



## Press Release

16 September 2011

### Scottish Legal Aid Board publishes Annual Report 2010-2011

The Scottish Legal Aid Board today published its annual report for 2010-2011 which shows:

- As expected, expenditure on the legal aid fund increased by 7% to £161.4m.
- More firms and solicitors are registered to provide civil and criminal legal aid.
- Civil legal aid applications are down by 3.5% on the previous year to 21,251, but remain historically very high - 30% higher than 2006-2007.
- Successful roll out of the Board's legal aid online system enabling all applications from solicitors to be made electronically from 1 April 2011, resulting in faster processing and reduced costs for solicitors and the Board.
- The Board's running costs capped for a third year running in spite of new responsibilities and increased workloads.

#### The Legal Aid Fund

The 7% increase in legal aid fund expenditure was expected and is the result of a number of factors including:

- The impact of the recession which has seen significant increases in the numbers of applications and grants of civil legal aid over the past three years.
- Additional funding of around £1m provided by the Scottish Government as a package of funding to help people with problems associated with the economic downturn, in particular for in-court advisers and other grant aided projects.
- Increases in VAT added £3.5m to last year's costs.
- Around £2.6m resulted from fee increases for solicitors and advocates introduced by the Scottish Government.
- The larger number of cases paid in summary criminal legal aid.

After taking account of inflation, expenditure on the Legal Aid Fund in 2010-2011 was lower than in many years over the past decade.

During the latter part of 2010-2011 the Scottish Government, working with the Board and the Law Society, developed a legal aid savings package to reduce the cost of legal aid in future years but without reducing access to justice. The Board expects this package to save around £10m during 2011-2012. However, there are likely to be significant changes to the justice system which will lead to additional expenditure, for example the decision by the Supreme

Court in the Cadder case which now allows suspects to have access to legal advice before and during police detention interviews.

The main increase in civil legal aid applications over the past three years has been in family cases involving children.

### **Board's running costs**

The Board's administration costs (its grant in aid) was capped for the third consecutive year at £12.9m. Its budget for 2011-2012 has been reduced by £1.1m. These savings are being achieved through staff reductions and significant savings in the Board's accommodation costs.

The Board's work directly saved the taxpayer over £40m through application of its controls on applications and lawyers' accounts as well as facilitating access to justice for large numbers of people.

Iain Robertson CBE, Chairman of the Board said "These are challenging times for all involved in legal aid and the justice system in Scotland. The impact of the recession has seen increased demand for legal aid to help people with legal problems who could not afford to meet the cost of these themselves. At the same time there are substantial pressures to reduce public expenditure. The Board has, and continues to work with the Government and other stakeholders to help maintain access to justice but at lower cost to the taxpayer - this is no easy challenge."

Lindsay Montgomery CBE, Chief Executive, said "Scotland is fortunate in having one of the best legal aid systems in the world in terms of its scope and in the availability of high quality legal services. Unlike many other jurisdictions, the legal aid fund is not cash limited and this allows funding to rise and fall to reflect need. However, it is essential that all those involved in the provision of publicly funded legal services work together to get the best value from the resources available so that those who need legal help are able to access it. The Board has been given an important new statutory duty to monitor access to legal services in Scotland and to report to Ministers on this. We have set up a reference group including representatives from a wide range of groups including the Law Society of Scotland, Scottish Women's Aid and Citizens Advice Scotland to help us achieve this".

Lindsay Montgomery continued "We will also be doing our utmost to minimise the cost of our administration and extending the rollout of Legal Aid Online to include solicitors' payments will also help to achieve this."

**Ends.**

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### **Notes for editors:**

1. Details of payments to the profession are at [www.slub.org.uk](http://www.slub.org.uk). Click on the publications tab then on the link to the annual review 2010-2011.
2. The **Legal Aid Fund** covers the costs of legal aid cases, most notably fees and outlays of solicitors and counsel providing legal assistance. Although a budget is set, *there is no cap* and the Scottish Government will provide the funding for the cases we have granted. The grant funding programme is also paid for from the Fund but is cash limited.
3. **Administrative Budget** - Unlike the Legal Aid Fund, the Administrative Budget is capped. It covers the running costs of the Legal Aid Board; including staff costs (e.g. Board staff

processing legal aid applications and accounts), accommodation, computer hardware, postage, telephones and travel etc.

4. The Board has saved the taxpayer around £40 million through the work we do to administer the legal aid system, for example we:
  - only grant legal aid applications which meet the statutory tests.
  - check that applicants qualify financially for legal aid.
  - only approve applications for the use of counsel, experts and unusual work where it is appropriate, necessary and justified.
  - scrutinise accounts submitted by solicitors and counsel, including making checks with third parties, for example, prisons and the courts, and only pay for work that is done with due regard to economy.
  - recover funds through our audit and compliance work with solicitors' firms and ensuring they comply with the Code of Practice for criminal legal assistance.
  - minimise the risk of fraud and abuse of legal aid by applicants or legal aid providers; we saved over £1 million as a result of changes in firm's practices and the prevention of unnecessary work.
5. The increase in the cost of legal aid in 2010-2011 was due to a number of factors:
  - Increases in VAT from 15% to 17.5% in 2009-2010, then to 20% in January 2011 increased expenditure by £3.5m
  - Increases in fee rates for solicitors and counsel introduced by the Scottish Government added around £2.6m
  - Larger numbers of cases paid in summary criminal legal aid increased expenditure by £3.6m
  - An increase in gross civil legal aid as a result of the 20% increase in applications received in the previous 2 years. (30% increase since 2006-07.)
6. The numbers of firms registered to provide civil and criminal legal aid are: Civil - 654 (up 26 on last year) and Criminal - 576 (up 12 on last year).
7. The *savings package* introduced by the Scottish Government in 2010-2011, developed and agreed with the Law Society of Scotland, which is forecast to deliver around £10m of savings in 2011-2012, included:
  - increased use of the Public Defence Solicitors' Office on court duty plans
  - reductions in solicitors' fees (for criminal cases and travelling);
  - introduction of a table of fees for Counsel in Sheriff Court and Court of Session cases for civil and children's cases
  - removal of certain exemptions from monies or capital that the Board is allowed to reclaim from successful legally aided persons.
8. Additional funding of 3m provided by the Scottish Government to help people with problems associated with the economic downturn, spanned (2008-2009/2009-2010)
9. Legal aid in Scotland is a vital public service - it is help towards the costs of legal advice and representation, for those who qualify, paid for out of public funds. Designed to help individuals on low and modest incomes gain access to the legal system - it helps people to defend or pursue their rights if they cannot afford to do so and. There are two main types of legal assistance: *advice and assistance* and *legal aid*. Together these are called legal assistance. Legal aid may be free, or someone may have to pay towards the cost of their case, for example through paying a contribution or from the money or property that they win or keep as a result of their legal action. Legal aid is accessed through a solicitor. Unlike most public expenditure, the legal aid fund is not cash limited. The Scottish Government will provide the Board with the funds required to meet the cost of cases which have been granted.