



News Release - web

22 December 2010

Reducing the Board's running costs 2011-2012

LEGAL AID SAVINGS

The Scottish Government's spending plans for 2011-2012 were announced in November. These included figures for legal aid:

	2010-11 Budget £m	2011-12 Draft Budget £m	% Decrease
Administrative Budget	12.9	11.8	-8.53
Legal Aid Fund	155	142.3	-8.19
Total	167.9	154.1	-8.22

- The Legal Aid Fund - this covers the costs of legal aid cases, most notably the fees and outlays of solicitors and counsel providing legal assistance. This funding is unusual in that it is not cash limited - this means that there is no cap and the Scottish Government will provide the funding for the cases we have granted. This also covers our grant funded programmes.
- Administrative Budget - Unlike the Legal Aid Fund, the Administrative Budget is capped. It covers the running costs of the Legal Aid Board. It includes staff costs (e.g. Board staff processing legal aid applications and accounts), accommodation, computer hardware, postage, telephones and travel etc. It also covers relevant expenditure on the Quality Assurance schemes for civil and criminal legal assistance.

Discussions are currently underway involving the Scottish Government, the Law Society of Scotland and the Board to inform Scottish Ministers' decisions on how the necessary savings on the legal aid fund are to be achieved.

Delivery of the £1.1 million savings on the Board's running costs are for it to deliver.

From 2007-2008 to 2010-2011 the Board's Administrative Budget funding from the Scottish Government has been frozen at £12.9 million. In real terms (taking account of inflation), this has been a cut of 7%.

Over this period there has been a substantial increase in workload including:

- A significant increase in civil legal assistance including a 24% increase in civil legal aid applications in 2009-2010;
- Additional responsibilities being given by Scottish Ministers including -

- A new grant funding scheme including the funding of an expanded network of in-court advisors;
- Taking on responsibility from the courts for granting solemn criminal legal aid;
- Introduction of a Quality Assurance regime for criminal legal assistance;
- Following the commencement of the Legal Services (Scotland) Act 2010 (expected in early 2011) responsibility for monitoring and advising Ministers on the availability of legal services across Scotland.

In order to carry out the Board's responsibilities for the management and administration of legal aid within the reduced Administrative Budget funding from the Scottish Government of £11.8 million - a reduction of £1.1 million, we have been reviewing what we do and how we do it to find further savings. This states the real-terms reduction since 2007-2008 to 19%.

These include -

- Reducing staff numbers - By the end of March 2011 we will have reduced staff numbers paid out of our Administrative Budget by 38 posts since 2008-2009. A further 15 posts are expected to go by the end of 2011-2012, an overall reduction of around 53 posts. Most of these reductions are a result of our move to digital and online systems within the Board and in transactions with solicitors. Other reductions arise through internal restructuring and revised business processes.
- Reducing our accommodation costs - We are continuing our drive to reduce our accommodation costs by improved space utilisation and through sub-letting space within our head office accommodation. This has reduced our accommodation costs by 31%;
- Improved procurement - We are making optimal use of collaborative and Central Government contracts and central contracts to reduce costs;
- Communications - We are also making substantial savings by carrying out more of our publications and communications work in-house, for example the preparation of our Annual Review and Corporate Plan;
- Quality Assurance - We will reduce planned expenditure on the quality assurance regimes for solicitors by extending the cycles over which the reviews are undertaken.

Clearly, the scale of reduction in our running costs will be challenging. However, we will do our best to minimise the impacts on our external services.

Earlier text on website 16th August 2010

Review of the Board's administration costs:

In view of the very challenging times ahead for public expenditure the Board is carrying out a review of our running costs.

The Board's running costs are met from a Grant-in-Aid funded by the Scottish Government. It is accounted for separately from the Legal Aid Fund which pays for legal aid expenditure on cases. Unlike the Fund, the Grant-in-Aid is cash limited.

Our Grant-in-Aid has been frozen for the last three years and has therefore reduced in real terms while at the same time Ministers have asked us to take on new responsibilities, including granting solemn

legal aid, operating a grant funding programme and funding In-Court Advisers. Also, the Civil and Criminal Quality Assurance schemes for solicitors are funded from the Board's Grant-in-Aid.

However, the increasing pressure on public expenditure means that we must redouble our efforts to ensure that our administration provides best value for the taxpayer. At the same time as trying to find ways of reducing our administrative costs we will also try to identify further ways of simplifying legal aid processes. For example, we will shortly be substantially reducing the pages for completion in the civil means form from 34 to around 11 pages. All legal aid applications will be made and processed online from April 2011 enabling us to further reduce administrative functions in the Board.

Many of the activities carried out by the Board save legal aid expenditure and clearly there is a balance to be struck between reducing administration costs and being able to discharge properly and effectively our statutory functions. For example, the Board authorises the employment of counsel or the cost of an expert and ensures that the Legal Aid Fund only pays for work that is carried out reasonably and with regard to economy.

As we take forward the review, we will engage with the profession as to its potential impacts and to identify further ways of making savings.