



Law Society
of Scotland



Social Return on Investment in Legal Aid

Technical Report

November 2017



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Key findings

Rocket Science was commissioned by the Law Society of Scotland to complete an independent assessment of the Social Return on Investment (SROI) of legal aid in three areas:

- **Criminal law**, which covers all criminal offences
- **Housing law**, which covers housing issues regarding tenancy or mortgage, such as evictions due to rent arrears
- **Family law**, which includes issues regarding finances and child contact or residence following divorce or separation

This SROI considers activities funded by the Scottish Legal Aid Board (SLAB) on a case-by-case basis defined by SLAB in the following three categories:

- **Advice and assistance**, which includes advice on rights and options and help with negotiations and paperwork
- **Assistance by way of representation (ABWOR)**, which includes a solicitor representing someone in certain types of proceedings before a court or tribunal, not covered by legal aid
- **Legal aid**, which covers a solicitor representing someone in court

For the purposes of this analysis, the term “Legal Aid” is used to cover all three of the above activities.

Based on our analysis and quantification of the impacts of Legal Aid, we have concluded that the SROI for Legal Aid is positive in all three areas. These results mean that for every £1 spent on housing, family or criminal Legal Aid, the benefit to society that is created during the case and after for a period of up to 12 months is more than £1. This does not necessarily mean that there is a direct financial return of this scale; the calculations also include social impacts without direct market value whose value to the beneficiaries we were able to express in financial terms.

For every £1 spent by SLAB on Legal Aid in housing cases, there is a return of approximately £11 made up of:¹

- 80% for the recipients of Legal Aid. The main benefit is fewer evictions and cases of homelessness.
- 20% for public services, including NHS and Local Authority departments. The main benefit is a reduced demand for health and social services due to fewer cases of homelessness.
- Further benefits of Legal Aid in housing cases for which we found some evidence, but which we were unable to quantify, include clients who receive Legal Aid being in better physical health due to avoided cases of homelessness.

¹ Note that all returns are rounded to one decimal place and all percentages are rounded to the nearest 5% to avoid the impression that social outcomes can be valued to such a high degree of precision.

For every £1 spent by SLAB on Legal Aid in family cases, there is a return of approximately £5 made up of:

- 95% for the recipients of Legal Aid. The main benefit is that Legal Aid ensures equal access to justice. People receive legal support and are not forced to represent themselves in court, which has potential negative effects on employment, health and relationships.
- 5% for public services, including the Scottish justice system. The main benefit is that more cases are resolved outside the court.
- Further benefits of Legal Aid in family cases for which we found some evidence, but which we were unable to quantify, include better outcomes in terms of child residence and contact.

For every £1 spent by SLAB on Legal Aid in criminal cases, there is a return of approximately £5 made up of:

- 90% for the recipients of Legal Aid. The main benefit to an accused person is access to professional representation in an adversarial system.
- 10% for public services, including the Scottish justice system. The main benefit is lower costs for prison services due to lower numbers of custodial sentences.
- Further benefits of Legal Aid in criminal cases for which we found some evidence, but which we were unable to quantify, include reduced benefits costs and increased income from taxes due to greater employment.

There are a number of impacts that are consistent across cases in all three areas. For example:

- Investment in Legal Aid increases trust in the legal system and the rule of law
- Investment also reduces stress for clients
- Investment avoids a deterioration in family relationships and employment during the case

The return on investment from housing cases is particularly high when compared to family and criminal cases. This is largely because average Legal Aid costs for housing cases are significantly lower than average costs for criminal and family cases. Moreover, there are more outcomes in criminal and family cases that we were unable to quantify given the current state of evidence.

Introduction

In July 2017, the Law Society of Scotland commissioned Rocket Science UK Ltd (Rocket Science) to assess the preventive impacts of Legal Aid spending in the areas of criminal law, housing law and family law. We were asked to conduct a Social Return on Investment (SROI) impact analysis, which measures the financial, economic and social impacts of spending on Legal Aid in those three areas.

Legal Aid is provided by the Scottish Government and administered by the Scottish Legal Aid Board (SLAB) to help those who cannot afford to meet the costs of support from a solicitor.

In the context of the economic downturn and increased pressure on public services, there has been a debate about the sustainability and efficiency of spending on Legal Aid in Scotland and other jurisdictions. In England and Wales, the Legal Aid, Sentencing and Punishment of Offenders Act 2012 has led to significant cuts to the scope of civil legal aid and there is currently an Independent Strategic Review of Legal Aid under way, examining the future of legal aid in Scotland in the next five to ten years.

This debate raises the question of the return from the money spent on Legal Aid or, put differently, what would be lost if money was not spent on Legal Aid.

Piecemeal research has been carried out on several aspects of this question in the UK context, much of it focusing on the impacts of cuts to civil legal aid in England and Wales. However, there is no research that assembles these pieces and provides a more general view, and there is very little research about the situation in Scotland.

This SROI goes some way towards filling this gap. It focuses on the Scottish context and combines data across housing, family and criminal cases. It identifies beneficiaries and how they benefit from Legal Aid, and also puts a financial value on each benefit. This makes it possible to compare directly spending on Legal Aid with the benefits it brings about, that is, to assess the return on investment in Legal Aid.

Chapter 1: Methodology and scope of this SROI

This chapter explains our approach to Social Return on Investment (SROI) analysis, the scope of this SROI and our methodology.

1.1 What is Social Return on Investment analysis?

SROI is a framework for measuring the extent, intensity and value of outcomes resulting from an intervention such as a project, programme or policy. This SROI has investigated economic and social impacts resulting from legal aid-funded advice, assistance and representation in a court or tribunal. It uses monetary values to represent these impacts and allow for a direct comparison between the amount of money spent on Legal Aid and the social and economic returns on this investment.

The analytical method for SROIs is similar to cost-benefit analysis (CBA) or other return on investment analyses. Where SROIs differ is in their focus on other types of impact, such as the social impacts of an intervention. While CBA and other return on investment approaches are theoretically capable of including social impacts, they tend to focus disproportionately on the fiscal and economic costs and benefits. SROI starts from the basis that social impacts matter just as much.

SROI produces a single Social Return on Investment figure for each intervention analysed. While these are useful summary figures, the potential of an SROI analysis goes much beyond these. It allows us to understand and describe:

- The impacts of each service
- Who the beneficiaries of those impacts are
- Why the impacts happen

To obtain values that are robust and reliable, all value judgements must be evidence-based and rigorously justified. The process of ascribing values has to be objective, transparent, replicable and compatible across the outcomes for all service users. To ensure rigour, a standardised approach needs to be applied wherever possible. Rocket Science's approach follows UK Government Cabinet Office guidelines and the Social Value UK methodology.

1.2 The scope of our analysis

- **Criminal law**, which covers all criminal offences
- **Housing law**, which covers housing issues regarding tenancy or mortgage, such as evictions due to rent arrears
- **Family law**, which includes issues regarding finances and child contact or residence following divorce or separation

This SROI considers activities funded by the Scottish Legal Aid Board (SLAB) on a case- by-case basis defined by SLAB in the following three categories:

- **Advice and assistance**, which includes advice on rights and options and help with negotiations and paperwork
- **Assistance by way of representation (ABWOR)**, which includes a solicitor representing someone in certain types of proceedings before a court or tribunal, not covered by legal aid
- **Legal aid**, which covers a solicitor representing someone in court

Children's legal aid and all cases going through the Children's Hearings System are not included in the scope of this SROI.

Moreover, activities funded by SLAB's grants programme, and grant funding from other sources, are not included in the scope of this analysis.

Our work does not analyse or provide conclusions on the efficiency and effectiveness of the administration of legal aid, or its current eligibility criteria.

1.3 Our methodology

Our methodology included the following steps:

- An **outcomes mapping workshop** with a range of solicitors and third sector organisations to help identify the beneficiaries of Legal Aid and the outcomes of Legal Aid to be included in the SROI
- **Interviews with solicitors** across Scotland working in Legal Aid to gain a more in-depth understanding of the beneficiaries and outcomes of Legal Aid and their importance
- **Literature review** to further refine the list of beneficiaries of Legal Aid and the mapping of outcomes to be included in the SROI
- A **survey of solicitors** across Scotland working in Legal Aid to ascertain the likely extent to which outcomes of Legal Aid are achieved

- **Literature and data review** to strengthen the evidence on the extent to which outcomes of Legal Aid are achieved and to value these outcomes, that is, to establish their monetary value
- **Analysis of data provided by SLAB** on the costs of, and number of individuals receiving, Legal Aid in 2016/17 (this was unpublished data at the time of our analysis)

The following chapters explain in detail how we used this research to analyse the SROI in Legal Aid.

Chapter 2: Inputs of Legal Aid

This Social Return on Investment (SROI) analysis relates to the legally aided activity that occurred between 1 April 2016 and 31 March 2017. It draws on Scottish Legal Aid Board (SLAB) data on:

- Cases paid during 2016/17
- Cost of legal aid during 2016/17
- Average duration of cases paid in 2016/17
- Average number of cases per client based on data between 2012 and 2017

This data was provided directly to Rocket Science by SLAB as their annual report had yet to be published at the time of our analysis. This chapter outlines the input figures used in the SROI from SLAB's data as well as a description of the services included under legal aid.

2.1 Definition of legal aid for this SROI

This SROI includes three elements of legal aid payments, which together make the definition of legally aided activity that we have used for this assignment:

This included:

- Advice and assistance, which includes payments to cover advice on rights and options and help with negotiations and paperwork
- Assistance by way of representation (ABWOR), which includes a solicitor representing someone in certain types of proceedings before a court or tribunal, not covered by legal aid
- Legal aid, which pays for a solicitor raising a court action and potentially representing someone in court

For the purposes of this analysis, the term "Legal Aid" is used to cover all three of the above payment schemes.

2.2 Client numbers

Our analysis needed to use the number of legally aided clients during 2016/17. To do this, we used the number of cases paid during 2016/17 for each area covered by this SROI:

- Criminal – there were 102,504 cases paid in 2016/17 (excluding duty cases)
- Housing – there were 5,381 cases paid in 2016/17
- Family – there were 27,387 cases paid in 2016/17

This included:

- Advice and assistance
- Assistance by way of representation (ABWOR)
- Legal aid

However, individuals may have multiple cases, so cases paid doesn't necessarily equate to the number of individuals that received legal aid during 2016/17. The only crossover expected to have a material impact on client numbers is where one individual received both advice and assistance and legal aid for the same issue. This would be recorded by SLAB as two separate payments, but it would relate to the same individual and the same legal issue.

SLAB provided us with a multiplier to apply to the cases paid total to derive the number of individuals this represented. When a grant of legal aid is made, each individual has a unique client identifier to be able to track an individual throughout the process. This figure is not available for "cases paid". The unique client identifier from "grants made" between 2012 and 2017 was used to identify what proportion of individuals have more than one case. The longer period of time was used to take into account that single issues may have multiple cases over more than one financial year as well as within the same year. These were calculated for both civil legal aid and criminal legal aid separately. Housing and family cases are included under civil Legal Aid along with all other civil cases.

2012-2017	Average number of cases per individual
Civil legal aid - AA/ABWOR & Legal Aid	1.98
Criminal legal aid - AA/ABWOR & Legal Aid	2.90

Figure 1: Average cases per individual between 2012 and 2017 [Source: SLAB]

These rates were applied to the number of SLAB cases paid to calculate the following client numbers for 2016/17:

- Criminal – there were 35,346 individuals receiving advice or representation paid for by Legal Aid in 2016/17
- Housing – there were 2,727 individuals receiving advice or representation paid for by Legal Aid in 2016/17
- Family – there were 13,832 individuals receiving advice or representation paid for by Legal Aid in 2016/17

From information provided by Shelter, one of the primary providers of housing services funded by Legal Aid, the vast majority of cases relate to housing arrears and eviction issues. Other issues such as the quality of housing are considered negligible and have therefore been removed from this analysis.

2.3 Legal Aid funding

SLAB drew together the following total cost to the taxpayer for all of the cases funded in 2016/17 in each area as follows:

- Criminal – £82,342,000
- Housing – £1,027,000
- Family – £19,581,000

The total cost to the taxpayer is derived as follows:

$$\text{Cost to taxpayer} = \text{Gross cost} - \text{Income received}$$

The income received includes any awards given by the court and any contributions to the cost of their case made by clients. The level of income varies between areas. Income received by SLAB is rare in criminal cases (as it is collected by solicitors for advice and assistance and ABWOR), but more common in housing and family cases.

This means an average annual cost to the taxpayer per individual of:

- Criminal – £2,330
- Housing – £377
- Family – £1,416

2.4 Average duration of case

We also needed information on the average duration of a housing case, a family case and a criminal case. Later in this report, you can see that we use these to determine the duration of impacts we have evidenced to occur during the case – eg reduced stress associated with the case. SLAB also provided us with data on case duration.

According to SLAB-provided data, the average duration of cases in each area is:

- Criminal - 150 days
- Housing – 206 days
- Family – 330 days

This was calculated by taking the weighted average case duration of all categories within each of the three areas. The case duration is the time between approval of Legal Aid funding and the submission of the account for payment to SLAB by the solicitor.

The exception for this was that the median case duration was taken for civil advice and assistance – which affects family and housing cases. The median was taken instead of the mean (ie it will be less influenced by longer-running cases) to account for the fact that there is usually a delay in solicitors submitting accounts for payment for advice and assistance as they are required to wait until the completion of any related Legal Aid cases to submit a claim to SLAB.

Chapter 3: Measuring and valuing outcomes of Legal Aid

3.1 Beneficiaries of Legal Aid

This Social Return on Investment (SROI) covers all people and/or organisations that are impacted by Legal Aid. Therefore, the impacts measured are not limited to the client only. To identify the relevant beneficiaries for this SROI, we identified potential beneficiary types through a mapping workshop we held with stakeholders. This beneficiary list was then refined on the basis of interviews with solicitors across Scotland working in Legal Aid and an extensive literature review.

We identified sufficient evidence to include impacts of Legal Aid on the following groups or agencies:

- The clients in receipt of Legal Aid
- The Scottish justice system, including courts and the Scottish Prison Service
- The National Health Service (NHS)
- Local authority housing departments and homelessness services

3.2 Outcomes of Legal Aid

We identified impacts – in the context of SROI, also called outcomes – on the basis of an outcomes mapping workshop with stakeholders, interviews with solicitors across Scotland working in Legal Aid, and an extensive literature review.

We have looked at both positive and negative impacts associated with Legal Aid. This is particularly important in the context of Legal Aid, where a gain for one beneficiary may represent a loss for another.

We only included an impact in our calculations if we were able to find enough evidence to determine:

1. That it is indeed an impact of Legal Aid
2. The extent of the impact – how many people was it an impact for and how big an impact for them?
3. The financial value of that impact – what is the value of the impact in pounds sterling?

In order to limit our analysis, we focused only on impacts that occur during a case and after for a period of up to 12 months from when Legal Aid was granted. We consider that after this one-year period, other factors are likely to contribute to the persistence of any impact and the causal link between Legal Aid and the impact weakens.

However, Legal Aid is still likely to contribute to certain impacts outside the considered timeframe. Moreover, Legal Aid is likely to have other impacts which are not included in this SROI because there is currently not enough evidence to enable us to quantify these for inclusion.

Section 3.2.1 describes the impacts which we were able to quantify and include in our SROI calculations. Section 3.2.2 describes potential further impacts and explains why we were unable to include them.

3.2.1 Quantified outcomes of Legal Aid

Clients in receipt of Legal Aid

The following impacts (Figure 2) were evidenced and included in the SROI for clients in receipt of Legal Aid:

Impact	Area	Description
Better outcomes in terms of housing: eviction avoided	Housing	In eviction cases, people who receive support from a solicitor due to Legal Aid are less likely to be evicted from their home than those who do not receive support from a solicitor.
Better criminal outcome: Custodial sentence avoided – loss of income avoided	Criminal	People who are represented in court by a solicitor due to Legal Aid are less likely to receive a custodial sentence than those who represent themselves. This benefits them because they can continue to be economically active.
Better criminal outcome: Custodial sentence avoided – social isolation avoided	Criminal	People who are represented in court by a solicitor due to Legal Aid are less likely to receive a custodial sentence than those who represent themselves. This means that their relationships with family and friends are not disrupted by a period of imprisonment.

<p>More employment and better employment prospects during the case</p>	<p>All</p>	<p>Self-representation in court typically puts a special strain on someone’s relationship with their employer because it is particularly time consuming and leads to elevated levels of stress and anxiety. People who are represented by a solicitor due to Legal Aid are therefore more likely to keep their employment and have better employment prospects during the case.</p>
<p>Better health during the case</p>	<p>All</p>	<p>People who represent themselves in court experience on average higher levels of stress and anxiety than those who are represented by a solicitor due to Legal Aid. This anxiety and stress is likely to have an impact on their health. We have focused on the impact on mental health for this analysis.</p>
<p>Better relationships with family and friends during the case</p>	<p>All</p>	<p>Self-representation in court typically puts a strain on someone’s relationship with family and friends because it is particularly time consuming and leads to elevated levels of stress and anxiety. Relationships with family and friends are typically affected to a lesser extent when someone is represented by a solicitor due to Legal Aid.</p>
<p>Access to justice that would not otherwise have happened</p>	<p>All</p>	<p>Legal Aid is provided to those who would not otherwise be able to afford a solicitor. It thus ensures that everybody who needs it receives support from a solicitor. Put differently, it fosters equal access to justice, which in turn increases people’s trust in the legal system and its fairness.</p>

Figure 2: Quantified impacts of Legal Aid on clients in receipt of Legal Aid

Public services in Scotland

Below (Figure 3) are the impacts included in the SROI calculation for impacts on public services from Legal Aid.

Impact	Area	Description
Fewer cases going to court – Scottish courts	All	Legal Aid in all three areas leads to a decrease in court cases because cases in which a solicitor is involved are more frequently resolved outside court than cases in which clients do not receive legal support. The likely reason is that solicitors have in-depth knowledge of what and how legal issues can be negotiated outside court. For criminal cases, we have included fewer cases going to trial due to early resolution of the case.
Fewer custodial sentences – Scottish Prison Service	Criminal	In criminal cases, those who are represented in court by a solicitor due to Legal Aid are less likely to receive a custodial sentence than those who defend themselves. The likely reason is that solicitors have the skills and knowledge required to develop and implement an optimal defence strategy.
Clients of Legal Aid are in better mental health – NHS	All	People who represent themselves in court experience on average higher levels of stress and anxiety than those who are represented by a solicitor due to Legal Aid. As a result, Legal Aid decreases the demand for NHS services due to mental health issues. ²

² This is particularly noteworthy considering that mental health issues are one of the main causes of the overall disease burden in Scotland and worldwide. See eg Grant, I, Mesalles-Naranjo, O, Wyper, G, Tod, E et al. 2017. *The Scottish Burden of Disease Study 2015. Overview Report* Edinburgh & Glasgow: The Scottish public Health observatory.

<p>Reduced costs because homelessness avoided – public services</p>	<p>Housing</p>	<p>In eviction cases, people who receive support from a solicitor due to Legal Aid are less likely to be evicted from their home than those who do not receive support from a solicitor. This in turn reduces homelessness and the costs for public services associated with it, including use of homelessness services, provision of temporary accommodation, and increased use of health services due to homelessness.³</p>
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Figure 3: Quantified impacts of Legal Aid on Public Services in Scotland

3.2.2 Potential further impacts of Legal Aid

There are two groups of impacts of Legal Aid that were not included in the quantified impact analysis:

- Longer-term impacts that extend beyond the period which we included in our quantified analysis or occur at a later point.
- Likely impacts for which there is currently not sufficiently robust evidence. This is because we could not answer one or more of the criteria for inclusion:
 - Whether the impact was true – was it an impact of Legal Aid?
 - The extent of the impact – how many people was it an impact for and how big an impact for them?
 - The financial value of that impact – what is the value of the impact in pounds sterling?

These impacts, and why they were excluded, are outlined in this section of the report.

³ The close link between homelessness and ill health is well established. See eg Hamlet, N and Hetherington, K. 2015. *Restoring the Public Health response to Homelessness in Scotland*. [no place]: Scottish Public Health Network. St Mungo's Community Housing Association. 2013. *Health and homelessness: Understanding the costs and roles of primary care services for homeless people*. London: Department of Health.

Potential longer-term impacts

For our quantified analysis, we considered impacts of Legal Aid and their value in monetary terms during the case and for a period of time afterwards (a total of 12 months from the start of a case). Some of the impacts can be expected to extend beyond this period and others can be expected to occur at a later point. In order not to overstate the impacts of Legal Aid, our calculations do not consider impacts that occur long after the intervention.

The following list shows impacts that are likely to extend beyond the period considered for our calculations or can be expected to occur at a later point.

Impacts on clients in receipt of Legal Aid:

- **Better outcomes in terms of housing – eviction avoided:** In housing cases, those who receive Legal Aid are less likely to be evicted compared to those who do not receive support from a solicitor. Our calculations include the benefits to the individual who is not being evicted for a period of one year from the start of the case. However, in those cases in which the tenant can sustain the tenancy for longer, this benefit extends beyond the period included in this SROI.
- **Better criminal outcome: Custodial sentence avoided – loss of income avoided:** Our calculations include the loss of financial self-sufficiency for someone while they are imprisoned. Research suggests that a custodial sentence also has considerable negative effects on future employment and earnings.⁴ Therefore, it seems highly likely that in those cases in which Legal Aid funded court representation helps avoid a custodial sentence, there are positive effects on employment and earnings which are not included in our quantification.
- **Better criminal outcome: Custodial sentence avoided – social isolation avoided:** Our calculations focus on social isolation while someone is imprisoned. However, it seems likely that negative effects on friendships and social integration extend beyond the period of imprisonment. There might thus be additional positive effects on the clients' social integration over and above those included in our calculations.
- **More employment and better employment prospects during the case:** Our quantified analysis considers adverse effects of someone representing themselves in court on their relationship with their employer and their employment prospects *during the case*. In cases in which Legal Aid allows someone to be represented by a solicitor instead, these negative effects are somewhat mitigated. However, positive effects are highly likely to last past the end of legal proceedings. If relationships with an employer suffer less during court proceedings, they are likely to be better in the longer term as

⁴ See eg Holzer, HJ. 2007. *Collateral Costs: The Effects of Incarceration on the Employment and Earnings of Young Workers*. (Discussion Paper No. 3118). Bonn: IZA Institute for Labor Economics. Geller, A, Garfinkel, I and Wester, B. 2006. *The Effects of Incarceration on Employment and Wages. An Analysis of the Fragile Families Survey*. (Working Paper #2006-01-FF). Princeton: Centre for Research on Child Wellbeing.

well. And if loss of employment during court proceedings can be avoided, this has long-term effects on income and employment prospects.

- **Better mental health during the case:** Our calculations consider adverse effects of someone representing themselves in court on their mental health *during legal proceedings*. If Legal Aid allows someone to be represented by a solicitor instead, they will on average experience less stress and anxiety for the duration of legal proceedings. Moreover, this is likely to have positive effects on that person's mental health *in the longer run*, which are not included in our calculations.
- **Access to justice that would otherwise not have happened:** Someone who feels that they have been treated fairly during legal proceedings and have received the support they need in order to present their view of the case will be more inclined to feel that they live in a society where they can trust other people. Our calculations include the financial value of this benefit assuming that it lasts for the duration of legal proceedings and for 12 months thereafter. However, it seems likely that this positive effect lasts even longer. We also only considered the impact on those who had access to justice that would not have otherwise. However, it is conceivable that there is benefit to others in society from knowing that they live with a system that ensure fair and equal access to justice for all, even if they are never a client receiving Legal Aid.
- **Better educational attainment by children who do not have to live in temporary accommodation:** Clients of Legal Aid are less likely to be evicted. It seems plausible to assume that where children are involved, these children have to move home less often as a result. Research shows that moving home frequently has a negative effect on educational attainment.⁵ However, the beneficial effects of better educational attainment mostly occur many years after Legal Aid has been provided and thus lie outside the timeframe considered for our calculations.
- **Better educational attainment by children who do not have to live in temporary accommodation – Department for Work and Pensions:** Higher educational attainment is likely to lead to more employment and higher earnings, which in turn leads to more income from taxes and less benefits costs for the Department for Work and Pensions. However, these benefits occur many years after relevant Legal Aid-funded cases end and thus lie outside the timeframe considered for our calculations.

Impacts on public services in Scotland:

- **Clients of Legal Aid are in better mental health – NHS:** Clients of Legal Aid are in better mental health and require less medical attention. This reduces demand and costs for the NHS. Our SROI calculations include reduced costs for the duration of a case. However, better mental health over this period is likely to lead to increased mental wellbeing longer term and thus reduce demand for health

⁵ See eg Hutchings, HA, Evans, A, Barnes, P, Demmler, J, Heaven, M et al. 2013. Do children Who Move Home and School Frequently Have Poorer Educational Outcomes in Their Early Years at School? An Anonymised Cohort Study. *PLoS ONE*. [Online]. 8(8).

services in following years. These likely longer-term savings to the NHS are not included in our calculations.

Impacts that did not meet the three criteria for inclusion

For some potential impacts of Legal Aid, we were unable to find sufficiently robust evidence to answer all three of the criteria for inclusion:

1. That impact was true – was it an impact of Legal Aid?
2. The extent of the impact – how many people was it an impact for and how big an impact for them?
3. The financial value of that impact – what is the value of the impact in pounds sterling?

We also excluded impacts where we considered that it was not a material impact. That is to say, that the overall impact level was negligible and therefore not worth including.

The following list describes these potential impacts and why they were not included in the SROI calculations.

Impacts on clients in receipt of Legal Aid:

- **Better outcomes in terms of financial arrangements in family cases:** In certain areas such as criminal cases, clients in receipt of Legal Aid achieve on average better outcomes for themselves than those representing themselves in court. However, a better financial outcome for one party often means a worse financial outcome for the other party. The Scottish Legal Aid Board (SLAB) data also tells us that, in most cases, Legal Aid is provided to both parties. Therefore, the benefits for one side would then be cancelled out by dis-benefits for the other. Therefore, we have excluded these from the analysis as we do not consider there to be a material net impact.
- **Better outcomes in terms of housing – Housing Health and Safety Rating System (HHSRS) hazards removed:** Clients in receipt of Legal Aid are less likely to be evicted than those who do not have support from a solicitor. Presumably, clients of Legal Aid also achieve better outcomes in cases around HHSRS hazards the landlord needs to remove. However, the data available to us suggests that most Legal Aid-funded housing cases concern evictions and only a relatively small number concern quality improvement. We therefore concluded that given the current state of evidence, this outcome is not material enough to be included in the SROI calculations.
- **Better outcomes for children of clients in receipt of Legal Aid in terms of residence and contact:** Clients in receipt of Legal Aid in family cases achieve on average better outcomes for themselves in terms of child residence and contact. However, the evidence available to us was insufficient to support the assumption that these outcomes are also better for the children affected by these arrangements.

Impacts on public services in Scotland:

- **Reduction in demand for social work – local authorities:** The evidenced impacts of Legal Aid include a reduction in homelessness, a reduction in custodial sentences and an increase in stable family arrangements following separation and divorce. It seems plausible to assume that these impacts lead to a reduction in demand for social work and thus save costs to local authorities. However, there is currently not enough evidence to quantify the extent to which Legal Aid reduces the demand for social work. We were thus unable to include this impact in our quantified analysis.
- **Smoother court processes and shorter cases – courts:** Legal Aid reduces the number of people representing themselves in court. There is a lot of qualitative evidence suggesting that this, in turn, leads to smoother court processes for a variety of reasons, such as party litigants being less prepared than solicitors, and lacking an understanding of legal processes and which aspects of a case are legally relevant.⁶ This clearly puts a strain on court staff,⁷ but the evidence did not allow us to quantify this burden. A plausible assumption is that smoother court processes are shorter, which would allow us to quantify the impact in terms of the difference in duration of court cases with and without Legal Aid. However, research to date, which focuses mainly on family cases in England and Wales, is inconclusive as to whether Legal Aid actually results in shorter court cases. Thus, family cases without Legal Aid funding can be shorter than those with Legal Aid funding depending on such factors as which party receives Legal Aid and whether a party litigant actively participates. We have therefore been unable to include this impact in our calculations.⁸
- **Loss of income due to written off rent arrears – local authority housing services:** Clients of Legal Aid in housing cases are less likely to be evicted. Does this put landlords – in this case mostly local authorities (housing services) and housing associations – at a disadvantage because they have to write off more rent arrears? Advice from Shelter was that in most cases the arrears held by the client are:
 - due to an error, such as an issue with benefit payments, which is corrected, and the landlord is paid;
 - addressed through a repayment plan that still avoids eviction, so the landlord is paid.

As a result, we consider loss of income not to be a material impact and did not include it in our analysis. There was evidence from our field research to suggest that landlords are less likely to be

⁶ See eg Trinder, L, Hunter, R, Hitchings, E, Miles, J et al. 2014. Litigants in person in private family law cases. (MoJ Analytical Series). London: Ministry of Justice.

⁷ For an overview of relevant research, see Williams, K. 2011. Litigants in person: a literature review. (MoJ Research Summary 2/11). London: Ministry of Justice.

⁸ For an overview of relevant research see Williams, K. 2011. *Litigants in person: a literature review*. (MoJ Research Summary 2/11). London: Ministry of Justice.

paid if the client is evicted as repayment plans are not put in place, and benefit errors are not addressed to enable payment.

- **Increased maintenance costs related to Housing Health and Safety Rating System (HHSRS) hazards – local authorities, housing services:** If clients of Legal Aid are more likely to achieve a better outcome in housing cases around HHSRS hazards the landlord needs to remove, this might put the landlord – in this case, mostly local authorities and housing associations – at a disadvantage by increasing their maintenance costs. However, the data available to us suggests that most Legal Aid-funded housing cases concern evictions and a relatively small number concern quality improvement. We therefore concluded that given the current state of evidence, this outcome is not material enough to be included in the SROI calculations.
- **Reduced benefits costs and increased income from taxes:** Legal Aid increases employment and earnings by reducing custodial sentences and the number of party litigants. This leads to an increased income from taxes and a reduction in benefits costs. However, this benefit is more difficult to directly attribute to Legal Aid so it was excluded from this analysis.

Impacts on the wider society:

- **Rule of law weakened for others affected by a case – victims of crime or party paying privately:** Legal Aid strengthens the rule of law by providing access to justice for those who cannot afford legal support. However, it is conceivable that it might weaken the rule of law for others affected by a case. One example suggested in interviews is that in a family case in which one party receives Legal Aid without having to pay contributions and the other party pays for a solicitor privately, the party paying privately carries the financial risk alone. Another example suggested to us in interviews is that if clients of Legal Aid achieve better criminal outcomes for themselves, there might be more victims of crime who feel that a criminal sentence is unduly lenient. However, there is currently not enough evidence to establish the extent to which this happens in Legal Aid cases compared to cases in which people represent themselves. We were thus unable to include these potential impacts in our calculations.
- **Employment opportunities for solicitors:** Because many clients of Legal Aid would not be able to pay privately for a solicitor, Legal Aid funding provides employment opportunities for solicitors. However, it is unclear to what extent this leads to more employment and less unemployment amongst solicitors. Put differently, how many would be unable to find other work if they could not get Legal Aid-funded work. We considered that this impact was not material and therefore was not included in our analysis.
- **More experts giving evidence in court:** From our engagement with stakeholders and our interviews with solicitors, it emerges that Legal Aid funded court representation leads to more experts (medical and others) giving evidence in court. People who represent themselves in court are typically not able to access and pay for an expert witness, but Legal Aid can cover these expenses. This is one factor

that contributes to better outcomes for Legal Aid clients. The question we sought to prove was whether this puts a burden on someone else, for example, the NHS or another employer who has to pay for someone to replace the expert while they are in court. However, the evidence we were able to access shows that most expert witnesses are paid over and above other work, such as a doctor in an NHS hospital. Their appearance in court does not typically affect the running of public services.

- **Reduction in crime:** Legal Aid funded court representation leads to a reduction in custodial sentences. If it is right, as argued, that imprisonment increases crime, Legal Aid funded court representation would contribute to reducing crime. However, our review of relevant literature suggests that research to date is inconclusive as to whether imprisonment increases or reduces crime rates.
- **Fewer witnesses being cross-examined by a party litigant:** Legal Aid reduces the number of party litigants who represent themselves in court. This in turn reduces the number of witnesses who are cross-examined by a party litigant. This could be particularly distressing where the witness is, for example, a victim of domestic abuse who would be cross-examined by the accused person. However, the evidence available to us did not allow us to identify the frequency of such problematic cases, in particular, because courts will typically attempt to avoid such distressing cross-examinations.

3.3 Measuring the extent of outcomes

Our SROI considers impacts that occur during the case and after up to a period of 12 months from the date when Legal Aid has been granted.

Our methodology

Solicitor survey

To identify the percentage for each impact, we included relevant questions for a range of impacts in a survey with solicitors and undertook an extensive literature review. Respondents were given the option to answer questions on one or more of the three areas: criminal, housing, and family cases. Figure 4 outlines the number of responses provided for each area.

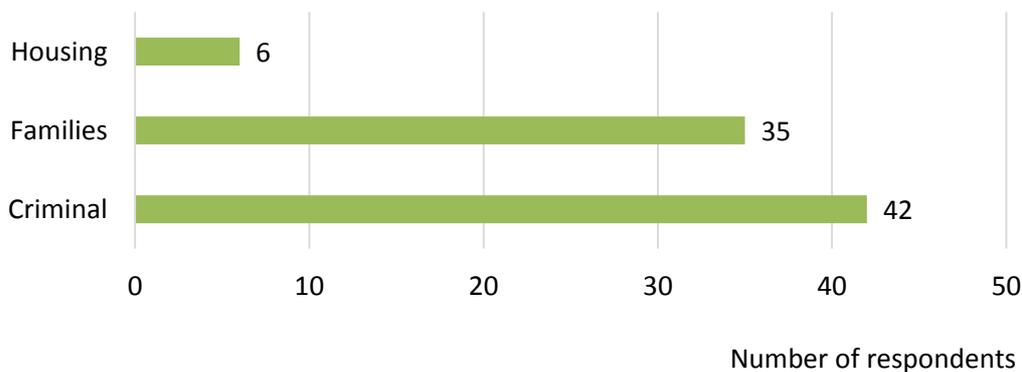


Figure 1: Number of respondents to our survey per area

68 solicitors across Scotland who work in Legal Aid completed our survey. Figure 5 outlines the local authority areas of the respondents.

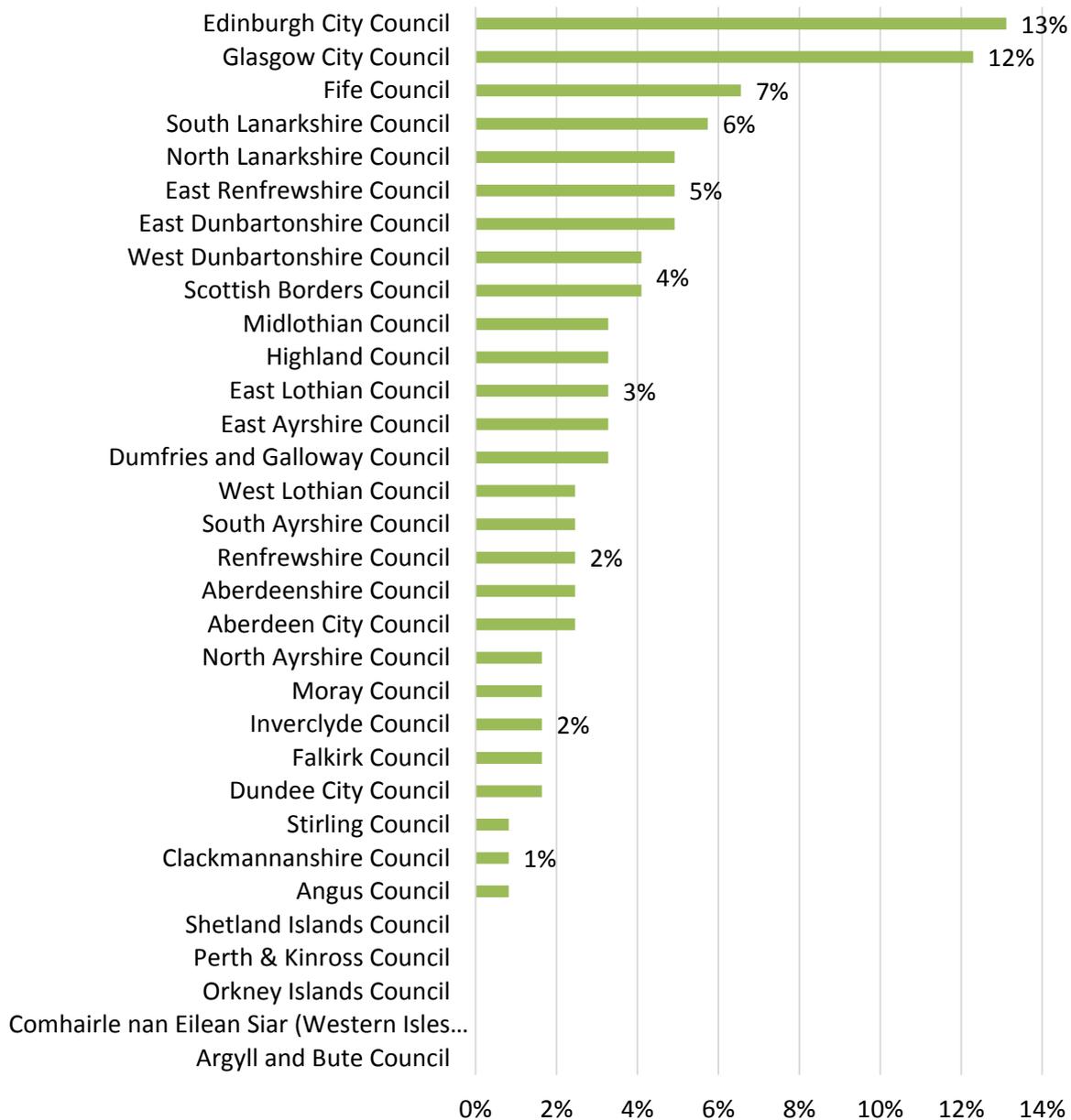


Figure 5: Local authority area of the solicitors who responded to our survey

In order to measure the extent of the main outcomes in each area, the survey asked solicitors to consider what would likely have happened without Legal Aid. More precisely, we asked what proportion of their cases in a relevant area would not have achieved a certain outcome without Legal Aid. For example, we asked:

- What proportion of your clients with criminal cases would not have had access to legal advice, assistance or representation if they had not received Legal Aid?
- What proportion of clients whose criminal case went to trial would have represented themselves if they had not received Legal Aid?

Interviews with solicitors

We interviewed 13 solicitors who work in at least one of the relevant areas of law (criminal, housing, or family). These interviews sought examples by way of case studies on the impacts of Legal Aid. These were used to support the evidence identified in our survey and literature review. Where the findings of these interviews have been used is indicated in a later section of this chapter.

Literature review

To complement numbers from the survey and interviews, we undertook an extensive literature review with the aim of finding high-quality research on the percentage of cases in each area that achieve a certain outcome due to Legal Aid.

Our analysis

In order to bring together the evidence from the survey, interviews and literature review, we took the most appropriate source of evidence for each impact. Where there were multiple sources – for example, multiple pieces of literature, or literature and survey results – we took an average across the multiple sources. Where this has been done is indicated in Figures 6-11.

Importantly, the percentages in these figures do not take into account that some Legal Aid clients might have been able to get legal support even if they had not received Legal Aid. Because this discount applies across all cases and outcomes, we have included it in our overall adjustments as “deadweight”, that is, the extent to which an outcome would have happened anyway and without Legal Aid. This means that if the figures below show an extent of 100% for an outcome, our SROI calculations do not assume that the outcome is achieved by 100% of Legal Aid clients *due to Legal Aid*. The percentage we used will be lower and is based on our assumptions about what percentage of cases in each area would not have received any legal support if they had not received Legal Aid (see Chapter 4 for details).

Housing cases

Beneficiary: Clients receiving Legal Aid

Outcome	Extent	Sources of evidence
Better outcomes in terms of housing: eviction avoided	32% of Legal Aid clients avoid eviction as a result of the support they receive ⁹	In a post-test randomised experiment carried out in the US in 2001 with tenants who had received a court order regarding unpaid rents, 24% of tenants who received legal advice, assistance or representation were evicted, compared to 44% of tenants who did not receive any legal support (P=0.001). Of those who were represented in court, only 10% were evicted, compared to 44% of unrepresented tenants (P < 0.0001). ¹⁰
		An analysis of data from the English and Welsh Civil and Social Justice Survey shows that 36.7% of respondents with housing problems who receive legal support report that an agreement was reached, compared to 28% of respondents who received some qualified advice, but no formal legal support, and 23% of those who received advice from unqualified sources. These findings are statistically significant. ¹¹

⁹ This is derived from a midpoint of the relevant evidence.

¹⁰ Holl, M, van den Dries, Land Wolf, JRLM. 2016. Interventions to prevent tenant evictions: a systematic review. Health and Social Care in the Community, 24(5), p. 539.

¹¹ Bradley, L. 2011. Cutting Legal Aid: Advice sources and outcomes in civil justice. London: The Strategic Society Centre, p. 11.



Outcome	Extent	Sources of evidence
		<p>A 2011 meta-analysis of every known published quantitative analysis of the relationship between attorney representation and civil trial or hearing outcomes in the US claims that cases represented by lawyers (at least one party) are between 17% (1.17 times) and 1380% (13.79 times) more likely to win than cases in which people represent themselves. The only study included in the meta-analysis that randomly assigned focal parties to the conditions of lawyer representation or self-representation suggests that lawyer representation increases the chances of winning by 444% (4.44 times).¹²</p> <p>In our survey, on average solicitors said that 53% of clients would have been evicted if they had not received Legal Aid.</p>
<p>Better mental health during the case</p>	<p>21% of those who receive Legal Aid have improved mental health as a result of Legal Aid</p>	<p>In a 2014 survey with 1,001 GPs who represent the UK regions, 95% of GPs expressed the view that a lack of legal advice on social welfare issues, including housing problems, has a negative effect on their patients' health (48% to a large extent, 40% to some extent, 7% to a small extent).¹³</p>

12 Sandefur, RL. 2015. Elements of Professional Expertise: Understanding Relational and Substantive Expertise through Lawyers' Impact. *American Sociological Review*. 80(5), p. 34.

13 ComRes Omnibus GP survey 2014, conducted on behalf of Spire Healthcare.

Outcome	Extent	Sources of evidence
		Using professional judgement, we have interpreted “negative effect on health” conservatively as a 10% decrease and the associated benefit as 10% of the relevant financial value.
Better relationships with family and friends during the case	71% of those who receive Legal Aid have improved family relationships as a result of Legal Aid	<p>71% of those who participated in a survey of 293 Citizens Advice Bureau (CAB) advisers in England and Wales said the experience of going to court without a lawyer causes relationships with family and friends to suffer.¹⁴</p> <p>Using professional judgement, we interpreted “suffer” conservatively as a 10% decrease and the associated benefit of improved relationships as 10% of the relevant financial value.</p>
More employment and better employment prospects during the case	47% of those receiving Legal Aid have improved relationships with employers as a result of Legal Aid	<p>47% of those who participated in a survey of 293 CAB advisers in England and Wales agree that going to the family court as a party litigant places extra pressure on people's relationship with their employer.¹⁵</p> <p>Using professional judgement, we interpreted “extra pressure” conservatively as a 10% decrease in quality and the associated benefit as</p>

14 Vaughan, K. 2015. Standing alone. Going to the family court without a lawyer [no place]: Citizens Advice, p. 4.

15 Vaughan, K. 2015. Standing alone. Going to the family court without a lawyer. [no place]: Citizens Advice, p. 3.

Outcome	Extent	Sources of evidence
		10% of the relevant financial value.
Access to justice that would not otherwise have happened	Included as deadweight in adjustments (see Chapter 4)	In our solicitor survey, on average solicitors estimated that 67% of housing clients would not have had access to legal advice, assistance or representation if they had not received Legal Aid.

Figure 6: The extent of outcomes for clients receiving Legal Aid in housing cases

Beneficiary: Public services

Outcome	Extent	Sources of evidence
Fewer cases going to court – Scottish Courts and Tribunals Service	21%	In our solicitor survey, on average solicitors estimate that 49% of their housing cases don't go to court. Moreover, 42% of those cases that didn't go to court would have gone to court without legal support.
Clients of Legal Aid are in better mental health – NHS	21% of those who receive Legal Aid have improved mental health as a result of Legal Aid	<p>In a 2014 survey with 1,001 GPs who represent the UK regions, 95% of GPs expressed the view that a lack of legal advice on social welfare issues, including housing problems, has a negative effect on their patients' health (48% to a large extent, 40% to some extent, 7% to a small extent).¹⁶</p> <p>Using professional judgement, we have interpreted “negative effect on health” conservatively as a 10% decrease and the associated benefit of improved mental health as 10% of the relevant financial value.</p>

¹⁶ ComRes Omnibus GP survey 2014, conducted on behalf of Spire Healthcare.



Reduced costs because homelessness avoided – public services	32% of Legal Aid clients avoid eviction as a result of the support they receive ¹⁷	See Row 1, Figure 6 above.
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Figure 7: The extent of outcomes for public services in Legal Aid housing cases

¹⁷ This is derived from a midpoint of the relevant evidence.

Family cases

Beneficiary: Clients receiving Legal Aid

Outcome	Extent	Sources of evidence
Better mental health during the case	21% of those who receive Legal Aid have improved mental health as a result of Legal Aid	<p>In a 2014 survey with 1,001 GPs who represent the UK regions, 95% of GPs expressed the view that a lack of legal advice on social welfare issues, including housing problems, has a negative effect on their patients' health (48% to a large extent, 40% to some extent, 7% to a small extent).¹⁸</p> <p>Using professional judgement, we interpreted “negative effect on health” conservatively as a 10% decrease and the associated benefit of improved mental health as 10% of the relevant financial value.</p>
Better relationships with family and friends during the case	71% of those who receive Legal Aid have improved family relationships as a	<p>71% of those who participated in a survey of 293 CAB advisers in England and Wales said the experience of going to court without a lawyer causes relationships with family and friends to suffer.¹⁹</p> <p>Using professional judgement, we interpreted “suffer” conservatively as a 10% decrease</p>

¹⁸ ComRes Omnibus GP survey 2014, conducted on behalf of Spire Healthcare.

¹⁹ Vaughan, K. 2015. Standing alone. Going to the family court without a lawyer. [no place]: Citizens Advice, p. 4.

	result of Legal Aid	and the associated benefit of improved relationships as 10% of the relevant financial value.
More employment and better employment prospects during the case	47% of those receiving Legal Aid have improved relationships with employers as a result of Legal Aid	<p>47% of those who participated in a survey of 293 CAB advisers in England and Wales agree that going to the family court as a party litigant places extra pressure on people's relationship with their employer.²⁰</p> <p>Using professional judgement, we interpreted "extra pressure" conservatively as a 10% decrease in quality and the associated benefit of improved relationships as 10% of the relevant financial value.</p>
Access to justice that would not otherwise have happened	Included as deadweight in adjustments (see Chapter 4)	A study of party litigants suggests that 75-80% of party litigants in family cases represent themselves because they cannot afford legal representation rather than choosing freely to do so. The study cites two others that suggest similar percentages. ²¹
		In our solicitor survey, on average solicitors estimated that 79% of family clients would not have had access to legal advice, assistance or representation if they had not received legal aid.

Figure 8: The extent of outcomes for clients receiving Legal Aid in family cases

20 Vaughan, K. 2015. Standing alone. Going to the family court without a lawyer. [no place]: Citizens Advice, p. 3.

21 Trinder, L, Hunter, R, Hitchings, E, Miles, J et al. 2014. Litigants in person in private family law cases. (MoJ Analytical Series). London: Ministry of Justice, p. 13.

Beneficiary: Public services

Outcome	Extent	Sources of evidence
Fewer cases going to court – Scottish Courts and Tribunals Service	14%	In our solicitor survey, on average solicitors estimate that 60% of their family cases don't go to court. Moreover, 23% of those cases that didn't go to court would have gone to court without legal support.
Clients of Legal Aid are in better mental health – NHS	21% of those who receive Legal Aid have improved mental health as a result of Legal Aid	<p>In a 2014 survey with 1,001 GPs who represent the UK regions, 95% of GPs expressed the view that a lack of legal advice on social welfare issues, including housing problems, has a negative effect on their patients' health (48% to a large extent, 40% to some extent, 7% to a small extent).²²</p> <p>Using professional judgement, we have interpreted “negative effect on health” conservatively as a 10% decrease and the associated benefit of improved mental health as 10% of the relevant financial value.</p>

Figure 9: The extent of outcomes for public services in Legal Aid family cases

²² ComRes Omnibus GP survey 2014, conducted on behalf of Spire Healthcare.

Criminal cases

Beneficiary: Clients receiving Legal Aid

Outcome	Extent	Sources of evidence
Better criminal outcome: Custodial sentence avoided – loss of income avoided, social isolation avoided	9%	Government statistics show that 13.74% of all convictions result in a custodial sentence. ²³ Research suggests that in Legal Aid cases, 64% of convictions not resulting in a custodial sentence avoided a custodial sentence due to Legal Aid. ²⁴
Better mental health during the case	21% of those who receive Legal Aid have improved mental health as a result of Legal Aid	In a 2014 survey with 1,001 GPs who represent the UK regions, 95% of GPs expressed the view that a lack of legal advice on social welfare issues, including housing problems, has a negative effect on their patients' health (48% to a large extent, 40% to some extent, 7% to a small extent). ²⁵

23 Scottish Government. 2017. Criminal Proceedings in Scotland, 2015-16. [Online]. [Accessed 25 October 2017]. Available from: <http://www.gov.scot/Topics/Statistics/Browse/Crime-Justice/Datasets/DatasetsCrimProc>

24 This is derived from a midpoint of the relevant evidence: (1) Dewar, J, Smith, BW and Banks, C. 2000. Litigants in Person in the Family Court of Australia. (Research Report No 20). Melbourne: Family Court of Australia, p. 2. This research reports that 59% of those representing themselves have been disadvantaged due to the lack of representation. (2) In our collection of case studies provided by solicitors in interviews, in 9 out of 13 criminal cases, a custodial sentence was avoided.

25 ComRes Omnibus GP survey 2014, conducted on behalf of Spire Healthcare.



		Using professional judgement, we have interpreted “negative effect on health” conservatively as a 10% decrease and the associated benefit of improved mental health as 10% of the relevant financial value.
Better relationships with family and friends during the case	71% of those who receive Legal Aid have improved family relationships as a result of Legal Aid	71% of those who participated in a survey of 293 CAB advisers in England and Wales said the experience of going to court without a lawyer causes relationships with family and friends to suffer. ²⁶ Using professional judgement, we interpreted “suffer” conservatively as a 10% decrease and the associated benefit of improved relationships as 10% of the relevant financial value.
More employment and better employment prospects during the case	47% of those receiving Legal Aid have improved relationships with employers as a result of Legal Aid	47% of those who participated in a survey of 293 CAB advisers in England and Wales agree that going to the family court as a party litigant places extra pressure on people's relationship with their employer. ²⁷ Using professional judgement, we interpreted “extra pressure” conservatively as a 10% decrease in quality and the associated benefit of improved relationships as 10% of the relevant financial value.

26 Vaughan, K. 2015. Standing alone. Going to the family court without a lawyer. [no place]: Citizens Advice, p. 4.

27 Vaughan, K. 2015. Standing alone. Going to the family court without a lawyer. [no place]: Citizens Advice, p. 3.



Access to justice that would not otherwise have happened	Included as deadweight in adjustments (see Chapter 4)	In our solicitor survey, on average solicitors estimated that 83% of clients in criminal cases would not have had access to legal advice, assistance or representation if they had not received Legal Aid.
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Figure 10: The extent of outcomes for clients receiving Legal Aid in criminal cases

Beneficiary: Public services

Outcome	Impact	Source
Fewer cases going to court – Scottish Courts and Tribunals Service	17%	In our solicitor survey, on average solicitors estimate that 67% of their criminal cases don't go to trial. Moreover, 26% of those cases that didn't go to trial would have gone to trial without legal support.
Fewer custodial sentences – Scottish Prison Service	9%	Government statistics show that 13.74% of all convictions result in a custodial sentence. ²⁸ Research suggests that in legal aid cases, 64% of convictions not resulting in a custodial sentence avoided a custodial sentence due to Legal Aid. ²⁹
Clients of Legal Aid are in better mental health – NHS	21% of those who receive Legal Aid have improved mental health	In a 2014 survey with 1,001 GPs who represent the UK regions, 95% of GPs expressed the view that a lack of legal advice on social welfare issues, including housing problems, has a negative effect on their

28 Scottish Government. 2017. Criminal Proceedings in Scotland, 2015-16. [Online]. [Accessed 25 October 2017]. Available from: <http://www.gov.scot/Topics/Statistics/Browse/Crime-Justice/Datasets/DatasetsCrimProc>

29 This is derived from a midpoint of the relevant evidence: (1) Dewar, J, Smith, BW and Banks, C. 2000. Litigants in Person in the Family Court of Australia. (Research Report No 20). Melbourne: Family Court of Australia, p. 2. This research reports that 59% of those representing themselves have been disadvantaged due to the lack of representation. (2) In our collection of case studies provided by solicitors in interviews, in 9 out of 13 criminal cases, a custodial sentence was avoided.



	as a result of Legal Aid	patients' health (48% to a large extent, 40% to some extent, 7% to a small extent). ³⁰ Using professional judgement, we interpreted “negative effect on health” conservatively as a 10% decrease and the associated benefit of improved mental health as 10% of the relevant financial value.
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Figure 11: The extent of outcomes for public services in Legal Aid criminal cases

30 ComRes Omnibus GP survey 2014, conducted on behalf of Spire Healthcare.

3.4 Valuing outcomes

After establishing case numbers and the percentage of these cases in which each outcome is achieved, we assigned a value to each outcome. This section provides a detailed explanation of our procedure and the values we used for the SROI calculations.

We used values found in relevant literature and social value databases for all outcomes. These values, also called financial proxies, are an attempt to express the value of social outcomes for the beneficiaries in financial terms. This allows us to compare directly investment in Legal Aid to the social returns on this investment.

Assigning financial values to social outcomes is inevitably difficult and the number assigned depends on assumptions made about the outcome and the value of commodities in the vicinity that actually have a price or market value. It is therefore essential to explain each financial proxy that we have used for the SROI calculations and how it approximates the value of an outcome. This is shown in Figures 12 (outcomes for clients in receipt of Legal Aid) and 13 (outcomes for public services in Scotland) below, with sources of the proxies in the footnotes.

Outcomes for clients in receipt of Legal Aid

Outcome	Area	Financial proxy	Value in monetary terms
Better outcomes in terms of housing: eviction avoided	Housing	<p>Average value to an individual (living in the UK, but outside London) of being able to maintain and pay for their accommodation.³¹</p> <p>To avoid overstating the benefits of Legal Aid, we have assumed that this includes benefits to the individual that come with maintaining their accommodation, such as better mental and physical health.³²</p>	£7,388 per person per year

³¹ Fox, J. 2014. Social Return on Investment Forecast. Additional Services of South/South East Independent Living Support Team. Leeds: Housing Leeds.

³² The close link between homelessness and ill health is well established. See eg Hamlet, N & Hetherington, K 2015, 'Restoring the Public Health response to Homelessness in Scotland', Scottish Public Health Network Report. St Mungo's Community Housing Association 2013, 'Health and homelessness: Understanding the costs and roles of primary care services for homeless people', Report for the Department of Health.

Outcome	Area	Financial proxy	Value in monetary terms
Better criminal outcome: Custodial sentence avoided – loss of income avoided	Criminal	<p>Midpoint between two credible data sources:</p> <ul style="list-style-type: none"> Value of full-time employment to individuals (based on statistical analysis of large, national datasets from surveys of the UK population)³³ Financial self-sufficiency, equivalent to a net full-time annual salary at minimum wage³⁴ 	£12,948 per person per year
Better criminal outcome: Custodial sentence avoided – social isolation avoided	Criminal	Cost to the individual of not being able to meet up with friends a number of times a week (as perceived by the individual). ³⁵	£17,300 per person per year
More employment and better employment prospects during the case	All	<p>Midpoint between two credible data sources:</p> <ul style="list-style-type: none"> Value of full-time employment to individuals (based on statistical analysis of large, national datasets from surveys of the UK population)³⁶ Financial self-sufficiency, equivalent to a net full-time annual salary at minimum wage³⁷ 	£12,948 per person per year

33 Fujiwara, D, Trotter, L and Vine, J. 2015. The health impacts of Housing Associations' Community Investment Activities: Measuring the indirect impact of improved health on wellbeing. An analysis of seven outcomes in the Social Value Bank. London: HACT.

34 Atkinson, E and Selsick, A. 2016. Refuge: A Social Return on Investment Evaluation. London: NEF consulting.

35 Fujiwara, D, McKinnon, E and Oroyemi, P. 2013. Wellbeing and civil society: Estimating the value of volunteers using subjective wellbeing data. (DWP Working Paper No 112). London: Department for Work and Pensions.

36 Fujiwara, D, Trotter, L and Vine, J. 2015. The health impacts of Housing Associations' Community Investment Activities: Measuring the indirect impact of improved health on wellbeing. An analysis of seven outcomes in the Social Value Bank. London: HACT.

37 Atkinson, E and Selsick, A. 2016. Refuge: A Social Return on Investment Evaluation. London: NEF consulting.

Outcome	Area	Financial proxy	Value in monetary terms
Better mental health during the case	All	<p>Value of increased levels of mental health and wellbeing (as perceived by the individual).³⁸</p> <p>This value is on the face of it very high. Even though the methodology behind it is very robust, we have made generous adjustments (optimism bias and others, see Chapter 4 for details) to avoid overstating the benefits of Legal Aid.</p>	£44,237 per person per year
Better relationships with family and friends during the case	All	<p>Cost to the individual of not being able to meet up with friends a number of times a week (as perceived by the individual).³⁹</p> <p>We have assumed that this also covers costs to the individual of disrupted family relationships to be conservative.</p>	£17,300 per person per year
Access to justice that would not otherwise have happened	All	<p>Value to the individual of living in a society where they feel they can trust others (as perceived by the individual).⁴⁰</p>	£15,900 per person per year

Figure 12: Financial proxies used for valuing outcomes for clients in receipt of Legal Aid

38 Fujiwara, D, Dolan, P. 2014. Valuing mental health: How a subjective wellbeing approach can show just how much it matters. London: UK Council for Psychotherapy.

39 Fujiwara, D, McKinnon, E and Oroyemi, P. 2013. Wellbeing and civil society: Estimating the value of volunteers using subjective wellbeing data. (DWP Working Paper No 112). London: Department for Work and Pensions.

40 Fujiwara, D, McKinnon, E and Oroyemi, P. 2013. Wellbeing and civil society: Estimating the value of volunteers using subjective wellbeing data. (DWP Working Paper No 112). London: Department for Work and Pensions.

Outcomes for public services in Scotland

Impact	Area	Financial proxy	Value in monetary terms
Fewer cases going to court – Scottish courts	All	Average additional cost per procedure if it progresses to trial rather than being resolved earlier, in Scotland, across High Court, sheriff court and justice of the peace court. ⁴¹	£8,375 per court case avoided
Fewer custodial sentences – Scottish Prison Service	Criminal	Average cost of keeping an offender in prison, with the average duration of custody of 292 days ⁴² at an annual cost of £34,840. ⁴³	£27,581 per avoided custodial sentence
Clients of Legal Aid are in better mental health – NHS	All	Average fiscal cost to the NHS of service provision for adults suffering from depression and/or anxiety disorders. ⁴⁴	£1,005 per person per year
Reduced costs because homelessness avoided – public services	Housing	Average reduction in public spending from avoiding homelessness. ⁴⁵ This includes reduced spending on homelessness services, provision of temporary accommodation, health services and other services.	£9,266 per household per year

Figure 13: Financial proxies used for valuing outcomes for public services in Scotland

41 Our calculation based on data from: Scottish Government. 2016. Costs of the Criminal Justice System in Scotland. [Online]. [Accessed 20 October 2017]. Available from: <http://www.gov.scot/Topics/Statistics/Browse/Crime-Justice/Publications/costcrimjustscot/costcrimjustdataset>

42 Scottish Government. 2017. Criminal Proceedings in Scotland, 2015-16. [Online]. [Accessed 25 October 2017]. Available from: <http://www.gov.scot/Topics/Statistics/Browse/Crime-Justice/Datasets/DatasetsCrimProc>

43 Manchester New Economy Unit Cost Database.

44 Manchester New Economy Unit Cost Database.

45 Pleace, N and Culhane, DP. 2016. Better than Cure? Testing the case for Enhancing Prevention of Single Homelessness in England. London: Crisis.

Chapter 4: Adjustments made

Once we had determined the extent and value of the impacts, as outlined in Chapter 3, we needed to make some technical adjustments as per the Social Return on Investment (SROI) and other cost-benefit analysis guidance. We made the following adjustments:

- Deadweight
- Attribution
- Optimism bias

Deadweight

We asked solicitors for their professional judgement on what proportion of their clients would have had access to legal support if Legal Aid was not available to them. The solicitors' survey revealed that:

- 67% of housing clients would not have had access to legal support without Legal Aid
- 79% of family clients would not have had access to legal support without Legal Aid
- 83% of criminal clients would not have had access to legal support without Legal Aid

From this, we assume that 33% of housing clients, 21% of family clients and 17% of criminal clients would have had access to legal support in some other way, for example, access to support from the advice sector. These are excluded from our SROI calculation. This is because the benefit of legal support would have been achieved anyway.

Attribution

After looking at a number of case budgets from a range of cases across the three areas, we have established that generally Scottish Legal Aid Board (SLAB) funding covers the following proportion of the costs of Legal Aid cases:

- 70% of criminal cases
- 40% of housing cases
- 75-80% of family cases

We understand that solicitors cover the remaining cost through reduced profits or other revenue sources other than SLAB Legal Aid or grant funding.

Therefore, we need to reduce the benefits by 60% for housing, 25% for family (to be conservative), and 30% for criminal cases, to take into account that the SLAB funding isn't responsible for 100% of the benefit in each case. The remaining benefit is due to the revenue from other sources. To derive these attributions, we used the following methodologies:

- For criminal cases, we used the median result from the solicitors' survey, which shows that the median answer by solicitors was that SLAB funding covered around 70% of their costs.
- For housing cases, providers of legal assistance estimated an average case cost of £1,000 on a cost-recovery basis only where the case cost includes solicitor salary and overheads). The average SLAB payment per housing case is £376.60. This means that 60% of the costs for a case (rounded to the nearest 5%) is sourced from other funding streams.
- For family cases, we have used a sample of case costs provided by solicitors, which shows that on average SLAB funding covers 75-80% of case costs.

Different approaches were used to derive these attributions across the three cases due to the availability of data.

Optimism bias

According to the Manchester New Economy Cost Benefit Analysis Guidance⁴⁶, optimism bias needs to be applied to all calculations to account for the fact that analyses such as these tend to overestimate the benefits and underestimate the costs. Their grading system is outlined in Figures 14 and 15. As the cost data is the actual accounts from 2016/17, as provided by SLAB, we have applied a 0% optimism bias to all costs. We have used the best evidence available to us to identify the extent and value of outcomes and have only included outcomes for which we had sufficiently robust evidence. However, some of the evidence currently available could be of even higher quality and more research will be needed to consolidate relevant findings. Therefore, we have applied a 40% optimism bias to all impacts in this calculation to ensure that findings are as robust as possible and maintain the integrity of this research. This means that all benefits have been reduced by 40%.⁴⁷

46 Manchester New Economy. 2014. Supporting public service transformation: cost benefit analysis guidance for local partnerships. London: HM Treasury.

47 This also takes into account concerns of Cookson and Mold regarding the quality of the evidence that is currently available on the benefits of social welfare advice services. See Cookson, G and Mold, F. 2014. The business case for social welfare advice services: An evidence review. London: Legal Action Group.

Confidence grade	Colour coding	Data source	Age of data	Known Data error		Optimism bias correction
1	Green	Independently audited cost data	Current Data (<1 year old)	+/-2%		0%
2	Light Green	Formal service delivery contract costs	1-2 years old	+/-5%		+5%
3	Yellow	Practitioner monitored costs	2-3 years old	+/-10%		+10%
4	Orange	Costs developed from ready reckoners	3-4 years old	+/-15%		+15%
5	Light Orange		4-5 years old	+/-20%		+25%
6	Red	Uncorroborated expert judgement	>5 years old	+/-25%		+40%

Figure 14: Optimism bias grading guidance for costs [Source: Manchester New Economy Cost Benefit Analysis Guidance ⁴⁸]

⁴⁸ Manchester New Economy. 2014. Supporting public service transformation: cost benefit analysis guidance for local partnerships. London: HM Treasury, p. 33.

Confidence grade	Colour coding	Population / Cohort Data	Evidence base (engagement / impact)	Age of data / analysis	Known data error		Optimism bias correction
1	Green	Figures taken from agency data systems	Randomised Control Trial in UK	Current Data (< 1 year old)	+/-2%		0%
2	Light Green	Figures derived from local stats	International Randomised Control Trial	1-2 years old	+/-5%		-5%
3	Yellow	Figures based on national analysis in similar areas	Independent monitoring of outcomes with a robust evaluation plan	2-3 years old	+/-10%		-10%
4	Orange	Figures based on generic national analysis	Practitioner monitoring of outcomes with a robust evaluation plan	3-4 years old	+/-15%		-15%
5	Light Orange	Figures based on international analysis	Secondary evidence from a similar type of intervention	4-5 years old	+/-20%		-25%
6	Red	Uncorroborated expert judgement	Uncorroborated expert judgement	> 5 years old	+/-25%		-40%

Figure 15: Optimism bias grading guidance for benefits [Source: Manchester New Economy Cost Benefit Analysis Guidance⁴⁹]

⁴⁹ Manchester New Economy. 2014. Supporting public service transformation: cost benefit analysis guidance for local partnerships. London: HM Treasury, p. 34.

Chapter 5: Notes of interpretation

The Social Return on Investment (SROI) calculation tells you the social return from every £1 spent on Legal Aid. When interpreting these findings, it is important to note the following.

Unquantified values

We have only included impacts that we are able to evidence and quantify. This means we needed to establish whether:

1. The impact was true – was it an impact of Legal Aid?
2. The extent of the impact – how many people was it an impact for and how big an impact for them?
3. The financial value of that impact – what is the value of the impact in pounds sterling?

If we were unable to prove all three elements, then we were unable to include these in the analysis. There are a number of impacts we identified that met the first criteria – we have been able to establish that these were impacts of Legal Aid, but we were unable to establish 2, or 3, or both. These impacts are outlined in section 3.2.2 of this report.

This means that it is important to read the returns on investment calculation within the context of all the impacts, quantified and unquantified. For housing cases, we were able to evidence and quantify many more impacts than for family and criminal cases. For those two areas, we were able to identify impacts that met only criteria 2 or 3, but not both.

Cashability

Social return does not equate to financial savings to services. In economic analysis, the impacts that equate to financial savings are called cashable benefits. We have not specifically studied which of the impacts would produce cashable savings to organisations as this was not the scope of our task.

We anticipate that the impacts included in our SROI will have an impact on the demand for the following services:

- Reduced use of NHS services due to improved health of clients
- Reduced court resources due to fewer cases proceeding to court due to early resolution
- Reduced costs to local authorities of providing emergency accommodation due to reduced evictions

Other impacts are considered to create social value. While we have provided a financial proxy to that social value, it does not represent a monetary gain for anyone. Some of these social values may lead to financial

gain – for example, avoiding eviction is likely to make it easier to obtain or retain employment. However, we have not broken down these impacts into those with financial impact and those of social value.

Examples of impacts that will create a social value but not necessarily a monetary gain include:

- For clients – avoiding a deterioration in health during a case due to reduced stress
- For clients – avoiding a deterioration in relationships with friends and family due to reduced stress
- For clients – avoiding a deterioration in relationships with employers during case due to reduced stress



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