



House of Commons
Welsh Affairs Committee

**Legal Services
Commission Cardiff
Office: Government
Response to the
Committee's Seventh
Report of Session 2008-
09**

**Sixth Special Report of Session 2008-
09**

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The Welsh Affairs Committee

The Welsh Affairs Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Office of the Secretary of State for Wales (including relations with the National Assembly for Wales).

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The current staff of the Committee is Dr Sue Griffiths (Clerk), Georgina Holmes-Skelton (Second Clerk), Judy Goodall (Inquiry Manager), Anwen Rees (Inquiry Manager), Carys Jones (Committee Specialist), Christine Randall (Senior Committee Assistant), Annabel Goddard (Committee Assistant), Tes Stranger (Committee Support Assistant) and Rebecca Jones (Media Officer).

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Sixth Special Report

The Committee published its Seventh Report of Session 2008-09, *Legal Services Commission Cardiff Office*, on 1 May 2009. The Government response and a letter from the Parliamentary Under-Secretary of State, Ministry of Justice were received on 23 June and are published as Appendices to this Special Report.

Appendices

Letter from Lord Bach, Parliamentary Under-Secretary of State, Ministry of Justice to the Chairman of the Committee, 23 June 2009

I am pleased to be able to take this opportunity to respond to the Committee's recent report, *Legal Services Commission Cardiff Office*. I am also grateful for the Committee's inquiry into the Legal Services Commission's (LSC) proposals to remove processing work from its Cardiff Office, and the interest it has taken in legal aid services in Wales in general.

I provide a detailed response to each of the Committee's recommendations on behalf of the Ministry of Justice and the LSC. This is enclosed as a separate annex. However, in summary I would like to make a number of points about what we are doing to address the Committee's concerns.

The LSC has postponed the planned removal of processing work from the Cardiff Office from 2009/10 to 2010/11. This will enable sufficient time for them to conduct further discussions with the Wales Office and the Welsh Assembly Government, to fully explain the proposals and ensure that appropriate measures are in place to maintain the quality of service for Welsh clients and providers. Both the Ministry of Justice and the LSC accept the Committee's findings that the level of consultation on the decision to remove processing work from Cardiff was inadequate.

The Ministry of Justice, together with the Cabinet Office and Territorial Offices, is therefore conducting a review of the Devolution Guidance notes to ensure that they are more accessible, more user friendly and provide the best possible advice for organisations like the LSC to follow. The Committee's recommendations will be considered as part of the review. The Ministry of Justice will additionally consider what extra steps may need to be taken to ensure that its agencies and sponsored bodies are fully aware of the need to take into account the Devolved Administrations when developing policy or implementing changes to services.

In terms of understanding the divergence of English and Welsh laws, the LSC has committed itself to recruiting a new policy role to be based in the Cardiff Office. This role will build expertise in interpreting Welsh legislation, and ensure that the implications for legal aid are understood and taken account of in the case management process.

The Ministry of Justice and the LSC are both fully committed to ensuring that Welsh citizens are able to receive services in Welsh as easily and as readily as they are in English.

The LSC is committed to maintaining its dedicated Welsh language telephone line, and will ensure that the provision of legal services in Welsh is a requirement for all providers when new contracts come into place in 2010.

Job losses are always regrettable. Carolyn Regan, the Chief Executive of the LSC, has assured me that she and her colleagues are doing all they can to minimise redundancies. I of course appreciate that this process will not be a comfortable one for the staff affected in Wales, but Carolyn has also assured me that the LSC will be able to provide a better and more consistent service as a result of their restructuring. The LSC has skilled staff in all of its regional offices, and any decision to locate a processing centre in Cardiff would mean recruiting new staff there whilst making further redundancies elsewhere. The LSC has agreed with its recognised trade unions that it will not do this. In order for it to live within the funding available to it, the LSC must cut its administration costs by 30% over this spending review period. This will mean a reduction in the workforce by some 600 posts, and it is worth remembering that the vast majority of these job losses will take place in England. The LSC will however continue to examine opportunities for work to be moved into Wales.

Finally, I would like to reiterate that the Government is totally committed to ensuring that legal aid provision in Wales continues to develop, and that tailored services for Welsh clients continue to be maintained and improved. Indeed, improving access to justice for Welsh citizens will continue to be the primary concern when the Ministry of Justice or any of its agencies and sponsored bodies develop changes to legal aid, or to the justice system as a whole.

Lord Bach
Parliamentary Under-Secretary of State
Ministry of Justice
23 June 2009

Government Response

Recommendation 1: It appears that Whitehall guidance has been misunderstood on a number of occasions. We recommend that Devolution Guidance Note 4 should be amended in order to clarify and strengthen references to the key role of the Secretary of State for Wales and the Wales Office from the start and throughout any process. (Paragraph 12)

Recommendation 2: The Legal Services Commission failed to include the Wales Office in any form of consultation regarding the proposed changes to its Cardiff office. This is unacceptable. It runs counter to explicit guidance given to government officials and betrays a poor understanding of the devolution settlement on the part of the Commission. It is essential for the Secretary of State for Wales to be fully in the picture at the outset and at every stage in the process. This is not the first time that the Ministry of Justice (or in this case one of its agencies) has demonstrated a surprising lack of awareness about the devolution settlement and the protocols which are in place in relation to legislation, and, as the Department has overarching constitutional responsibilities, we find this disturbing. (Paragraph 18)

The Ministry of Justice takes its responsibilities for the constitution and overarching responsibilities for devolution strategy very seriously, and alongside the Cabinet Office and the Territorial Offices, is undertaking a detailed review of the Devolution Guidance Notes with the aim of making them more easily accessible and usable for officials across Whitehall. The Devolved Administrations will be key stakeholders in this review, and will be consulted on how best to ensure that suitable guidance is provided to officials who have to deal with devolution as part of their work.

Part of the project involves updating the content of the Devolution Guidance Notes to ensure that they accurately reflect best practice and provide the best possible advice on how to deal with the realities of devolution. We will consider the Committee's recommendations as part of this review.

The review of the Devolution Guidance Notes sits within a wider education and awareness raising project, led by the Ministry of Justice and the Cabinet Office with input from the Territorial Offices. This project is delivering innovative products to help raise the level of education and awareness across Whitehall and is working closely with the National School for Government to ensure that as large an audience as possible can be captured. This transformation of central government culture needs to extend to associated agencies including the LSC. The Ministry of Justice will therefore be shortly embarking on an education and awareness raising project across all of the NDPBs and Executive Agencies that it sponsors to ensure that devolution is taken account of at both the operational and policy levels.

The complex nature of devolution in the UK and the consequent need to educate government departments requires a unique approach, which the Ministry of Justice, the Territorial Offices and the Cabinet Office have been committed to. In the relatively short life span of devolution, successful systems for consultation with Devolved Administrations have been developed. The Ministry of Justice has, where necessary, ensured that

appropriate consultation has taken place with the Wales Office and the Welsh Assembly Government when considering whether further devolution should take place. In particular, there has been effective collaboration with the Wales Office and the Welsh Assembly Government on the economy, producing 'Economy: a Focus on Wales', and incorporating the needs of Welsh business. And also close working with the Wales Office, the Welsh Assembly Government and the National Offender Management Service to devolve competence over education for prisoners to Welsh Ministers. Officials in the Ministry of Justice are committed to close working relationships with colleagues in the Wales Office, and the Scotland Office and Northern Ireland Office, and hold regular meetings with counterparts to ensure that any devolution issues are considered at an early stage.

We acknowledge that more care could have been taken by the LSC in considering who to consult during the decision making process and lessons will be learned from this. The LSC acknowledges that it failed to include the Wales Office in any form of consultation, and also apologises for this. The LSC have subsequently met with the Director, Alan Cogbill and officials at the Wales Office. They will continue to build a working relationship to ensure that any future changes being considered by the LSC affecting the service it offers in Wales will follow the principles of the devolution settlement and the protocols that are in place in relation to legislation.

The Ministry of Justice is committed to ensuring that devolution is fully understood and will consider what extra steps need to be taken to ensure that its agencies are fully aware of the need to take into account the concerns of the Devolved Administrations when developing and delivering policy. Lessons will be learned.

Recommendation 3: We are also concerned that the extent of consultation with the Welsh Assembly Government and other stakeholders prior to the announcement of the restructuring was extremely limited. Local MPs were not consulted until the issue had been raised in Parliament in early 2009. To exclude these parties from consultation on a decision that could have a serious impact on the quality of the legal aid service to the Welsh population is not only unwise, it is evidence of an inward-looking and metropolitan attitude that is insensitive to the needs of a devolved administration. We are left with the distinct impression that a decision was made first, and a form of 'consultation' was an afterthought. (Paragraph 19)

Recommendation 5: We recommend that no change to the functions of the Cardiff office should be implemented until thorough consultation has taken place to determine its likely impact on levels of service. We request that a report be made to this Committee on the outcome of such consultation and subsequent changes in the proposals. (Paragraph 21)

Recommendation 11: We are disturbed that the Legal Services Commission has decided to make significant decisions affecting access to justice in Wales without consulting the Wales Office and with only limited engagement with the Welsh Assembly Government and other stakeholders. To exclude these parties from consultation on a decision that could have a serious impact on the quality of the legal aid service to the Welsh population is unwise and unfair and is evidence of a fundamental misunderstanding of the devolution settlement. We are left with the distinct impression that a decision was made first, and consultation was an afterthought. We recommend that no change to the functions of the

Cardiff office should be implemented until thorough consultation has taken place to determine its likely impact on levels of service. (Paragraph 45)

The LSC has met with the Welsh Assembly Government's First Minister and its Minister for Social Justice and Local Government to discuss the plans for the LSC in England and Wales and how this will impact upon the office in Cardiff. A series of subsequent meetings is being arranged to continue these discussions with the Welsh Assembly Government over the next two months to:

- i. ensure that there are adequate and appropriate measures of quality in place to ensure the quality of service available to contracted providers and clients is maintained; and
- ii. take the Welsh Assembly Government officials and Wales Office officials through the LSC's detailed plans for an improved service to providers and clients through more modern systems and processes.

Whilst the LSC has worked closely with a number of Welsh MPs, we acknowledge that the level of consultation with both MPs and the Welsh Assembly Government could be improved further. The LSC has arranged to host an event to meet with all MPs in July in Westminster to celebrate the 60th anniversary of legal aid. At this event, senior representatives of the LSC will also discuss their future plans in Wales and what safeguards they will be introducing to ensure that the quality of service to clients is maintained and improved. A similar event is being planned for AMs in the Welsh Assembly Government in the Autumn.

The LSC is fully committed to ensuring that citizens in non-metropolitan communities have access to justice and to quality legal services. As a result of this commitment the LSC have ensured that 91% of the population in Wales live within five miles of a specialist civil legal aid provider and continue to provide 100% geographical coverage for criminal legal aid services. The LSC is also focussed on improving access in areas where clients have to travel for more than 45 minutes on public transport, and continue to augment web based and telephone advice services. Such provision is particularly pertinent for citizens who live in non-metropolitan areas, such as those that exist in many parts of Wales. The LSC takes access to justice very seriously and where there are areas where access can be improved they have tendered for additional contracts to fill those gaps. The LSC are considering introducing new ways of monitoring and ensuring capacity in the contracts they intend to let in 2010.

As outlined above, the LSC are holding discussions with both the Wales Office and the Welsh Assembly Government to discuss the next steps of their proposals. In order to provide adequate time for consideration, the LSC have announced to its staff that the removal of processing activities from the Cardiff office has been postponed from 2009/10 to 2010/11. This is a change to the plans that were announced last year and in future the LSC will discuss any plans for changes in Wales with the Wales Office and Welsh Assembly Government. It remains the LSC's intention to remove the processing work from Cardiff, but the extension of time will provide adequate time for us to listen to, and act upon, feedback from both the Wales Office and Welsh Assembly Government to ensure the providers and clients remain at the centre of LSC service delivery.

It must be noted however that the LSC has not made any reduction to access to justice in Wales, or indeed in England, and nor does it have any plans to do so. The level of provision by solicitors and not-for-profit agencies is not impacted by the removal of processing activities from the LSC office in Cardiff. Indeed, the LSC has recently announced an expansion of the telephone service, where a new provider in Swansea was awarded the contract, creating 20 new jobs. In addition, an expanded telephone service contract for the provision of family advice has been awarded to a firm in Cardiff, creating an additional 7 jobs. Therefore, additional legal aid funding and access is being brought into Wales.

The changes discussed with the Welsh Affairs Committee are an internal change only, and will not affect the number of people provided with face-to-face legal advice in Wales. This has been approximately 51,000 for the last 2 consecutive years, plus a significant number using the telephone and website facilities. Access to justice for clients will therefore not be affected as a result of this change. The changes will provide a quicker, more efficient, and more cost effective method of dealing with clients, such as using electronic submission forms between contracted providers and the LSC, rather than sending in paper submissions, as is currently the case. This will ensure speed of decision making for the client and therefore quicker access to justice.

Some of the changes the LSC is making will not see roles move from Wales into England, as the roles will not exist in the future due to a much higher level of automation of the LSC's internal processing. The proposed reductions in the Cardiff office are part of a much wider cost challenge facing the LSC, where they are required to reduce their administration budget by £30m over the next 3 years, with a resultant reduction of approximately 600 roles across England and Wales. This is in line with the central Government budget reviews that we are required to deliver.

Recommendation 4: While changes to the structure of the Legal Services Commission are an operational matter and thus the responsibility of the Chief Executive, taken at arm's length from the Minister, the Minister does fulfil an important oversight function. We appreciate the Minister's acknowledgement that mistakes were made in this case and note his apology. However, we are disappointed that the Ministry of Justice did not appear to know about the scale of the changes proposed or the lack of any consultation. We recommend that the Ministry of Justice undertake a review of the protocols in relation to the devolution settlement and its observation throughout government. We intend to return to this issue in the near future. (Paragraph 20)

Decisions such as the one to remove processing work from the Cardiff Office are an operational matter, taken at arm's length from Ministers by the Chief Executive. Ministers are ultimately responsible to Parliament for the activities and performance of the LSC, and their specific responsibilities include approving the LSC's strategic objectives, the policy and performance framework within which it operates, and keeping Parliament informed about its performance.

Ministers and the Ministry of Justice are responsible for the strategic policy for legal aid and ensuring that the Legal Services Commission carries out its functions, as set out in the Access to Justice Act 1999, of establishing, developing and maintaining the Community Legal Service and Criminal Defence Service. We therefore believe that it is right that as an

executive Non-Departmental Public Body, the LSC should be able to make operational decisions in an autonomous way, provided they do not adversely affect services to clients. The LSC are confident that the changes they propose will not affect services to Welsh clients, indeed, they believe that services will actually be improved.

However, as noted above in relation to Recommendation 1, the Ministry of Justice, alongside the Cabinet Office and the Territorial Offices, is undertaking a detailed review of the Devolution Guidance Notes. This work aims to make the guidance more easily accessible and usable for officials across Whitehall, as well as providing general awareness raising and education materials. Combined with a detailed education and awareness raising programme, we believe that this will ensure that in future the devolution settlement is observed throughout government.

Recommendation 6: The Legal Services Commission must ensure there is adequate expertise for interpreting Welsh legislation post devolution, particularly after the Government of Wales Act 2006. Measures are expected in areas including carers' rights, housing, vulnerable children, mental health and environmental protection. All of these areas are likely to have an impact on legal aid cases. The Committee is not convinced that an English office would have the resources or expertise to cope with this evolving and growing legal context. (Paragraph 25)

Recommendation 12: We are particularly concerned that the proposed changes have been put forward in the context of continuing legal divergence post devolution. The Legal Services Commission must ensure there is adequate expertise for interpreting Welsh legislation, particularly after the Government of Wales Act 2006. Measures are expected in areas including carers rights, housing, vulnerable children, mental health and environmental protection. All of these areas are likely to have an impact on legal aid cases. The Commission will also need to ensure that high quality bilingual services continue to be provided. Despite the Commission's assurances, we are not confident that the quality of Welsh services can be maintained from outside Wales and urge that the decision be changed. (Paragraph 46)

The LSC has already committed to recruiting for a new policy role, to be based in the Cardiff office, which will build expertise in interpreting Welsh legislation post devolution to ensure that any impacts within legal aid are highlighted at an early stage. This will inform LSC processing centres of appropriate changes that will impact on its systems and will ensure a consistent level of understanding and service delivery for clients in both Wales and England. This post-holder will build a relationship with the relevant personnel in the Welsh Assembly Government to ensure that all aspects affecting legal aid are fully understood and brought into the LSC for action in our processing centres. We also hope that this will ensure that legal aid issues are also fully considered in the formulation of Welsh Assembly Government policy.

The LSC hope that this post will be filled by the end of August 2009. In addition, the LSC is retaining some 'Provider Assurance' roles in Cardiff, which will mean more roles will be based in the Cardiff office that will have a regular engagement with Welsh providers. There is no intention to amend our Welsh language offering as a result of these changes.

Recommendation 7: While it is beyond the scope of this inquiry, we note a general concern that the contribution of Citizens' Advice Bureaux and other not-for-profit providers appears to be undervalued by the Commission. (Paragraph 29)

Both the Ministry of Justice and the LSC value the significant contributions made by the Citizens' Advice Bureaux and other not-for-profit agencies in the provision of legal aid in Wales and also England. The LSC currently contracts with approximately 400 not-for-profit agencies, 28 of which are in Wales and provide a valuable service to clients.

The Ministry of Justice and LSC note that concern has been raised in relation to Community Legal Advice Centres and Networks (CLACs and CLANs). A number of these initiatives have been procured in England with the involvement of the not-for-profit agencies with great success. The Ministry of Justice and LSC are confident that this will continue.

We note that the Welsh Assembly Government are also looking into possible alternatives to the CLAC and CLAN proposals, and we look forward seeing their proposals and working with them in the future.

The Ministry of Justice has recently published a review of local advice provision in England and Wales, which includes examination of not for profit providers. The review is explained in greater detail in the response to Recommendation 8.

Recommendation 8: After our oral evidence session, we received a letter from Professor Iwan Davies, Pro-Vice Chancellor and Hodge Chair in Law, Swansea University, suggesting that the current Legal Services Commission restructuring could provide the opportunity for a more general review of how Legal Aid is commissioned and delivered in Wales. We recommend that the Ministry of Justice undertake such a review, in the interests of ensuring that services are provided in the most effective and accessible manner possible for the people of Wales. (Paragraph 39)

In 2004, the Secretary of State for Constitutional Affairs set up the Fundamental Legal Aid Review. The conclusions of the review formed part of the July 2005 publication 'A Fairer Deal for Legal Aid' which set out the long term vision for legal aid, and a programme of reform to ensure a sustainable legal aid system. The proposed reforms included measures to control costs on criminal cases, to develop a cross-government strategy for providing people with advice and help to resolve their disputes, a review of child care proceedings, and an independent review of legal aid procurement taken forward by Lord Carter of Coles.

Lord Carter's review, published in July 2006, set out an ambitious programme to reform the legal aid system in England and Wales. The Government accepted the principles of the review, but conducted a further consultation on Lord Carter's recommendations. Following this consultation the Government set out the nature of its reform programme in 'Legal aid reform: the Way Ahead', which made adjustments to the detail timing and sequencing of Lord Carter's proposed programme. The LSC and Ministry of Justice have been implementing this programme, which has included the introduction of fixed and graduated fees for individual cases, so spending is stabilised, and providers are prepared for competitive tendering. The next phase of reform will be the move to a market based system for legal aid procurement, using competitive tendering as the basis for case

allocation on grounds of quality price and capacity. At this time therefore, we do not believe that it is appropriate to conduct any further wide ranging reviews in Wales (or indeed in England) until the remaining reforms recommended by Lord Carter have been implemented.

Transforming internal systems and processes to support the wider reforms and drive further savings was an integral part of the reforms proposed by Lord Carter, and the proposals to remove processing work from the Cardiff office are part of this drive. The reform programme, including the transformation of business processing and structures, is therefore subject to regular Gateway Reviews as mandated by the Office of Government Commerce, and this will include a post implementation review once the programme is handed over to business as usual. It is likely that this will be after the proposed implementation of Crown Court means testing and a Best Value Tendering scheme for legal aid providers. In the meantime however, both the Ministry of Justice and the LSC are committed to ongoing review of policy implementation (such as the recent review of the standard and graduated fee schemes introduced in 2007 and 2008) and will also learn the lessons highlighted by the Committee's report.

Whilst the Ministry of Justice and LSC acknowledge the points the Committee have made about the divergence of Welsh law over time as devolution progresses, it must be remembered that the legal aid system in England and Wales is still one system. The way that legal aid is commissioned and delivered is therefore the same in both England and Wales. Many, but not all, of the challenges in maintaining access to justice in Wales are similar to those in various parts of England (such as Cumbria). We therefore maintain that any future review of commissioning and delivery will need to address the legal aid system in its entirety, rather than in one particular region or nation. We of course accept that consideration of those issues that are specific to Wales, such as language or devolution issues, should be fully covered in any future review.

The Ministry of Justice has recently published its review of local advice provision in England and Wales. The review was commissioned to gather and examine existing evidence around local advice issues, partly in response to concerns about the impact of the legal aid reforms on the advice sector but also as a result of the expected growth in the demand for advice in the recession and changing trends in the funding of advice services. The review included examination of local advice provision across England and Wales, including specific studies in Caernarfon, Bangor and Cardiff. In relation to Wales, the review team spoke to private law firms, law centres, third sector providers, two Citizens Advice Bureaux and also a local authority. The study has enabled us to develop a more complete picture of the issues affecting local advice provision, identify the key issues which need further work, and to develop a plan of action for tackling them. The result is a series of recommendations, particularly around the development of CLACs and CLANs and the effects of fixed fees on not for profit providers. Many of the recommendations involve further work, and we intend to publish an implementation report based on those recommendations in September.

The LSC has previously jointly consulted with the Welsh Assembly Government, resulting in the specific Welsh Community Legal Service Strategy for legal aid that is set out in 'Making Legal Rights a Reality in Wales', which was published in December 2006. The LSC will continue to work with both the Welsh Assembly Government and the Welsh Local

Government Association to find ways of commissioning advice services in Wales more effectively in the future. The LSC will also continue to review how legal aid can be made available to clients in the most effective way and through a number of operating models. These include face to face provision, a national telephone service (where a Welsh language option is available), a text-back facility and a Community Legal Advice website.

Recommendation 9: The Commission and the Ministry of Justice have previously recognised that services are most effective when they are provided in close proximity to the population concerned. The Legal Services Commission's proposal to provide services to Wales from England presents a serious risk to the quality of those services. In the case of Wales, there are specific local needs, not only regarding provision in the Welsh language but also the need to provide accurate advice that is tailored to the specific legal context in Wales. Despite the Commission's assurances, we are not confident that the quality of these services can be maintained from outside Wales. We recommend that the Legal Services Commission urgently consider alternatives to the present restructuring plans, including the option of the Cardiff office taking on the services currently provided to Wales from English offices, as an alternative to removing functions. (Paragraph 40)

The LSC are confident that the measures mentioned previously, to have a dedicated member of staff based in Cardiff who would ensure that the LSC gains an understanding of the diverging laws affecting legal aid, together with consultation with the Wales Office and Welsh Assembly Government on service level standards, will see standards maintained and indeed improved for both providers and clients across Wales. The LSC received a very positive report from the Welsh Language Board in December 2008, and are committed to maintaining these high standards, with the provision of a dedicated Welsh language telephone line. The LSC will also ensure that the provision of legal services in Welsh is a requirement for all providers in Wales when new contracts come into effect in 2010. There is no intention to reduce the level of Welsh language provision as part of any changes being considered by the LSC.

There are very few current face-to-face discussions between the LSC and clients (approximately 10 per week), as law firms and not-for-profit agencies provide the actual legal advice. Therefore the strengthening of the LSC's requirement for Welsh language provision by our contracted providers will further enhance bilingual access for clients. As part of the LSC's overall Transformation Programme, they will continue to examine appropriate opportunities for work to be moved into Wales.

The LSC Cardiff office is one of its smaller offices and as such does not have the capacity to expand and take on work from other English offices, both in terms of the number of staff employed and the size of the premises available. To expand would require recruitment of new staff, together with the associated training costs, whilst at the same time making staff in other offices redundant. The LSC have provided their recognised trade unions with a commitment that they would not undertake a redundancy programme in one office where they would then subsequently recruit in another.

Recommendation 10: The relocation of services away from Cardiff office will result in the loss of skilled people with significant experience. We are concerned that England-based offices may not be able to meet the need for staff who are knowledgeable about Welsh legislation and issues, particularly given the speed of the transition to the new arrangements, which are due to be implemented later this year. (Paragraph 44)

The decision to remove work from the Cardiff office has been delayed from 2009/10 to 2010/11, which will ensure the concerns raised by the Welsh Affairs Committee can be addressed. The LSC will also make certain that in all future decisions Welsh interests are fully considered to ensure that matters relating to devolution are considered at an early stage and appropriate action taken.

Following the Government's Comprehensive Spending Review conducted in 2006, where agreement was reached on a 30% (£30 million) reduction in the administration budget over the period from 2008 to 2012, the LSC started its Transformation Programme with a wholesale review of the organisation's structure. In its Business Support Directorate, the key element of the strategy is to maximise the use of technology to streamline processes and reduce errors, improve turnaround times and a higher level of service to clients. An inevitable consequence of greater efficiency is a reduction in staff numbers. The LSC has skilled staff across all of its offices, including Cardiff; and the service levels agreements that will be in place will ensure that the high standards of services will be monitored and maintained.