

Agenda item:

[No.]

VOLUNTARY SECTOR COMMITTEE

On 27TH APRIL 2009

Report Title. **The Legal Services Commission (LSC) Legal Advice Procurement Reforms**

Report of **Sharon Kemp - Assistant Chief Executive – PPP&C**

Signed :



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Wards(s) affected: **ALL**

Report for: **Non Key**

1. Purpose of the report

- 1.1. To provide a background to the current funding arrangement with the advice agencies in Haringey
- 1.2. To set out the reforms in the LSC procuring process (Appendix 1)
- 1.3. To make recommendations to explore future funding arrangements in partnership with the LSC, Haringey's Community Legal Services Partnership (HCLSP) and legal advice agencies in Haringey.

2. Introduction by Cabinet Member (if necessary)

- 2.1. It's right to look at how future funding arrangements, different from those in place today, could improve the provision of legal services for local people, especially if this is likely to provide a higher quality service at this time of economic difficulty (or legacy of same) and represent better value for money for the Authority.
- 2.2. The option of pooling resources is, I believe, the right one to take as it gives us

the opportunity to ensure that the service really meets the demands of local people; the commissioning of the new service would be unilaterally made by the LSC if we do not take the opportunity to form it ourselves without knowing local need and demand.

- 2.3. As Haringey does is not deemed to have the capacity for creating a legal services centre, a lot of thought will need to be given as to how residents are made aware of the existence of Community Local Advice Networks and how accessible they are given that they will not have the dedicated physical presence of a CLAC.

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

Council Priorities-

- 3.1 Encouraging lifetime well-being, at home, work, play and learning
- 3.2 Promoting independent living while supporting adults and child when in need
- 3.3 Delivering excellent, customer focused, cost effective services.

Council Strategies

- 3|4 Haringey Local Area Agreement/Haringey Community Strategy

4. Recommendations

That the Voluntary Sector Committee is recommended to agree:

- 4.1 That officers explore with the LSC the possibility of pooling a portion of the grant aid resources with LSC and once agreement is reached negotiate, within the rules of procurement, a service specification which is heavily weighted towards addressing the specific local and cultural needs of the communities of Haringey.
- 4.2 That Council agree that officers explore with the LSC establishing a CLAN in Haringey and report back on progress with further recommendations to the VSC in November 2009 as currently there is no capacity for a centrally based Community Legal Advice Centre (CLAC) in Haringey.
- 4.3 That in exploring putting in place a CLAN in Haringey it is agreed that this should only be established if it does not present a threat to the continuity to the current main local providers of legal advice services.

5. Reason for recommendation(s)

- 5.1 It is important that Haringey works positively with the LSC, while at the same time working with well established and respected services that are delivered locally to ensure that they are engaged in the process. By pooling an element of the grant aid funding with the LSC contract funding through a tightly drawn service specification, weighted heavily towards delivering advice services to meet local needs, the Council will seek to support, prior to a tender process, those advice agencies who are best placed through local knowledge to address the specific needs of Haringey's community.

- 5.2 As Haringey does not have the capacity for a physical Centre (CLAC) officers will work in partnership with local advice providers through the Community Legal Services Partnership (CLSP) to exploring the establishment of a CLAN. The aim of the CLAN will be to make sure that clients are able to get help with their civil legal problems through services which are easily accessible and identifiable.
- 5.3 Key to the success of the Network concept is the intention to design services around peoples needs and officers from the Council and the LSC will work with the HCLSP, the Advice Providers Network and local service providers to make sure that they are able to contribute their views and comments before any final decision is made by the Council to pool resources.
- 5.4 Haringey would continue to contribute to core funding services that are not covered by legal aid such as general help services and specialist work that falls outside of the LSC's eligibility criteria.
- 5.5 The recommendations do present a risk to current providers as, with any procurement process, tendering would be open to bids from other agencies inside and outside of the borough.

6. Other options considered

- 6.1 Haringey chooses not to pool funding with the LSC. The LSC would then undertake an open bidding process based on a service specification that does not have the influence or input of Haringey in the awarding of advice contracts. This could potentially result in a disinvestment of Haringey's historic funding support by the LSC of its voluntary legal advice sector – namely the HCAB and Haringey Law Centre as the LSC could establish a separate service for delivering their specialist legal services which may not be a Haringey based agency. This would result in a loss of funding to the HCAB and the Haringey Law Centre and could lead to fragmented services leading to a reduction of essential services for the residents of Haringey.
- 6.2 Subject to a satisfactory advice funding review being undertaken in 2009/2010, Haringey would continue with current advice funding arrangements of contributing to funding core advice services that are not covered by legal aid, such as general help services and some specialist level work that falls outside of the LSC's eligibility criteria.

7. Summary

- 7.1. The core grant aid programme currently has a 3 year funding agreements (2007-10) with 2 main advice providers: Haringey Citizen's Advice Bureau (HCAB) and Haringey Law Centre (HLC).

HCAB - Core grant funding in 2009/10 is £689,700pa (including inflation). This funding supports the core services of HCAB provided from 3 locations in the borough with telephone advice and additional outreach work. Annual turnover is approx 1.1million. Casework undertaken over the year according to the latest annual report was 13,212 in 15 category areas.

HLC – Core grant funding in 2009/10 is £117,900 pa (including inflation). This funding supports the core services from 1 location in the borough. Annual turnover is approx £210k. Casework undertaken over the year according to the last annual report was 660 in 6 category areas.

7.2 A funding review of these organisations will take place during 2009 with recommendation on future funding arrangement presented to the Voluntary Sector Committee in December 2009. This review presents the ideal opportunity to explore with Haringey's Community Legal Partnership (CLSP) the LSC proposals and if considered beneficial change how funding is distributed.

7.3 **LSC funding 2007/8** - HCAB were awarded approx £64,215 from the LSC which represented approx 6% of their total funding for the financial year. The Haringey Law Centre were awarded approx £69,732 from the LSC which represented approx 32% of their total funding for the financial year.

7.4 The financial value of the recommendation in 4.1 will not need to be the whole of the advice budget currently administrated by the Corporate Voluntary Sector Team but will be determined in negotiation with the LSC in consultation with voluntary sector advice provider.

8. Chief Financial Officer Comments

8.1. The Chief Financial Officer notes that the recommendation is to explore the potential to create a CLAN funded via a pooling of part of the Council's grant aid resource with some from the Legal Services Commission. This is being driven by recent reviews of legal aid procurement.

8.2. At this stage any discussions would only be exploratory and would not commit Haringey to any procurement activity however, it is sensible to explore as there should be positive outcomes for Haringey residents. Also, as stated in paragraph 7.2 there is a planned review of the allocation of these grants in 2009/10, which provides the opportunity to build any proposals into the recommendation report to the Committee in December.

8.3. Issues that officers will need to address when negotiating and compiling their recommendations include the impact on organisations currently receiving grant funding particularly around their on going financial viability; any additional burdens or resource implications for the CVSU on entering into a joint procurement and to ensure that any proposed accounting arrangements surrounding pooled budgets can be agreed as satisfactory by the Section 151 officer.

9. Head of Legal Services Comments

9.1. The Head of Legal Services notes the contents of the report.

9.2. Subject to the Chief Financial Officer confirming that pooling of resources with the LSC, is compliant with the Council's Financial Regulations, the Head of Legal Services confirms that there is nothing preventing Members from approving the recommendations in this report.

9.3. Any subsequent procurement process must be compliant with European Procurement Regulations (where applicable) and the Council's Contract Standing Orders.

10. Head of Procurement Comments – [Required for Procurement Committee]

10.1. The Head of Procurement notes the content of this report

10.2. Any procurement process undertaken must be compliant with EU Regulations and as such must be opened up to fair and transparent competition. This will mean that bids from organisations both inside and outside the borough must be evaluated on an equal basis.

11. Equalities & Community Cohesion Comments

11.1. The Equalities Team agrees that potentially, arrangements with the Legal Services Commission (LSC) would enhance the scope of community legal services to residents of Haringey.

11.2. Any arrangements agreed with LSC will be subject to an equalities impact assessment following which a considered equalities comment will be provided along with the report presenting those arrangements and any recommendations to Members.

12. Consultation

12.1 The changes in LSC funding arrangements have been discussed with the voluntary sector through the Community Legal Services Partnership. Membership of the HCLSP includes Haringey Citizen's Advice Bureau, Haringey Law Centre and HAVCO.

12. Service Financial Comments

- a. The current funding allocation for advice agencies in the core grants programme is £828,100 per annum.
- b. All negotiation with the LSC and new funding arrangements with the advice agencies will be contained within this funding allocation.

13. Use of appendices /Tables and photographs

- a. N/A

14. Local Government (Access to Information) Act 1985

- a. [List background documents]
- b. [Also list reasons for exemption or confidentiality (if applicable)]

APPENDIX 1

BACKGROUND TO THE REPORT

CLACs and CLANs

1. The Legal Services Commission (LSC) wants to move towards the provision of integrated social welfare law services provided at a local level through either a local Community Legal Advice Centre (CLAC) or if a physical centre is not an option Community Legal Advice Networks (CLAN) with a lead agency being responsible for being accountable for meeting the contract requirements and ensuring well managed services are delivered to meet the needs of the local community
2. The aim of these integrated services is to enable clients to access a full range of publicly funded legal services, minimising the need for referral. These services will cover general and specialist advice – from initial advice to representation at court – together with the core bundle of social welfare law categories plus – in Centres only – family law.
3. The procurement of integrated social welfare law services through CLACs and CLANs is a key part of the LSCs five-year strategy for the Community Legal Service entitled Making Legal Rights a Reality.

Why does the LSC want to procure services in this way?

4. The Making Legal Rights a Reality strategy was published in 2006 and was subsequently accepted by Lord Carter of Coles in his review of legal aid procurement and forms the basis for his recommendations for the LSCs future procurement of advice and representation across the whole of non-family civil legal aid.
5. The Government and the LSC have now accepted these recommendations and are working in developing new procurement mechanism to take forward as part of the LSCs reform programme.
6. Research by the Legal Services Research Centre shows that clients often experience clusters of problems: one problem can trigger further problems and the more times a person is referred on, the less likely they will get the advice they need. Additionally research by Cardiff University and Matrix Research and Consultancy showed that clients frequently present with problems that cut across category boundaries.

7. The LSC vision is to procure services that offer seamless legal advice provision reflecting a range of client problems, making it easier for people to access the advice they need.
8. Current LSC funding provision across England and Wales tends to be fragmented and the Commission has found that over 80% of providers deliver advice in only one or two social welfare law categories.
9. The LSC believes that the decision to develop CLACs or CLANs is essential if advice services are to meet advice seekers needs as effectively and efficiently as possible over the next five years.

The LSC also believes that Centres or Networks will allow both the LSC and local authorities to maximise the value of their resources, pooling funds where they share common objectives. The rationale is that more joined up working will lead to less duplication in effort and better-linked services.

What is the LSCs proposal for Haringey?

10. The LSC would like to jointly commission a CLAC or CLAN in Haringey from 2010 and would expect Haringey to put a realistic level of funding into the service. This would not need to be the whole of the advice budget currently administered by the Corporate Voluntary Sector Team.
11. A joint service specification for the procurement of a CLAC or CLAN service would need to be drawn up and advertised. The tender would then be open to local organisations/consortia within Haringey and outer-borough agencies.