

House of Commons: Written Statement (HCWS22)

Ministry of Justice

Written Statement made by: **The Parliamentary Under-Secretary of State for Courts and Legal Aid (Mr Shailesh Vara)** on 10 Jun 2015.

Legal Aid

I am today confirming next steps for the criminal legal aid market.

Maintaining access to justice and upholding the principle that those accused of a crime have the right to representation in their defence is vitally important. We recognise and value the reputation our legal profession enjoys internationally. We must preserve that reputation while enhancing the quality of advocacy in our courts.

We cannot escape the fact, however that there is a pressing need to ensure our criminal justice system performs more efficiently. Last year we spent £1.7 billion on legal aid. Although that is down from the 2009-10 peak, it is still far higher than many other developed economies. As a proportion of GDP, we spend more on legal aid than any other EU nation outside the UK. And per capita, we spend more on legal aid than most other Common Law jurisdictions – double the amount spent in Australia, Canada and the Republic of Ireland.

Of course no two legal systems are identical, but there is no doubt we still have a generous system compared to other countries. The continuing need to reduce the deficit means that we must make further progress. We must secure greater efficiencies whilst maintaining a high quality service and guaranteeing that everyone accused of a crime has the same access to a legal aid lawyer as they do now.

The Coalition Government announced a series of changes to secure savings in criminal legal aid, including:

- Reducing litigators' fees by 17.5%, with last year's initial reduction of 8.75% followed by a further reduction of 8.75% this year.
- Proceeding to introduce 527 new duty provider contracts, the tender for which was put out prior to the election.
- Reducing advocacy fees by £10 million per year.

In considering the programme set in train by the previous Government for the criminal legal aid market, we have listened very carefully to the concerns of the profession. We share the view that we must protect the quality of the service provided by litigators and that we must make sure that this high quality service remains sustainable in all parts of England and Wales. We recognise that changes in the litigation market have the potential to affect the provision of advocacy, and agree that high quality advocacy also must be preserved and enhanced. We will be taking steps to work with the profession to explore measures to achieve this.

Having considered the findings of Sir Brian Leveson's report into the efficiency of the criminal courts, the impact of broader criminal justice reforms, and the impact of changes already introduced, we have decided to press ahead with the second 8.75% reduction to litigators' fees announced by the Coalition government.

Before reaching this conclusion, we examined changes to our forecast legal aid expenditure, changes to the existing market, provider withdrawal rates and reasons, contract extension acceptance and early information from the duty provider contract tender. This reassured us that

legal aid reforms so far have not had any substantial negative impact on the sustainability of the service.

The statutory instrument implementing this reduction will be laid today, and the change will come into force on 1 July.

We will also proceed with the new duty provider contracts, the tender for which is already well underway. The Legal Aid Agency is currently assessing bids and is on track to announce decisions in the Autumn. As intended by the Coalition Government, these changes will help mitigate the impact of the cut to litigators' fees. Organisations that are awarded duty provider contracts will have exclusive access to duty contract work and will benefit from economies of scale. Together, these changes will ensure there is a sustainable duty solicitor service across England and Wales.

We are particularly keen to ensure we retain a vibrant independent Bar and protect the high standard of advocacy which is a hallmark of our justice system. Having listened carefully to the case put by the profession, we have decided not to reduce advocacy fees at this stage. Instead we want to work closely with the profession in order to explore alternative ways of securing savings through greater efficiencies in criminal proceedings. That will include implementing the findings of Sir Brian Leveson's report, which contained wide-ranging recommendations to deliver more efficient criminal courts.

Taken together, these changes must be closely monitored in order to ensure we preserve access to justice and high quality advocacy. We will therefore establish a review to assess the impact of the litigators' fee reduction and the dual contracting model on access to justice and the quality of litigation and advocacy provision. This review will be undertaken by an individual independent of Government, and will commence in July 2016.

Although the transition will be challenging, the changes we are pressing ahead with today are designed to ensure that we have a system of criminal legal aid that delivers value for money to taxpayers, that provides high quality legal advice to those that need it most, and that puts the profession on a sustainable footing for the long term.