues being resolved." **Provider, family law**

Participants discussed several options that they or their organisations could take when part of a legal issue may be within scope of civil legal aid, and another part not. These included separating out case work into separate "files" so that separate legal issues could be independently funded, either through the client paying privately (through market or lower rates), or alternative funding (such as grants or separate legal aid certificates). Similarly, providers discussed how sometimes they could take on the work which fell under their contract and specialism and refer the additional work to other organisations.

However, such approaches where legal issues were separated out, while practically possible, were not always seen as in the best interest of clients, especially those who are vulnerable. Participants highlighted that separating out legal issues caused confusion among clients, which was often linked to low awareness of the scope and process of civil legal aid and added additional strain to working relationships between the legal professional and the client. Some providers would conduct pro bono work for smaller issues which occurred in the process of working on the main civil legal aid matter for simplicity and continuity. However, not all organisations took this view, with others discussing that they would more strictly restrict work to only that which was legal aid funded. Participants from some providers, such as not-for-profit providers (NfPs), outlined how the "integration" of several legal and non-legal services into one organisation improved the experience of their users. These integrated services, participants argued, provided a better user experience as clients, who had multiple issues and often travelled a long distance to seek support, were able to get support on multiple fronts in one visit. The Comparative Analysis highlighted the use of health-justice partnerships in Australia, where

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they have found success with this approach, something which a wider body of research suggests can help improve individual's socio-economic circumstances.⁵⁵

Early intervention

Findings from across RoCLA have highlighted the importance and benefits of early intervention and preventative justice. The Comparative Analysis regarded it as a crucial principle for providing effective access to justice for all, noting that providing effective early support to users can help prevent issues becoming more harmful and may help increase efficiencies by diverting cases away from the courts. The research illustrated how comparator systems acknowledged this and were taking steps to address it. It spotlighted a range of options aiming to deliver this, such as legal and non-legal partnerships (e.g. Health Justice Partnerships), community outreach initiatives (e.g. early legal support and advice and mediation), and the use of technological solutions (e.g. self-help websites, online dispute resolution).

Call for Evidence responses acknowledged the importance and potential benefits of early intervention. Numerous respondents believed that legal aid could play a role in early intervention and prevention. They saw the benefits both in improved outcomes for individuals and in positive downstream benefits for the justice system, wider government and society. This includes potential cost savings for government.⁵⁶ Many felt like there was a need for early intervention given how clients often only became aware of support when their issue was far advanced. However, they felt like this type of work didn't happen as frequently as it could. The example of mediation becoming less common and more cases going to court was cited. Respondents felt there was currently little incentive in the legal aid system to try and achieve early resolution. Some providers reported stopping legal help work as it was unprofitable (discussed further in Section 3.2). One respondent felt that a depleted legal aid sector works against early dispute resolution:

⁵⁵ Tobin-Tyler, E. et al, Health Justice Partnerships: An International Comparison of Approaches to Employing Law to Promote Prevention and Health Equity, Cambridge: Cambridge University Press, 2023

⁵⁶ Defending the Public Purse, Pragmatix and Access to Justice Foundation, 2021

"People's views harden, and by the time they receive advice they're not very open to arbitration or mediation. If mediation could sit before litigation, that may be helpful." **Provider, housing, Wales**

Similarly, User Research participants stressed the value that earlier engagement could have on improving the experience of their clients. This included being able to speak to clients earlier on in the process about their potential legal issues and the routes available to them (e.g. mediation), rather than speaking to them when their issue had progressed and they had less legal options available to them. Participants felt this would divert some cases from litigation by making users more informed about the process and options available to resolve their problem that don't involve going to court.

The MoJ has already built some evidence on the benefits of early intervention. In 2019, under the previous Government, the MoJ published the Legal Support Action Plan (LSAP), setting out the vision for resolving legal problems earlier by ensuring that people can access support at the right time and in the right way for them. It recognised that early intervention is vital to help people resolve issues before they become legal problems that could lead to court proceedings. It also set out that early resolution of problems may avoid unnecessary financial and non-financial costs to the individual and those around them (through inactivity or pursuing an ineffective course of action), society (through wider societal costs from unresolved legal problems – e.g. negative mental and physical health outcomes) and government (through preventable demand for services).

LSAP committed to gathering evidence about what works in helping people to resolve their problems effectively and efficiently by testing different approaches to providing early legal support through a range of pilots, grants and research. The LSAP pilots have now been largely delivered and have enabled us to build the evidence base. For example, the Legal Support for Litigants in Person Grant (LSLIP) found that nearly 60% of clients were able to resolve their problems without needing to go to court or tribunal.⁵⁷ Feedback from individuals suggests that receiving support brought them a wide range of benefits, including increased income, greater independence and improved wellbeing through reduced stress. It is important to note that some evidence gaps exist in this space, for

⁵⁷ Legal Support for Litigants in Person Grant (LSLIP)

instance on the most effective ways to ensure engagement with advice,⁵⁸ and on the cost effectiveness of some interventions.⁵⁹

Several LSLIP partnerships delivered advice through outreach in community locations such as libraries and food banks, where the aim was to use the LSLIP funding to develop services that reached people with legal problems in trusted places they already visit. By expanding existing trusted services to include legal support, advice services found they were able to reach a wider range of people as a result. For example, referrals from GPs were "particularly significant for those least able or likely to seek support in other ways (e.g., people with severe mental or physical health issues, people with poor digital literacy, and people who are geographically isolated)".⁶⁰

People may also access a range of support through co-located advice hubs, where different services are offered in the same place. This includes health-justice partnerships where GP's, healthcare professionals and voluntary and community sector organisations work collaboratively to provide holistic support and early intervention to resolve an individual's problem, which may have both a legal and health component. The MoJ has part-funded the Flourish Wellbeing Hub since November 2022, which is a wellbeing hub in Wallasey, in north-east Wirral, led by Citizens Advice Wirral. Flourish is providing a range of support for people experiencing social and economic issues that impact on health, and can sometimes have a legal component relating to welfare rights. It aims to provide a seamless transition between services, allowing people to tell their story once before receiving appropriate support. Findings show that it is effective in providing support to people in a holistic way before their issues escalate.

Another way to avoid problems from escalating is by improving public legal education (PLE) initiatives, which improve the general populations' legal capability and individuals' ability to recognise their problem and act appropriately. Those with the capability to self-serve without the need for specialist support and/or court will be able to find

⁵⁸ MoJ Early Legal Advice Pilot on housing debt and welfare - GOV.UK

⁵⁹ Frontiers | Health economics of health justice partnerships: A rapid review of the economic returns to society of promoting access to legal advice

⁶⁰ Evaluation of Integrated Advice Hubs in Primary Healthcare Settings - Feasibility Study : Evaluation of Integrated Advice Hubs in Primary Healthcare Settings

resolutions more efficiently and reduce the likelihood of them getting stuck in the system waiting for resolution, benefiting both the individual and the courts. Furthermore, encouraging those who can to self-serve, may reduce the demand on in-person support for those with higher legal capability, freeing up frontline services for those most in need of personalised support. As part of the MoJ Legal Support for Litigants in Person Grant, many organisations delivered PLE resources for the general population and/or sought to increase the legal capability of their individual clients. These grantees measured client legal capability following the advice, guidance and support given. Following the support: 91% of individuals had a greater understanding of the legally possible outcomes of their problem; and 84% of individuals receiving pre-court advice or representation at their hearing understood what to expect when going to court.

'Blended advice', sometimes referred to as 'hybrid advice', refers to models of advice delivery which involve providing legal support and advice through a combination of face-to-face interaction and remote communication. Research has found that blended delivery models presented several benefits for the advice sector and advice clients, including increased engagement and reach, increased efficiency, and increased flexibility and choice to choose a format that suited the individual.⁶¹ Simultaneously, blended delivery models also created several challenges and concerns including: the exclusion of clients who struggle with digital literacy and access to technology, limiting the opportunities to build trusting relationships with users, and increased workload and administration of already stretched services (these issues are discussed in further detail in Section 2.2 of this report).

The evidence gathered on early intervention will be used to inform the work to rebuild our justice system and ensure we have a sustainable, efficient and effective legal aid and support system that enables people to resolve their problems as early as possible, in the right way for them. RoCLA's findings on the matter support this thinking and support the merits of further work in the space.

⁶¹ Blended Advice and Access to Justice - GOV.UK

1.5 Overall picture on the accessibility of civil legal aid

Key findings:

- Vulnerability is common across the civil legal aid user base. This can present barriers to access and complicate their experience of the system.
- Low levels of legal capability and awareness of legal aid can hinder and delay individuals from accessing legal aid. Individuals may not recognise their problem is a legal one. Poor understanding of eligibility, scope, and what is achievable via legal aid can place additional burdens on providers who can spend time explaining.
- Signposting and trusted intermediaries can help to steer individuals towards appropriate support and to understand their legal options.
- High levels of demand have been reported, with both reports of potential users struggling to secure a legal aid provider and providers turning away prospective clients.
- There are indications that issues with the sector meeting demand may be experienced more acutely in some regions of England and Wales and certain categories of law (immigration & asylum and housing being two key examples).
- Whilst there are reports of individuals failing to access legal aid, evidence is limited on what happens in these instances and further research would be beneficial. This could be leading to unmet legal need and can increase the likelihood of individuals turning to unregulated advice or proceeding as litigants in person.
- Individuals often present with multiple clustered legal and social welfare issues.
 Frequently they will also only seek advice when their problem is already at an advanced stage which can mean their legal options are limited.
- Early intervention can help tackle issues before they escalate and cluster, meaning solutions are potentially simpler and cheaper.

Part 2: Effectiveness of civil legal aid systems

For civil legal aid to function properly as a service for end users, it is important that the system is effective and allows both users and providers to engage with and navigate it in an efficient and streamlined manner.

Part 2 will therefore focus on key findings regarding the effectiveness of civil legal aid systems from both user and provider perspectives. It will look at the burden of financial and evidentiary requirements and the role of technology, focusing on the perceived challenges, and opportunities, to the efficient delivery of legal aid services. It will highlight the complex nature of administrative processes and the challenges faced by both users and legal aid providers, indicating the need for streamlined systems, improved technological integration, and approaches centred around user needs.

2.1 Complex and burdensome nature of systems

Frequently across RoCLA the level of complexity inherent to much of the civil legal aid system and regulations was raised as a barrier to the system's effectiveness. The burdensome nature of systems impacts both users and providers and evidence indicates there is scope for improvements which would benefit both groups. This section sets out the different facets of the legal aid system that issues have been reported with, explaining how these issues impact the effectiveness and efficiency of the service providers deliver, and users receive.

Evidential and financial requirements

The current evidential and financial requirements were raised most frequently as a key barrier for those seeking help. Stringent evidence requirements create administrative burdens, generate delays and potentially restrict access to legal aid, particularly for vulnerable individuals. The User Research highlighted evidential and financial requirements as a challenge for many users. Most users spoken to as part of the research needed around two weeks to gather the required financial documentation.

However, both providers and trusted intermediaries reported that users encounter difficulties. These included: obtaining payslips, knowing how to access bank statements, not having access to the technology to print or email the documents, or the digital literacy to know how to do so. Limited access to in-person banking services was also raised as an issue. Some participants discussed how their clients could be charged by banks or other parties (such as libraries or print shops) to access all the necessary paperwork physically if they lacked email access to provide the paperwork digitally.

"Clients often have a lack of understanding of the tests that [they] need to meet in order to show that they are eligible. [we] Can try to explain this as much as possible but does not always work. Clients often do not know why they need to show their bank statements for specific dates, or why they have to provide lots of information to carry out a full means assessment. [they] Do not understand the introduction of gateway evidence and why they had legal aid before, but cannot get it now." **Provider, England**

Trusted intermediaries had come across users with no financial footprint in the UK and felt that proving eligibility could be more challenging for these individuals.

"Sometimes they're in a very strange situation....they don't always have very many things to prove things with...especially if they've experienced financial abuse or they've got a very controlling partner. So they may not have paperwork in their name. They may not have a bank account in this country and things like that. So having all of that evidence to prove it is quite hard to find for them."

Trusted intermediary

Call for Evidence responses echoed how it was sometimes difficult for individuals to provide documentation like bank statements. Some felt that despite efforts to simplify financial eligibility criteria, such as means assessments, the process remains burdensome and disproportionate, deterring individuals from seeking legal aid. Some participants in the User Research believed those who were self-employed found it more difficult than those with passported benefits, or those in employment, to prove financial eligibility if they did not have sufficient records.

These financial requirements are a burden to providers too, as they have to spend time supporting their clients with evidence gathering. They explained that to determine a client's eligibility for legal aid and gather the necessary evidence, firms often have to fund this process themselves as a business cost. Even then it can be challenging, with there sometimes being a reluctance from users to provide proof of eligibility. Participants discussed a general reluctance to share the level of detail required with legal professionals or with the LAA. This reluctance was said to potentially add strain to working relationships. Participants often linked this attitude towards document sharing to the low awareness of the civil legal aid process discussed earlier and a mistrust of institutions/authority.

Evidential requirements can prove more challenging in some categories of law. For instance, the User Research workstream showed how the requirement to provide evidence of domestic abuse was a particularly sensitive area to obtain proof of, with individuals struggling to provide evidence due to being in challenging circumstances (such as in a shelter without access to finances or email). Participants described how it can cause difficulties for their working relationships when in the earliest stages, providers must ask for evidence. They felt that it could be a challenging dynamic when during the first interaction with a client they had to ask them to obtain proof of domestic abuse, because a client's word was not sufficient for the purposes of progressing a case. The Law Society's Sustainability Research⁶² noted that assessing user eligibility can be particularly onerous in private family law cases - similarly highlighting domestic abuse cases, where users are often unable to provide the level of information required. This appears to impact provider decision-making, as some providers describe their preference to avoid this process and prioritise areas of law which do not require these eligibility checks, i.e. public family law and licensed work. Call for Evidence respondents stressed that the gateway evidence requirements can rely on other professionals who may not always be available, which can hinder access to legal aid,⁶³ although it was the complexity of evidence requirements which came through most strongly as a barrier. An example was cited of a victim of domestic abuse who was unable to navigate the system due to learning disabilities -

⁶² Civil legal aid: sustainability research | The Law Society

⁶³ As of February 2023, medical professionals have been able to provide supporting evidence for a legal aid application following a telephone or video conferencing consultation rather than only after a face-to-face consultation.

underscoring the challenges posed by complicated evidence requirements, especially for those with vulnerabilities. Taken in the context of poor legal awareness and capability the complexity of evidence requirements contributes to a lack of understanding among both users and providers, necessitating more accessible guidance and support.

To apply for legal aid, service users are required to state where they are living. Legal aid legislation requires evidence of any allowance they received, the LAA may also ask for the income details of the person they were living with, and this can have an impact on their eligibility for legal aid. Some trusted intermediaries reported that service users who are seeking asylum sometimes reside with friends or peers while their application is under review. This can be problematic when the application considers the income of the household, yet the finances of other people in the household are completely separate from the applicant.

Some recipients of civil legal aid must contribute to some of their legal costs, with the amount of contribution determined by their monthly disposable income or their capital assets. The User Research workstream highlighted how paying partial contributions for legal aid could sometimes put users in difficult positions and dissuade them from pursuing legal resolution. Providers explained that, although the majority of users' legal costs are likely to be covered, the cost of contributions can be a financial strain, with some mentioning the rising cost of living.

Trusted intermediaries reported that in some situations paying back legal aid funding has a significant impact on a users' financial status. Examples included the 'statutory charge' taking a large lump sum in the future, when assets are sold, and current income assessments leaving users having to pay a contribution when they can't afford it financially.

Some respondents noted the challenge in obtaining legal aid due to trapped capital. Individuals may have an asset that they cannot access, which can affect eligibility for legal aid. Reasons for being unable to access this capital include assets being trapped by a volatile relationship, tied up in a home, or in another country. A trusted intermediary said that although guidance on trapped capital had been updated, it was not widely understood by either signposting staff within their charity, or legal aid providers. They believe that

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trapped capital can form a barrier to accessing legal aid for vulnerable potential service users. It should be noted that, following court challenges, the LAA will exercise discretion to disregard trapped capital where this is necessary to avoid a breach of an applicant's human rights. There may be a lack of awareness of this, or providers may be reluctant to risk adopting this approach themselves when assessing financial eligibility for legal help.

Administration

One of the issues frequently raised across RoCLA has been the burdensome nature of administration associated with civil legal aid. The Provider Survey highlighted admin as one of the key pain points for those operating in the sector. Admin burdens come in a number of forms including: navigating the fees system; the billing process; managing service users; eligibility/evidential requirements; and navigating LAA systems/lodging applications. These tasks all take up significant provider time and are in many cases unbillable and perceived as disproportionately time consuming and inefficient.

When asked in the Call for Evidence what changes could improve the system, a large portion of respondents felt that administrative burdens needed to be reduced. Engagement across the Review revealed how providers felt the level of administration was disproportionate and needlessly bureaucratic. Not only is there a widespread perception that the amount of bureaucracy and administrative work has increased, but that this type of work has also become more complex due to changes in the legal aid sector – in particular navigating the fixed fee system (discussed further in Section 3.2). There was an indication from some participants that they believed this trend was due to the changes made by LASPO.

"Bureaucracy – Excessive bureaucracy is a major problem for legal aid providers and a disincentive for undertaking legal aid work. It creates largely unremunerated administrative costs and diverts scarce resources away from the core task of assisting clients." **Representative body**

Providers report facing a burdensome administrative process, including audits and billing delays, which detracts from their ability to focus on casework and can create financial strain. For example, a provider reported that yearly audits can take up to a week of work, which impacts service delivery. Advocates supported this finding, arguing that the increase

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in bureaucracy and administrative work was problematic because it is unpaid, despite being a requirement to carry out civil legal aid work. It was seen as adding to already pressed workloads. Participants were particularly concerned that it was taking time away from other work, including working with clients and preparation for advocacy.

Evidence emerging from the Review suggests that the administration associated with civil legal aid could be made more efficient which may save providers time and help improve the quality and speed of service users receive.

Administration: Contracts

The Standard Civil Contract 2024 governs the provision of legal services in all civil categories of the law.⁶⁴ It contains the requirements that providers must meet before they can be awarded a civil legal aid contract under one or more categories and must adhere to during the lifetime of the contract. The Review's main evidential workstreams did not have a significant focus on contracts, but engagement with the sector and the Call for Evidence highlight a selection of issues that providers experience with contracts and areas where they believe improvements could be made. It should be noted that when this evidence was collected, feedback would have been in relation to the Standard Civil Contract 2018.⁶⁵

The frequency of contract tendering, which happens every three to five years, has been noted as an issue by those within the sector.⁶⁶ They argued that the current frequency of tendering does not give sufficient flexibility for providers to respond to changing demand within the market. Moreover, they suggest that the rigidity of the tender process may actually function to disincentivise new providers from entering the market. In December 2024, the LAA reopened the 2024 Standard Civil Contract tender and extended the contract to August 2028, its maximum term. The procurement introduces the "always on" approach used in the tender for the 2025 standard crime contract. These changes enable new market entrants to apply for a contract at any time during the life of the contract, removes hard deadlines associated with the process and gives all contract holders

⁶⁴ Standard civil contract 2024 - GOV.UK

⁶⁵ Standard civil contract 2018 - GOV.UK

⁶⁶ Civil legal aid: a review of its sustainability and the challenges to its viability | The Law Society

certainty about the contract term. It will help address the concerns raised about restrictive tendering.

The complexity of the Standard Civil Contract was regarded by some stakeholders as further contributing to the high level of administration associated with undertaking legal aid work. It was felt there was a large amount of regulation associated with the contract, with the contract itself being a lengthy document, then category specific provisions and additional guidance (relating to processes such as the means test) culminating in a sizeable administrational collection. Despite this it was felt that certain aspects of the contract could still be unclear and may be interpreted subjectively. This complexity could also function to deter new providers from joining the market.

Some stakeholders felt the way that contracts structure billing for controlled work could be problematic. Providers receive payments on account for work they do on licensed work.⁶⁷ Although there is provision for stage billing for disbursements in mental health and immigration and asylum work, the Standard Civil Contract does not generally provide this method of billing for controlled work, which for some providers can form a bulk of the legal aid work they do.⁶⁸ This can result in some providers not receiving payment for this work for significant periods of time after the work has commenced. Providers can have significant amounts of controlled work in progress which they are unable to bill for, which may place financial strain upon them. Some providers have suggested that payments on account for controlled work could be paid every three months in line with how the system works for licensed work to help alleviate some burden on providers

Respondents also highlighted requirements such as mandatory office presence in categories where the majority of clients are detained (for instance clients in the immigration & asylum category who may be detained in immigration removal centres, or mental health clients who may be detained in hospital), which they say incurs significant costs without commensurate compensation, although this would be a minority of providers. Having a permanent office can be a substantial overhead cost for providers. Similarly, the

⁶⁷ The LAA provides payment on account to providers for some licensed work. This involves the LAA giving up-front payment to providers towards legal costs before a case is completed.

⁶⁸ Payments on account allow for providers to claim for legal costs whilst a case is ongoing, subject to the claim meeting rules set out by the LAA. Payments on account can be claimed for licensed work.

50% limit on remote advice within contracts was a cause for concern within feedback. The 2024 Standard Civil Contract allows a 50% allowance for remote work (meaning that the number of Controlled Work Matters where the client does not attend the provider's office in person to make the application must not exceed 50%, excluding cases where the provision of remote work was required as a reasonable adjustment under the Equality Act 2010). Although providers can request an increase to this threshold, many of them stressed that they would welcome more flexibility around this requirement to offer remote and blended provision, which they feel would allow them to deliver services in the way they feel best suits their clients. Presently the contract does allow a 75% share for remote work in relation to the immigration contract.

There have been calls from stakeholders, including in numerous Call for Evidence responses, for contracts to be simplified to reduce the administrative burdens discussed in this report and to provide greater clarity for providers.⁶⁹

Administration: Billing and auditing

Once firms are awarded civil legal aid contracts, they can submit claims to the LAA for payment for their services. Payments are strictly limited to activities defined in Civil Legal Aid (Remuneration) Regulations 2013 once an end user has been approved by the LAA for civil legal aid support. Claims are typically submitted via the Client Cost Management System (CCMS) or on the online portal Contracted Work & Administration (CWA).

Across the Review, evidence indicates that the billing process is burdensome for providers. Claim requirements can be very detailed, in part reflecting the complexity of the evidential and regulatory requirements highlighted above, and also because it is important to know the types of cases being undertaken. Therefore, claim requirements may take providers significant time to fill-out and submit every period.⁷⁰ In the Provider Survey, 94% of respondents experienced problems arising from time associated with administration relating to getting paid – with 45% of respondents experiencing these issues on a weekly

⁶⁹ Legal Action Group | What do providers need from future legal aid contracts?

⁷⁰ For fixed fees, the information required for a claim is relatively limited. However, providers do need to record detailed information to calculate how much they would be paid under hourly rates in case the case "escapes" the fixed fee.

basis. For example, providers noted that claims will be rejected by the LAA, if counsel working on the case have not submitted a corroborating claim to the LAA.⁷¹

Participants in the Advocacy Research and Call for Evidence respondents reported there were also issues with payment delays and the length of time it could take to get paid or get the 'right' amount after submitting a case bill. Although the LAA has consistently met its KPIs on payment of bills, participants reported that the LAA could take a while to make payments after a case had concluded. Billing was seen to detract time from dealing with live cases as providers endeavoured to complete admin to ensure payment. Delays in submitting claims and required information can cause delays in settlement by the LAA, as it has strict cut-off times.

As barristers are dependent on providers instructing them, issues experienced by providers therefore feed through to them. During the Review's barrister Roundtables, it was noted that in some circumstances, barristers can be waiting for payment for civil legal aid work for long periods of time – described as having "aged debt". The level of administrative requirements could mean that solicitors delay submitting these claims, causing this aged debt. It was noted this is in stark contrast to private work where you can be paid in a matter of days after the work is done and acts as a key factor for barristers choosing between doing civil legal aid work and private. The Advocacy Research supports this where it was noted that payment delays can also stem from solicitors, by not passing on the fee quickly enough after the LAA has made payment. This was particularly problematic for participating barristers that were self-employed, who often reported that they had experience of waiting many months and even years to receive a payment. Providers have an obligation under their contract to make payments within 30 days of a valid invoice.⁷²

Related administration activities, such as complying with peer reviews, audits, contract manager visits, contractual updates and appeals play an important role in regulating the market, but all create additional overheads for providers. A small proportion of LAA forms

⁷¹ For the three months to July 2024 the LAA processed 39,266 final bills, rejecting 763 because counsel had not submitted a corroborating claim (1.9%). Source: LAA operational data (there may be a small margin of error owing to this being unverified operational data, but it gives an indication of the reject rate)

⁷² See clause 3.3(b)(i) of the Standard Terms to the Contract: Standard Terms 2013

are paper-based rather than managed through online portals (e.g. CW1 forms, Cost Contract Counsel Acceptance Forms etc). In the Provider Survey, 80% of respondents reported experiencing difficulties with the auditing process at least once, and 39% of respondents said that difficulties with auditing process by the LAA were a pain point "likely to prevent their continued service provision".

It is crucial to note that this system also plays an important regulatory function in helping to ensure value for money and that it is therefore important to make effective trade-offs between these factors when considering interventions to improve this process. The LAA also has a KPI for payments to providers of paying 95% of complete, accurate, eligible bills within 20 working days. The LAA exceeded this target in the past 3 financial years, achieving a rate of 99%. A tension exists between views expressed by providers on payment delays and LAA KPIs and performance management information which shows that around 85% of bills are paid in full or in part when first submitted. After an invoice is accepted by the LAA, it is paid within the noted time frame.

In their Market Research, PA Consulting felt that these issues may serve to erode any available margins from civil legal aid work and impact overall market efficiency. The impacts of billing and wider system disincentives will be explored further in Part 3 of this report.

Administration: IT Systems

Evidence shows that legal aid IT systems, particularly the Client Cost Management System (CCMS)⁷³ are a pain point for providers of civil legal aid. Sentiment regarding CCMS was wholly negative, with providers finding it burdensome, "buggy" and repetitive in nature. The strength of feeling about this matter was apparent from Call for Evidence responses and engagement across the Review. Providers felt CCMS worked poorly for civil legal aid cases and some appeared to be unaware that training was offered on the

⁷³ The online system operated by the LAA, for civil and family legal aid providers, that allows solicitors, advocates, clerks and costs lawyers to manage cases, workloads, and bills. More information can be found here: <u>www.gov.uk/guidance/bringing-civil-legal-aid-processing-online</u>

use of the system.⁷⁴ Payments for legal aid work are backloaded and when bills are submitted for legal aid work, providers felt they are often reduced and rejected without any prior consultation. Providers found frustration with completing case details, explaining that completeness of case details is crucial for navigating the CCMS process effectively, finding that incomplete information poses significant obstacles, making progress "impossible". They believed that the application process lacks efficiency, necessitating repeated applications for case scope changes. An example centred on the significant time investment required for reapplying due to case development.

"We found use of Client and Cost Management System (CCMS)... has become much more complicated. Much more paper heavy and much more bureaucratic and harder to navigate. So, that means firms and counsel are less likely to take on those cases because you're not going to get paid or it's so much bureaucracy you're not going to get paid for." **Solicitor, immigration & asylum law, England**

It was reported that the Apply for Civil Legal Aid tool often fails to work, leading to frustration and doubts regarding its reliability. Lack of approval unless all requirements are met poses risks, especially in complex cases, leading to underutilization of the tool. It is worth noting though that providers must demonstrate that a client meets requirements in all circumstances, whether using the Apply for Civil Legal Aid tool, or not. Though providers felt a lack of confidence in the tool's functionality could lead to minimal input of information, potentially hindering the application process.

Providers participating in the User Research discussed how "digitisation" of the civil legal aid system had benefited some of their clients and encouraged further steps which could improve the client experience (the use of technology is discussed further in Section 2.2). Specific examples of existing improvements included the relaxation of the rules stipulating

⁷⁴ The LAA does offer guidance and support to providers via a training website called Legal Aid Learning that is directed at helping providers through the application and billing process across the digital systems they use. The site offers course modules for each step of the application / billing process, trainer led online modules and pre-recorded webinars. It may be that providers are not aware of this, or feel that further training would be beneficial.

"wet ink" signatures on paperwork introduced during the COVID-19 pandemic⁷⁵ (something echoed by several Call for Evidence respondents) and the integration of a passporting benefit check (such as universal credit) into CCMS. Participants discussed how both of these improvements had made proving eligibility and the administrative process easier for clients while also reducing the number of delays in case progression.

Providers felt there was plenty of scope to improve CCMS, those engaged with as part of the User Research felt clearer guidance on the format materials should be uploaded in would be helpful, as well as further integration of data held by government departments, such as the DWP and HMRC, which they believed may help to reduce delays and the amount of evidence users were required to gather to demonstrate eligibility. Participants also shared how a portal for those able to share proof of eligibility directly with the LAA, without the involvement of their legal representatives, could make the process more efficient as the LAA could contact clients directly if further information is required. Elsewhere, the Review's engagement with providers elicited further suggested improvements such as adding templates for cases which arose frequently to reduce the administrative burden on providers. CCMS is a digital platform, but the decision-making process is undertaken by individuals and there is a sometimes a perception among providers that those making the decisions can get them wrong.

Decision making

The sentiment expressed above segues onto findings regarding the LAA's decision making, approach and relationship with providers. In the Review's Provider Survey, the way the LAA makes decisions elicited the third highest level of dissatisfaction (59%), after the fee system (82%) and only marginally behind the ability to build a quality workforce (61%). LAA infrastructure and decision-making was singled out in the survey as one of the key frequent (weekly) pain points for providers. This illustrates a sentiment of discontent with current practice and the legal aid regulations which the LAA must follow.

⁷⁵ 'Wet ink' signatures require the physical signing of documents, instead of other methods of signing such as 'e-signatures.' For more information, see guidance provided on the gov.uk website titled 'Coronavirus (COVID-19): working with clients': <u>www.gov.uk/guidance/coronavirus-covid-19-working-withclients#using-digital-signatures</u>

Whilst there were instances of providers being grateful for the LAA exercising discretion or providing guidance, in general, there was a sense that further improvements could be made to the way decisions are made to provide greater consistency, clarity and transparency. Discrepancies in case outcomes have been noted by providers, who report similar cases receiving inconsistent treatment. Such discrepancies were also noted relating to billing, with some reporting that counsel bills seemed to be paid with lower levels of scrutiny whereas solicitors' billing was subject to more rigorous checks.⁷⁶ Similarly, it was felt that sometimes decisions were made and little was provided by way of rationale, or that rejections (for example for billing) would come without any prior consultation. Some providers and the LAA was poor. They felt the relationship could be adversarial, and perceived a "culture of refusal", with the LAA being quick to apportion blame as opposed to prioritising education and support, especially for new or small firms who can struggle with admin and management. In several instances, providers suggested that additional training for LAA caseworkers could catalyse improvements in this area.

Related to this is a less common issue that was raised by participating instructing solicitors during the Advocacy Research regarding the Key Performance Indicators (KPIs) they are required to meet. KPIs for legal aid firms are set out in the LAA's 'Standard Civil Contract Specification'. While there was a broad acceptance that regulation and minimum standards were important, the balance of opinions was that KPIs were burdensome and that errors could be punished harshly.

Exceptional Case Funding

Evidence from RoCLA regarding Exceptional Case Funding (ECF) is limited, it did not come up substantively across RoCLA's four core evidence gathering workstreams but was raised by providers during engagement and in Call for Evidence responses. Regarding ECF, providers felt more clarity is needed for users on what legal aid support is available after the grant of a case. Responses suggested that ECF applications were burdensome and financially onerous for providers. As such they are hardly sought, some respondents

⁷⁶ There are differences between fee schemes which may have an impact here, for instance, with the Family Advocacy Scheme (FAS) claims are generally certified by the courts/judiciary ahead of being submitted to the LAA.

reported they hadn't had a successful application in many years. Where ECF was successfully sought, one provider explained that due to the client's clustered asylum, family and domestic violence issues, the lawyer funded was unable to meaningfully assist as they did not understand all areas.

"Few people meet the criteria and for those who may, there is no emergency decision-making path and the LAA can take time to make decisions. As a result, most legal aid contract-holders, lacking capacity to take on all the eligible people who approach them with meritorious cases, are reluctant to take on exceptional case funding applications as there is no guarantee they will be paid for their work." **Law centre**

It was felt that ECF that regulations and guidance could be simplified. Providers reported that the application process for ECF is complex, deterring both providers and individuals from seeking assistance. Vulnerable users have little hope of understanding ECF if providers sometimes struggle, with direct applications for ECF being particularly challenging for individuals without legal representation. During the User Research, a trusted intermediary in the immigration charitable sector gave the example of how it can be difficult for trusted intermediaries to understand when a person might be eligible for ECF. Providers thought that simplification of the direct application process is needed to ensure accessibility and timely assistance. Providers said they play a crucial role in challenging ECF refusals on behalf of individuals who may not have been able to do so independently.

Few providers take on ECF cases due to the perceived risks involved, such as delayed processing times and uncertain outcomes. They reported that urgent applications for ECF can take up to 10 days to be approved and submitted, lacking confirmation of processing.

Providers referenced a delay in activating funding even after ECF is granted, prolonging the process and leaving individuals in limbo. Providers argued that delays in urgent cases highlight the absence of an effective emergency procedure for ECF. Many felt that challenges associated with the process delayed the provision of legal representation. Some raised particular concerns with the lack of provision for immigration legal aid, saying this rendered ECF applications made directly by clients a 'waste of time and effort' as applicants may not find an available legal aid provider even if their application is granted.

"The process [ECF] is too complicated for individuals to undertake without the support of a legal professional yet applications for ECF are made at risk, with funding only being granted if the application is successful. Solicitors are unable to grant exceptional funding themselves, and all applications for ECF must be sent to the LAA. The LAA's target time for responding to an initial application is 25 working days, with the target time for responding to an urgent application is ten working days. Practitioners have told us via the Westminster Inquiry that the ECF application process is time-consuming, onerous and leads to delay."

Representative body

A number of respondents also highlighted that among some types of ECF cases (including immigration cases) there is a relatively high grant rate for ECF. Some respondents felt that it may be worth considering bringing cases where ECF applications are routinely granted back in scope of legal aid, or implementing a simplified application procedure for such cases. Providers felt a more streamlined and dynamic process is needed, with some saying that immediate activation of funding upon ECF approval would alleviate delays and provide timely assistance. More targeted research would be required to strengthen the evidence base on this facet of the civil legal aid system.

Languages

This report has already discussed how users of civil legal aid may have language barriers, but it is also clear that the system is not optimised for individuals experiencing this barrier. Such users may need an interpreter to effectively access and engage with the legal aid system. The User Research workstream found reports of difficulties finding an interpreter who is suitably qualified and willing to work for the legal aid rates (which were considered uncompetitive). This was another factor with potential to cause delays to the legal process.

Costs and uncertainty of funding were raised when discussing access to legal services for those with low English proficiency or those who require a sign language interpreter. Organisations would often have to cover initial interpretation costs until legal aid was in place, where interpretation is permitted as a disbursement, and discussed difficulties sourcing and paying for these services if there was uncertainty over whether civil legal aid would be granted.

"We need to be open, we need to be accessible, regardless of language or disability. The reality is we cannot carry the burden of interpreter's fees." **Provider**

Providers often had to navigate this issue on behalf of users, which placed additional burden on them. Providers with links to local charities or other referral sources were able to use these organisations to provide interpretation services. Large providers also discussed relying on the language skills of other staff within their organisations in order to help. The importance of having a consistent and trusted interpreter was stressed by participants who often worked with vulnerable clients, particularly those in the family and immigration practice areas.

Wales-based providers raised the issue of Welsh language accessibility. There is a lack of Welsh language support in courts, despite it being a language of the courts, which can pose an additional barrier to access. Providers in Wales stated that there is a reduction in the number of practitioners who can speak Welsh, because of the reduction of practitioners across the board.

2.2 Use of technology

This section explores the use of technology within the civil legal aid system and summarises some important perspectives and considerations to take account of when considering how technology is best utilised in the future of the civil legal aid system (the previous Section 2.1 has already discussed LAA use of technology). Within the legal aid sector, use of technology has evolved. Legal aid has traditionally been a predominantly face-to-face service. In some categories of law, specialist providers offer telephone advice through the Civil Legal Advice helpline. Across civil legal aid though, the onset of the COVID-19 pandemic catalysed providers to increase uptake and streamlining of digital ways of working. The legal advice sector developed blended approaches, with a mix of in-person and remote delivery being used.

Many providers express enthusiasm for leveraging technology to provide services more flexibly, enabling them to reach clients beyond their immediate geographic areas. However, this is tempered by a resounding call for maintaining the quality and locality of legal services and in-person service for those individuals and situations where it is most

appropriate. Concerns arise regarding the exacerbation of digital access issues for specific user groups. This evolving landscape underscores the pressing need for a balanced approach that harnesses technology's potential while safeguarding against its pitfalls and ensuring equitable access to justice for all.

Mixed views on digital service delivery

Findings related to technology from across the Review were mixed and are summarised by two of the "best practice principles" developed by the Open Innovation Team (OIT) as part of the Comparative Analysis workstream.⁷⁷ One principle centred on the importance of utilising technological and digital tools. It was widely recognised that technology and digitalisation are tools to enable improved legal services for both users and providers. Technology helps to optimise legal processes, synthesise vast swathes of information, increase accessibility of information and services, and provide remote accessibility for some users. In the longer-term, advancements like the rise of Generative AI, machine intelligence and smart data solutions will have more transformative impacts for the entire sector, such as in the use of alternative dispute resolution and helping to enable prevention and early resolution. It should be acknowledged that the Review has not gathered much evidence on some of these longer-term and more ambitious uses of technology. The MoJ is investigating how technology can best be implemented in a modern and effective justice system.

The second principle relating to use of technology, and representing the flipside of the coin, stated it was crucial to "Understand the risks of digital exclusion and the importance of face-to-face support in certain contexts". Technology is not a panacea when it comes to legal aid. There are factors which need to be considered when implementing it, most notably the risks of digital and technological exclusion. Additionally, more complex cases are often better handled face-to-face, especially for cases with particular sensitivities or for developing trust between providers and clients.

⁷⁷ These principles were informed by effective civil legal aid provision in England and Wales and the six comparator systems. They were reached through OIT's research and engagement with 45 domestic and international experts and through testing in expert, stakeholder and practitioner workshops.

These perspectives were echoed across the Review's findings. Providers participating in the User Research welcome the use of technology to provide their services more flexibly and noted the ability to reach clients from outside their immediate practice areas. At the same time, many stressed the need for clients to have the option of quality and local legal services, otherwise this could exacerbate digital access issues for some client groups. Among providers there was a general view that the method of delivery should be guided by the clients' wishes. Some participants discussed how greater use of remote communication allowed some clients to "shop around" for legal aid providers with particular specialities or good reputations. Participants reported that some clients prioritise expertise in a specific category of law over the convenience of local, in-person communication, opting instead for remote interactions. Participants who practiced in categories of law with fewer providers often saw clients from outside their local area. At the same time, participants tended to favour at least some face-to-face interaction with clients, with the initial meeting usually conducted in-person where possible.

"I just feel like it makes them feel as though they're more a part of the process and it can, you can feel very removed if everything's just done on the telephone or via a computer." **Provider**

"A lot of relationship building is required in [this category of law], and I would rather go and see the [client] that I'm going to be representing face to face to try and build some rapport. [...] I think that's really important in our work." **Provider**

The ways in which providers interacted with users varied, with both face-to-face and remote services being delivered. It was clear how COVID-19 restrictions appeared to trigger rapid adaptations in service delivery, with many providers displaying resilience in the manner they shifted to remote-first ways of working to keep the sector functioning. Some of the users the Review engaged with had never met their provider in-person during the case because of restrictions during the pandemic. Some users felt this worked well and preferred this way of communicating, while others described face-to-face as their preferred form of contact due to other factors, including having English as a second language.

Many Call for Evidence respondents expressed a desire for increased options for remote hearings and more flexibility in contracts allowing for remote provision of advice (already discussed in Section 2.1). Some felt more clients were opting to address their needs remotely and believed an opportunity existed to increase accessibility of legal aid if changes were executed properly.

Accessibility, digital exclusion and capability

Often any remote video contact will have to be conducted over a client's phone as opposed to a PC or laptop. The Review has heard how providers and trusted intermediaries often use mobile phones to communicate with individuals and deliver services. Legal aid clients are increasingly active on their mobile phones, using text messages and WhatsApp to communicate. The User Research also learned that in certain circumstances, trusted intermediaries provide technology to clients so they can stay in contact. It is notable that those delivering services are finding workarounds for poor digital capability and using technology to combat poor literacy and comprehension. Several trusted intermediaries stated that they increasingly use WhatsApp voice notes as their clients understand what they say, but not their writing. One trusted intermediary said their organisation uses Sonos reading software to reduce this reading barrier. The software sends clients a link which verbally reads out the email or update so the person can understand it. Whilst mobiles can make it easier to communicate with clients, for providers it can mean an additional administrative step to get those messages onto files.

Frequently, the Review has heard about how accessibility of technology poses challenges for remote advice. This digital exclusion, exacerbated by factors like lack of Wi-Fi or data plans, hinders remote assistance, especially for vulnerable groups such as those seeking housing legal advice. In the UK in 2021, an estimated 1.7 million households had no broadband or mobile internet access.⁷⁸ Digital exclusion is not the only factor, even when individuals may have access to technology, levels of capability can be poor. 2.4 million adults are unable to complete a single basic task to get online, such as opening an internet browser.⁷⁹ Whilst progress is continually being made on digital capability, a quarter of the

⁷⁸ Ofcom, Connected Nations UK Report, 2022

⁷⁹ Ofcom, Adults' Media Use and Attitudes report, 2022. See also, Digital exclusion in the UK: Communications and Digital Committee report - House of Lords Library (2023)

UK population is estimated to have very low digital capability.⁸⁰ This share is likely to be higher among the population eligible for legal aid.⁸¹ Increasing the use of digital platforms in the legal aid space could disadvantage many people, most likely the most vulnerable, meaning access to a physical venue is critical for some people and that digital exclusion and capability should be a key consideration for policy development.

Particular concern was raised that users from ethnic minorities and facing language barriers were less likely to access services remotely. Similarly, more barriers exist for those within the immigration & asylum space and those experiencing homelessness. The example was given of individuals within detention centres finding network and phone access for remote provision problematic.

Quality of service and other considerations

Findings from the Review suggest that, in certain instances, face-to-face service can enable a quality of service that is harder to achieve remotely. This report has already discussed low levels of legal capability and potential barriers to understanding, such as poor literacy and comprehension, both of which can be easier to address in-person. Call for Evidence respondents noted how some clients with protected characteristics can struggle to manage telephone or video calls, such as those with hearing loss and special educational needs and/or disabilities. Furthermore, it can be difficult to gauge a client's understanding by video/telephone in such circumstances. In-person, some providers felt they are better able to explain legal terminology, ensure that clients have a proper understanding of situations and tailor their communication. The use of remote hearings was viewed by some participants in the Advocacy Research as limiting the quality and amount of advocacy clients received, where clients had low digital literacy, limited access to devices, and poor internet access.

Providers and experts frequently stressed how for those cases which are more complicated, or which carry a higher level of sensitivity, remote service delivery is often not the most suitable option. In-person service allows for providers to navigate the complexity

⁸⁰ Lloyds consumer digital index report, 2023

⁸¹ The Westminster Commission on Legal Aid: Inquiry Into The Sustainability And Recovery Of The Legal Aid Sector, October 2021.

of such cases and to engage more effectively with clients who experience barriers due to their vulnerability. Domestic abuse cases were discussed, with the prevailing sentiment being that remote advice is not suitable for some victims of domestic abuse due to safety concerns. Face-to-face interaction is deemed safer for proper screening and assistance, considering potential monitoring of phone and internet usage by abusers. Victims of domestic abuse require safe environments for receiving assistance, away from potential monitoring or tracking by abusers.

The Advocacy Research suggested that there are data protection risks associated with remote service, especially for individuals who may be required to use internet cafes to access and print legal documents. When it came to remote hearings, providers noted how clients could initially be relieved at not needing to travel to/appear at a formal hearing, but could then become very anxious because of their unfamiliarity with the requisite technology. Providers engaged during the User Research, who served vulnerable clients, expressed a preference to provide the option for clients to attend remote hearings from the providers' office. This was seen by participants as a way to address a potential lack of access to technology or privacy for remote participation in the hearings, and to provide support during the hearing and discuss it immediately with their legal representative.

2.3 Overall picture on the effectiveness of civil legal aid systems

Key Findings:

- Evidential and financial requirements were frequently raised as a barrier to the system's effectiveness. Users find it difficult to understand and obtain the required proof. This can lead to delays and burden on providers and trusted intermediaries who support users.
- For providers legal aid administration was highlighted as a key pain point.

- Legal aid contracts were considered to be excessively complicated and to place constraints on providers such as restrictive tendering windows and office and remote work requirements.
- Billing and auditing were considered burdensome and lengthy processes.
- Legal aid IT systems are another pain point for providers. Providers felt systems made their work more difficult.
- In the Provider Survey, the way the LAA makes decisions elicited dissatisfaction. Sentiment expressed by providers suggests that improvements could be made to the way decisions are communicated and to the relationship between providers and the LAA.
- The ECF process was felt to be overly complicated, difficult to navigate and slow.
 Some reported a high degree of uncertainty around funding, whilst others felt certain types of cases were frequently granted and questioned if such cases could be brought in scope of legal aid, or have ECF applications simplified.
- It can be challenging to secure interpreters who are willing to work for legal aid rates.
- Digital service delivery was welcomed by many providers and users or the flexibility it can enable.
- Digital exclusion and poor levels of digital capability need to be considered as they have potential to be barriers to access. In certain instances, such as building trust, complex cases and with some vulnerable individuals, in-person service can be more appropriate.

Part 3: The functioning of the civil legal aid market

Part 3 examines the experiences of providers who deliver civil legal aid services. It explores some of the key challenges that providers face, including the financial viability of delivering civil legal aid services, and building and maintaining a high-quality workforce of solicitors and barristers.

The chapter concludes by looking at how these key challenges impact provider decisionmaking, the overall supply in the civil legal aid market, and its subsequent capacity to meet user demand (linking to Section 1.3).

3.1 Contextualising civil legal aid providers

Providers are those who deliver legal services to recipients of civil legal aid. To deliver civil legal aid services, providers must hold a contract with the LAA.

Provider organisations employ a range of staff. This may include solicitors, who take primary responsibility in providing users with legal advice, mediators (where a provider undertakes mediation work), administrative staff, and senior partners. Provider workforces don't typically include barristers, who are usually needed when in-court representation is required. Barristers generally sit within chambers and providers can arrange to work with barristers on a case-by-case basis. Solicitors, solicitor advocates and chartered legal executives can also fulfil the role of representing clients in a court or tribunal.

Providers can obtain a contract to deliver legal aid through formal procurement rounds, which historically have been conducted by the LAA every 3–5 years. The 2024 Standard Civil Contract came into effect on 1 September 2024, with a maximum term of four years. On 4 December the LAA reopened its procurement for this contract, inviting additional tenders from organisations that have not previously tendered or did so unsuccessfully, or existing firms that wanted to expand to new categories of law. At the same time, it

announced that it was moving to an "always on" procurement approach so legal service providers could apply for a civil legal aid contract at any time.

Within civil legal aid, there are three 'core' services that providers offer:⁸²

- Legal representation representation by solicitors and barristers for cases which could go to court (sometimes termed Civil Representation).
- Legal help advice and assistance about a legal problem, excluding representation in court.
- Family mediation this is only available in the family category of law and entails a mediator discussing problems with a divorcing or separating couple in an attempt to reach agreement without using the courts.⁸³

Providers also offer other services within civil legal aid, such as: family help (lower), family help (higher), investigative representation, help at court, and other legal services in exceptional cases.

These legal services (excluding family mediation) can be provided across 11 categories of law. A provider must hold a contract in each category of law that they want to practice in (they can hold more than one contract). There is no 'general' civil legal aid contract covering all categories. These categories of law are as follows, as defined by LASPO:

- Family
- Housing and Debt
- Immigration and Asylum
- Mental Health
- Education
- Discrimination
- Clinical Negligence
- Claims Against Public Authorities
- Community Care
- Welfare Benefits

⁸² The forms of civil legal services available are set out in the Civil Legal Aid (Merits Criteria) Regulations

⁸³ Whilst the LAA only contracts for mediation in the family category of law, mediation is available as a disbursement in other categories of law.

• Public Law

In June 2024, there were 1,306 providers holding civil legal aid contracts.⁸⁴ The largest categories of law were family, housing and debt, and immigration and asylum, with 65%, 16%, and 13% of the total provider base holding contracts in these categories of law, respectively.⁸⁵

Holding a civil legal aid contract doesn't mandate that a provider must work exclusively on civil legal aid, neither does it mean that providers are required to undertake a specified amount of legal aid work, and providers who hold a contract can undertake no legal aid work should they choose. Providers can provide private legal services alongside working on civil legal aid, and anecdotal evidence suggests that many providers operate in this way.

Providers in the civil legal aid market have different characteristics, such as their size and whether they are for-profit or not-for-profit in nature.⁸⁶

The civil legal aid system is primarily made up of for-profit providers. In 2022–23, 94% of providers were for-profit and 6% were not-for-profit.⁸⁷

3.2 Key challenges: Fees and financial viability

This section explores fee levels and fee structures, and their combined impact on the financial viability of delivering civil legal aid. Most fee levels haven't been increased since 1996. Furthermore, many fee rates were cut by up to 10% in 2011, with some further targeted cuts, scope and policy changes which reduced the amount of billable legal aid work, taking place in the subsequent years.

⁸⁴ Legal aid statistics quarterly: April to June 2024 - GOV.UK, table 9.6.

⁸⁵ Ibid., table 9.7. These figures have been provided as indicative. Although the new 2024 Standard Civil Contract commenced on 1 September 2024, subsequent to this research in December 2024 the LAA moved to an "always on" tender process which means that prospective bidders will have multiple opportunities to apply for a contract during the life of a contract.

⁸⁶ In for-profit organisations, profits made may be distributed to owners, shareholders, or partners within the organisation. In not-for-profit organisations, all profits are re-invested into the running of the organisation.

⁸⁷ Review of Civil Legal Aid Market Research Report figure 38.

Before the Review providers would often report fees and financial viability as the highest priority challenges they face. According to the Review's Provider Survey, 81% of respondents reported that fee levels are likely to prevent their continued service provision, with the equivalent figure at 66% and 64% for the rigidity of fee structures and spending excess time which they are unable to bill for (i.e. the coverage of fees).⁸⁸ Across RoCLA's engagement, fees and financial viability were repeatedly raised as the key area of dissatisfaction and concern among providers working in all categories of law. Fees and financial viability were also among the strongest themes to emerge from responses to the Review's Call for Evidence.

"There are currently no financial incentives to do legal aid work. The rates of pay have not increased for more than a decade and were cut by 10% back in 2011. No account has been taken of inflation and the rising costs of running a business, nothing else has remained frozen in time. Our accounts for 2008/09 pre LASPO showed that our legal [aid] income was approximately 57% of a turnover of £1.9m, the most recent accounts show that this reduced to 26% on a turnover of £1.5m." **Law centre, England**

Fee levels and structures

Providers gain revenue from different sources. For their legal aid work, their primary source of revenue is fee payments from the LAA. They can also gain revenue from interpartes cost recovery (available in some types of legal proceeding for a successful party, but not in all), government grants, donations, and some providers combine legal aid work and private legal work. The contribution of these revenue sources varies according to a provider's characteristics (business model, choices, area of expertise, firm size, location, etc.). For example, not-for-profit providers are likely to receive a larger proportion of their revenue from grants and donations, and providers operating in Wales often receive grants from the Welsh Government.

Although there are many different fees applicable for different experts and circumstances, there are three main types of fees:

⁸⁸ <u>Review of Civil Legal Aid: Provider Survey Report - GOV.UK figure 5.2.</u>

- Controlled work standard fees Controlled work typically relates to legal help work. Generally, the default position for Controlled Work is to be paid through a fixed fee. Fixed fees don't apply for controlled work in the mental health and immigration and asylum categories of law.⁸⁹ Instead, graduated fees are paid, recognising the extensive preparatory work needed in these categories.
- Controlled work hourly rate When the costs of a case exceed three times the value of the fixed fee, known as the 'escape threshold', the fixed fee graduates to an hourly rate.
- 3. Licensed work Licensed work typically relates to civil representation work. For civil non-family categories licensed work is paid at hourly rates by default, with the specific rate payable dependent on the nature of the work being claimed for and the seniority of the court. For family licensed work a system of graduated fees is in place. Special provisions are made for high-cost cases (e.g. where costs exceed £25,000).

Current fee levels are set out in the table below, including lower and upper bounds where appropriate. This table shows that hourly rates across controlled work and licenced work are similar across most categories of law. For controlled work standard (fixed) fees, there is greater variation between categories. Hourly fee rates are also higher for licensed work relative to controlled work, reflecting the greater complexity of (civil representation) licensed work.

⁸⁹ In some instances hourly rates are paid for immigration and asylum work.

Categories of law ⁹⁰	Controlled Work Standard Fees	Controlled Work (hourly rate)	Licensed Work (hourly rate)
Claims Against Public Authorities	£239	£48–£52	£59–£71
Clinical negligence	£195	£43–£46	£59–£71
Community care	£266	£48–£52	£59–£71
Debt	£180	£43–£46	£59–£71
Education	£272	£48–£52	£59–£71
Housing	£157	£45–£56	£59–£71
Miscellaneous	£79	£45–£48	£59–£71
Public law	£259	£48–£52	£59–£71
Welfare benefits	£150	£43–£46	£59–£71
Family public law	£132–£365	£45–£56	£54–£70
Family private law	£86–£565	£45–£56	£54–£70
Immigration and asylum	£234–£567+	£47–£74	£59–£71
Mental health ⁹¹	£69–£321	£54–£57	£59–£71

Table 1: Fee ranges per category of law

Source: Civil Legal Aid (Remuneration) Regulations 2013. Note (1): Standard Fees refers to Part 1 Civil Standard and Graduated Fees of The Civil Legal Aid (Remuneration) Regulations 2013. For the first nine categories in the table, the 'ranges' reflect (a) at the lower end the single fixed fee (b) at the higher end, the "escape fee threshold". Note (2): Controlled Work refers to Part 2 and Licensed Work refers to Part 3. An additional set of fees also applies to family law mediation (Part 4) and several 'per item' fees exist such as "Routine Letters Out and Telephone Calls" (£2–7 per 'item').

Most fees in civil legal aid haven't been increased since 1996, with many fee rates also being cut by up to 10% through the Legal Aid Reform Programme in 2011. Subsequently, many providers report that static fee levels are causing their civil legal aid services to be loss-making.

The impact of fee levels on provider financial viability can be explored further. The Law Society commissioned Frontier Economics to undertake sustainability research.⁹² This

⁹⁰ Asylum & immigration and mental health are graduated fee schemes, meaning providers can be paid more than one fee per case. For both public and private family law there are a range of standard fees which can be claimed depending on the type of work undertaken.

⁹¹ Mental health is a graduated fee scheme, meaning providers can be paid more than one fee per case. In a typical case a provider would be paid the MHT Level 1 Fee + MHT Level 2 Fee + MHT Level 3 Fee.

⁹² Civil legal aid: sustainability research | The Law Society

involved a survey of a small number of firms in the housing and family categories of law. MoJ officials were given the opportunity to input into the design of the survey, and have been given access to data which shows the distribution of providers' costs, revenues and profitability without disclosing the firms involved. This research found that all housing providers surveyed were loss-making on their legal aid work. It also showed that half of family providers surveyed were profit-making, and half were loss-making on their legal aid work. This masked that public family work was largely profit-making and private family work was largely loss-making. Findings may indicate that current fee levels are insufficient to cover providers costs for this sample of housing and private family providers. Provider profitability is discussed in more detail later in this section of the report.

The differential between fee levels and provider costs is driven by the absence of fee uplifts. During this time, it's highly likely that provider costs have increased substantially. In Call for Evidence responses fee levels were continually singled out as a key challenge facing the system. Many respondents called for an increase in civil legal aid fees, arguing that the existing rates are insufficient to cover the costs of providing quality legal services and do not reflect the true value of the work. The most common suggestion for increasing fees was in line with inflation.

"There is a need for increased remuneration for solicitors and barristers in an effort to halt the decline in available providers of legal aid services. Fees have not increased since 1996, an astonishing 27 years. There is difficulty recruiting and retaining solicitors and barristers in publicly funded areas of work due to poor remuneration and therefore causing concerns over the medium to longer term sustainability of legally aided practices." **Barristers chambers, England**

It should be noted though, that providers 'true' financial viability is the sum of several factors, including fee levels, the complexity of the fee system, the use of fixed fees, and the amount of work that is and isn't billable under the civil legal aid renumeration scheme. These other factors will be explored in the remainder of this section, before offering a conclusion on providers' overall financial viability.

Inter-partes cost recovery

As mentioned earlier, inter-partes cost recovery can make a difference to the costs ultimately recovered for certain types of legal work carried out by providers under a legal aid contract where their client is ultimately successful in the legal proceedings brought.

Cost recovery takes place when a court makes a 'Costs Order' in favour of the "winning party". The legal firm/provider sets out in a 'Bill of Costs' the costs they have incurred in bringing or defending the claim to a successful conclusion and which they seek to recover from the "losing party". The court will make an order as to the level of costs awarded from the Bill or refer the matter to a costs judge. A key factor with inter-partes costs recovery is that the rates which can be claimed often align more closely to private legal rates. Costs Orders are not available in all areas of civil law covered by legal aid. In family cases, costs orders are rarely given primarily due to the sensitivity of family disputes and the negative implications that cost recovery could have on the losing party, particularly in private family law. In mental health, education, welfare benefits and immigration where cases take place in the Tribunal the procedural rules do not make provision for such costs orders. However, where proceedings are taking place in other courts (including the County Court for housing cases) and particularly the High Court, Court of Appeal or Supreme Court, in onwards appeal and judicial review proceedings, inter partes costs may be ordered.

From 2010–11 to 2022–23, on average, costs were recovered from opponents in 17–23% of non-family legal aid cases.⁹³ This figure, coupled with how cost recovery is rarely seen in the largest category of law, family, shows that cost recovery at higher rates is not a prevalent source of revenue for the civil legal aid providers as a whole. However, in civil legal aid cases where cost recovery is applicable, the revenue generated can be sizeable.⁹⁴ During this time period, an average of £40,700 was awarded in costs per legal aid case in which cost recovery was ordered. In total, in 2022–23, civil legal aid providers received £127.4m in cost recovery.⁹⁵

⁹³ Legal aid statistics: January to March 2023 - GOV.UK

⁹⁴ The legal aid bill in cases which are awarded cost recovery is either zero or limited to costs that cannot be recovered from the opponent. Where payments on account have been made against the LAA these are repaid.

⁹⁵ Legal aid statistics: January to March 2023 - GOV.UK tables 6.3, 6.5 & 6.7

Whilst cost recovery can be a source of revenue at higher rates for providers in certain types of proceedings, this applies only where their client is successful. Where the legal aid provider's client is the "losing party" then that provider will receive the usual legal aid rate.

Cost recovery is important to note because it can impact provider decision-making. In the Review's Provider Survey and in responses to the Call for Evidence, providers reported that, owing to challenges with the financial viability of delivering civil legal aid, they are forced to 'cherry pick' cases which may offer better profitability. This may include a greater willingness to take on cases which are more likely to have successful outcomes and see Cost Orders awarded. Housing providers interviewed in The Law Society's sustainability research also indicated their preference to take on certificated cases with a greater likelihood of success because Costs Orders are typically awarded at rates closer to private legal rates, in comparison to legal aid rates. The impact of financial viability on provider decision-making is explored more in the conclusion of this chapter.

Based on published legal aid statistics, we can calculate the proportion of civil legal aid cases across different categories of law that resulted in cost recovery. The data indicates that a high proportion of Cost Orders were granted in clinical negligence (96% in 2022/23), claims against public authorities (86% in 2022/23), and public law (73% in 2022/23). In contrast, the proportion of cases subject to Cost Orders in community care has decreased since the introduction of LASPO, falling from 22% in 2010/11 to 8% in 2022/23. Meanwhile, categories such as education, discrimination, and welfare benefits exhibit considerable volatility in the proportion of cases with Cost Orders, likely due to the small number of cases in these areas.

It should be noted that policy changes have recently been implemented to cost-recovery processes, and this may impact provider revenues from cost recovery in 2023–24 and beyond. In October 2023, the MoJ extended fixed recoverable costs⁹⁶ (FRCs) across civil cases in the fast track (i.e., generally those up to £25,000 in damages) and to cases in the new intermediate track (up to £100,000 in damages), with certain exceptions. The principle aim of fixed recoverable costs is to set out a fixed amount of legal costs that can be

⁹⁶ More information on fixed recoverable costs is in the following announcement: <u>Extending Fixed</u> <u>Recoverable Costs</u>: a note on the new rule

recovered by the winning party. The rationale which underpins this is in cases which are likely to see cost recovery and where FRCs are not in place, parties may be encouraged to spend more to win; therefore, FRCs are a mechanism to control civil litigation costs.⁹⁷

Whilst the overall impact of these changes on civil legal aid cases will be limited, in some instances, whereby a civil legal aid provider's cost recovery claim would have previously exceeded the limit set by fixed recoverable costs, the implementation of FRCs could reduce the revenue gained through cost recovery for providers. Particular concerns were raised in relation to housing cases, and the previous Government took a decision to extend an exemption to FRCs for housing cases until October 2025 due to wider pressures on the housing sector in recent years.

Fee structures: Complexity of the fee system

Providers often report that in some categories of law, the fee system is excessively complex to navigate and isn't user-friendly ('user' in this case refers to the providers interacting with fee systems). This is echoed by the experiences of barristers, as highlighted in the Review's Advocacy Research Report.

A key driver of this complexity is the number of different fees and hourly rates which providers can bill for, which totals at 288 across all categories of law. Because of this, providers report needing to spend a disproportionate amount of time navigating the fee system and submitting billing information: the correct fee must be identified, which can change according to when a case was opened, the type of case, and the seniority of the court involved; activity is recorded at a granular level, such as the number of phone calls made to each client; and information must be collated and the granular information accurately inputted. This complexity is likely to be imposing higher administrative costs on providers. This is demonstrated by a verbatim response to the Provider Survey:

⁹⁷ The extension of FRCs has been delayed in housing for two years from October 2023 (pending further work), owing to various development in the housing sector.

"There are too many different rates and/or types of remuneration – we understand that this applies in particular for immigration and asylum cases, though it is across the board. For example, in immigration and asylum some cases are paid on an hourly rate, while others are paid as fixed fees, and that partly depends on when a case was opened. Across the board, the hourly rates are different depending on the type of case and in which court the case is due to be heard/whether the case is being run on an HCCP (high cost case proceedings). If a fee earner determines an incorrect hourly rate (which, due to the complexity of the system, happens, indeed the LAA itself often gets the hourly rates wrong), then a provider may end up not getting paid for huge amounts of work done." **For-profit organisation**

Respondents to the Call for Evidence called for a simplified fee system in order to reduce the administrative burden of billing processes.

Fee structures: The use of fixed fees

As mentioned earlier, fixed fees (rather than hourly rates) are generally the default position for controlled work (although exceptions apply), and controlled work primarily relates to legal help work. In 2019–20, 82% of legal help matters were paid through a fixed fee, 9% were paid through an hourly rate after the case costs met their escape threshold, and a further 9% of matters were paid through an hourly rate (where the matter started with an hourly rate to begin with).⁹⁸

The principle behind fixed fees is they should cover costs for providers undertaking a typical or average case mix. It's based on the assumption that in some cases, a controlled work case will incur greater costs than the fixed fee and in other cases, a case will incur lower costs than the fixed fee; over time, these will balance out and the fixed fee will cover a provider's costs.⁹⁹

However, the modelling for this average case mix was last conducted in 2006. Following the implementation of LASPO and broader trends in the civil justice system since,

⁹⁸ Review of Civil Legal Aid Market Research Report table 4.

⁹⁹ Department for Constitutional Affairs (2006), 'Legal Aid: a sustainable future' Consultation Paper CP 13/06 July 2006 <u>8163 Diversity Pt 1 5th</u>. In any standard or graduated fee regime there will be swings and roundabouts in terms of individual cases.

evidence suggests that the average case mix for civil legal aid providers has become more complex and may be incurring higher costs, relative to 2006. This can be demonstrated through three metrics (these metrics focus on legal help, where possible, as this is most relevant to this discussion on fixed fees):

Duration of cases¹⁰⁰ – Figure 3 below shows that the average duration of legal help matters has substantially increased since 2010–11. In 2010–11, the average duration was 214 days. It increased immediately following the implementation of LASPO to 281 days in 2014–15. It decreased until 2017–18 and has risen since, reaching 304 days in 2023–23, marking at 42.1% increase over the time period.

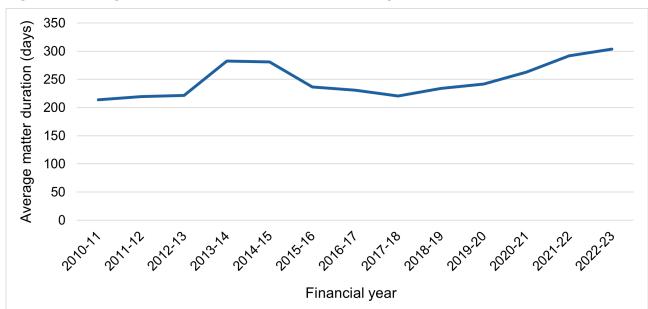


Figure 3: Average duration of matters completed for legal help, 2010–11 to 2022–23

Source: PA analysis of LAA data shared by the MoJ. Note: Grey shaded columns indicate LAA major procurement rounds. Please note: Due to low case volumes, this analysis excludes Miscellaneous, Personal Injury, Employment and Consumer categories of law.

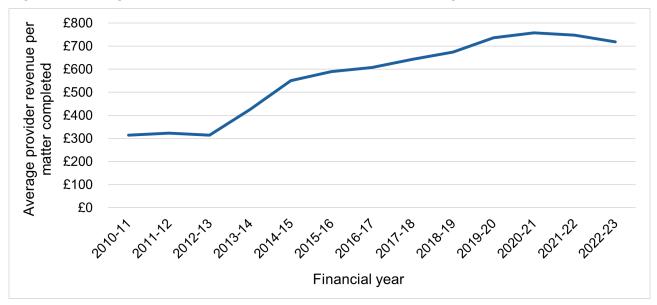
• **Proportion of fixed fee cases meeting escape thresholds** – In 2010–11, the proportion of controlled work cases (which were originally prescribed as fixed fee cases) that passed the escape threshold into hourly rates was 3%. Since then,

¹⁰⁰ It should be noted that using case duration as a proxy for case complexity comes with limitations. A case may have a longer duration, but this does not necessarily mean more work has been done. Case duration may be impacted by numerous other factors including court backlogs.

this proportion has gradually increased, reaching 8% by 2014–15 and 11% by 2022–23.¹⁰¹

Average provider revenue per case – As shown by Figure 4, the average provider revenue (i.e. the costs that providers have billed the LAA for) per legal help matter completed has steadily increased over time. In 2010–11, the average revenue was £314. This increased to £550 by 2014–15 and £718 by 2022–23, marking a 128.7% increase over the time period.

Figure 4: Average provider revenue per matter completed for legal help, 2010–11 to 2022–23



Source: GOV.UK. (2023). Legal aid statistics: January to March 2023 Tables 5.2 & 5.3. Note: Grey shaded columns indicate LAA major procurement rounds.

These metrics, signifying that legal help matters are taking longer to resolve and are growing more expensive, suggest that legal help case complexity has been increasing over time. The implication of this is the modelling on the average case mix which currently underpins fixed fees likely does not reflect the case mix that providers experience today and in turn, underestimates provider costs. Therefore, the extent to which fixed fees are covering provider costs may have worsened over time.

This is supported by provider views. In the Review's Call for Evidence, providers report that legal help cases are increasingly falling in the gap between the fixed fee and the

¹⁰¹ LAA data (internal)

escape threshold to hourly rates. Providers experiencing this would be loss-making as their costs exceed the fixed fee they are being given.

"The current fixed fee system operates as a disincentive for providers. The main issue is that the fixed fees are too low. This problem is exacerbated by the fixed fee structure that requires providers do work to the value of three times the fixed fee before the 'escape threshold' that enables the case to proceed on an hourly rate basis is reached. This means that work done that exceeds the fixed fee limit but does not reach the escape threshold goes unremunerated."

Representative body

There may be a number of contributing factors to the rise in case complexity over time. Part of it may be by design; the intention of LASPO was to target legal aid to those most in need. Whilst this may have reduced the total cohort of legal aid recipients, according to LASPO's Post-Implementation Review, it has subsequently left a cohort that has a higher average complexity of legal issue(s). Secondly, increasingly, legal aid users may be presenting with 'problem clusters', i.e. a number of different legal issues, and are waiting longer to seek legal advice, which can cause their issue to escalate and increase in complexity. These trends are evidenced by the 2014–15 Legal Problem and Resolution Survey.¹⁰² It found that 63% of responding Law Works Clinics coordinators reported an increase in the complexity of legal matters they dealt with, 52% reported users are presenting at a later stage in their problem, and 61% have witnessed an increase in the number of users presenting with problem clusters. These findings are echoed by 2023's Legal Problem and Resolution Survey,¹⁰³ in which the 56% of interviewed individuals reported experiencing a legal issue in two or more categories in the 18 months prior to interview, and 24% of interviewes reporting their legal issue as very serious.

However, this increase in average case complexity may not be wholly unique to the civil legal aid system. Increases in average case durations are also being seen in the wider civil

¹⁰² Findings from the Legal Problem and Resolution Survey, 2014-15

¹⁰³ Legal Problem and Resolution Survey 2023 - GOV.UK

justice system.¹⁰⁴ This could suggest that justice-wide, societal, or other broader factors may also be contributing to increasing average legal case complexity.

Lastly, it should be noted that practitioners do report some benefits to the use of fixed fees. For example, as part of engagement conducted with barristers for the Review's Market Research Report, barristers reported that fixed fees can allow for a lower administrative burden relative to hourly rates, and that fixed fees offer more certainty on income that is to be earned. Therefore, the learning for policy development shouldn't necessarily be to move away from the use of fixed rates, but rather that the modelling underpinning fixed fees requires re-aligning to the average case mix of today.

Fee structures: The coverage of fees

Alongside the complexity of the fee system and the modelling that underpins fixed fees, the coverage of fees (the amount of work that providers do on civil legal aid cases which isn't billable) emerges as a high priority issue. According to the Review's Provider Survey, 64% of responding providers reported that challenges with spending excess time they're unable to bill for is likely to prevent their continued provision in the civil legal aid market. In the Call for Evidence roundtables, providers reported they are effectively doing large portions of their work for free, owing to the same issue.

These provider views are supported by research conducted by the Legal Aid Practitioners' Group (LAPG). Findings from the 2021 Legal Aid Census¹⁰⁵ found that, on average, for every 106 minutes of time invested by practitioners on a fixed fee case, 60 minutes are financially renumerated. For hourly rates, 60 minutes are financially renumerated for every 90 minutes of work.

Reportedly, unbillable work takes multiple forms. The Legal Aid Census, supported by engagement conducted as part of the Economic Analysis workstream and the Advocacy Research, suggests that practitioners' feel their unbillable time predominantly revolves around elements of case preparation, legal research, and administrative work.¹⁰⁶ In

 ¹⁰⁴ Average duration between claim and hearing and trial; MoJ Civil Justice Statistics (2011 to 2022)
 ¹⁰⁵ We are Legal Aid, Findings from the 2021 Legal Aid Census

¹⁰⁶ Paragraph 6.59 of the <u>2024 Standard Civil Contract General Specification</u> sets out the relevant exclusions.

addition to this, unbillable time can be spent providing support to sometimes vulnerable clients, such as emotional support, explaining the workings of the civil legal aid system, and supporting users to gather necessary documentation for means tests.

The LAA is pays for legal aid work in line with LASPO, the legal aid regulations, and the legal aid contracts. In general, this allows for all legal work undertaken to be included on a claim, which is then assessed on the standard basis under Rule 44.4(2) of the Civil Procedure Rules 1998. Although in principle all legal work can be claimed, the research set out above highlights that providers do not believe this adequately covers the costs of some activities or of activities that cannot be remunerated, such as administrative work. The LAA's Cost Assessment Guidance provides further guidance on what costs are reasonable, such as, for example, when it is justifiable to claim costs for legal research.

In addition, providers often argue that where a fixed fee is payable, the amount of time taken to resolve a matter when calculated at hourly rates exceeds that fixed fee, arguing that this time is in practice unremunerated. While the fee schemes were designed to operate on the principle that while providers might make less than they would have under hourly rates on some (more complex) cases, they would make more for simpler cases than they would have under they would have under hourly rates, the analysis earlier in this report shows that cases have become longer and more complex while the fees have remained the same or been reduced.

The impact of insufficient fee coverage on providers is similar to the outdated modelling that underpins fixed fees, it reduces the extent to which current fees are covering provider costs.

In response to these challenges with fee levels and fee structures, providers called for a number of changes to be made to the fee system in the Review's Call for Evidence, including increasing fee levels, streamlining and simplifying fee processes, increasing the number of bolt-on fee options, and creating a more dynamic fee system which remunerates according to the complexity of the case.

Provider financial viability

To conclude this discussion on fees, this subsection will explore the impact of the findings in the previous subsection on provider profitability and the financial viability of delivering civil legal aid services. In doing so, it should be acknowledged that provider profitability will vary across the civil legal aid system and will be influenced by a provider's circumstances and characteristics, such as the categories of law in which they provide legal aid services and the legal services they provide (whether civil representation, legal help, mediation, etc.). Where possible, this concluding subsection will seek to draw out these nuances.

Overall profitability

Evidence on provider profitability is available through the Review's Provider Survey and the Law Society's sustainability research (which was introduced earlier in this report). A limitation of the Law Society's dataset is that it only offers category-specific findings for two categories of law, family and housing & debt.

However, this limitation is partly mitigated by the size of these categories of law: 81% of civil legal aid providers hold contracts in family and/or housing & debt.¹⁰⁷

Civil legal aid system: According to the Provider Survey, 33% of providers who are profitmaking overall reported their civil legal aid services are loss-making, 22% reported breaking even, and 45% reported they are profit-making.

Housing and debt (17% of civil legal aid providers hold contracts in the housing and debt category): The Law Society's research found that all housing (not housing and debt) providers in their sample of 30 were loss-making from their housing legal aid work. The median provider was making a loss of £33k per full-time fee-earning staff member (FTE) on their housing legal aid work.

Family (71% of civil legal aid providers hold contracts in the family category): According to the Provider Survey, the profitability rate is higher in the family category in comparison to the average rate across all categories of law. 25% of providers reported their civil legal aid services are loss-making, 21% reported breaking even, and 54% reported they are

¹⁰⁷ Civil legal aid provider contracts data April to June 2024

profit-making. The Law Society's research found that eight providers in their sample of 17 family providers (47%) were loss-making on their family legal aid work. The median provider's family legal aid provision was breaking even, while providers in the bottom quartile were making a loss of £13k per FTE, and providers in the upper quartile were making profits of £11k per FTE on the same work.

Within family, it appears there is a large difference in provider profitability between private family law and public family law (these segments of the family category are roughly equal in size; in 2022–23, 1,013 provider offices completed civil representation and legal help work in private family law, and this equivalent figure was 1,029 for public family law).¹⁰⁸ The median provider's private family law work was making a loss of £12.7k per FTE and the median provider's public family law work was making a profit of £7.2k per FTE.

This data is summarised in the table below.

Legal Aid Category	Providers reporting being profit- making (%)	Providers reporting breaking- even	Providers reporting being loss- making	legal aid work
All Categories	45%	22%	33%	N/A
Housing	N/A	N/A	N/A	-£33k
Family	54%	21%	25%	£0
Private family Law	N/A	N/A	N/A	-£12.7k
Public family Law	N/A	N/A	N/A	£7.2k

Table 2: Provider profitability in different categories of law

Source: Provider Survey. ** Data from the Law Society's research on sustainability of civil legal aid. The Provider Survey did not have a large enough sample of non-family providers to enable a meaningful breakdown by categories of law. It also grouped all family providers together for this question, not differentiating between private and public family law.

Further limitations to this data should be noted. With regards to the Law Society's data, its samples of housing and family providers are small, and the former contains a high proportion of not-for-profit providers, whereas a majority of providers in the housing legal aid market are for-profit providers. Therefore, the data may not be wholly representative of

¹⁰⁸ Legal aid statistics: January to March 2023 - GOV.UK

the wider market and a degree of caution should be exercised when making inferences based on this data. With regards to the Provider Survey data, although it benefits from a larger sample size, the profitability data reported is based on estimates made by respondents. Therefore, it may not provide a precise reflection of provider profitability.

This data shows that financial viability is a clear challenge for providers delivering civil legal aid services, with several key themes arising, although the extent of this challenge appears to vary between categories of law. To further strengthen this evidence base and subsequent policy development, additional data on profitability and in relation to other civil categories of law should be collected.

Profitability for different legal services

As part of this commentary on financial viability, an important nuance to draw out is that financial viability differs between legal services. In response to the Review's Call for Evidence and Provider Survey, providers reported that legal help work is less profitable than civil representation work and that it is disincentivised.

"The need for our services far outstrips the number of workers we have in place. We need more caseworkers, but legal help rates make this difficult. The only option is to cherry pick cases." **Not-for-profit provider**

This may be because legal help work predominantly uses fixed fees which, as noted earlier, may not offer the same balance of incomes it used to given a range of factors including increases in case complexity. For legal help cases which use hourly fee rates, these rates are lower than civil representation hourly rates. The civil legal aid system does not aim for there to be fee parity between legal help and civil representation work, but in a system which appears to be somewhat fragile with regards financial viability, the current disparities are likely driving the disincentives reported by providers.

As noted earlier The Law Society's sustainability research found that all housing providers in their sample where loss making. Much of the work that housing providers typically undertake is controlled work, usually being legal help work, meaning that the findings align with other feedback the Review has received in terms of the profitability of legal help work.

This suggests that the financial viability of delivering legal help work may be a challenge for many providers.

In summary, this subsection shows that depending entirely on civil legal aid as the predominant source of revenue, and in particular, specific forms of legal aid service, is unlikely to be financially viable for providers. Providers are responding to this by gaining revenue from non-civil legal aid avenues, such as grants, donations, and conducting both civil legal aid and private legal work.

For the sustainability of the civil legal aid market, remuneration should allow providers to attract and retain legal aid professionals, and ideally enable them to innovate and try different delivery models. It is worth noting that many providers do not maintain their provision through civil legal aid revenue alone, as they employ other mechanisms to maintain their provision. However, the dependency on other revenue streams may cause challenges for particular segments of the market. For example, not-for-profit providers may be less able to simultaneously conduct civil legal aid and private legal work, and subsequently may be more reliant on grants and donations than for-profit providers. This could hinder investment, planning, and the recruitment of staff over time because the receipt and value of grants and donations can be more uncertain relative to other revenue sources. This would compromise the sustainability of the not-for-profit sector. This will be explored more in Section 3.4. The impacts of these financial viability challenges on provider decision-making and the market's overall supply and capacity to meet user demand will also be explored in Section 3.4.

3.3 Key challenges: Recruitment and retention

This section explores provider experiences with recruiting and retaining practitioners (solicitors), and their overall ability to build a quality workforce. It also explores barristers' experiences with the civil legal aid system, who are treated slightly separately as providers do not generally hire barristers, but rather only appoint them when cases require representation in court. Bringing solicitors together and barristers together, the section concludes by examining the diversity of the workforce.

The ability to build and sustain a quality workforce is integral to the effectiveness and sustainability of the civil legal aid system. This is reflected in the Review's Comparative Analysis Report, which through engagement with experts, practitioners, and academics, identified sustaining a diverse and high-calibre workforce as a key tenet of an effective civil legal aid system.

However, in seeking to build quality workforces, providers cite challenges in recruiting solicitors and retaining them over time, as reflected by many responses to the Review's Call for Evidence.

"Salaries are low, and caseloads are high. This makes it difficult to recruit staff especially at a more senior level. Trainees are likely to leave shortly after qualification to pursue non legal aid careers with better salaries and work/life balance. Once skills and capacity are lost, they are difficult to rebuild."

Representative body

These challenges with recruitment and retention do appear to impact provider decisionmaking on remaining in the civil legal aid market and the sustainability of their provision. In the Review's Provider Survey, 60% of respondents reported that challenges in attracting junior lawyers were likely to prevent their continued service provision in the civil legal aid market. Furthermore, of the respondents who had stopped holding a civil legal aid contract during their tenure (e.g. ceasing their provision in one category of law but continuing their provision in other categories), 28% reported their decision was driven by difficulties recruiting the necessary staff, and 24% reported it was driven by a key member(s) of staff leaving the organisation without being replaced. This is shown by Figure 5, below.

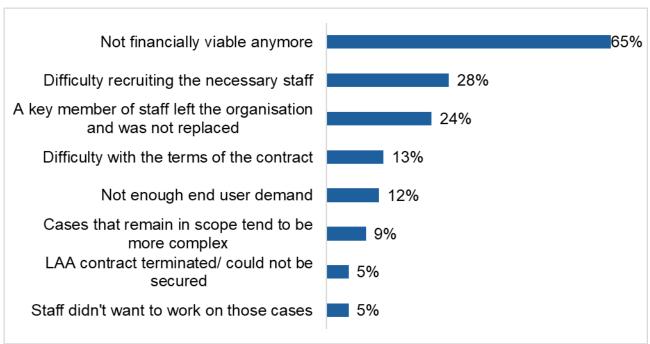


Figure 5: Reasons why private practice providers have stopped holding a civil legal aid contract

Source: Provider Survey, Q13: You mentioned earlier that your organisation held the following civil legal aid contracts in the past but no longer does – Why is this? Base: All private practice firms who have previously held a civil legal aid contract but no longer do (n=120)

These findings are supported by LAA data on the explanations given by the 761 provider offices who exited their civil legal aid contracts during the period September 2017 to August 2023.¹⁰⁹ 143 offices (19%) withdrew primarily due to the loss of key fee earners/supervisors.

Alongside these challenges recruiting and retaining solicitors, the availability of barristers is also a challenge for the system. In the Review's Advocacy Research, instructing solicitors reported that when attempting to instruct counsel, they often faced a shortage of barristers who could take on the case. As a consequence of this, solicitors sometimes resort to advocating in court themselves, even when not in the interests of the client or case.¹¹⁰ According to participants these barrister shortages were reportedly more acute in Wales, South West England, and the Midlands.

¹⁰⁹ <u>Review of Civil Legal Aid Market Research Report figure 19.</u>

¹¹⁰ Solicitors are only permitted to do this if they have higher rights of audience in that court.

The following subsection will explore the extent to which qualitative reports of these workforce challenges are supported by quantitative evidence.

Recruitment and retention trends

Overall, the number of solicitors in the civil legal aid profession has decreased over time. From 2014–15 to 2021–22, the number of solicitors decreased from 20,680 to 18,140, a fall of 12%.¹¹¹ However, important caveats should be noted with respect to this data, taken from the Review's Data Publications Overview Report, which also apply to the remainder of the solicitor data used in this section. Firstly, the solicitor data only reflects The Law Society's member-base, thereby excluding providers with alternative business structures, such as not-for-profit providers and charities. Secondly, this data reflects all solicitors in active civil legal aid providers.¹¹² It doesn't indicate whether these solicitors are working on legal aid cases themselves (such as in organisations which undertake both legal aid and private legal work) as it wasn't possible to ascertain this from the data.

Recruitment of solicitor-practitioners

Provider reports of challenges recruiting solicitors are supported by data on the number of solicitors entering the civil legal aid profession. The number of solicitors entering the civil profession has decreased each year since 2015–16, excluding 2018–19, decreasing from 3,370 joiners in 2015–16 to 2,460 in 2021–22 (27%). This is shown by table 3. It is worth noting that this trend is mirrored in the number of provider firms joining the civil legal aid market over the same period.¹¹³

¹¹¹ <u>Review of Civil Legal Aid Data Publication Series: Provider Overview Report</u>- Table 2.1.1.

 ¹¹² 'Active' civil legal aid providers are defined as those who have submitted at least one final bill to the LAA in a given year and held a civil legal aid contract at the end of the year in the relevant category of law.
 ¹¹³ Review of Civil Legal Aid Data Publication Series: Provider Overview Report- Table 1.4.2

	2015–16	2016–17	2017–18	2018–19	2019–20	2020–21	2021–22
Total number of joiners	3,370	2,800	2,750	3,310	3,230	2,670	2,460
of whom were returners	-	240	380	770	780	480	620

Table 3: Total number of joiner and returner solicitors working in matched active civil legal aid firms by year

Source: Review of Civil Legal Aid Data Publication Series: Provider Overview – Table 2.2.1: Total number of joiner and returner solicitors working in matched active civil legal aid firms by year

The experience of growing challenges in attracting new practitioners into the profession is supported by evidence the Law Centres Network provided in response to the Westminster Commission on Legal Aid (2021):¹¹⁴

"Law Centres used to have 80 or 90 applicants for each role advertised. Now law centres, even those in London, will be lucky to get five or 10 applicants. Law Centres do still take on trainees, but the number is falling and there is a huge issue with retention."

Retaining solicitor-practitioners

Trends on the extent to which solicitors remain in the civil legal aid profession over time can be demonstrated through data on the proportion of solicitors by years since admission into the legal profession.

This data shows that, between 2014–15 and 2021–22, the proportion of solicitors with under two years of legal experience has remained steady, the proportion with between three and 12 years of experience has decreased, and the proportion with 13+ years of experience has increased. This trend is consistent across active family providers, non-family providers, and those who combine family and non-family work. This is shown by table 4.

¹¹⁴ <u>The Westminster Commission on Legal Aid</u>: Inquiry Into The Sustainability And Recovery Of The Legal Aid Sector, October 2021.

	2014–15			2021–22			
	Family	Mixed	Other Civil	Family	Mixed	Other Civil	
0–2	7%	9%	10%	7%	9%	10%	
3–7	18%	22%	23%	15%	18%	21%	
8–12	16%	19%	18%	13%	14%	17%	
13–17	13%	13%	15%	16%	15%	15%	
18–22	11%	10%	11%	12%	12%	14%	
23–27	9%	8%	8%	11%	10%	9%	
28 Plus	25%	17%	13%	25%	19%	13%	
Unknown	1%	1%	2%	2%	2%	2%	
Total	7,610	7,350	5,710	7,280	4,600	6,260	

 Table 4: Solicitors working in matched active civil legal aid firms by years since admission to the profession and area of practice, 2014–15 and 2021–22

Source: Review of Civil Legal Aid Data Publication Series: Provider Overview – Table 2.1.5: Solicitors working in matched active civil legal aid firms by years since admission to the profession and area of practice, 2014–15 and 2021–22

This data suggests that entering the middle portion of one's career may be a particular drop-off point for those in the civil legal aid profession, but that the sector has a more stable base of more experienced solicitors. In addition, the contrast of stability in the proportion of solicitors with under two years' experience relative to the declining proportion of solicitors with three to 12 years' experience indicates that retaining solicitors entering the middle-portion of their careers is a greater challenge for providers than attracting new solicitors.

This is strongly supported by views reported in the Review's Call for Evidence, expressing that individuals are growing less willing to remain in the profession over time. The following quote from the Provider Survey further demonstrates this:

"Procuring young lawyers with a great deal of enthusiasm and dedication is not a problem. Retaining them is a whole other story. When they leave, their expertise and knowledge is not replaced because we can't afford it." **Not-for-profit provider**

Barrister involvement in the civil legal aid profession

The approach to exploring barrister trends is different to that of solicitors. It's not possible to draw out joiners and leavers into the civil legal aid profession. This is because barristers are not generally employed by providers that hold civil legal aid contracts. They sit within barrister chambers and are able to decide on a case-by-case basis which cases to take on. Generally, barristers who work on civil legal aid do not exclusively do so, instead undertaking both legal aid and private legal work. Therefore, this analysis on barrister trends focuses on other metrics, such as the number of barristers taking on civil legal aid cases per year, their case volumes in different categories of law, and the income they gain from civil legal aid cases.

Overall, the number of barristers completing civil legal aid work has increased since 2015– 16, excluding 2020–21 (the first year of the pandemic), rising from 3,930 in 2015–16 to 4,560 in 2022–23 (16%). Within this, the number of barristers completing family work increased from 2,540 to 3,320, a 31% rise; those completing work in other categories of law slightly decreased from 1,050 to 980, a 7% decrease; and those completing a combination of work in family and other categories also decreased from 340 to 260, a 24% decrease. This is shown by table 5. This may suggest that incentives are greater for barristers to work on family civil legal aid and are lower for other categories of law.

	2015– 16	2016– 17	2017– 18	2018– 19	2019– 20	2020– 21	2021– 22	2022– 23
Family	2,540	2,570	2,700	2,810	2,960	2,790	3,140	3,320
Mixed	340	300	320	320	300	220	230	260
Other Civil	1,050	970	910	950	970	810	930	980
Total	3,930	3,840	3,920	4,080	4,230	3,820	4,290	4,560

Table 5: Number of barristers completing civil legal aid work, by area of practice and year

Source: Review of Civil Legal Aid Data Publication Series: Provider Overview – Table 3.1.1: Number of barristers completing civil legal aid work, by area of practice and year

This is supported by data on average case volumes and income gained from civil legal aid in different categories of law. The former shows that family barristers are over-represented in the higher case volume groupings. In 2022–23, although family-only barristers made up 73% of the total barrister population who did civil legal aid work, the barrister population

that completed 31–45 civil legal aid cases comprised of 87% family barristers, and the equivalent figure was 93% for barristers who completed 46+ cases.

The opposite can be said about barristers working on non-family categories of law. They are over-represented in the lower case volume groupings. Although non-family barristers made up 21% of the total barrister population who did civil legal aid work in 2022–23, the barrister population that completed 1–2 cases comprised of 45% non-family barristers, and the equivalent figure was 27% for barristers who completed 3–15 cases. This shows that family barristers are more likely to take on a higher legal aid case volume and non-family barristers are more likely to take on a lower case volume. This is shown in table 6.

	Number of barristers	Family	Mixed	Other Civil	Total
1 to 2 cases	1,170	54%	1%	45%	100%
3 to 15 cases	1,310	66%	7%	27%	100%
16 to 30 cases	720	84%	8%	9%	100%
31 to 45 cases	630	87%	8%	4%	100%
46 cases plus	740	93%	6%	2%	100%
All	4,560	73%	6%	21%	100%

Table 6: Distribution of barristers completing civil legal aid work by area of practice and case volume bands, in 2022–23

Data Publications Overview Report: Table 3.1.8 Review of Civil Legal Aid Data Publication Series: Provider Overview – Table 3.1.8: Distribution of barristers completing civil legal aid work by practice area and case volume bands, in 2022–23

Similar trends can be observed in the income that barristers gain from working on civil legal aid. Family barristers are over-represented in higher income groupings. Family barristers made up 89% of the barrister population that earned £60,001–£90,000 from civil legal aid, 92% of the £90,001–£150,000 grouping, and 90% of the £150,001+ grouping. On the other hand, non-family barristers are over-represented in the lowest income groupings, making up 37% of the barrister population that earned £5,000 and less from civil legal aid. This is shown in table 7.

	Number of barristers	Family	Mixed	Other Civil	Total
£5,000 and less	1,500	59%	4%	37%	100%
£5,001 to £30,000	1,270	68%	8%	25%	100%
£30,001 to £60,000	730	84%	7%	9%	100%
£60,001 to £90,000	410	89%	6%	5%	100%
£90,001 to £150,000	400	92%	5%	3%	100%
£150,001 and over	250	90%	~	~	100%
All	4,560	73%	6%	21%	100%

Table 7: Distribution of barristers completing civil legal aid work by area of practice and gross civil legal aid fee income bands, in 2022–23

Review of Civil Legal Aid Data Publication Series: Provider Overview – Table 3.1.6: Distribution of barristers completing civil legal aid work by area of practice and gross civil legal aid fee income bands, in 2022–23

These findings, that barrister numbers completing non-family work have decreased and are over-represented in the lowest income and case volume groupings, support the claim in the Advocacy Research of a shortfall in availability of barristers in the civil legal aid system (noted earlier). Furthermore, they provide a strong indication that incentives for barristers to undertake non-family civil legal aid work may be a challenge for the system. However, it should be noted that a range of factors may contribute to these trends. For example, the differential in income earned by family versus non-family barristers may be explained by the higher fees and earnings available for family work, as mentioned in Section 3.2.

An assessment can also be made on the extent to which barrister incentives (and disincentives) to work on civil legal aid persist over time, using data on the number of years between 2015–16 and 2022–23 that barristers completed civil legal aid work. For family barristers, 58% completed civil legal aid work in five years or more within this time period. For non-family barristers, this equivalent figure was only 25%. 41% of non-family barristers completed civil legal aid work in only one year within this time period. This suggests that family barristers continue to experience incentives over time to work on civil legal aid, whereas this is less-so the case for non-family barristers. With many non-family barristers doing civil legal aid work in only a single year, it may indicate that initial

involvement in civil legal aid work may dissuade their future involvement, either because the incentives are not as great as anticipated or the disincentives and/or barriers to provision are greater than anticipated.

In light of these trends highlighted for solicitors and barristers, the remainder of this section will seek to explore the following questions:

- i. What is driving the growing difficulties in attracting new practitioners to enter the civil legal aid profession and work on civil legal aid cases?
- ii. What is driving the sector's challenges in retaining practitioners over time, and why might this be a greater challenge than attracting new practitioners?

In exploring these questions, the experiences of both solicitors and barristers will be drawn out, where possible. Links will also be identified between the previous section on provider financial viability and how this is contributing to challenges with recruitment and retention.

What is driving the growing difficulties in attracting new practitioners to enter the civil legal aid profession and work on civil legal aid cases?

This subsection will begin by exploring the motivations that practitioners continue to report for entering the profession.

Much of the motivation appears to come from moral consciousness and a desire to improve access to justice.

LAPG's Legal Aid Census, which surveyed students and current and former practitioners, found that 76% reported joining the profession (or wanting to, for prospective practitioners) to help those facing economic, cultural, or social disadvantage, and 71% wanted to ensure more equitable access to justice. Often, this moral consciousness links to an individual's background and personal experiences; of the students with an interest in working in legal aid, 88% reported their background or life experiences had influenced their career choice. Sometimes, entering civil legal aid is less proactively planned for, with some practitioners experiencing a natural progression from certain modules at university which lead to specific areas of law that are predominantly funded by legal aid.

Alongside these, in the Review's Advocacy Research, barristers report additional motivations. Working on civil legal aid can allow more scope for creativity; because of the challenging context that civil legal aid practitioners report working in, it requires that barristers think outside of the box in order to present arguments. There is also a draw of starting one's career in legal aid, as it enables key skills to be developed, such as working with vulnerable clients.

Pay differences

Moving to the growing challenges in attracting practitioners to join the profession and work on civil legal aid cases, the most impactful factor on practitioner decision-making may be the pay differences between civil legal aid and private legal work.

Data isn't available comparing a cross-section of salary rates between equivalent legal aid and private roles. However, comparisons can be made on entry level pay. A trainee legal aid solicitor may start with a salary of around £28,000–£35,000 per annum, depending on their location in England and Wales.¹¹⁵ Providers are not obligated to follow this, and so in practice salary rates may fall above and below this. On the other hand, trainee solicitor salaries in the private legal sector can range from £40k–£60k per annum in London, with newly qualified solicitors sometimes earning in excess of £100,000.¹¹⁶ The equivalent figures are slightly lower outside of London.

It should be noted that publicly funded systems generally do not aim for salary-parity between public and private work. However, participants in the Review's Call for Evidence roundtables noted that the challenges posed by pay differences are exacerbated by even other public bodies offering higher pay than is available in civil legal aid, such as Local Authorities.

Alongside lower pay, as part of the wider package that practitioners receive, solicitorpractitioners report that civil legal aid providers are not able to offer sufficient maternity and paternity leave and pension policies.

¹¹⁵ Young Legal Aid Lawyers. (2022). LC jobs page <u>https://younglegalaidlawyers.org/jobs</u>

¹¹⁶ Trainee and newly qualified solicitor salaries for UK law firms - The Lawyer | Legal insight, benchmarking data and jobs

It's likely that that lower pay and the reported shortfall in wider 'benefits' available are driven by providers' challenges with the financial viability of delivering civil legal aid. With many providers loss-making or breaking even, it hinders their ability to pay more competitive salaries and expand their benefits package. In this regard, civil legal aid fees, provider financial viability, and their ability to build a quality workforce are inextricably linked.

A differentiation does need to be drawn between solicitors and barristers. Barristers are not generally employed by civil legal aid providers. Their income is determined by the billable work they do on cases, the number of cases they take on, and the extent to which their caseloads are made up of legal aid and private cases. Therefore, they generally do not earn a fixed salary. Although barristers similarly experience a pay disparity between their legal aid and private work, the drivers of this are somewhat different.

Barrister income though (from civil legal aid), is also linked to civil legal aid fees, as fees determine the costs they can bill for as part of their work on a case. With fee rates having remained stagnant since 1996, barristers' revenues for an equivalent volume of work have remained the same over time. However, as was noted in Section 3.2 with regards to provider costs, it's likely that the costs that barristers typically experience have increased over time, such as the financial cost of maintaining membership of a barristers' chamber. In turn, barristers' nominal incomes may have decreased over time, and their real income has likely decreased even further, owing to inflation of 87.7% from 1996 to 2023.

Barristers also report that a lower proportion of their civil legal aid work is billable relative to their private legal work, and this may be another contributing factor to pay disparities. They report that, although case preparation and legal research is billable for private cases, it's generally not billable for legal aid cases.

In addition, in the Review's Advocacy Research and other engagement with barristers, an issue widely reported is experiencing delays in receiving payments. Barristers are not in direct control over their legal aid payments as they are not able to bill the LAA themselves. The solicitor(s) they are working with, employed by civil legal aid providers, must bill the LAA on their behalf. The process of billing through solicitors to the LAA appears to cause delays to their receipt of payments, which can sometimes be substantial. The causes of

these delays are explored more in Section 2.2. Barristers' experiences of payment delays are demonstrated by the quote below, from the Advocacy Research Report.

"The bigger cases take ages to be paid, which is terrible. I've had a legal aid case where I had to wait about 5 years to be paid £35,000. Nobody can afford to do work unless they're paid regularly." **Barrister, family law, England**

The availability and cost of legal training and education

The traditional route to qualifying as a solicitor is through a training qualification. This may be the Legal Practice Course (LPC) or the Solicitors Qualifying Exam (SQE), although the LPC is being phased out in favour of the SQE. There are other routes to solicitor qualification, such as completing a solicitor degree apprenticeship and other on-the-job training routes. The costs of the traditional training gualifications are substantial, with the costs for preparing for and undertaking the LPC ranging between £9k-£17k, and the equivalent figure of £3k–£16k for the SQE.¹¹⁷ In the private legal sector, firms often provide training contracts to individuals seeking solicitor-qualification and sponsor their training qualification costs within this. In contrast, fewer structured training pathways are available in civil legal aid. Some providers don't offer training contracts, and even of those that do, they may not sponsor an individual's training qualification costs. Therefore, those seeking to enter the civil legal aid profession may need to self-fund their qualification. Given the costs involved, this may be a substantial barrier to entry. Furthermore, this barrier is exacerbated by the low pay available in the profession, as it may take practitioners more time to repay any debts accrued through self-funding solicitorqualification. In a survey 64.7% of law students sampled reported that they had experienced, or were experiencing financial barriers towards qualifying as a legal aid lawyer, with concerns about the viability of a career in legal aid being pronounced amongst those who already had financial concerns.¹¹⁸

In recognition of this barrier for new entrants into the profession and following a consultation with housing providers in 2021,¹¹⁹ the MoJ has been piloting The Legal Aid

¹¹⁷ Denvir, C. et al (2023) Legal Aid and the Future of Access to Justice

¹¹⁸ ibid.

¹¹⁹ Housing Possession Court Duty Scheme Consultation response

Training Grant (LATG) to provide funding of salary and training costs for 32 trainee solicitors. The pilot was introduced in 2023. Whilst evaluation of the LATG is ongoing and in its very early stages, an early provider survey conducted in February 2024 offered positive indications about the benefits of the Grant. For example, 68% of providers surveyed (19 out of 27 providers) said that without the Grant, they would not have recruited additional trainees. In addition, all providers said that the Grant is improving their organisation's capacity to deliver legal aid work to any extent (ranging from 'to a great extent' to 'a limited extent'). These early indications suggest that the LATG is making a tangible difference to trainee recruitment activity for providers and is making some difference to commercial viability. However, a criticism of the scheme is that it does not fully cover the necessary costs, putting pressure on providers to make up for these in-house to ensure a successful traineeship. Although trainee surveys are ongoing and will offer insights into whether the scheme is making the civil legal aid system more attractive and accessible in the long term, based on this early evidence, the scheme could warrant expansion into other categories of law, given the barrier of unfunded qualification costs appears to be a system-wide issue.

Alongside the costs of training, another barrier to entry into the profession is the availability of training pathways. As briefly touched on, for prospective practitioners considering entry into the civil legal aid profession, there is a greater need to independently form and navigate one's own path, including unpaid internships, volunteer work, and paralegal positions. Greater structure is available for those considering entry into the private legal sector, such as firm open days, networking events, paid vacation (internship) schemes, and training contracts which cover qualification costs. These structures available may make the private legal sector more accessible to prospective practitioners than the civil legal aid system. Providers' challenges with financial viability are also likely a strong hindrance to their ability to offer more structured training pathways, as avenues such as training contracts and vacation schemes are highly costly.

Lastly, the culture of legal education may dissuade students from considering working in legal aid. According to the Young Legal Aid Lawyers, and highlighted in their Social Mobility Report, the legal education system is predominantly geared towards commercial

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law. This is supported by research with law students,¹²⁰ which found that 18.3% of students responding to the survey reported that messaging from staff and institutions suggested there "was no future in legal aid" and students were dissuaded from pursuing a career in the field.

These barriers to entry into the profession may be less applicable for barristers. This is because the training pathways into the barrister profession largely remain the same regardless of how one intends to work across legal aid and private work. To qualify as a barrister, an individual must undertake a Bar Practice Course (BPC), which is generally self-funded, followed by a pupillage that's supported by a barristers' chamber. Like solicitors though, the self-funded nature of qualification will serve as a barrier to undertake a high concentration of civil legal aid work, as the lower pay available will make it more challenging to repay any debts accrued in gaining qualification.

Providers' capacity to train and supervise

In civil legal aid, junior solicitor-practitioners must be supported by a supervisor. In order to supervise, supervisors must have a certain number of years of experience in the civil legal aid profession and/or category of law as a pre-requisite requirement, and an appropriate accreditation. The specific requirements vary between categories of law.

Practitioners report that few supervisors are available in the sector to train junior practitioners. This may be driven by provider challenges with retaining staff over time; if experienced practitioners are leaving the sector, there may be a lower availability of practitioners who fulfil the supervisor requirements, an issue highlighted for housing providers taking part in The Law Society's sustainability research. Even when a provider employs individuals who fulfil these requirements, they may not have the available capacity to train junior practitioners. This again relates to providers' challenges with the financial viability of delivering civil legal aid. Practitioners may respond to poor profitability by working longer hours, which is a frequently reported experience, and may be primarily occupied with 'staying afloat', leaving less time available to invest in the training of junior practitioners.

¹²⁰ Denvir, C. et al (2023) Legal Aid and the Future of Access to Justice

What is driving the sector's challenges in retaining practitioners over time, and why might this be a greater challenge than attracting new practitioners?

Evidence highlighted that retaining solicitors may be a greater challenge for providers than attracting new practitioners into the system, and that the incentives for non-family barristers to continue working on civil legal aid over time may be a challenge for the system. There are multiple factors which may contribute to this.

Challenging working conditions

A recurring theme reported in the Review's Call for Evidence, Advocacy Research, and the Law Society's sustainability research is that working conditions for solicitors and barristers in civil legal aid can be very challenging, sometimes leading to continuous high levels of stress and burnout. Long working hours are a core part of this. It's likely this is driven by several factors, including challenges with financial viability, recruitment, and high administrative burdens: practitioners may be responding by working longer hours in order to maximise revenues and profitability; recruitment difficulties may be leading to providerorganisations that are under-staffed, meaning solicitors shoulder higher workloads; and administrative burdens may increase the volume of work that is additional to practitioners' casework. The impact of long working hours on practitioners is exacerbated by the nature of the work. Civil legal aid cases can involve vulnerable users experiencing traumatic situations, and this can impose a high emotional toll on practitioners. This experience may be more prevalent in certain categories of law, with one example being immigration & asylum. According to the Young Legal Aid Lawyer and Public Law Project's case study on immigration & asylum legal aid, 70% of the survey respondents reported having experienced vicarious trauma or burnout from their practice.¹²¹

¹²¹ Overstretched & unsustainable: a case study of the immigration and asylum legal aid sector. Young Legal Aid Lawyers and Public Law Project (2023)

"Working in legal aid is a stressful role where the wellbeing of others becomes your responsibility on a daily basis. Clients are homeless, suicidal, children reporting abuse or families living in homes covered in mould, making them ill... Hearing of our clients' trauma can also cause us vicarious trauma, however we cannot bill for empathy or taking a trauma-informed approach. Clinical supervision or support of solicitors' mental wellbeing is also not financially possible. Whilst juggling very high-need clients, we are also expected to deal with unwieldy and unreasonable levels of administration. We are expected to draft documents in entirely unrealistic amounts of time, so we cannot even bill for the amount of time work actually takes." **Legal advice clinic, England**

Pay differences and progression

It's reported that there is little opportunity for progression in the civil legal aid profession. This may relate to pay and the nature of practitioners' roles. With regards to pay, practitioner views suggest that when one progresses into more senior solicitor roles in the profession, the corresponding increases in salary are limited. Therefore, over time, the pay disparity between equivalent civil legal aid and private legal roles may grow as an individual progresses in their career. This sentiment is reflected in the following quote from the Review's Advocacy Research:

"The underpayment is always there. It's when paralegals are paid more at 'magic circle' firms. They're paid more than I am as the head of a department. They're not qualified at all. I run the department...but I often think to myself, why am I still doing this?" **Solicitor, mental health law, England**

Barristers may similarly experience limited scope to experience financial progression in the civil legal aid profession. In the private legal sector, financial progression comes from building one's reputation and being able to bill higher rates, and through gaining experience and being able to undertake more complex cases. In civil legal aid, it's not possible for barristers to increase their billing rates as these rates are stipulated by the LAA and are fixed. Although they can experience financial progression through working on cases that involve more senior courts, for which higher billing rates may be available, the

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possible increase in earnings through this is likely to be much lower as a proportion than is possible in the private legal sector.

Additionally, the impact of pay disparities on practitioner decision-making may grow when individuals are approaching key milestones in their life, such as wanting to start a family or purchase a property. Practitioners taking part in the Advocacy Research expressed that they witness many of their colleagues leaving the profession or reducing their involvement at this juncture. This aligns with quantitative trends on practitioner tenure in the profession, with a tenure of 3–12 years a key drop-off point for solicitors in the profession.

Regarding the progression of practitioners' roles, it's possible that there is also less scope for solicitors to progress into wholly managerial and/or supervisory roles. This may be because of the small size of providers that make up the civil legal aid market. Data from the Data Publications Overview Report shows that the civil legal aid market is made up of a high number of small providers. In 2021–22, 51% of active family providers were small (comprising of 2–4 partners);¹²² 47% of active non-family providers were very small (0–1 partners) and 39% were small; and 46% of active providers working across family and non-family categories were small. The typically small size of civil legal aid providers may dictate that most or all practitioners within them must be directly involved in casework, preventing a complete move into management and/or supervision. This aligns with the reported experiences of practitioners that attended the Review's Call for Evidence roundtables, with many of the attendees at partner-level, but still involved directly in casework.

Through this exploration of the challenges in attracting practitioners to enter the profession and in retaining these practitioners over time, it's evident that unchanged fee levels and providers' financial viability challenges are the fundamental drivers of providers' difficulties with building and maintaining a quality workforce. They underpin many, if not all, of the barriers discussed. Were fees higher and provision more financially viable, pay disparities could be reduced for solicitors and barristers, they could experience more progression over the course of their careers, providers could invest more into establishing more

¹²² The figure for 'very small' providers is supressed.

structured training pathways and supervising junior practitioners, and the need for practitioners to work long hours may be reduced.

These challenges in recruiting and retaining solicitors and barristers may pose risks to the civil legal aid system's effectiveness and sustainability, if the system's capacity to support users is being limited by a lack of available barristers undertaking non-family civil legal aid work, or if challenges retaining staff means that practitioners leaving the profession (through retiring or ordinary churn) are not being replaced by practitioners entering and remaining in the profession. These risks will be explored more in the report's conclusion, focusing on the system's future outlook.

Diversity of the civil legal aid profession

As part of building a quality workforce in the civil legal aid profession of solicitors and barristers, it is important to build a workforce that is representative of the population it's serving in England and Wales. This is important for any public facing work, but is particularly so in the context of legal aid in which users' legal issues may relate to or be affected by their characteristics, such as challenging Education, Health, and Care Plan (EHCP) decisions, disputes regarding claims of discrimination, and asylum claims. A representative workforce can be one that better understands users' experiences and in turn may be able offer more personalised support, advice, and representation.

This subsection will look at the composition of the workforce in terms of gender, age, ethnicity, and geographic distribution with data from the Review's Data Publications Overview Report. Data is available across a time series, from 2014–15 to 2021–22 for solicitors and 2015–16 to 2022–23 for barristers. Comparisons from the start to end of this time series will be drawn out where changes are apparent. Data is not included on other important characteristics, such as disability and socio-economic background. This data is not currently available for solicitors in the civil legal aid profession. Although it is available for barristers, these have not been included in this report because there is a high proportion of the barrister population for whom the data is 'unknown' for these characteristics.

The subsection will then conclude by exploring the factors that may hinder the diversity of the civil legal aid profession.

Solicitors

Similar caveats apply to this solicitor data as were noted earlier in this section; the data includes solicitors who work for active civil legal aid providers in general, it doesn't mean that these solicitors necessarily work on legal aid cases themselves, as some provider-organisations often undertake both civil legal aid and private legal work.

In 2021–22, there were more female than male solicitors in all three segments of the civil legal aid system: in providers undertaking family work (53%), in providers undertaking work in non-family categories of law (54%), and in providers doing a combination of family and non-family work (55%).¹²³ There was also a proportion of solicitors for whom their gender was unknown.

Regarding age, from 2014–15 to 2021–22, all three segments of the civil legal aid system saw a decrease in the proportion of solicitors aged under 35. This may be symptomatic of the challenges that providers are experiencing in retaining practitioners, with 3–12 years' tenure as a key drop-off point. For family providers, there has been an increase in the proportion of solicitors aged 35–44 and 65+, and for providers doing a combination of family and non-family work, there has been an increase in the proportion of solicitors aged 55–64 and 65+.¹²⁴ This may be indicative of an ageing workforce in the civil legal aid profession, something which providers also suggested was happening in responses to the Review's Call for Evidence.

Regarding ethnicity, a majority of solicitors reported their ethnicity as White in 2021–22, making up 71% of the solicitor workforce in family providers, 65% in non-family providers, and 62% in providers doing a combination of family and non-family work. The second most prominent ethnic group was Asian or Asian British, making up 8%, 7% and 11% of the three segments of the civil legal aid system, respectively. However, there was a moderately-high proportion of solicitors for whom their ethnic group was unknown.¹²⁵

Regarding geographic distribution in 2021–22, the distribution across England and Wales was different across the three segments of the civil legal aid system. Solicitors in family

¹²³ Review of Civil Legal Aid Data Publication Series: Provider Overview Report Table 2.1.2.

¹²⁴ Ibid., Table 2.1.3.

¹²⁵ Ibid., Table 2.1.4.

providers were relatively evenly distributed throughout England and Wales. Solicitors in non-family providers had higher concentrations in West Midlands (26%), London (22%), and the South East (17%), and had lower concentrations in the East of England (2%), East Midlands (1%), the North East (1%), and Yorkshire and the Humber (1%). Solicitors in providers doing a combination of family and non-family work had a higher concentration in London (37%) and a lower concentration in the East of England (4%) and Wales (3%).¹²⁶ It's notable that both solicitors in providers undertaking non-family work and combined work had a low concentration in the East of England. This may indicate that the region has a lower concentration of civil legal aid services and providers available.

Barristers

In 2022–23, the barrister cohort undertaking only family civil legal aid cases comprised of a greater proportion of female barristers (59%) than male barristers (39%), with 2% being an unknown group. The opposite was the case for barristers undertaking non-family work, with a greater proportion of male barristers (53%) than female barristers (43%), with 4% being an unknown group.¹²⁷

Regarding age, from 2015–16 to 2022–23, similar trends were seen for barristers undertaking family work and non-family work: the proportion of barristers aged under 44 has remained broadly constant, there has been a fall in the proportion of barristers aged 45 to 54, and a rise in those aged 55+.¹²⁸ This shows that, to a degree, an ageing workforce is also being seen in the barrister workforce.

Regarding ethnicity, 79% of barristers undertaking family work reported their ethnicity as White in 2022–23, with the equivalent figure at 77% for barristers undertaking non-family work. For both segments, the second most prominent ethnic group was Asian or Asian British, making up 7% and 8% of the wider cohort for family and non-family respectively.¹²⁹

Regarding geographic distribution in 2022–23, family barristers had a higher concentration in London (36%), the North of England (25%), and the Midlands (15%), and a lower

¹²⁶ Ibid., Table 2.1.7.

¹²⁷ Ibid., Table 6.2.1.

¹²⁸ Ibid., Table 6.3.1.

¹²⁹ Ibid., Table 6.4.1.

concentration in Wales (3%). Non-family barristers had a higher concentration in London (65%) and the North of England (17%), and a similarly had a lower concentration in Wales (2%).¹³⁰ It's notable that barristers in both segments had a lower concentration in Wales, and the same was noted for solicitors in providers undertaking combined work. This may indicate that the region has a lower concentration of civil legal aid services available, particularly those that would offer in-court representation. This aligns with the findings of the Review's Advocacy Research, which reported a shortage of available barristers in Wales (among other regions).

What factors hinder the diversity of the civil legal aid profession?

According to the Review's Call for Evidence, providers report that several barriers hinder the representation of those with protected characteristics in the civil legal aid workforce, affecting both their ability to attract them into the profession and to retain them over time. Reportedly, these barriers particularly affect individuals from lower socio-economic backgrounds, neurodiverse individuals, women with children and who are pregnant, and people with disabilities.

In the section on recruitment and retention, it was noted that a barrier to entering the profession is that fewer structured training pathways into the profession are available and that legal aid training contracts often do not cover the costs of solicitor-qualification. Given the high costs of solicitor-qualification, and that relatively low pay in the profession may make it more challenging to repay any debts accrued in gaining qualification, this financial barrier may particularly dissuade those from lower socio-economic backgrounds from entering the profession.

It was also noted in Section 3.2 that, alongside relatively low pay, a challenge for providers and practitioners is that certain aspects of civil legal aid work reportedly aren't billable, such as case preparation, legal research, and administrative work. Some respondents to the Call for Evidence felt that this could pose challenges for individuals with a neurodiversity, such as dyslexia, as there is prescribed written work that may take longer to complete whilst still going uncompensated.

¹³⁰ Ibid., Table 6.1.6.

Lastly, for women with children, those who are pregnant, and people with disabilities, the lack of support and adjustments available may dissuade their involvement in the civil legal aid system. It's reported that part-time working arrangements are uncommon and don't receive much support, and that the maternity leave package offered by providers is often insufficient. For people with physical disabilities, participants in the Advocacy Research reported that providers can be reluctant to make physical adjustments to an office space and/or to an office's accessibility, owing the cost implications of doing so.

3.4 Impacts: Supply and sustainability

Key findings:

- Many civil legal aid providers are loss-making, although profitability varies between categories of law.
- Provider challenges with the financial viability of delivering civil legal aid are driven by multiple factors:
 - Fee levels which haven't been increased since 1996.
 - Modelling on the average case mix that underpins fixed fee levels hasn't been updated.
 - Important and time-consuming work on civil legal aid cases which often isn't billable though it may relate to case preparation.
- Financial viability challenges are exacerbated by reportedly high levels of administrative costs that providers experience. High administrative costs are driven by:
 - A complex fee structure.
 - Conducting eligibility checks for legal help work and supporting users to navigate the eligibility-evaluation process.
 - Billing processes which require high levels of detail and are time-consuming.
 - LAA audits of provider casework (although audits are necessary for regulating the system).
 - LAA IT systems which reportedly are not user-friendly, inefficient, and do not cater for changes and in user or case circumstances.

- Providers experience challenges in recruiting and retaining solicitors. In relative terms, retaining solicitors to work on civil legal aid over time is a greater challenge for providers.
- Incentives for non-family barristers to undertake civil legal aid work and maintain their involvement in the profession over time appears to be a challenge for the system.

To conclude this chapter on provider experiences with the civil legal aid system, this section will explore the impacts of their challenges with financial viability, recruitment and retention, and wider system disincentives (such as administrative costs, covered in Part 2). In relation to their impacts, it will explore the following topics:

- i. Provider decision-making on market exits, the amount of civil legal aid provision they offer, and the size of civil legal aid providers.
- ii. Provider decision-making on the type of civil legal aid provision they offer.

Using these lenses, it will then finish with commentary on the market's overall health and the link between the above trends and the user-accessibility of the system.

Provider decision-making on market exits, the amount of civil legal aid provision they offer, and the size of civil legal aid providers

This report and the Review's wider evidence base highlights that providers experience strong disincentives and barriers to provision. It would be expected that the market's supply would respond to these conditions by contracting, with providers exiting the market, remaining providers reducing their provision of civil legal aid services and becoming smaller over time. This subsection will assess the extent to which these expectations are coming to fruition in practice.

Market exits

Providers have only able to enter the civil legal aid market through formal procurement rounds conducted by the LAA. The last two major procurement rounds took place in 2023– 24 and 2018–19 (smaller procurement rounds are sometimes conducted in certain

categories of law by exception, where gaps in the market have been identified). In late 2024 the LAA will be introducing "always on" procurement for the 2024 contracts which means that firms can bid at any time during the life of the contract. Providers can choose to leave the market at any time once they have given the requisite notice.

From 2014–15 to 2021–22,¹³¹ the number of active civil legal aid providers in the market (this excludes providers that held contracts but did not provide services in the time period) decreased from 1,570 to 1,230, a 22% decrease.¹³² The number of active providers only increased relative to the previous year in 2019–20, following the procurement round in 2018–19. This is shown in table 8 below. It is important to note that using active provider numbers as a metric has limitations. Active provider numbers do not indicate: firm size; the number of staff working on legal aid at a given time; the volume of legal aid work a firm undertakes; nor whether the firm has recently merged with another.

¹³¹ This timeframe has been used because this is the period covered by a data matching exercise with the Law Society and Bar Council (as part of the Data Publications workstream).

¹³² 'Active' civil legal aid providers are defined as those who have submitted at least one final bill to the LAA in a given year and held a civil legal aid contract at the end of the year in the relevant category of law.

	2014– 15	2015– 16	2016– 17	2017– 18	2018– 19	2019– 20	2020– 21	2021– 22
Family								
Number of firms	810	810	770	740	710	720	730	690
Year on year change		0%	-5%	-5%	-4%	2%	2%	-6%
Mixed								
Number of firms	370	320	280	270	230	240	210	200
Year on year change		-15%	-10%	-7%	-13%	3%	-12%	-3%
Other Civil								
Number of firms	380	360	330	330	370	380	340	340
Year on year change		-6%	-7%	-3%	15%	1%	-9%	-1%
All Firms								
Number of firms	1,570	1,490	1,390	1,330	1,310	1,340	1,280	1,230
Year on year change		-5%	-7%	-5%	-1%	2%	-4%	-4%

Table 8: Number of active civil legal aid firms by area of practise and year

Source: Review of Civil Legal Aid Data Publication Series: Provider Overview – Table 1.1.3: Number of active civil legal aid firms by area of practice and year

Separate data shows that through the 2018–19 procurement round, 120 and 70 providers joined the active civil legal aid market in 2018–19 and 2019–20, respectively.¹³³ This shows that there continues to be incentives to join the civil legal aid market. However, the injection of providers into the market through procurement rounds is eliminated within one to two years through continued market exits.

The change in active provider numbers can be contextualised by the demand trends in civil representation and legal help, for which key metrics are total volume of certificates granted (civil representation) and total volume of matters started (legal help). From 2014–15 to 2022–23, civil representation certificates granted increased from 92,953 to 106,701¹³⁴ (15%) and legal help matters started decreased from 171,586 to 130,799 (24%).¹³⁵ This shows that while the fulfilled demand for civil representation and legal help services has increased and decreased, respectively, a primary contributor to the market's

¹³³ <u>Review of Civil Legal Aid Data Publication Series: Provider Overview Report</u> – table 1.4.2.

¹³⁴ Legal aid statistics: January to March 2023 - GOV.UK table 6.2.

¹³⁵ Ibid., table 5.1.

supply, active provider numbers, have decreased. These demand trends are shown in figures 6 and 7 below.

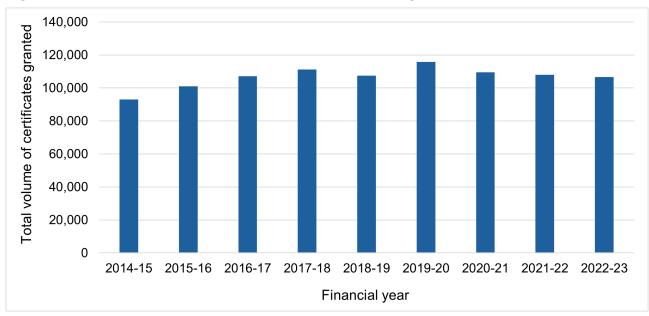


Figure 6: Civil representation: total volume of certificates granted, 2014–15 to 2022–23

Source: GOV.UK. (2023). Legal aid statistics: January to March 2023 data files Table 6.2.

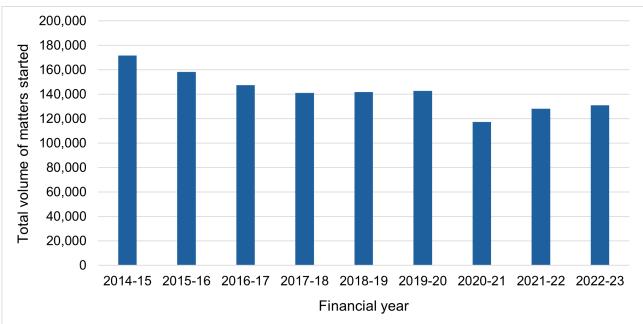


Figure 7: Legal help: total volume of matters started, 2014–15 to 2022–23

Source: GOV.UK. (2023). Legal aid statistics: January to March 2023 Table 5.1

Evidence shows that, of the market disincentives and barriers discussed, challenges relating to the financial viability of delivering civil legal aid appear to be the strongest factor in driving these market exits. According to LAA data on the explanations offered by 761 providers who exited their civil legal aid contracts between September 2017 to August 2023, 43% identified commercial viability as the primary reason, the next most common reason was the loss of key fee earners and/or supervisors, cited by 19% of respondents.¹³⁶ Responses to the Provider Survey also indicated that financial viability was the prime consideration behind a large portion of market exits. 32% of participating private practice providers reported that their organisation has stopped holding at least one type of legal aid contract during their tenure – 65% of these did so because it was no longer financially viable. Secondary reasons reported for no longer continuing with a specific civil legal contract were workforce related – specifically difficulty recruiting the necessary staff (28%) or not replacing a key member of staff (24%) – issues which this report has already noted could be linked at least in part to financial viability.

As part of this discussion on market exits, further depth can be provided through discussion of the prevalence of market exits in certain categories of law or and for not-for-profit providers relative to for-profit providers.

From April 2013 to August 2023, the following categories of law saw decreases in contracted provider numbers of over 10%:

- Family Providers declined by 37%, while offices declined by 38%.¹³⁷ Civil representation certificates granted increased by 4%¹³⁸ and legal help matters started decreased by 44%.¹³⁹
- Housing and Debt Providers declined by 45%, while offices declined by 53%.
 Civil representation certificates granted decreased by 52% and legal help matters started decreased by 45%.

¹³⁶ <u>Review of Civil Legal Aid Market Research Report figure 19.</u>

¹³⁷ Ibid., figure 35.

¹³⁸ Ibid., table 1.

¹³⁹ Ibid., table 2.

- Immigration and Asylum Providers declined by 38%, while offices declined by 48%. 197 to 167 15.2%. Civil representation certificates granted decreased by 66% and legal help matters started increased by 32%.
- Mental Health Providers numbers and offices both declined by 29%. Civil representation certificates granted increased by 281% and legal help matters started decreased by 25%.
- Community Care Providers numbers declined by 18%, while offices declined by 26%. Civil representation certificates granted increased by 222% and legal help matters started decreased by 48%.
- Clinical Negligence Providers declined by 50%, while offices declined by 49%.
 Civil representation certificates granted decreased by 88% and legal help matters started decreased by 75%.

The three largest categories of law, family, housing and debt, and immigration and asylum have all seen notable decreases in contracted provider numbers. This poses particular concerns about the conditions of the market in these categories of law. In their Market Research, PA Consulting identified housing & debt and immigration & asylum as the most pressing areas of concern in the market. They note that in these categories of law, capacity issues have been reported despite both case volumes and average caseloads falling, indicating the presence of "hidden" capacity constraints (such as rising case complexity and durations). It's further notable that in family, immigration and asylum, mental health, and community care, whilst segments of the market are seeing higher demand, either for civil representation or legal help, providers are still choosing to leave the market on a net-basis. This poses further concerns about the conditions of the market in these categories.

With regards to not-for-profit providers (NFPs), in Section 3.3, it was noted that NFPs may experience greater challenges with the financial viability of delivering civil legal aid. They may be less able to mitigate these challenges by combining civil legal aid work with private legal work, and in turn may be more reliant on other non-civil legal aid revenue streams, such as grants and donations. Figure 8 below shows this high reliance on non-civil legal aid revenue streams.

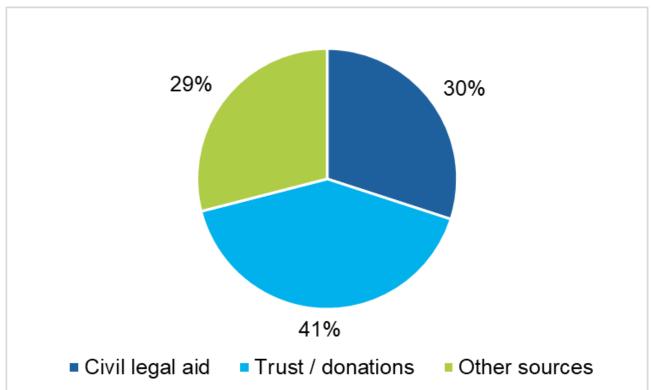


Figure 8: Average revenue source breakdown of non-profit firms

Source: Provider Survey, Q8: Approximately what proportion of your organisation's overall revenue comes from the following areas (civil legal aid/ trusts or donations/ other sources)? Base: Non-profit organisations (n=39)

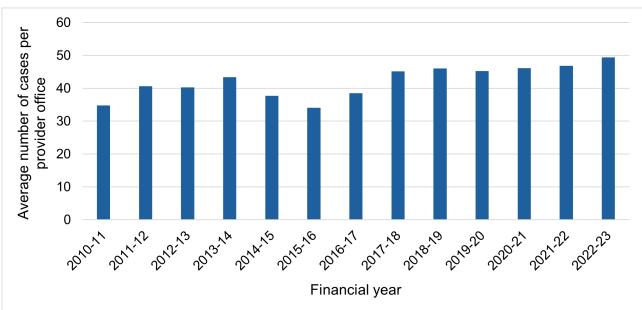
A possible implication of this is that, because grants and donations are more uncertain than other revenue streams, NFPs' greater reliance on them may hinder their ability to plan, invest, and recruit staff over the long-term. However, this isn't supported by evidence on the composition of the market. Since 2014–15, although overall provider numbers in the civil legal aid market have been decreasing, the proportion of contracted providers that are not-for-profit providers has remained the same over time, at 6%.¹⁴⁰ Therefore, a conclusion that the not-for-profit sector may be more vulnerable to the civil legal aid market's financial viability challenges can't be definitively made.

Provider caseloads

For civil representation, providers have increased the average number of cases they are delivering. As shown by figure 9, below, providers completed 38 cases on average (per

¹⁴⁰ Ibid., figure 38.

provider office) in 2014–15. This decreased in 2015–16, but this figure increased over the subsequent years, to 49 in 2022–23.





Source for number of civil representation cases: <u>Legal aid statistics: January to March 2023</u> – Table 6.3.

For legal help, provider caseloads have fluctuated since 2014–15 and there isn't a clear trend. Providers completed 74 matters on average (per provider office) in 2014–15, and this figure was 83 in 2022–23. This is shown by figure 10.

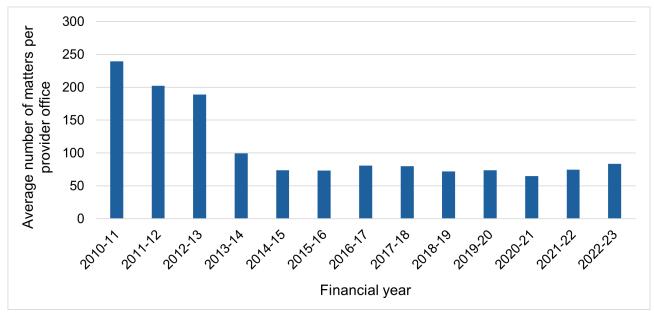


Figure 10: Average number of matters completed per provider office for legal help, 2010–11 to 2022–23

Source for number of legal help cases: *Legal aid statistics: January to March 2023 - GOV.UK* Table 5.2.

This shows that despite the disincentives and barriers present in the civil legal aid market, providers have been increasing their provision of civil representation services, on a per provider office basis.

Provider size and consolidation

The Review's Data Publications Overview Report analysed the size of civil legal aid providers according to the number of partners within organisations. This data shows mixed trends in different groupings of categories of law.

For active family providers, the proportion of the market that consists of small and medium sized providers has only changed to small degree from 2014–15 to 2021–22. For active providers who work in non-family categories, there has been an increase in the proportion of very small providers from 33% to 47%, and an accompanying decrease in the proportion of small and medium sized providers in the market. These trends are shown in the tables below.

	Family		I	Vixed	Other Civil		
	Number of firms	Income from civil legal aid (£m)		Income from civil legal aid (£m)		Income from civil legal aid (£m)	
Very small (0–1 partner)	~	16%	19%	11%	33%	17%	
Small (2–4 partners)	52%	48%	44%	27%	46%	29%	
Medium (5–25 partners)	26%	35%	34%	52%	17%	27%	
Large (26 partners and over)	~	1%	4%	10%	5%	27%	
Total	750	£221.5	340	£225.0	250	£68.6	

Table 9: Matched active civil legal aid firms by number of partners & practise area, 2014–15

Source: Review of Civil Legal Aid Data Publication Series: Provider Overview – Table 1.3.9: Matched active civil legal aid firms by number of partners and area of practise, 2014–15

	Family		I	Vixed	Other Civil	
	Number of firms	Income from civil legal aid (£m)		Income from civil legal aid (£m)		Income from civil legal aid (£m)
Very small (0–1 partner)	~	19%	~	16%	47%	19%
Small (2–4 partners)	51%	47%	46%	32%	39%	30%
Medium (5–25 partners)	24%	32%	31%	39%	7%	20%
Large (26 partners and over)	~	2%	~	14%	7%	31%
Total	680	£282.3	200	£201.7	240	£99.3

Table 10: Matched active civil legal aid firms by number of partners & practise area, 2021-22

Source: Review of Civil Legal Aid Data Publication Series: Provider Overview – Table 1.3.10: Matched active civil legal aid firms by number of partners and area of practise, 2021–22

Relatedly to provider size, evidence shows that a degree of consolidation is taking place in the market. Of 761 provider offices which exited their civil legal aid contracts from

September 2017 to August 2023, 131 (17.2%) did so due to consolidation with other legal aid providers.¹⁴¹

Overall, this shows that a single conclusion can't be made on the change in average provider size in the civil legal aid market as differing trends are being seeing across categories of law. The consolidation in the market though, is notable. Consolidated providers may be gaining efficiencies through economies of scale, and this may be one contributor as to how providers have been able to increase their civil representation caseloads over time.

Assessment of the market's supply

What can be learnt from this section is there are mixed effects taking place within the market's overall supply. Provider numbers are decreasing at a moderately-high rate (a 22% decrease in active providers between 2014–15 and 2021–2022), and the number of solicitors and non-family barristers working in the profession are also decreasing (noted in Section 3.3). Provider numbers and workforce size tend to be the greatest determinants of a market's supply and subsequently it's likely that on a net-basis, the civil legal aid market's supply is decreasing. However, some counteracting forces are taking place on the market's supply, with providers delivering higher civil representation caseloads and consolidating in some instances. These counteracting forces may be partially mitigating the impact that decreasing provider and solicitor numbers are having on the market's supply.

In light of the provider-facing barriers and disincentives explored by this report, it may contradict expectations that some positive forces are being seen with regards to the market's supply. There are multiple plausible reasons for this, some or all of which may contribute.

Firstly, in noting these supply trends, it's important to compare them to demand trends in the civil legal aid market. Metrics for demand are the volume of civil representation certificates granted and legal help matters started, although these metrics are imperfect because they do not capture eligible demand which is not met by the civil legal aid system

¹⁴¹ PA Consulting analysis of LAA data, Review of Civil Legal Aid Market Research Report

(which can be for a number of reasons). In civil representation, the total volume of certificates granted has increased from 92,953 in 2014–15 to 106,701 in 2022–23.¹⁴² In legal help, the total volume of matters started has decreased from 171,586 to 130,799 in the same time period.¹⁴³ Given that segments of the civil legal aid market have seen increases in demand, it would be unexpected for its supply to respond by wholly contracting, even in light of the disincentives and barriers discussed.

Secondly, it's likely that the civil legal aid market functions differently relative to typical markets as incentives relating to moral consciousness and duty are likely to be stronger, which may motivate providers to remain in the market. According to the Review's Provider Survey, 79% of respondents reported continuing to offer civil legal aid services because they believe it is the right thing to do. There are other incentives at play too, with 69% reporting that involvement in the profession is habitual for their organisation, and 37% reported it as a reliable source of income.¹⁴⁴ The latter is notable in that it contrasts with the evidence that delivering civil legal aid is challenging from a financial viability perspective. A nuance may be that whilst revenues are perceived to be too low, the steadiness and/or predictability of revenues may be viewed positively by some providers.

Thirdly, as noted in Section 3.2, although financial viability is a high priority challenge for providers, civil legal aid fees are often not their only source of revenue. Providers may be responding to financial viability challenges by increasingly gaining revenue from cost recovery, grants, donations, and through balancing legal aid work with private legal work. The impact of some of these decisions providers may be making in terms of revenue sources could have negative consequences for accessibility for users.

Provider decision-making on the type of civil legal aid provision they offer

Owing to challenges with the financial viability of delivering civil legal aid services and wider system disincentives, providers report needing to 'cherry pick' certain legal aid cases in order to bolster their financial viability.

¹⁴² Ibid., figure 6.

¹⁴³ Ibid., 8.

¹⁴⁴ <u>Review of Civil Legal Aid: Provider Survey Report - GOV.UK figure 4.5.</u>

"When hourly rates and fixed fees are lower than the cost of delivering services, providers are operating at a loss and that practitioners have no choice but to be selective about the types of cases that they can afford to take on."

Representative body

This subsection will explore two possibilities, whether providers are increasingly reluctant to undertake legal help work, which is reportedly less profitable than other work, and opt for cases which are more likely to see Cost Orders.

Legal help

In Section 3.2, it was noted that the financial viability of delivering legal help work is likely a challenge for many providers. This is because legal help predominantly uses fixed fees which likely do not reflect the increases in case complexity seen in recent years, and even in the cases which use hourly rates, these are lower in comparison to civil representation hourly rates and do not generally have the ability to claim enhancements. In addition to these challenges with fee levels and structures, it's likely that legal help work imposes higher administrative costs on providers (legal help involves audits and file reviews, which may incur additional administrative costs). Providers must conduct their own checks to determine users' eligibility for civil legal aid for legal help work, whereas this is the LAA's responsibility for civil representation work. However, these additional administrative costs may be small, as for both legal help and civil representation work, providers retain a responsibility of supporting users to collect all the documents needed for eligibility checks, even if they are not making their own eligibility decision.

As a result of these financial viability challenges, providers reported in the Review's Call for Evidence and Provider Survey that legal help work is disincentivised and they are reluctant to undertake it. To assess whether this is affecting provider decision-making in practice, two metrics can be considered. The first is the number of provider offices starting legal help work. In 2014–15, 2,232 provider offices started legal help work, and by 2021–22, this figure decreased to 1,620, a 27% reduction.¹⁴⁵ To compare this against civil representation, 2,292 provider offices started civil representation work in 2014–15, and this

¹⁴⁵ Review of Civil Legal Aid Market Research Report figure 22

figure decreased to 1,789 in 2021–22, a 21.9% reduction.¹⁴⁶ The second metric is provider caseloads. As touched on earlier in this subsection, legal help caseloads have fluctuated and there isn't a clear trend, whereas civil representation caseloads have steadily increased since 2014–15.

Given that the reduction in provider offices starting legal help work has been greater than the equivalent reduction for civil representation work, and that providers are opting to increase their caseloads in civil representation but not in legal help, it does support the claim that providers are growing less willing to undertake legal help work relative to civil representation.

To consider a counter to this, it may be expected that if providers are growing less willing to undertake legal help work, this would manifest in decreasing legal help caseloads. However, a link between legal help and civil representation caseloads should be noted. Providers often retain a foothold in legal help work in order to support their future civil representation work on a given case, as billing under legal help can cover the costs of investigating the case and applying for a civil representation certificate. Therefore, although providers may be growing less willing to undertake legal help work, the link between legal help and civil representation work may be stemming a larger reduction in legal help caseloads (though there is some work which can only be undertaken as legal help, where this won't apply).

The importance of this finding to user accessibility, in particular the availability of early intervention legal services, will be explored in the conclusion of this section.

Cost Orders

As discussed in Section 3.2, Cost Orders (inter-partes cost recovery) can be an additional source of revenue for providers and one that is often renumerated for at rates that are closer to private rates. From 2010–11 to 2022–23, costs were recovered by civil legal aid providers from opponents in 17–23% of non-family cases and the average cost recovery was £40,700. Given the financial viability challenges related to delivering civil legal aid services, it is possible providers may opt to undertake cases which are more likely to see

¹⁴⁶ Ibid., figure 21

Cost Orders in order to improve their profitability and financial viability. In The Law Society's Sustainability Research, housing providers that were interviewed (and in particular private firms) indicated their preference to take on certificated cases with a greater likelihood of success because Cost Orders are typically awarded at commercial rates, which are considerably higher than current legal aid rates.

However, it is difficult to assess the extent to which this may be happening. Few metrics are available on cost recovery, with revenue gained from it being the primary one. From this report's earlier analysis on cost recovery though, a key finding was that three categories of law have consistently seen a high proportion (over 70%) of their civil representation costs funded through cost recovery: clinical negligence, claims against public authorities, and public law. This provides one possible mechanism to assess provider decision-making with regards to cost recovery; if providers are selectively undertaking cases which are more likely to see Cost Orders, this may manifest in increasing provider numbers servicing these categories of law and increasing caseloads.

From 2014–15 to 2021–22, in clinical negligence, caseloads (per provider office) have decreased from 10 to 5. In claims against public authorities, caseloads have fluctuated and were 14 in 2021–22. In public law, caseloads have risen from 5 to 12. Given there are mixed trends taking place across these categories of law, definitive conclusions can't be made that providers are actively seeking to undertake cases which are more likely to see Cost Orders.

However, this mechanism of assessing provider decision-making with regards to cost recovery has clear limitations. The categories of law discussed are among the smallest in the civil legal aid market, and so even if providers were actively seeking to undertake cases which are more likely to see Cost Orders, they may prefer to 'cherry pick' cases within their own categories of law rather than choosing to enter the mentioned categories. This area may warrant further research in order to make more definitive conclusions on provider decision-making.

Market health and the link between supply and user-accessibility

Overall, the findings of this section pose concerns with regards to the health and current functioning of the civil legal aid system. The number of active providers in the market has

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decreased by 22% from 2014–15 to 2021–22, and sustained net market exits may suggest that many providers are assessing that the civil legal aid market's conditions (including incentives, disincentives, and barriers to provision) are not conducive to sustainable provision.

The findings on the market's supply also link to user-accessibility challenges. Section 1.3 noted provider reports of having to turn away potentially eligible users, with providers reporting in the Provider Survey (those who reported excess levels of demand) turning away an average of 26 potentially eligible users, per provider, in the month preceding the survey. It's likely this is being driven by the decrease in the market's supply. Providers leaving the market, solicitors leaving the profession, and fewer non-family barristers undertaking civil legal aid work all negatively impact the civil legal aid market's capacity and ability to fulfil user-demand.

The market's capacity to fulfil demand may also be contributing to category-specific user access problems. Responses to the Call for Evidence and the Advocacy Research highlight family (though some of the feedback noted that many family cases are no longer in scope post-LASPO, but also that conflict of interests can be more common as multiple firms of solicitors can be required to represent the different parties), housing and debt, and immigration and asylum as categories in which users are particularly experiencing challenges in securing legal services from civil legal aid providers, and this aligns with the data that these categories have seen decreases in provider numbers of over 20% from April 2013 to August 2023.

Similar can be said for region-specific access challenges. Section 1.3 noted that in certain regions in England and Wales, access issues for users may be more acute. Some evidence may indicate shortages in provider numbers in these regions, particularly in some categories of law. However, an evidence gap does exist here, and as mentioned earlier in the report, the MoJ is reviewing the data it collects on demand for, and access to, legal aid, and considering what opportunities there may be to improve data collection and visualisation.

Lastly, with evidence pointing to increasing disincentives impacting provider willingness to undertake legal help work, this may be reducing the availability of civil legal aid services

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that are aimed at early intervention. Early intervention is a critical part of an effectively functioning civil legal aid system as it reduces the escalation of legal issues and the costs that users and the wider system face, and this may be a key area for policy intervention.

Next steps

The evidence gathered throughout this Review will continue to be integral to policy development and inform the government's strategy for the future of the civil legal aid system. By identifying key challenges and further developing the MoJ's evidence base, the Review sets a solid foundation for any future reform which aims to improve the sustainability of the system.

This report is published alongside a consultation on an increase to civil legal aid fees for housing and immigration work. The consultation forms part of the government's wider plans to make the legal aid sector more sustainable and tackle the backlog in civil courts. It marks the first step in the government's response to the evidence gathered as part of the Review of Civil Legal Aid.

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Appendix A The Review's Wales-based engagement

As part of the Review of Civil Legal Aid's evidence gathering phase, a concerted effort was made to conduct specific engagement with Wales-based practitioners, providers, and experts. The intended outcome was to build an evidence base that recognises the similarities and differences in experiences, challenges, and needs between England and Wales, and in turn to support future policy development that would address these differences.

Across the Review's four evidence gathering workstreams, engagement was conducted with Welsh Government and Wales' National Advice Network, and the former were included in the Review's formal Stakeholder Advisory Groups which served each of the workstreams. In addition to this, detailed below is the specific engagement that was conducted as part of the Review's four evidence gathering workstreams, as well as the Call for Evidence:

- Economic Analysis A key output from this workstream was a survey conducted with providers of civil legal aid services. This survey received responses from 228 providers, representing approximately 18% of the contracted civil legal aid market at the time of surveying. Within this, 23 providers with offices in Wales responded to the survey. This represents 10% of the total sample, whereas providers with offices in Wales make up 8% of the entire civil legal aid market. Therefore, providers with offices in Wales were more than proportionally represented in the survey. The <u>Provider Survey Report</u> uses these inputs to compare experiences between civil legal aid provision in England and Wales.
- Additionally, to inform the <u>Market Research Report</u>, which concluded this workstream, two roundtables were conducted with barristers operating across England and Wales. This delved into the incentives they experience to work on civil legal aid, the challenges experienced, and their perceptions of the system's outlook.

- Comparative Analysis (of civil legal aid systems) This workstream was primarily
 outwardly focused, delving into domestic and international civil legal aid systems
 including Scotland, the USA, Canada, Finland, the Netherlands, and Australia. In
 the latter stages of the workstream, workshops were held with practitioners and
 experts in England and Wales to test the transferability of initiatives identified in
 the comparator systems to England and Wales' civil legal aid system, and this
 included a workshop specifically held with Wales-based practitioners and experts.
- Data Publications To produce a data publication series which will support policy development, this workstream uses administrative data held by the LAA and the results of two data matching exercises, one between the MoJ and The Law Society relating to solicitors and providers working on civil legal aid, and the second between the MoJ and the Bar Council relating to barristers working on civil legal aid. This data on solicitors, barristers, and providers includes those across England and Wales.
- User Journey Social Research This workstream consists of two outputs. Both shared a common aim, to delve into user experiences with the civil legal aid system. The first output sought to explore this question through the perspectives of users and the trusted intermediaries who support them. The second output sought the perspectives of providers. Challenges were experienced in recruiting interview participants for this research, and despite concerted efforts being made, it was not possible to arrange interviews with participants in Wales.
- Call for Evidence To feed into the Review's Call for Evidence, roundtables were conducted with practitioners and experts which explored renumeration and fee structures, career development, user needs, use of technology, and early resolution of disputes. As part of this, one roundtable was conducted with Wales-based practitioners and experts.

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