

## **Proposed Community Legal Advice Centre for Derby**

### **RECOMMENDATION**

1. To endorse the proposed Community Legal Advice Centre, CLAC, but this be subject to detailed transitional arrangements being worked up for success or failure of a tender bid by the main local providers.

### **REASONS FOR RECOMMENDATION**

- 2.1 The Commission held a special meeting on 21 February to consider the proposals, which are the subject of public consultation on the City Council web-site. There was a detailed presentation by Kirsty Alldread, attached as Appendix 2, which covered the impact on current providers in the voluntary, private and public sector. Katy Wing and David Brewin were also present with Kirsty Alldread to answer Members' questions, set out as Appendix 3.
- 2.2 The Commission subsequently reflected on the proposals and concluded that a CLAC offered the prospect of an improved, seamless and more accessible service - and better value for public money. The Commission believed there will be better service to the community from the combined activities. The other consideration is that while Derby could withdraw from the pilot it could be unavoidable at a later stage when the approach is rolled out nationally. It is better to be a pilot area when there is considerable opportunity to shape the process, rather than have to bid at a later time when the rules have been set in concrete.
- 2.3 The discussions then focussed on the impact on providers within each sector. The Commission noted that the nature of the open tender process could pose a risk for current providers in the voluntary sector if they are not awarded the tender to deliver the CLAC. This is particularly the case for the newly merged CAB/Law Centre. There is no doubt that an open tender process poses the risk that the latter's bid could be unsuccessful. However, the Commission accepted that this is the nature of an open tender process and in the words of Cllr Troup "It will be won if they are the best".

2.4 The proviso is that full transitional arrangements need to be thought through in advance. It looks as if there can only be two outcomes to the bid: win or lose. Precisely because it is a pilot it can't be entirely excluded that the Legal Services Commission might have post-tender negotiations about linking up two or more bids with differing strengths to get the optimum service. Transitional arrangements therefore need to cover:

- the continuity of service to the public, including opening hours, possible transfers of cases and records, and
- the employment law responsibilities for existing staff.

**For more information contact:** 01322 255596 e-mail [rob.davison@derby.gov.uk](mailto:rob.davison@derby.gov.uk)

**Background papers:** None

**List of appendices:** Appendix 1 – Implications  
Appendix 2 – Presentation to the Commission on 21 Feb 2007  
Appendix 2 – Questions and answers on 21 Feb 2007

<b>IMPLICATIONS</b>
---------------------

**Financial**

- 1 Contributing the funds given to the now merged CAB and Law Centre and other voluntary sector providers through the Community Grants budget to the CLAC tender pot effectively commits the sum for the three year life of the contract. It might be considered that this gives less flexibility to innovate within the smaller remaining Community Grants Budget. However, in reality there is very little movement in how the CGB is distributed.

**Legal**

- 2 The Chief Legal Officer and external legal advice provider have assisted with the development of the proposal on a continuing basis.

**Personnel**

- 3 The proposals may have an impact on current providers in the voluntary, private and public sectors.

**Equalities impact**

- 4 A major part of the positive case for a CLAC is that it will overcome the effective exclusion of sections of the community from legal advice. 33% of people nationally have legal problems. Socially excluded people often have clusters of problems: health, economic, family and homelessness but to date have been expected to deal with different agencies. Only half of people with problems seek advice. 1 in 7 of those who seek help fails to get it mainly because that adviser can't help with the particular aspect. The more a person gets referred on the less likely they are to get to the next agency.

**Corporate Priorities**

- 5 The proposal promotes: 'helping us all to be healthy, active and independent' and 'giving you excellent services and value for money'

### Presentation to the Commission on 21 Feb 2007

The text associated with each slide is set out below

#### SLIDE (1)

First point – these changes relates to social welfare categories of law only and not criminal legal advice or to a large extent family advice – although that will be one of the changes.

Currently, publicly funded legal advice services that are free to residents are delivered by numerous providers in the public sector – such as Derby Advice – private sector – by solicitors – and the voluntary sector – such as Derby CAB and Derby Law Centre. These services are primarily funded from two sources:

1. LEGAL SERVICES COMMISSION, formerly the Legal Aid Board, awards contracts to deliver legal advice services to individual organisations. sector solicitors and voluntary sector advice providers are able to access this funding. The contracts are awarded to organisations in specific categories of social welfare law (reference list)  
So for example, Derby CAB and the Law Centre have contracts in debt, welfare benefits, employment and immigration.

2. SOME LOCAL AUTHORITIES FUND LEGAL ADVICE SERVICE PROVISION  
\* Some local authorities fund in-house legal advice services such as Derby Advice and the Housing Options Centre  
\* Some local authorities award grants to voluntary sector organisations to deliver legal advice services such as through the Community Grants Budget (examples, DLC, Derbyshire Housing Aid)

To help residents identify the best agency to help them the LSC has developed a quality assurance standard for legal advice services. This also ensures that agencies meet agreed standards and deliver the right type of advice.

The QUALITY MARK has three levels:

- Information – this is awarded to agencies offering a basic level of support such as information leaflets about benefits
- General help – this is awarded to agencies where they start to give clients some advice – such as identifying which benefits a client may be eligible for
- Specialist help – this is awarded to agencies that carry out a full range of legal service including representation – such as Derby Advice and Derby Law Centre – contracts are available for some specialist level providers.

The levels of QM represent different levels of providing services – not a specialism in a particular area.

In Derby, there are currently 27 Quality Marked advice providers networked together.

What this means for residents is that they are able to access free legal advice, in some cases subject to means testing, from a variety of providers that specialise in a specific category of law.

The point to stress is that residents have to attend the agency that delivers advice in the right category of law and delivers it to the required level.

So for example, if a resident needs help challenging a benefits decision, and they only turn up at an agency delivering information or general help level services – they will need to be referred to the right agency – this can be where the system starts to fall down.

The way services are funded currently has led to a development of many different advice providers specialising in a particular category of law.

## **SLIDE (2)**

The Legal Services Commission conducted a national survey of people's access to legal advice services. It found out that:

- Around 1/3 of the adult population has a legal problem
- That their problem often doesn't just relate to one category of law but several - or clusters of problems.
- So for example, a person who is experiencing a relationship breakdown may well have housing needs and economic needs – so they would need advice from family, housing and welfare benefits providers.
- Need for legal advice is disproportionately experienced by those in most need – socially excluded groups.
- Only half of people who have problems seek advice – often because they don't know where to get it.
- Of those who seek advice many fail to get it because the agency they go to does not deliver the advice they need – and they have to be referred on.
- Of the clients that are referred on – many fail to go to the agency referred to. And the more times they are referred on, the less likely they are to get the advice they need.
- So one of the main limitations of the current service is that advice provision is structured by specific categories of law, because of how they are funded rather than how people experience legal problems.

## **SLIDE (3)**

The Legal Services Commission national strategy for social welfare advice sets out to make services more focussed on residents that need them – the socially excluded.

Community Legal Advice Centres and Networks are key to making this happen – they are being set up to better respond to people's problems and the ways in which people seek advice.

Centres are proposed for areas of concentrated population, particularly deprived areas, where one single provider or groups of providers will deliver the service.

Networks will operate from a number of sites with a lead agency co-ordinating the services. They will cover semi-urban and rural areas.

The proposal is also to maximise the value of resources by pooling the funds from the Legal Services Commission and local authorities to deliver a better co-ordinated and more cost effective services. Derby is only the third place nationally to consider setting up a Community Legal Advice Centre.

So why are we interested as a Council:

The CLS in Derby has been extremely successful, we were awarded Beacon Status in 2002-3 in recognition of this. But as with other areas, there have been limitations with referring clients on.

Setting up a CLAC:

Offers us the opportunity to configure services as resident's experience them – over all categories of social welfare law and at all levels. For the first time, family law will be drawn in – these problems often underpin many of the other problems experienced by residents so we'll be able to help with all their needs.

- It allows us to maximise our resources for legal advice services by pooling with the LSC where we share common objectives
- Some additional investment from the Legal Services Commission will be drawn in – so able to deliver more services.
- It builds on our good partnership relations – with the other key funder, the Legal Services Commission, and with other providers of legal advice. Will help us work together more effectively to a common goal.
- It raises the profile of legal advice services locally – so that they are easier to publicise to residents where to get advice.
- It will raise our profile nationally – so that we can position ourselves to access other funding opportunities offered by the LSC or other funding streams to tackle social exclusion.
- As the Centres are at a pilot stage we have the opportunity to shape it to our local circumstances rather than implementing at a later date when there isn't this scope – this is the LSC's flagship initiative based on the principle of an open tender process – these changes will become the norm for funding legal advice and we see benefits of being involved whilst the initiative is at a formative stage.

#### **SLIDE (4)**

The centre will provide an improved legal advice service for Derby residents.

It will offer integrated end to end legal advice services including specialist provision in social welfare law and family work alongside generalist advice and information from a single point of entry – hopefully one main centre.

Other local priorities for the Centre are:

- Training
- Campaigning, and
- Strategic social policy work

## **SLIDE (5)**

The Centres will be jointly funded by the Legal Services Commission and Derby City Council.

All LSC FUNDING for debt, welfare benefits, housing, employment and community care will be directed at the Centre. All contracts with current providers in these categories of law will not be renewed – and will be included in the Derby CLAC tender pot.

Some contract funding for family advice will be included in the tender pot – so the centre can provide this service.

Contract funding for Immigration and mental health will be included in the CLAC tender pot subject to consultation with local providers.

### **DERBY CITY COUNCIL:**

- it is proposed to partly fund the Centre from the Council's Community Grants Budget – selected grants that are currently awarded to some voluntary organisations to deliver legal advice services will be included in the CLAC tender pot.

Council funding for Derby Advice will not be included in the tender pot – It is proposed that Derby Advice staff will help to deliver the Derby CLAC services.

Other changes for Derby Advice:

Monitoring of the service will be comparable with the tendered part.

Possible location move of staff to a central CLAC building – no transfer of management and employment though.

## **SLIDE (6)**

The funds from the Legal Services Commission and the Council's Community Grants budget will be pooled into a joint tender pot.

There will be an open tender process for this money.

- Tender documents will be available to all legal advice providers in the voluntary or private sector - applicants must have a significant track record (over at least the last three years) of providing specialist legal advice and representation services in relevant areas of law.
- Single organisations or consortiums will be able to bid.
- Derby Advice staff will work alongside the winner of the tender to deliver the Centre's services working to a shared service specification.

The centre will be delivered by a partnership of two providers of legal services: Derby Advice and the winner of the tender process.

But clients will experience one seamless service.

## **SLIDE (7)**

## DERBY ADVICE

It is proposed that Derby Advice staff will help to deliver the Derby CLAC services.

- Derby Advice staff will continue to be employed and managed by the Council
- This will mean that the CLAC will be able to help more people with more of their legal problems – As one of the key providers of specialist level welfare benefits advice in the City their inclusion in the CLAC will mean that we can maximise the value of the funding and deliver more services to residents.
- Derby Advice has access to other sources of funding that are not available to other providers so we can potentially draw in more funding to support the Centre's services
- Derby Advice has considerable expertise in areas of work that the Commission does not fund, such as benefits take-up campaigns - so we'll be able to deliver comprehensive services for residents.
- It will allow Derby Advice to concentrate on the types of service it delivers best such as training, campaigning, representation services and outreach.

## VOLUNTARY SECTOR ADVICE PROVIDERS:

The proposals will have an impact on a small number of voluntary organisations as how the Council funds legal advice services will change.

Currently, the Council funds a number of voluntary organisations to deliver legal advice at the information, general and specialist help levels.

As the CLAC will be the key provider of specialist funded legal advice provision, we only propose to include CGB funding for specialist level legal advice in the tender pot – this is to minimise disruption on the wider advice sector and to allow time for the centre to embed itself.

The rationale for inclusion of CGB grants in the CLAC tender pot is that these organisations:

1. hold both a Specialist Quality Mark, and
2. hold an LSC contract, and
3. are in receipt of CGB funding, and
4. are not delivering specialist legal advice services as an integral part of an advocacy or other support service for a vulnerable client group.

When the CLAC is established it will be the main provider of legally aided specialist advice in the city.

The decision to create a CLAC replaces the current rationale for funding these organisations > inclusion in CLAC tender pot.

These proposals mean:

- that some organisations that currently receive funding from the Council will not receive grants. With this rationale grants to Derby CAB, the Law Centre and

Derbyshire Housing Aid will be included in the tender pot – loss of grant funding and LSC contracts will have a major impact on some local organisations.

- However, this risk is offset as they will have the opportunity to bid for the much larger CLAC tender pot either on their own or as part of a consortium
- This will allow them the opportunity to deliver an holistic service more responsive to local needs and to
- align their services more closely with Derby Advice provision

Although there are no guarantees with an open tender process, we believe that local voluntary sector advice agencies will be well placed to bid for these funds:

- with their excellent track record of service delivery in a wide range of categories.
- And they also have an excellent track record of working in partnership which will be fundamental to any application.

#### PRIVATE SECTOR SOLICITORS:

Again, the proposals will only have an impact on a few private sector advice providers:

- many solicitors do not have a legal aid contract and those that do, often carry out privately funded work – so it is likely that these agencies will focus more on privately funded work
- The agencies will have the opportunity to bid for the CLAC tender pot – however, it is likely that they will need to form a consortium with other agencies to be able to deliver the full range of CLAC services as no local private solicitor has the track record of advice in all the necessary categories.
- Again, the changes will mean that the successful bidder will be able to deliver a service more responsive to local needs.

*END OF PRESENTATION*

### **Question and answer session following the presentation**

#### **Question raised by Cllr Turner - What will be the impact of the proposals on smaller advice agencies?**

The proposals only affect specialist legal advice providers of which there are very few in Derby City.

In terms of the organisations that receive CGB grants, the number likely to be affected by the proposals is small probably only three. Most of the organisations mentioned by members here tonight such as Mind, Age Concern and REC only offer advice to general help level and are not affected by the proposals. We have kept the rationale for inclusion of exclusion of grants in the CLAC tender pot deliberately tight to minimise the disruption to the wider voluntary advice sector whilst the Centre is being established.

#### **Question raised by Cllr Webb - What impact will the withdrawal of funding have on private sector solicitors?**

The proposals will have an impact on private sector solicitors but the impact should be nominal as very little Social Welfare Law work is carried out in private practice and the changes proposed principally relate to social welfare categories of legal advice. There are a number of providers in private practice that have LSC contracts to deliver this type of advice. However, the value of these contracts represents far less than the value of these contracts in the not-for-profit sector. Solicitors with an LSC contract often support this work with private work and so although noticeable, the loss of these contracts is unlikely to affect their long term viability.

Locally, there are also very good links between private practice and voluntary sector providers and it is likely we will see some joint applications for the tender.

#### **Question raised by Cllr Webb - Family law and debt advice are two of the most increasingly used services which could be difficult to deliver these services?**

In terms of family work, the tender pot for the CLAC only has enough £150,000 allocated. This calculates to around two caseworkers. Current LSC contracts for family work in Derby will remain untouched by the changes. The funding for the two additional workers will be drawn from unallocated matter starts in private practice so it is only a shift of resources from one provider to another. The funding could also be retained in private practice if they choose to bid as part of a consortium or agree a sub-contracting proposal.

Nationally, funding for legally aided advice services is being constrained across all categories of law including debt. This will not be the case in Derby as the LSC has undertaken to maintain funding to their current levels across all categories delivered by the Centre and so in this way we are avoiding what could be a significant cut in service delivery.

**Question raised by Cllr Webb – As the proposals will make it easier for residents to access legal advice services, could it raise expectations amongst that the Centre will be unable to meet?**

The proposals will mean that the provider of legal advice services will be better placed and funded to deal with the enquiries. Currently residents with multiple advice problems have to attend more than one advice agency to get the support they need. They can end up receiving advice in each agency and being recorded as an enquiry in each which gives a bit of a false picture.

The changes will mean that these residents will only have to go to one advice agency, the CLAC, to receive all the support they need so rather than queuing at two, three or sometimes four organisations they will only need to go to one. The initial session where a clients details are recorded will only need to happen once and this will mean that resources can be better targeted at delivering the more specialist advice they require. In this way, the provider of the CLAC will be able to deal with more specialist enquiries than is currently the case.

**Question raised by Cllr Turner - Are there any changes on the limitations of legal aid?**

The current limitations on the eligibility and scope of legal aid will remain and so the LSC's contribution to the CLAC budget will continue to be restricted in the parameters of its use. The value of these proposals is that it will bring together LSC funding with Council funding for legal advice services which is more flexible. . We propose to prioritise the Council's CGB funding to providing a comprehensive general help service and to providing some specialist level casework to residents that are not eligible for legal aid.

**Question raised by Cllr Samra - How much money from the Community Grants Budget is proposed to be included in the tender pot?**

We envisage that around £300,000 of the CGB budget will be directed to the CLAC tender pot. We are currently consulting with organisations that currently receive a grant. At this stage, we envisage the changes will affect three agencies, Derby CAB and Derby Law Centre that are about to merge and Derbyshire Housing Aid.

We are currently looking at any TUPE issues to ensure that if local organisations are unsuccessful in their applications to deliver the Community Legal Advice Centre, that staff from these agencies can transfer to the new provider.

At a later stage during the CLAC pilot we may review other grant funding for information and advice services to identify how these services should be delivered, in the light of the development of the CLAC. We have not widened the criteria at this stage, partly to minimise disruption to the voluntary advice sector whilst the Centre is being established.

**Question raised by Cllr Troup – What are the transitional arrangements for funding of legal advice services until the CLAC is established?**

The Council CGB will continue to fund current suppliers of legal advice services until 31 March 2008. The LSC contracts will also remain in place until this date. The proposed start date for the Derby Community Legal Advice Centre is 1 April 2008 when the new funding regime will come into place.

We are currently working with organisations potentially affected by the changes to work out what transitional arrangements they will need if they are unsuccessful in their application to deliver the Centre's services. We will also identify transitional arrangements for case transfers as well. This work is scheduled into phase 2 of the project plan.

**Question raised by Cllr Chera - How will the needs of vulnerable groups, such as the housebound and those requiring interpretation services, be met by the Community Legal Advice Centre?**

We have conducted a needs assessment for legal advice services in Derby and have identified a number of groups that the Centre should prioritise in the delivery of its services. It is up to applicants to propose ways of delivering these services, however, we envisage that this will continue to be met by outreach and home visit services in areas of high need and by delivering advice in a number of formats. Interpretation services will continue to be provided where necessary.

**Question raised by Cllr Samra - What risks does the open tender process present for local providers such as the merged CAB and Law Centre?**

Certainly, there are no guarantees with an open tender process, however, the LSC are clear that they cannot continue funding fragmented and sometimes duplicated network of providers. By pooling resources with the LSC, we will have greater flexibility to meet need. It will be better for local residents who will find it is easier to access services all under one roof. In addition, the value of taking part in the initiative whilst it's at a pilot stage is that we have the ability to shape it to local need.