

LONDON ADVICE WATCH

Findings of a research project
on provision of social welfare
law advice in London

Fiona Bawdon and Steve Hynes



LAG

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■ About Legal Action Group

Legal Action Group (LAG) promotes access to justice as a fundamental democratic right. We are a national charity which is independent of the providers and funders of legal services. We seek to represent the interests of the public, particularly the vulnerable and socially excluded, in improving legal services, the law and the administration of justice. LAG undertakes policy research on access to justice issues, particularly the funding, quality and availability of legal services for the public.

Through our programme of publications and training for lawyers and advisers we seek to increase the quality and availability of legal advice. LAG is self-financing, as our publishing and educational activities provide most of our income. LAG is grateful to the Trust for London for its support for this research project.

■ About Trust for London

Trust for London is the largest independent charitable foundation funding work which tackles poverty and inequality in the capital. It supports work that provides greater insights into the root causes of London's social problems and how they can be overcome; activities which help people improve their lives; and work that empowers Londoners to influence and change policy, practice and public attitudes.

Annually it provides over £7m in grants and at any one point is supporting some 400 voluntary and community organisations. Established in 1891, it was formerly known as City Parochial Foundation.

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■ Executive summary

This report is set against a backdrop of significant proposed changes in the public funding of advice. It sought to find out the impact of these impending cuts on the not for profit (NFP) advice agencies operating in London, and to gain Londoners' views of advice provision and what their advice needs are. We therefore commissioned the first opinion poll survey of over 1,600 Londoners on this issue.

● Key findings

1. In London there is stronger support for free publicly funded legal services for everyone regardless of income compared to the rest of the country. The number of Londoners who believed that services should be free to all was 9 percentage points greater than in a national opinion poll.
2. London has some of the greatest need for advice services due to problems of poverty, but will be the greatest loser if the government presses ahead with its plans to cut much of civil legal aid. Just under 77,000 Londoners will lose out on housing, employment, debt, welfare benefits and immigration advice.
3. If the legal aid cuts are implemented Londoners will lose £9.33m in funding for housing, employment, debt, and welfare benefits law cases. This will cost the government £55m in other expenditure.
4. Particularly in London significant numbers of all social classes use advice services. They are not just the preserve of the poor.
5. People seeking benefits and tax credits advice are more evenly spread between the social groups in London. We conclude that this is due to a greater number of higher income families qualifying for benefits because of the higher cost of living in London.
6. Despite the high number of services available in London there remain significant gaps in provision particularly in areas outside the centre of the city in which fewer advice services have been established.
7. The findings of the London survey confirm those of LAG's earlier national survey that there are barriers to people from the lowest social classes using telephone advice lines and they are reluctant to do so. Due to this LAG believes that the government's proposal to introduce a telephone gateway as the sole route to accessing legal aid services is flawed.
8. It would seem that young people are much more likely to seek help using the internet, which might explain the finding that they believe advice is easier to access than other age groups.
9. While the research showed that Citizens Advice Bureaux had wide brand recognition among Londoners, when seeking advice they would go to a wide range of advice centres. The report suggests that non-Citizens Advice Bureaux services need to do more to raise public recognition or risk losing out on influencing policymakers.
10. There was evidence that transition fund payments made by the government to offset the impact of the public sector cuts will be largely wasted, as organisations will be unable to replace the loss of legal aid and other government funding.

■ Introduction

London is unique in the diversity, range and number of law firms and advice centres which provide advice on civil legal problems. The city will be the largest loser in the country if the legal aid cuts planned by the government go ahead as London spends around a fifth of the budget for help with common civil legal problems. A cut of just under £10m in civil legal aid for London will see nearly 52,000 Londoners lose out on advice for problems with housing, employment, debt and welfare benefits law. The planned cuts will have a devastating impact on the specialist advice services which are an important part of the fabric of local communities in the city. Some centres will be forced to close while others will have to severely restrict their services to Londoners needing advice. Specialist advice services which can provide early intervention in people's cases before their problems spiral out of control will be hit especially badly.

This report is in three parts: in the first part we look at the level of advice provision for social welfare law (SWL) cases in London and consider the impact of the proposed cuts in legal aid; in the second part we present the findings of an opinion poll of Londoners commissioned by LAG; and in the third part, we look at who London's NFP agencies are and gauge their likely future financial position. In this third part, we highlight just how precarious their position has become due to the impending cuts in legal aid and withdrawal of other sources of funding.

1. Advice services in London

London has played a pivotal role in the development of publicly-funded advice services. The pattern of provision of such services in London is unique. The city has more specialist NFP advice services per head of population than any other part of the UK. In large part this is because of the high levels of poverty and disadvantage. For example:¹

- London has higher levels of poverty than the rest of England – 38 per cent compared to 29 per cent;
- eight of the ten English local authorities with the highest rates of child poverty are in the capital;
- London accounts for 75 per cent of households in temporary accommodation in England;
- the proportion of households that are in arrears with their bills is higher in London than any other English region.

The capital also has a high proportion of migrants (one-third were born outside the UK and 40 per cent of the UK's migrants reside in London) who are likely to have additional needs in accessing mainstream services and benefits.² This high level of need has been a significant factor in the development of advice services in the capital. Due to this relatively better starting point London will experience a disproportionate impact from the pending cuts in legal aid and other funding for advice services.

A population of 7.6m³ is served by 900 legal aid suppliers, 80 of which are in the NFP sector.⁴ Legal aid covers both criminal and civil law matters, but the 80 NFP providers only cover civil law. In London there is a total of around 300 advice centres (including outlets attached to the main Citizens Advice Bureaux) advising Londoners on civil law matters. This figure breaks down as 29 Citizens Advice Bureaux (every borough apart from Ealing and Newham is covered) with around 70 outlets or off-shoots from these main bureaux, 29 Law Centres, and just over 200 independent advice centres which are members of the Advice UK network. There is therefore around one advice centre per 25,000 Londoners.

Such is the scale and diversity of London's advice sector that comparisons are difficult to make with the rest of the country. Birmingham for example has a population of 1.2m which are served by only one Citizens Advice Bureau, one Law Centre and 13 independent advice centres (this equates to a ratio of around one centre per 69,000 of the population).

1 Figures taken from *London's Poverty Profile 2011*, Trust for London and New Policy Institute, available at: www.londonspovertyprofile.org.uk/downloads/povertyreport2011-web.pdf.
2 *Migrant Capital: A perspective on contemporary migration in London*, Migrants Rights' Network, 2010, p3, available at: www.migrantsrights.org.uk/files/publications/MRN_Migrant_Capital_June_2010.pdf.
3 Figure for mid-2007 Office for National Statistics archived data at: <http://webarchive.nationalarchives.gov.uk/20100528142817/http://statistics.gov.uk/cgi/nugget.asp?id=1132>.
4 Figures for 2006/07 from Legal Services Commission available at: www.legalservices.gov.uk/aboutus/our_regional_network/london.asp.

Legal aid services largely developed in a piecemeal fashion with little planning. Until ten years ago, solicitors would open practices where they felt there was a demand. Mainly due to the dense concentration of poorer communities in London, this led to more spending on legal aid services in London compared to other areas of the country. Around one-fifth of the budget for SWL cases is spent in the city.

● What is social welfare law?

‘Social welfare law’, or ‘poverty law’ as it is often referred to in academic research internationally, is the term used to describe those areas of civil law in which people on low incomes are likely to experience problems. Most commonly in the UK, SWL includes housing, employment, debt, welfare benefits, immigration and community care law, although the Legal Services Commission (LSC) excludes immigration from its definition of SWL as it contracts for immigration law services separately from the other categories. In the opinion poll survey for this report, LAG included questions on welfare benefits and/or tax credits, housing, debt, employment and immigration.

LAG prefers to use the term SWL as we believe that poverty law could be construed as only impacting on sections of the population which are dependent on means-tested benefits.

In both the opinion poll conducted as part of this research and LAG’s poll which was carried out last year the results indicate that while people in low income groups are more likely to seek advice on SWL significant numbers of people in other social groups also do so.

● LSC funding for SWL cases in London

Last year the LSC ran a bid round for SWL legal aid contracts in housing, employment, debt, welfare benefits and community care law. The bid zones for the contracts mainly followed local authority boundaries. For metropolitan boroughs, apart from a few exceptions, contracts were awarded in these five categories of law in an area which followed the borough boundary. The top four boroughs for numbers of SWL cases in the country were in London (see Table 1).

Only the cities of Liverpool and Birmingham, serving much larger populations, exceeded these London boroughs for the number of SWL cases the LSC funded. The city of Sheffield, with 5,000 cases was the nearest in

Table 1:

<i>London borough</i>	<i>Number of cases</i>
Hackney	8,360
Ealing	7,650
Newham	5,850
Tower Hamlets	5,240

Table 1A: Social welfare law cuts in London

Procurement plans – 2010 tender							
London							
	Debt	Housing	Bens	Com C	Emp	Total	Cases lost after scope cuts
% to be cut in October 2012	75%	36%	100%	0%	100%		
Barnet	450	970	450	100	100	2070	60%
Bexley	160	300	340	100	100	1000	67%
Brent	630	1720	1670	150	130	4300	67%
Bromley	150	410	180	100	100	940	57%
Camden	590	1690	1400	100	250	4030	67%
City of West	440	1100	610	100	100	2350	61%
Croydon	580	550	550	100	100	1880	68%
Ealing	1840	2500	2450	100	760	7650	72%
Enfield	200	290	210	110	100	910	62%
Greenwich	240	750	520	100	100	1710	63%
Hackney & C	1240	3430	2770	540	380	8360	66%
Hamm & Ful	270	750	380	100	100	1600	60%
Haringey	350	1180	770	130	100	2530	62%
Harrow	370	640	640	120	100	1870	67%
Havering	240	460	530	150	100	1480	66%
Hillingdon	300	700	360	100	150	1610	61%
Hounslow	150	380	150	100	100	880	57%
Islington	350	1250	500	100	200	2400	59%
Ken & Chel	510	640	1100	100	190	2540	75%
King & Rich	380	380	430	100	110	1400	69%
Lambeth	450	1350	900	340	100	3140	58%
Lewisham	190	460	220	100	100	1070	59%
Merton & Sut	990	490	490	100	100	2170	70%
Newham	1210	2340	1830	240	230	5850	65%
Redbridge	270	640	440	100	150	1600	64%
Southwark	390	1160	820	160	110	2640	62%
Tower Ham	770	1990	2020	100	360	5240	70%
Wal Forest	500	530	600	100	100	1830	69%
Wandsworth	510	1660	1060	100	100	3430	62%
TOTALS	14720	30710	24390	3940	4720	78480	65%

This table shows the SWL cases the Legal Services Commission has contracted for with legal aid suppliers in London. The three-year contracts commenced in 2010 and the figures show the number of current cases. The last column shows the percentage cut per borough.

terms of population.⁵ It should be stressed that to qualify for legal aid a person's case must meet strict means and merits tests. In London the greater availability of services which have developed over time has led to a greater take-up of rights by Londoners.

Currently 78,480 Londoners a year receive advice with common legal civil legal problems. According to the government's own figures if the cuts planned in the legal aid bill currently before parliament go ahead nearly 52,000 Londoners will lose out on help with housing, employment, debt and welfare benefits cases. However, services are not evenly spread. The boroughs of Hounslow, Enfield, and Bromley all had less than a thousand cases allocated to them in these areas of work in the last round of legal aid contracts (see Table 1A). A combination of lower demand linked to the lack of SWL services has led to fewer SWL cases in these areas. Despite the high number of services available in London, there remain significant gaps in provision, particularly in areas outside the centre of London in which fewer advice services have been established.

Funding to advice providers, mainly Citizens Advice Bureaux, Law Centres and other NFP advice centres, along with some solicitor firms, will be cut by £9.33m, forcing many to close their doors for good or to cut back drastically on their services to the public. LAG believes that this will lead to a rights deficit between what the law says people are entitled to and the access to the advice and expert help often needed to enforce these legal rights.

● The legal aid losers

Table 2 breaks down the total number of SWL cases which will be cut in London. The figures are based on the number of cases the LSC has contracted with legal aid providers to undertake in the current year reduced by the planned cuts in the scope of legal aid which the government wishes to introduce from October 2012. Each of these lost cases represents a SWL problem experienced by a client who will no longer be able to be helped under legal aid. The total amount of capacity lost in the sector, however, will not just be restricted to the work that was directly funded by legal aid, as there will be an inevitable knock-on effect. Agencies are adept at using legal aid income to attract funds from other sources, such as local authorities; if the loss of legal aid income makes agencies less viable, as is widely predicted, all the services they previously provided could go with them.

Table 2:

<i>Enquiry area</i>	<i>Number of cases</i>
Benefits	24,390
Debt	11,040
Housing	11,710
Employment	4,720
Total	51,860

⁵ *Local impact of the social welfare law cuts*, available at: www.lag.org.

In addition to the number in Table 2, London will lose 24,910 immigration cases if the government's cuts in legal aid go ahead.⁶ The LSC contracts separately for immigration cases and so they are not included in its data on SWL cases. The cases which will be cut from scope are all non-asylum cases and mainly consist of family reunion and other immigration matters. Including the figures for immigration, a total of 76,770 Londoners will be denied access to legal aid if the government's planned cuts are implemented.

Table 3 calculates the loss of legal aid in each category of SWL, based on the number of cases to be cut and the standard fee currently paid for them.

Losses in specific London boroughs include:

- Hackney, one of London's poorest boroughs and the biggest spender on legal aid for benefits advice, will lose £462,590 in services;
- Tower Hamlets will lose £337,340 in spending on legal aid for advice on benefits;
- Ealing, an average London borough but with a relatively high number of legal aid cases, will lose out on £174,800 of cash for advice on employment cases;
- Newham will lose £146,508 of funding for housing cases.

See Table 1A for the reduction in case numbers for each borough.

In May 2011, LAG published research which shows that £49m of expenditure on legal advice in SWL saves the government £286.2m in other expenditure.⁷ For example, in a housing case there might be the costs of temporary accommodation and benefits. Table 4 breaks down this

Table 3:

<i>Category of law</i>	<i>Fees</i>
Benefits	£4.07m
Debt	£2.28m
Housing	£1.9m
Employment	£1.08m
Total	£9.33m

Table 4: The true costs of legal aid cuts in London⁸

<i>Category of law</i>	<i>Reduction in legal aid spend (2010 figures)</i>	<i>Saving to the state per £1 spent on legal aid</i>	<i>Total savings to the state from expenditure from legal aid</i>
Housing	£1.9m	£2.34	£4.5m
Welfare benefits	£4.07m	£8.80	£36m
Debt	£2.28m	£2.98	£6.6m
Employment	£1.8m	£7.13	£7.8m
Total	£9.33m		£55m

⁷ See 'Justice Committee legal aid report falls short', May 2011 *Legal Action* 9.

⁸ See note 7.

calculation across the four most common areas of SWL on which people in the London area seek advice. It shows that a cut of £9.33m in advice services in these areas of law will cost the government £55m in other expenditure.

LAG believes that these figures demonstrate that as well as individual members of the public who will lose out on getting advice if the legal aid cuts go ahead, a big loser will be the state as it will have to pick up the extra costs in services to people who miss out on getting their cases resolved at an earlier stage. Aside from the human misery this will cause, by cutting legal aid the government is embarked on a policy which is penny wise and pound foolish, as these will have knock-on costs to other arms of the state.

2. Opinion poll research on SWL services in London

In November 2010 LAG published the results of a groundbreaking national opinion poll survey into respondents' attitudes toward and experiences of legal advice services.⁹ LAG's new research uses the same methodology, but has a larger sample group which is weighted to be representative of each London borough. Both the London and national opinion poll surveys concentrate on SWL.

Advice organisations in London including Citizens Advice, the Law Centres Federation (LCF) and LASA were consulted on the drafting of the questions for the opinion poll survey. Respondents were asked if they had sought advice in the last year and if so what did they receive advice on and how satisfied were they with the advice received. All respondents were asked which service they would use if they needed advice and whether such services should be supported by public money.

The fieldwork for the research was carried out by GfK NOP between 18 and 31 July 2011. A total of 1603 residents were interviewed across London. Between 49–55 people were interviewed in each of the 32 London boroughs (due to its small population size the City of London was excluded from the research).

Residents were interviewed by telephone and the data generated by the questions were analysed along the following dimensions.

⁹ *Social welfare law – what is fair?*, LAG, November 2010, available at: www.lag.org.uk/files/93534/FileName/SocialWelfareLawbooklet.finalversion.PDF.

Sex	Male/Female
Age	16–24/25–34/35–44/45–54/55–64/65+
Ethnicity	White/BME
Social class	AB/C1/C2/DE
London Borough	Barking and Dagenham, Barnet, Bexley, Brent, Bromley, Camden, Croydon, Ealing, Enfield, Greenwich, Hackney, Hammersmith and Fulham, Haringey, Harrow, Havering, Hillingdon, Hounslow, Islington, Kensington and Chelsea, Kingston upon Thames, Lambeth, Lewisham, Merton, Newham, Redbridge, Richmond upon Thames, Southwark, Sutton, Tower Hamlets, Waltham Forest, Wandsworth, Westminster.
Working status	Full-time/Part-time/Not working
Marital status	Married, living with partner/Single/Widowed, divorced, separated

The data was also analysed for London sub-regions (see Appendix 1). The sub-regions are those adopted by the European Union and are used in the *London's Poverty Profile* report.¹⁰

• Survey results

■ Respondents who had obtained advice in the last year

In the survey respondents were asked if they had sought advice in the last year on any of the following common areas of SWL:

- welfare benefits and/or tax credits;
- employment;
- housing;
- immigration;
- money problems, such as debt; or
- none of these.

- 24 per cent (392 people) had sought advice in one of these areas of law (see Appendix 2). This is the same percentage as in the national survey, but immigration law had not been included in that survey.
- Young people were the most likely age group to seek advice on employment problems. Thirty-one per cent of the people who had sought advice on employment problems in the last year were in the 16–25 age group (13 per cent in the 25–34 age group was the next highest).
- Part-time workers were more likely to seek advice on benefits and tax credits than any other area of SWL.
- 32 per cent of the total number of BME people who were surveyed had sought advice in the last year as opposed to 20 per cent of the white respondents.
- The percentages of people who sought advice by social class were AB 18 per cent, C1 24 per cent, C2 23 per cent and DE 31 per cent. Similar results were found in the national survey.

¹⁰ *London's Poverty Profile*, City Parochial Foundation and New Policy Institute, 2009, p16, available at: www.londonspovertyprofile.org.uk/downloads/LondonPovertyProfile.pdf.

However, a striking difference between the national and the London survey was the more even spread from social groups seeking advice on benefits in London. The overall percentage of people seeking advice on benefits was 12 per cent in both surveys, but in the London survey 8 per cent of social class AB had sought advice on benefits in the last year as opposed to 2 per cent in the national survey. The results were around the same for C1 at 12 per cent and C2 at 11 per cent, but for social group DE, 16 per cent in London had sought advice on benefits as opposed to 24 per cent in the national survey. Significantly more people in part-time work also sought advice on benefits in London compared to the national survey: 22 per cent as opposed to 16 per cent.

People seeking benefits and tax credits advice are more evenly spread between the social groups in London. We conclude that this is due to a greater number of higher income families qualifying for benefits because of the higher cost of living in London.

A marked difference between the two surveys is the lower percentage of the population in social group DE seeking advice on benefits and with money problems. There were 33 per cent less people from this group seeking advice on benefits and 11 percentage points less seeking advice on money problems such as debts compared to the national survey. This is a surprising result as London has high levels of poverty in many boroughs and this is compounded by the high cost of living in the capital.

A tentative conclusion is that legal advice services in London could be failing to meet the needs of the poorest social group compared with the national trend. The demand from higher income groups might be using resources that would otherwise be used by the lowest income group. If the poorest are already less likely to use advice services in London (in comparison with the national picture), the proposed cuts are likely to exacerbate this, despite further means testing.

Immigration law was included in the London survey as London has historically had higher numbers of immigration cases compared to the rest of the country. One in three Londoners are born outside the UK compared to one in eight nationally.¹¹ Three per cent of respondents had sought help with an immigration problem, 24 were white (2 per cent of the total number of white respondents) and 24 were BME (4 per cent of the total number of BME respondents).

Inner East/South had the highest number of people who sought advice in the last year: 111 out of a total of 392. The next highest was 94 in Outer East/North East. It is suggested that these figures reflect the higher concentrations of poverty in the east of the city especially in the Inner East/South region (34 per cent of the working population in Inner East/South receive out-of-work benefits).

¹¹ *Population Trends*, Office for National Statistics, spring 2009, p23.

■ *Obtaining advice and perceived availability of services*

- 78 per cent of people seeking advice received it.
- 94 per cent of those who got advice received a free service.
- Where people sought advice from was spread widely between various agencies (see Table 5).
- People in the Inner West sub-region were the least likely to seek advice from a Citizens Advice Bureau (5 per cent) while those in Outer East/North East were the most likely (22 per cent).
- Compared to the national survey Londoners travel less distance to obtain advice – only 7 per cent travelled five miles or more to obtain advice whereas 20 per cent travelled more than five miles in the national survey. Thirty-eight per cent said no travel was required as opposed to 15 per cent who said this in the national survey.
- People from Inner East/South sub-region were the most likely (63 per cent) to have travelled less than five miles to receive advice.

In the national survey internet or telephone advice line was given as one option. Thirty-five per cent of the respondents said they had used this option. It would seem that compared to the rest of the country there is a relatively high proportion of Londoners who will use the internet to seek an answer or at least initial information on a problem (see Appendix 3). At 33 per cent, social group DE are the least likely to use the internet. This is probably to do with problems associated with accessing it such as literacy or lack of a connection.

In the national survey only 24 per cent of social group DE were prepared to use telephone advice or internet services. It is also relevant that both surveys were carried out using landlines and many low income households do not have access to a landline. According to research undertaken five years ago one in five people in social group DE have access to a mobile, but no

Table 5:

<i>Source of advice</i>	<i>Percentage of people who sought advice</i>
The internet	44%
Other advice centre	24%
Citizens Advice Bureau	17%
Telephone advice line	17%
A solicitor	11%
Somewhere else	9%
Job Centre	7%
Word of mouth	6%
Another adviser such as a trade union rep	6%
Law Centre	5%
Local council	5%
University/college/school	4%
Employer/work	2%

landline.¹² Young people (16–24 year olds) were the most likely to say that they found it fairly easy or very easy to access advice services. Sixty-two per cent said that they found it fairly easy to access advice services. This was 18 percentage points higher than the next group. They were though the least likely group to use Citizens Advice Bureaux, but were the most likely to use the internet to access advice. Of those who sought advice 54 per cent used the internet. The usage of the internet declined with the age groups with only one person of those who had needed advice services in the last year in the over 65 age group accessing advice in this way. It would seem that young people are much more likely to seek help using the internet, which might explain the finding that they find advice easier to access than other age groups.

As part of its reforms to legal aid the government is proposing a telephone gateway for legal aid. They are proposing to trial the proposal with a telephone gateway for the debt cases which remain in scope for legal aid, special educational needs, discrimination and community care.¹³ The findings of the London survey confirm those of the national survey that there are barriers to people from the lowest social groups using telephone advice lines and they are reluctant to do so. Due to this LAG believes that the government's proposal to introduce a telephone gateway as the sole route to accessing legal aid services is flawed.

■ *Respondents who had not sought advice*

The respondents who had not sought advice in the last year were asked where they would go if they needed advice on benefits, employment, housing or money problems such as debt. The answers contrast starkly with where people actually found advice when they needed it. Forty-one per cent who had not received advice in the last year said that they would go to the Citizens Advice Bureau (see Table 6). Only 2 per cent said they would go to another advice centre, but 24 per cent of those who had sought advice did this as opposed to 17 per cent who went to a Citizens Advice Bureau.

Table 6:

<i>Source of advice</i>	<i>% of people who would use service</i>
Citizens advice bureau	41%
The internet or telephone	26%
Other	10%
Do not know	9%
A solicitor	7%
Another adviser such as a trade union rep	4%
Other advice centre	2%
Law Centre	1%

¹² *The consumer experience – research report*, Ofcom, 2006. See also: www.nytimes.com/2011/04/21/us/21wireless.html for the results of similar research in the US which shows 40 per cent of people in poverty only have access to a landline.

¹³ *Reform of legal aid in England and Wales: the government response*, Ministry of Justice, June 2011, p166, available at: www.justice.co.uk/downloads/consultations/legal-aid-reform-government-response.pdf.

This perhaps reflects the greater number of non-Citizens Advice Bureau services in London.

These results lead us to conclude that Citizens Advice Bureau overwhelming has brand recognition with the general public, but in London those who seek advice go to a range of services including other advice centres. Non-Citizens Advice Bureau services might want to look at their public relations strategies as their lack of recognition among the general public in London is striking. Potential clients are not aware of their services and this lack of public recognition could mean they are less able to influence policymakers at local and regional levels.

■ *Satisfaction levels with the advice received*

- 65 per cent of respondents said their situation improved and 30 per cent reported no improvement after receiving advice.
- 81 per cent of respondents were either fairly satisfied or very satisfied with the advice they had received. Only 9 per cent were fairly dissatisfied or very dissatisfied. This is in line with the findings of the national survey.

For the few clients who reported that they were dissatisfied, 65 per cent said they were unhappy with the advice they had received. Thirty-five per cent said that they needed specialist advice or representation that the person they saw was not able to provide.

■ *Legal advice services – what is fair?*

Eighty-eight per cent of respondents believed that legal advice should be free for everyone or those earning on or below the national average income of £25,000 (see Appendix 4). This was slightly more than in the national survey in which 84 per cent supported free legal advice services. However, in London significantly more people supported free legal advice services for everyone at 50 per cent as opposed to 41 per cent in the national survey.

In London there is stronger support for free publicly funded legal services for everyone regardless of income compared to the rest of the country.

Respondents in both London and the country as a whole overwhelming support the view that legal advice services should be free for everyone or to at least those on or below the national average income.

3. Who are the London NFP providers?

The full answer to the question of who are the agencies providing SWL services to Londoners is not an easy one to give. This section of the report is based on interviews with providers of advice services and their umbrella organisations. It is a journalistic impression of the sector and the problems it faces.

London is served by many NFP agencies which are part of well-known and well-established networks, such as Citizens Advice,¹⁴ which advises more than two million clients a year nationally, and the LCF, which has around 30 members in London of differing hues and histories.¹⁵ London Law Centres® range from the likes of Brent Community Law Centre, probably the archetypal Law Centre which has survived against the odds serving people in this deprived north London borough for the past 40 years, to the Royal Association for Deaf People Law Centre, to South West London Law Centre which has offices in Battersea, Wandsworth, Merton, Kingston, and Croydon. In contrast to the rest of the NFP sector all Law Centres employ solicitors and can represent clients in courts where a legal qualification is required to do so.

The LSC funds around 80 NFP agencies in the capital. As well as Law Centres, these include individual agencies which are high profile in their own right, such as the Mary Ward Legal Centre (founded over a century ago and now led by the apparently indefatigable Margie Butler (see Advice agency case studies)) and the Blackfriars Advice Centre (with more than 20 members of staff, and advising 10,000 people a year living in and around the borough of Southwark). Large Citizens Advice Bureaux such as Brent are also funded by the LSC. Brent Citizens Advice Bureau holds four legal aid contracts in housing, immigration, benefits and debt worth £275,000 a year.

Inevitably, it is the larger agencies and networks like Citizens Advice and LCF which find themselves most likely to be quoted in the media, which are well placed to access available grants and other funding, and whose voices are heard (if not always listened to) by politicians and other policymakers.

As LAG's research shows (see above), Citizens Advice is the only provider with a high public profile (which gives it correspondingly high political clout). Other providers with a national profile such as Age UK and Shelter do provide services in London, but the question did not refer to these. There is also a raft of other, smaller providers, providing vital SWL services to hard-to-reach communities, which may be all but invisible to anyone outside their immediate locality. As LAG's research shows, although Citizens Advice has the highest name recognition, when it comes to where Londoners actually go for advice, most of them use a different kind of

14 For a list London Citizens Advice Bureaux see: www.yell.com/s/citizens+advice+bureaux-london+borough.

15 For a list of London Law Centres see: www.lawcentres.org.uk/directory/location/London.

agency – which again highlights the invaluable service that these lower profile outlets provide.

Advice UK, the biggest support network for independent advice agencies, has over 200 members in London, which, in terms of outlets, means it massively outnumbers the likes of Citizens Advice or LCF.¹⁶ Its members help around 40,000 clients a year on a wide range of areas. Members include some big names like the Mary Ward Legal Centre (which is also an associate member of LCF) and Toynbee Hall, but most will be tiny by comparison, with no public profile. Chilli Reid, Advice UK head of development and services, says: 'The vast majority of our members are small with only three or four staff, and the average annual income is less than £50,000.' Many of these agencies will draw income from a variety of sources – charities, grants, and so on – but their biggest overall funder is local authorities.

While the number of clients seen by these individual agencies may often be small (a few with limited opening hours may only see the equivalent of one client a day), they add up. The Black & Minority Ethnic Advice Network (BAN) numbers around 40 agencies, where services (not all law related) are provided for and by London's migrant communities. BAN members vary widely in their scale and remit: they range from the Limehouse Project in Tower Hamlets, which won £300,000 from the Big Lottery Transition Fund and lists over 30 funders on its website (including Allen & Overy, Tesco, and the Princes Trust), to Welwitschia Legal Advice Centre in Haringey, north London, which offers immigration, housing and education services to Angolan nationals. Although set up to serve a narrowly defined client group, Welwitschia has not been narrow in its ambitions. It describes itself as acting 'like a Citizens Advice Bureau to the community' and its website refers to plans to expand in order to serve 1,000 clients a year.

Within BAN is a partnership of 18 agencies, managed by Advice UK and funded by London Councils, with the remit to improve access among minority communities to advice in areas like housing, welfare benefits, immigration and employment. Last year, these 18 agencies between them saw over 14,000 clients (as a point of comparison, the Mary Ward Legal Centre sees around 3,500 legal aid clients a year). However, according to Advice UK, most of its BAN partnership agencies have now lost their London Councils funding.

The contribution that small agencies make to NFP provision in London is substantial. However, it is also easy for policymakers to overlook and difficult for campaigners to quantify (and, therefore, defend). Many providers will dispense social and welfare law advice as part of the general mix of services that their client base needs, rather than treating it as something set apart and legalistic. For example, the Bosnia & Herzegovina Community Advice Centre (BHCAC) in west London provides elderly members of the West Balkans community with housing and welfare benefits advice, along with a

¹⁶ A full list of Advice UK London members is available in the web version of this report at: www.lag.org.uk.

befriending service. BHCAC receives funding from a range of grants and charities, as well as from London Councils.

The strength of these local, independent agencies – their diversity and specificity to their communities – is also their weakness when it comes to developing a unified voice to lobby against funding cuts. Chilli Reid says: ‘It really is incredibly difficult to come up with any policy position. Understandably, sectional interests tend to override everything else.’ He adds that, for all the differences in the communities served by these agencies, they do have one unifying factor: poverty. It is deprivation and social exclusion which creates the need for this kind of support in the first place, but which also makes it inordinately difficult for these communities to fight to retain such essential services in the face of budget cuts.

When big NFP providers like Refugee and Migrant Justice, Immigrant Advisory Service, or, most recently, Law For All go to the wall – between them leaving around 20,000 clients in their wake – it makes headlines and the LSC is prompted to act to ensure clients are protected as far as possible. When smaller, low profile agencies such as those in the BAN partnership start to flounder one by one, it will make little splash. The very real fear is that, in these instances, the water will simply close over these providers and, of course, over the heads of their vulnerable clients.

● What services do NFP agencies provide?

It is easy for those familiar with this area to assume that the term ‘social welfare law’ and its component parts – mainly welfare benefits, debt and housing advice – are universally understood. For those less familiar with the terminology, it may be helpful to unpick these labels and explain what lawyers define as SWL problems may look like from the clients’ point of view (see Examples of social welfare cases).

SWL is a broad and not always precisely defined category. As mentioned above, within it, the three biggest areas are welfare benefits, debt and housing. However, the split between provision in those three areas can vary considerably depending on the provider. For example, last year, legally aided SWL advice (delivered face to face, rather than via the telephone) was fairly evenly split between welfare benefits, housing and debt (with the number of matter starts, respectively, 108,220, 107,890 and 102,230). By contrast, Citizens Advice’s national caseload is dominated by debt and welfare benefits (which each accounts for over 30 per cent of cases), with housing accounting for just 7 per cent. A sample of 50 independent agencies which used Advice UK’s online case management system, Advice Pro, for the six-month period until June 2011, shows a more even split: debt at 27 per cent; welfare benefits at 24 per cent; and housing at 18 per cent.

As well as the big three (welfare benefits, debt and housing), other areas often included under SWL (depending on the provider) include employment (accounting for 5 per cent of Advice UK’s sample of cases), immigration (12 per cent) and education, with some family, mental health and

discrimination cases also occasionally included under its remit. Brent Citizens Advice Bureau for example receives a grant from the health authority to undertake advice sessions in its local mental health secure unit. According to Fernando Ruz, the project manager at Brent Citizens Advice Bureau, 'Without the grant from the health authority we would not be able to provide a service to patients with mental health problems. This is a client group facing multiple problems which need specialist support.'

SWL clients will have a raft of inter-related problems, with difficulties in one area leading inexorably into problems in another (hence the value placed on early intervention by providers). If an individual's benefits are being wrongly withheld or he or she has been unfairly dismissed from a job, this will very likely lead to debt and possibly homelessness (if people cannot keep up rent payments). Homelessness is well recognised as a factor in family breakdown and can also lead to mental health problems.

Examples of social welfare cases

Case one

Brenda is a single parent with two children, living in private rented accommodation, which costs £160 a week. She has two jobs, but only earns around £210 a week, out of which she pays National Insurance contributions. When she became ill, her doctor signed her off work for two months but her employers refused to give her sick pay, as she earned too little to be eligible. Unable to work and unable to receive sick pay, she was in danger of falling behind with her rent and running up other debts. Brenda speaks little English but was put in touch with the Latin American Women's Rights Service, who helped her apply for employment support allowance, housing and council tax benefit.

Source: Black & Minority Ethnic Advice Network

Case two

Mr and Mrs S had lost their business during the recession, leaving them with debts of nearly £100,000. They had two children and lived in a house with a mortgage. The strain had caused the husband to have a nervous breakdown, leaving the wife to cope with looking after him, the children and the debts. Shortly afterwards, she was diagnosed with cancer. Both were refused disability benefits and the Department for Work and Pensions told them not to bother applying because they weren't entitled to anything. All their benefit payments had stopped, including mortgage interest payments, and the lender was

threatening to evict them (which would mean their daughter having to move schools in the middle of her exams). The Mary Ward Legal Centre succeeded in getting their benefits reinstated and backdated, and in claiming disability living allowance. After some reluctance, the local authority agreed to accept them on its mortgage rescue scheme and, within four weeks, the local housing association had bought the house and granted the couple a tenancy. As a result, they stayed in their home, close to their established support network, and their daughter was able to go ahead and take her exams.

Source: Mary Ward Legal Centre

Case three

A man who had worked at a large retail chain for eight years was fired for gross misconduct after making a mistake on the till which cost the shop a very small amount of money. Tower Hamlets Law Centre helped him claim unfair dismissal and won him his job back, along with compensation for lost earnings.

Source: LCF

● Current funding position

During 2009–2010 (the last year for which figures are available), London Law Centres' biggest chunk of income came from legal aid (43 per cent, or £6.8m), and nearly a quarter (24 per cent, or £3.8m) came from individual local authorities. A further ten per cent (£1.6m) came from the organisation London Councils, with the rest being made up mainly of small amounts from other public sources, donations and grants.

The picture for next year is likely to look very different. Many Law Centres have lost their London Councils funding (see below) and are now waiting for the legal aid axed to fall even further after the 10 per cent across-the-board cut in fees introduced in October 2011. Impending scope changes due in 2012 mean that some agencies will find up to 90 per cent of their existing caseload is no longer eligible for legal aid.

Conversely, however, advice agencies large and small in the capital did well out of the cabinet office's £100m Big Lottery transition fund earlier this year. For example, the Holy Cross Centre, which works with homeless and other socially excluded people near Kings Cross, received over £140,000; Brent Community Law Centre, received nearly £114,000; Hillingdon and Islington Law Centres received £72,000 and £287,000, respectively; and Mary Ward Legal Centre received £395,000.

The transition fund has provided a welcome and unexpected boost to these

providers – with the only catch being that it has to be spent on becoming ‘more agile’ and ‘able to adjust to the new spending environment’. In other words, it is money to help NFPs prepare for having less money. To this end, Brent Community Law Centre is using its grant partly to develop its case management system to sell on as a product; others are moving to cheaper offices. As a result of the transition fund money, some agencies are now in the incongruous position of having unprecedented amounts of cash to spend on things that would have been unimaginable luxuries previously – new IT systems, air conditioned offices, management consultancy – without knowing whether they will be financially viable in the longer term. As one recipient commented: ‘It’s fantastic sitting here with money to burn, but it doesn’t help my client group.’

● Future funding position

At best, the future for providers of social welfare legal advice looks uncertain; at worst, it looks bleak. Given the scale of changes to legal aid, and the pressure on local authorities and other funders, inevitably some will go to the wall. The recent closures of Refugee and Migrant Justice, Immigration Advisory Service and Law For All, demonstrate how precarious the economics of the sector had already become – even before the latest wave of changes to legal aid funding. The LCF warns that October’s 10 per cent cut in legal aid rates alone could force up to one-third of its members across the country to close.

According to the government’s own figures, 78,480 people a year in the capital are helped with SWL problems through legal aid. The changes in scope due next year mean that some 52,000 of these, 66 per cent, will no longer be able to receive legal aid to help with their debt, housing, immigration and other SWL problems. By 2012, legal aid funding to London advice providers will be cut by just under £10m.

If the cuts go ahead as planned, parts of London which are already among the poorest areas of the country will be some of the worst hit. For example, research by LAG shows that people in Hackney, the sixth poorest area in the country, will lose £950,000-worth of SWL provision because of reductions in legal aid for debt, housing, welfare benefits and employment cases. In Tower Hamlets, £660,000-worth of provision will be lost. Newham will lose a similar amount (£686,000), and Haringey will lose £278,000-worth of SWL provision.¹⁷

The loss of legal aid on this scale would be difficult enough, but it comes on the back of local authority and other cuts. The LCF says that with the cuts announced or already made, London Law Centres will see their combined income from London Councils and individual local authorities drop from £4.7m to just under £2.9m next year.

¹⁷ *The impact of legal aid cuts in London*, available at: www.lag.org.uk/Templates/Internal.asp?NodeID=88856.

■ *Agencies attacked from all sides*

Financial instability is nothing new to the NFP sector, but agencies are now being hit on all sides in a way never seen before. Chilli Reid says some Advice UK members are being hit by cuts in grants previously made by the Equalities and Human Rights Commission, which is now bringing more work in house. 'If providers aren't being hit from one place, they are being hit from somewhere else,' he says.

Chilli Reid warns of a domino effect, where the loss of even a relatively small proportion of income may tip an agency over the edge. 'If an agency relies on income from, say, four sources, if one of them goes, it makes the whole thing wobble. It may only be 20 per cent of their income, but that may be all it takes,' he warns.

Julie Bishop, director of the LCF, agrees that cuts in one area can have a negative knock-on effect elsewhere, meaning providers can no longer make as good use of the funds they have left. For example, Law Centres had been using legal aid in tandem with funding from London Councils to see cases all the way through from initial advice to tribunal, if need be. Once part of a funding equation is removed, it means the whole of that particular advice service may be lost.

Unrestricted funding is the holy grail of most providers, but as finances get tougher, funders are becoming increasingly loathe to just hand over their cash and let the recipient get on with it. They are demanding delivery of specific services. Many grant providers, such as the Cripplegate Foundation, which funds projects in Islington, rely on investments for their own income. As such, they are not immune to the falling stock market and may find themselves with less money to distribute just at the time when demand for grants is increasing.

Many providers have actively sought to reduce their vulnerability to sudden losses in funding by having income from as many sources as possible, though this is often from different arms of government. However, this approach is not without cost in terms of internal resources, as each funder will impose its own reporting and delivery requirements, and every grant will have to be reapplied for when it comes up for renewal.

Others point out that it is a myth that City firms generally put their hands in their pockets to support the NFP sector. Most of the help they offer, while welcome, is in kind: providing free conveyancing, help with contracts or other legal assistance; providing usually fairly junior lawyers or trainees to help out at advice sessions. One NFP director who has secured tens of thousands of pounds in annual donations says: 'That has meant a lot of snogging.'

This kind of money and in-kind help is useful for an agency which is already in good financial health, allowing it to provide additional services and maximise its use of resources, but (as Law For All's experience demonstrates) the best pro bono help in the world will not make the difference between

survival and closure if other major sources of income have fallen away. In any case, agencies that are really up against it simply cannot take advantage of this kind of help. They are too cramped to provide desks for volunteers to sit at, have not got the capacity to deal with the extra clients, and do not have the spare management resources to provide the training and oversight volunteers require.

Helen Rice, chief executive of Blackfriars Advice Centre (BAC), expects to lose £150,000 from the centre's £1m turnover next year, and talks of the 'salami slicing' of just about every funding stream. BAC is in the process of restructuring to save money where it can but with over 20 staff, there is a limit to how much the management can be cut back (particularly when the requirements of funders like the LSC are so onerous). She says around 70 per cent of BAC's income goes on staff salaries and it is in this area where savings will have to be made. Like most other agencies, Helen Rice is already leaving vacancies unfilled. She adds that it will be a while before the full impact of the cuts is felt, but that, within two years, BAC could be half the size, seeing half the number of clients. 'We can manage next year, but the year after will be a whole other world of hell,' she says.

Fernando Ruz, at Brent Citizens Advice Bureau, says they are facing similar problems. Brent is a large inner city bureau with 23 paid staff and over 60 volunteers. They run advice sessions from their main base and 23 outreach services. According to Fernando Ruz the funding for legal aid 'provides by far the biggest chunk of specialist advice services. It is heavily invested in our most experienced and skilled casework staff.' He believes, 'Next year the bureau is facing the perfect funding storm. Already this year we lost £200,000 funding for advice in children's centres. Next year we will lose our legal aid income and we could face losing our largest grant, which comes from the local authority, as this is up for renewal in March.'

Julie Bishop agrees that it is fanciful for politicians to suggest that the answer lies in providers becoming more efficient. 'Efficiency savings – whatever they are – can only make a difference around the margins. They may mean you can see, say, ten more clients. They are not about keeping Law Centres open,' she says.

■ *Loss of London Councils funding*

North of the river, Islington Law Centre is set to see its income from large public funding streams cut by nearly half next year, from £1.1m to just over £500,000. Its £135,000 from London Councils has been axed and earnings from legal aid are expected to fall from £250,000 to around £35,000. Like many other agencies, Islington Law Centre is hoping for the best, while preparing for the worst. It has stopped replacing staff to try to avoid the kind of redundancy problems which faced Law For All (see Advice agency case studies), while preparing to move offices in order to give it space to take advantage of more volunteers. Despite its funding problems, for now, its director Ruth Hayes remains remarkably upbeat ('although I may not be so chipper come January'), and clearly determined to explore every avenue to keep service provision as far as possible at its existing level.

Islington is not the only Law Centre to see its London Councils funding withdrawn. The body that represents the 33 local authorities in the capital previously funded nearly 50 organisations in this sector to the tune of £3.8m. It has now slashed its funding for this year by over half, and reduced the number of grant recipients from 49 to 13. There may be more bad news to come, as a decision is expected in December over whether to continue with the remaining grants.

London Councils is obviously responding to genuine budgetary pressures of its own, but some observers suspect that the scale of the cuts may be partly driven by the disinclination of Labour councils to direct funds to pay for David Cameron's 'Big Society' by supporting voluntary groups. Many longstanding players, large and small, will find themselves with gaps in their funding as a result. The annual amounts lost to individual organisations range from hundreds of thousands of pounds (LCF, which loses over £250,000), to tens of thousands (Holy Cross Centre Trust, which loses just over £20,000). Well known names which have lost out include the Mary Ward Legal Centre (which loses £82,000), Asylum Aid (nearly £60,000) and Advice UK (a whopping £860,881).

Agencies have already begun making tough choices. According to the LCF, some 18 of its members across London are actively cutting services following the loss of London Councils funding. For example, two Law Centres in boroughs with high levels of deprivation and child poverty between them have lost over £380,000 and have now been forced to cut some social and welfare advice and representation provision, and to drop services aimed specifically at migrant communities.

Some may be forced to make even more drastic decisions. Because of reductions in resources and its other commitments, Islington Law Centre may end up in a position where it can, literally, take on one employment client a week. 'How on earth,' asks Ruth Hayes, 'would the centre set about choosing that week's lucky winner? Golden ticket? Ask clients to bid for the privilege in the same way that the Law Centre does for its own grant funding?'

■ *Increasing demand for services*

These cuts in the sector's budget come just at a time when the need for many of their services is likely to go up. Major reforms to welfare benefits, including the introduction of universal credit, and the cap on housing benefit, will inevitably fuel demand for advice. The London Debt Strategy Group (LDSG) is already predicting 'a significant rise in the demand for debt advice from 2011 onwards' in London.¹⁸ A survey conducted in late 2010 found more Londoners were in debt (13 per cent) than was the case nationally (10 per cent). 'This suggests that both demand and need for debt advice in London are likely to be at a higher level than nationally,' says LDSG. One factor must be the higher living costs in the capital, including

¹⁸ *Treading Water: A report on the work of the London Debt Strategy Group and the changing nature of debt advice in London*, May 2011, available at: www.capitalise.org.uk/page.asp?section=0001000100030006.

housing. Once the housing benefit cap is introduced – and tenants can no longer rely on the full cost of their rent being covered – debt levels are likely to increase, along with homelessness. The Children's Society is already warning that the benefits cap will leave 80,000 children homeless and push thousands more into poverty. Although most observers predict that interest rates will remain low for the foreseeable future, if that were to change, it would make for an even more combustible mixture.

Chilli Reid says that Advice UK's experience shows that nearly a third of demand for advice is generated by problems caused by failures in the public sector. With all government departments facing cuts in resources, the chances of mistakes being made and claimants being denied benefits and services wrongly, which they will need to help to resolve, can only increase. Paul Treloar, head of policy and communications at LASA says agencies' use of technology will be key to making optimum use of scant resources. He points out that some providers are already giving clients access to computers and telephones in their reception areas 'so they can start helping themselves while they are waiting to be seen.' Other innovations include the Advice Services Alliance's widely admired Advicenow website.¹⁹ Paul Treloar says: 'We are looking at different ways of getting information to people, backed up with advice. Technology does offer opportunities to use different channels to reach out to people. Saying it always has to be done face to face is just not feasible any more.'

Paul Treloar is, however, the first to admit that while technology has its uses, it cannot do everything – and he is far from complacent about the future for the advice sector. 'The next 12–18 months will see a significant shake up, with some good services going to the wall. We have to campaign to make MPs see the impact of these changes.'

Others add that while there may be many ways of delivering information, what legal aid does, uniquely, is allows people to fight and win cases. If government goes ahead with axing legal aid for SWL, nothing else will come along to fill that funding gap and enable ordinary people to enforce their legal rights.

Chilli Reid says there is 'a feeling of Armageddon' among providers, which is no doubt what has prompted them to look at options which would previously have been unthinkable. The once taboo subject of charging clients has been actively discussed, but the consensus certainly among Law Centres is that – a few employment cases aside – the practicalities of prising money from those who are already the poorest of the poor are insurmountable. As one observer puts it: 'If we've just helped a client with their debt problems and they don't pay our bill, what are we going to do? Threaten to bankrupt them?'

¹⁹ Visit: www.advicenow.org.uk.

When the Immigration Advisory Service went into administration on 8 July, because its work was being paid for by legal aid the LSC stepped in to transfer its 8,000 open files to new immigration advisers (a process which took the best part of two months). Whether anyone is monitoring the impact of that period of uncertainty on the clients and of their being moved to a new and unknown provider, is unclear. What will happen to those people who are in the process of being helped by one of the small, independent providers when it suddenly closes down is even less certain. What does seem inevitable is that there will be many highly vulnerable people, possibly thousands of them, who will be left high and dry when the cuts start to bite in this sector, but whose plight will remain invisible. The question for the future must be not how many NFP agencies will fail, but how many will survive and in what form – and what will happen to the clients, current and future, of those that do go to the wall.

CASE STUDIES

Mary Ward Legal Centre: fit for the future?

The job of chief executive of the central London-based Mary Ward Legal Centre (MWLC) requires not just finely tuned management skills but strong nerves to survive the rollercoaster ride that has been its funding position over recent months. Margie Butler, who has done the job since 2008, started off the year thinking she was going to lose £800,000-worth of funding. She had already issued redundancy notices when the threat of a shortfall on that scale was lifted – but it has been far from a smooth ride ever since.

The centre was founded 100 years ago and, unlike Law Centres which are generally tied to a particular borough, serves clients across London. It currently sees around 3,500 clients a year, offering advice and representation on debt, employment, housing and welfare benefits issues. In March this year, Margie Butler learned the centre had been granted ‘a massive award’ of £395,000 from the Cabinet Office’s Big Lottery transition fund.

Margie Butler suddenly found herself in the wholly unprecedented position of being able to spend money on infrastructure and equipment, including IT and a move to cheaper, more spacious refurbished offices. ‘Our new premises are fantastic!’ says Margie Butler (not words you normally associate with the NFP sector). ‘We have gone from having five appalling interview rooms for clients, to having nine air-conditioned rooms.’ Money has also been spent on a management consultant, who has worked with every caseworker and solicitor to ensure they are all working efficiently and maximising claiming.

However, no sooner had the Cabinet Office offered the money, than it seemed that it might be taken away again. ‘After they’d initially offered us the money, they called me in for a meeting and said: “We don’t think we should have given it to you...”’. That crisis was averted but a few weeks later, they did the same thing again. I said: “We’ve already had this conversation.” They said: “Well, we’ve got to have it again.”’ Once again, however, it was agreed Margie Butler could keep the money – which was just as well as she had already started spending it. ‘Oliver Letwin [minister in the Cabinet Office] nearly gave me a nervous breakdown,’ says Margie Butler.

While the Big Lottery money has been welcome, the centre has been steadily losing funding for client services. Camden has shaved its funding by £60,000; Islington, by £55,000. Along with many other providers, MWLC lost its funding (of £82,000) from London Councils. Other amounts have been lost, too. Margie Butler says the loss of income from Islington and London Councils came as a particular blow as both should have been three-year funding programmes but were truncated after two (‘When you apply for a three-year funding programme, you expect it to last three years,’ comments Margie Butler.). Virtually all of the centre’s remaining funding is earmarked for delivering specific services and Margie Butler has spent recent months trying to increase its pool of unrestricted funding to give more flexibility – and annual donations

to MWLC have now reached £80,000 (including £40,000 from Linklaters, which also seconds a trainee to the centre).

Perhaps most tellingly, when Margie Butler planned the move to new premises, she had an eye not just to finding offices which would allow the centre to expand its services, but also to contract them if need be. 'I have moved to offices where I can close down a floor and retrench.' The centre's trustees – whose nerves were jangled both by the Big Lottery funding fiasco and Law For All's closure – are entirely behind the strategy, she says.

Margie Butler is not someone who scares easily, but her very real fear is that if legal aid for SWL goes, the game will be up. All the schmoozing and creative management thinking in the world will not fill the £450,000 hole which will be left in MWLC's budget.

In the meantime, Margie Butler is looking at new models of working to help keep the centre afloat: 'How can we best use interns? Can we maximise service delivery by using volunteers?' More drastic options are also being considered, including the practicalities of merger or tendering for an LSC telephone advice contract (although she is currently unconvinced a call centre could be run cost effectively in London). 'I'm going to look at everything and, if we can do it, then I'm going to do it.'

Like most people in the NFP sector, Margie Butler is not uncritical of the LSC contract, which she says is 'massively, massively onerous' to operate and an active barrier to efficiency ('If you took away the silly rules, I could do the same for £100,000 less.'). But for all its faults, legal aid is the lifeblood of the centre.

'If legal aid goes, the centre will close,' she says matter of factly. (The idiocy of government pouring nearly £400,000 into a flagship advice centre which its own policies then subsequently scuttle barely needs commenting upon.) 'We can't find £400–500,000 to replace legal aid. And if we can't find it, I can't see how we can keep open.' Margie Butler says: 'If we can't stay open, then I can't see that any of the Law Centres will be able to either.'

Law For All – death by attrition?

2011 was not a good year for the NFP sector. Refugee and Migrant Justice (RMJ), went into administration in June; a month later, Immigration Advisory Service (IAS), followed suit; and just a few weeks after that, at the end of July, Law For All became the latest legal aid provider to call in the administrators.

With around 1,000 open cases, the west London-based charity, set up in 1994 by mother and daughter Ulla and Anna Barlow, was a minnow compared with RMJ and IAS (which had around 10,000 and 8,000 clients respectively when they closed). Nevertheless, the impact of Law For All's demise should not be underestimated, particularly in Ealing, where it was by some measure the biggest provider of SWL advice. Law For All accounted for half of all family legal aid matter starts in the borough, over 60 per cent of housing, over 70 per cent of debt, 80 per cent of welfare benefits, and 100 per cent of employment work.

Some of Law For All's work – mainly family and urgent cases – has been taken on by the Clapham office of TV Edwards, which means former clients now may face an hour's journey (involving a bus, a train and a total of 20 minutes walking, according to Transport for London's Journey Planner website) to be seen by their new lawyer. Other cases have gone to Surrey Law Centre. Brent Citizens Advice Bureau is already reporting an influx of Ealing residents, who have had to trek to its office in the neighbouring borough because there is nowhere to get advice nearer to home. As Jane Pritchard, the TV Edwards partner overseeing the transfer of cases puts it, Law For All's demise 'creates a chasm'.

Although LAG's research found that clients in London only have to travel relatively short distances to access advice (see above), if the current spate of NFP closures continues, this is likely to change. The sudden decision by Law For All trustees to close on 28 July was met with a mixture of shock and disbelief. Staff, including legal director Anjali Kemwal (who has been left dealing with the fallout from its abrupt end), had no inkling of what was about to happen. Clients were continuing to turn up outside and queue for several days after its doors were closed to them for the last time ('Not everyone reads notices, so we would have to go outside to explain,' says Anjali Kemwal.). The LSC was given just 32 minutes' warning that Law For All was about to go into administration, according to LSC head of contract management John Sirodcar, giving it no chance to put alternative arrangements in place for clients.

John Sirodcar says Law For All gave no hint beforehand that closure was on the cards. 'Quite the reverse. They told us a week before they went into administration that the future was bright.' John Sirodcar, who is openly furious at what he sees as the Commission's having been misled, says he 'genuinely doesn't know' why the trustees pulled the plug when they did.

For their part, the trustees, who say the decision to close was unanimous, have decided not to publicly discuss their reasoning. Instead, they put out a brief statement, blaming the closure on an 'unsustainable administrative burden', an 'increasingly complicated funding mechanism' and 'reduced payments in real terms'.

These are factors which will be familiar to all NFP providers, but Law For All

seems to have been beset with a raft of other problems, too. Its regional offices became unviable after doing badly in the 2010 bid round and because it struggled to cope with the LSC's new contract requirements. (Although best known for its presence in Ealing, Law For All had also expanded into Suffolk, Norfolk, Cambridgeshire, Northamptonshire and Staffordshire.) There was a period between November 2010 and February 2011 while it haggled with the LSC over whether the offices could be kept open, during which it subsequently received no payment for work done.

Law For All started redundancy consultation in February for affected staff, a process which should have taken 30 days. Instead, according to Anjali Kemwal, 'it went on and on and on', only finally concluding in June, having sapped staff morale and Law For All funds for months longer than anticipated (despite staff taking a pay cut to try to ease the situation). A hoped for bailout from the Big Lottery transition fund which would have met the otherwise crippling redundancy costs failed to materialise. There were other problems, too. It did badly on peer review and was miles behind its contracted matter starts for employment work (by the time it closed in July, it had used just 20 of its allocated 600). The LSC says Law For All had intractable problems with claiming appropriately and had been visited many times by the LSC in an attempt to sort things out. Anjali Kemwal responds that many of these issues were historical and had been resolved. She also points out that some low take up of matter starts may have been to do with the fact that Law For All was not allowed to claim for work done during the period when it was in negotiations with the LSC and so its contract effectively only started in February.

However, despite Anjali Kemwal's shock and obvious personal distress at the decision to close, she believes the trustees made the right call: after suffering so many blows for so long, and with only a further hammering to look forward to, the organisation was too battle weary to continue.

Whatever the exact combination of factors which led to its closure, it was an untidy and unseemly end for an organisation which started with such high hopes. Ulla and Anna Barlow, who were new to the sector, had set out to design an NFP organisation which was capable not just of surviving but thriving on the modest fee levels available on legal aid. Both mother and daughter had bowed out from the organisation in recent years (although Anna Barlow remained as a trustee) but for a while it appeared that they had succeeded. Law For All was touted in some quarters as offering a blueprint for the future, with its emphasis on centralised management to free up solicitors from most administration tasks, and seconded trainees and other substantial pro bono help from Clifford Chance, with whom Law For All struck up an early and enduring relationship. For all its promise, however, the organisation was unable to adapt as the legal aid terrain on which Law For All had pitched its tent was cut away from under it.

With far worse to come for NFP providers, the wider and more worrying lesson from Law For All's demise seems clear. If the affliction, in the shape of funding cuts, does not kill an organisation, the 'cure' they are forced to take, in the shape of restructuring and corresponding significant redundancy costs, almost certainly will do.

Appendix 1: LONDON SUB-REGIONS

London divides into the following sub-regions

Sub-region	Boroughs	Total population (thousands)	Proportion 16 and under	Proportion over 60	Proportion from non White British ethnic groups
Outer South	Bromley, Croydon, Kingston, Merton, Sutton	1,174	20%	14%	29%
Outer West & North West	Barnet, Brent, Ealing, Harrow, Hillingdon, Hounslow, Richmond	1,769	20%	13%	47%
Inner West	Camden, Hammersmith & Fulham, Kensington & Chelsea, Wandsworth, Westminster	1,088	15%	11%	44%
Inner East & South	Hackney, Haringey, Islington, Lambeth, Lewisham, Newham, Southwark, Tower Hamlets	1,878	20%	9%	51%
Outer East & North East	Barking & Dagenham, Bexley, Enfield, Greenwich, Havering, Redbridge, Waltham Forest	1,596	21%	14%	33%

Appendix 2: SURVEY RESPONSES ON ADVICE SOUGHT

Q4. In the last year, have you sought advice about any of the following issues?
Base: All respondents

	Age						Gender		Marital status		Ethnicity		Working status			Social grade			Inner/Outer London			
	16-24 (B)	25-34 (C)	35-44 (D)	45-54 (E)	55-64 (F)	Over 65 (G)	Male (H)	Female (I)	Married/ Living with partner (J)	Single (K)	Widowed/ Divorced/ Separated (L)	White (M)	BME (N)	Full-time (O)	Part-time (P)	Not working (Q)	AB (R)	C1 (S)	C2 (T)	DE (U)	Inner London (V)	Outer London (W)
Total (A)	172	337	321	306	199	268	711	892	822	531	250	1052	533	748	247	608	341	622	204	436	651	952
Unweighted Base	1603	214	405	333	254	168	785	818	807	582	214	1011	576	774	241	588	340	622	213	429	674	929
Weighted Base	191	25	58	54	34	10	77	114	95	63	33	101	84	58	53	80	26	72	24	69	74	117
Welfare Benefits and/or Tax Credits	12%	12%	14%	16%	13%	6%	10%	14%	12%	11%	15%	10%	15%	7%	22%	14%	8%	12%	11%	16%	11%	13%
Employment	195	67	51	41	25	9	90	106	71	106	18	96	96	58	39	99	19	80	25	72	82	114
Housing	12%	31%	13%	12%	10%	6%	11%	13%	9%	18%	9%	10%	17%	7%	16%	17%	6%	13%	12%	17%	12%	12%
Immigration	117	22	44	26	15	7	44	73	54	48	15	53	62	39	25	53	15	33	19	51	49	68
Money problems, such as debts	7%	10%	11%	8%	6%	4%	6%	9%	7%	8%	7%	5%	11%	5%	11%	9%	4%	5%	9%	12%	7%	7%
None of these	49	5	24	10	4	2	20	28	34	12	3	24	24	22	11	15	15	12	12	10	21	27
Don't know	3%	2%	6%	3%	2%	1%	3%	3%	4%	2%	1%	2%	4%	3%	4%	3%	5%	2%	5%	2%	3%	3%
	65	7	18	18	11	10	32	33	29	24	12	23	41	26	13	26	7	25	9	24	24	41
	4%	3%	5%	5%	4%	6%	4%	4%	4%	4%	5%	2%	7%	3%	5%	4%	2%	4%	4%	6%	4%	4%
	1207	125	284	242	200	143	618	588	635	407	165	808	390	632	154	421	278	473	163	293	509	698
	75%	58%	70%	73%	79%	85%	79%	72%	79%	70%	77%	80%	68%	82%	64%	72%	82%	76%	77%	68%	76%	75%
	4	1	-	-	2	-	3	1	2	2	-	1	2	2	-	2	-	1	1	2	1	3
	*	1%	-	-	1%	*	*	*	*	*	-	*	*	*	-	*	-	*	*	*	*	*
Sought any advice (Net)	392	88	121	91	52	25	164	228	170	172	50	202	184	140	87	165	61	148	49	34	164	228
	24%	41%	30%	27%	21%	15%	21%	28%	21%	30%	23%	20%	32%	18%	36%	28%	18%	24%	23%	31%	24%	25%

Appendix 3: SURVEY RESPONSES ON ADVICE PROVIDED

Q5. Did you get any advice? If YES: where from?
Base: All who have sought advice

Age										Gender		Marital status		Ethnicity		Working status			Social grade			Inner/Outer London			
												Married/ Living with partner		Widowed/ Divorced/ Separated											
										Male (H)	Female (I)	Married/ Living with partner (J)	Single (K)	Widowed/ Divorced/ Separated (L)	White (M)	BME (N)	Full- time (O)	Part- time (P)	Not working (Q)	AB (R)	C1 (S)	C2 (T)	DE (U)	Inner London (V)	Outer London (W)
Total (A)	16-24 (B)	25-34 (C)	35-44 (D)	45-54 (E)	55-64 (F)	Over 65 (G)																			
371	71	103	88	63	29	17	140	231	162	154	55	196	168	130	83	158	60	140	46	125	153	218			
392	88*	121	91*	52*	25**	15**	164	228	170	172	50*	202	184	140	87*	165	61*	148	49*	134	164	228			
66	18	20	10	11	5	2	30	37	26	32	8	25	38	19	17	29	3	27	8	28	23	43			
17%	21%	16%	11%	21%	21%	13%	18%	16%	15%	19%	15%	12%	21%	14%	20%	18%	5%	18%	17%	21%	14%	19%			
21	5	8	4	3	2	-	12	10	10	10	1	9	10	6	1	15	-	7	4	10	10	11			
5%	6%	7%	4%	5%	7%	-	7%	4%	6%	6%	2%	5%	5%	4%	1%	9%	-	5%	9%	8%	6%	5%			
93	24	21	24	13	7	5	42	51	34	45	14	44	47	28	14	50	11	37	9	35	43	50			
24%	27%	18%	26%	24%	27%	31%	26%	22%	20%	26%	29%	22%	26%	20%	16%	30%	18%	25%	19%	27%	26%	22%			
44	5	21	11	5	1	1	21	23	22	17	5	18	24	16	10	18	9	15	8	12	21	23			
11%	6%	17%	13%	10%	4%	6%	13%	10%	13%	10%	9%	9%	13%	11%	12%	11%	15%	10%	16%	9%	13%	10%			
23	4	7	4	4	4	-	12	11	13	7	3	14	8	10	7	6	8	10	2	3	11	12			
6%	4%	6%	5%	8%	14%	-	7%	5%	8%	4%	5%	7%	4%	7%	8%	4%	12%	7%	4%	2%	7%	5%			
173	47	59	41	20	6	1	74	99	73	82	19	80	91	74	35	65	38	65	26	44	75	98			
44%	54%	49%	45%	38%	23%	6%	45%	44%	43%	48%	37%	40%	49%	52%	40%	39%	62%	44%	53%	33%	46%	43%			
66	16	19	18	6	3	4	16	50	23	34	9	34	30	20	18	28	11	28	8	19	30	36			
17%	19%	16%	20%	11%	13%	24%	10%	22%	14%	20%	18%	17%	16%	14%	21%	17%	18%	19%	16%	14%	18%	16%			
19	2	7	7	2	-	2	3	16	8	9	3	7	12	7	4	8	3	10	2	4	11	9			
5%	2%	6%	8%	3%	-	11%	2%	7%	5%	5%	5%	3%	6%	5%	5%	5%	5%	7%	4%	3%	6%	4%			
24	9	5	7	3	-	-	13	11	5	15	3	7	17	6	7	11	2	8	6	8	8	16			
6%	11%	4%	8%	5%	-	-	8%	5%	3%	9%	6%	3%	9%	4%	8%	7%	3%	5%	12%	6%	5%	7%			

	Age						Gender		Marital status		Ethnicity		Working status			Social grade				Inner/Outer London		
	16-24 (B)	25-34 (C)	35-44 (D)	45-54 (E)	55-64 (F)	Over 65 (G)	Male (H)	Female (I)	Married/ Living with partner (J)	Widowed/ Divorced/ Single Separated (K) (L)	White (M)	BME (N)	Full- time (O)	Part- time (P)	Not working (Q)	AB (R)	C1 (S)	C2 (T)	DE (U)	Inner London (V)	Outer London (W)	
Total (A)	71	103	88	63	29	17	140	231	162	154	55	196	168	130	83	158	60	140	46	125	153	218
	371																					
	392	88*	121	91*	52*	15**	164	228	170	172	50*	202	184	140	87*	165	61*	148	49*	134	164	228
	27	8	6	4	8	2	12	15	11	12	4	16	11	5	5	17	1	7	4	15	10	17
	7%	9%	5%	4%	15%	8%	7%	7%	6%	7%	8%	8%	6%	3%	6%	10%	2%	5%	8%	11%	6%	7%
	14	12	-	1	1	-	6	8	2	12	-	3	10	1	5	9	2	8	-	4	5	9
	4%	14%	-	1%	1%	-	3%	4%	1%	7%	-	2%	6%	1%	5%	5%	3%	5%	-	3%	3%	4%
	8	1	3	3	1	-	1	7	5	2	1	6	2	5	1	3	3	2	2	1	6	3
	2%	2%	3%	3%	1%	-	1%	3%	3%	1%	2%	3%	1%	3%	1%	2%	5%	1%	5%	1%	4%	1%
	33	1	11	9	6	3	18	16	15	14	5	19	12	18	6	9	10	10	4	10	16	17
	9%	2%	9%	9%	11%	23%	11%	7%	9%	8%	10%	9%	7%	13%	7%	6%	16%	7%	7%	8%	10%	7%
	39	5	14	8	4	5	19	20	25	10	3	25	14	16	11	12	6	15	4	15	12	26
	10%	5%	12%	8%	8%	17%	12%	9%	15%	6%	7%	12%	8%	11%	13%	7%	9%	10%	7%	11%	8%	12%
	3	-	2	1	-	-	-	3	2	1	-	2	1	3	-	-	1	2	-	-	2	1
	1%	-	2%	1%	-	-	-	1%	1%	1%	-	1%	1%	2%	-	-	2%	1%	-	-	1%	*
	307	68	95	76	38	18	130	177	128	138	41	153	148	112	64	131	48	118	37	103	134	173
	78%	77%	79%	83%	74%	72%	79%	77%	75%	80%	83%	76%	80%	80%	74%	79%	79%	80%	76%	77%	82%	76%

Appendix 4: SURVEY RESPONSES ON WHETHER ADVICE SHOULD BE FREE

Q13. Good legal advice is very important to anyone in a court case, but it can be very expensive. When people cannot afford to cover the cost it is mainly paid for by legal aid and other government funding, but as you may be aware there is pressure on legal aid and other public services due to budget cuts. Please tell me which of the following you agree with.

Base: All respondents

	Age								Gender	Marital status			Ethnicity		Working status			Social grade				Inner/Outer London	
	16-24 (B)	25-34 (C)	35-44 (D)	45-54 (E)	55-64 (F)	Over 65 (G)	Male (H)	Female (I)		Married/ Living with partner (J)	Single (K)	Widowed/ Divorced/ Separated (L)	White (M)	BME (N)	Full-time (O)	Part-time (P)	Not working (Q)	AB (R)	C1 (S)	C2 (T)	DE (U)	Inner London (V)	Outer London (W)
Total (A)	1603	172	337	321	306	199	711	892		822	531	250	1052	533	748	247	608	341	622	204	436	651	952
Unweighted Base	1603	214	405	333	254	168	785	818		807	582	214	1011	576	774	241	588	340	622	213	429	674	929
Weighted Base																							
Everyone should be entitled to free advice, regardless of how much they earn	808	150	237	150	115	68	378	430		393	320	95	462	340	402	135	271	158	351	111	188	335	473
	50%	70%	58%	45%	41%	38%	48%	53%		49%	55%	44%	46%	59%	52%	56%	46%	47%	56%	52%	44%	50%	51%
Advice should be free ONLY to people who earn less than the average national income (£25,000)	603	48	132	146	115	68	301	301		315	201	86	413	185	284	91	227	130	215	79	179	247	356
	38%	22%	33%	44%	41%	41%	38%	37%		39%	35%	40%	41%	32%	37%	38%	39%	38%	34%	37%	42%	37%	38%
These services should be free ONLY to people on benefits	93	9	19	14	12	15	52	42		42	34	17	64	30	36	8	50	21	25	7	40	46	47
	6%	4%	5%	4%	5%	9%	7%	5%		5%	6%	8%	6%	5%	5%	3%	8%	6%	4%	3%	9%	7%	5%
These services should NOT be free to anyone	48	5	9	6	7	6	26	22		27	13	9	38	9	25	2	21	18	14	6	10	20	28
	3%	2%	2%	2%	3%	3%	3%	3%		3%	2%	4%	4%	2%	3%	1%	4%	5%	2%	3%	2%	3%	3%
Don't know	51	2	9	16	5	11	28	23		30	14	6	34	13	27	5	19	13	17	9	11	25	26
	3%	1%	2%	5%	2%	7%	4%	3%		4%	2%	3%	3%	2%	3%	2%	3%	4%	3%	4%	3%	4%	3%

