



Law Society
of Scotland



Social Return on Investment in Legal Aid

Summary Report

November 2017



1: 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 Social Return on Investment for Legal Aid is positive for all three case types. 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 of 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 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.

2: Background

This section of the report outlines the context and required background for our independent Social Return on Investment (SROI) analysis, including an explanation of the SROI framework and the scope and methodology used in our analysis.

2.1 Context

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.

2.2 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 allows 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.

2.3 The scope of our analysis

This SROI focuses on Legal Aid as defined in section 1 and on issues covered by criminal law, housing law and family law.

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.

2.4 Our methodology

Underpinning this SROI is research conducted between August and October 2017. This research involved:

- 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 2016-2017 (this was unpublished data at the time of our analysis)

More detail on our methodology can be found in the technical report for this SROI.

3: Analysis

This section outlines the findings of our independent SROI analysis of Legal Aid.

3.1 Who does Legal Aid have an impact on?

From our analysis, 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 What are the impacts of Legal Aid?

Our analysis focuses on impacts that occur during a case and after for a period of up to 12 months from when Legal Aid was granted.

We were able to obtain sufficiently robust evidence to support the inclusion of the following benefits for each group/agency within the scope of the SROI.

3.2.1 Clients in receipt of Legal Aid

Impact	Area	Value in monetary terms (further detail available in technical report and footnotes)
Better outcomes in terms of housing: eviction avoided	Housing	£7,388 per person per year. Average value to an individual (living in UK, but outside London) of being able to maintain and pay for their accommodation. ²
Better criminal outcome: Custodial sentence avoided – loss of income avoided	Criminal	£12,948 per person per year. Midpoint between two credible data sources: Value of full-time employment to individuals ³ Financial self-sufficiency, equivalent to a net full-time annual salary at minimum wage. ⁴
Better criminal outcome: Custodial sentence avoided – social isolation avoided	Criminal	£17,300 per person per year. Financial cost of not being able to meet up with friends a number of times a week. ⁵

² Fox, J. 2014. Social Return on Investment Forecast. Additional Services of South/South East Independent Living Support Team. Leeds: Housing Leeds

³ 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.

⁴ Atkinson, E and Selsick, A. 2016. Refuge: A Social Return on Investment Evaluation. London: NEF consulting

⁵ 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.

Impact	Area	Value in monetary terms (further detail available in technical report and footnotes)
More employment and better employment prospects during the case	All	£12,948 per person per year. Midpoint between two credible data sources: Value of full-time employment to individuals ⁶ Financial self-sufficiency, equivalent to a net full-time annual salary at minimum wage. ⁷
Better mental health during the case	All	£44,237 per person per year. Financial value of increased levels of mental health and wellbeing. ⁸
Better relationships with family and friends during the case	All	£17,300 per person per year. Financial cost of not being able to meet up with friends a number of times a week. ⁹
Access to justice that would not otherwise have happened	All	£15,900 per person per year. ¹⁰

6 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.

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

8 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.

9 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.

10 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.

3.2.2 Public services in Scotland

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

Impact	Area	Value in monetary terms
Fewer cases going to court – Scottish courts	All	£8,375 per case avoided. 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. ¹¹
Fewer custodial sentences – Scottish Prison Service	Criminal	£27,581 per avoided custodial sentence with the average duration of custody of 292 days ¹² at an annual cost of £34,840. ¹³
Clients of Legal Aid are in better mental health - NHS	All	£1,005 per person per year. Average fiscal cost to NHS of service provision for adults suffering from depression and/or anxiety disorders. ¹⁴
Reduced costs because homelessness avoided – public services	Housing	£9,266 per household per year. Average reduction in public spending from avoiding homelessness. ¹⁵

¹¹ 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>

¹² 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>

¹³ Manchester New Economy Unit Cost Database

¹⁴ Manchester New Economy Unit Cost Database

¹⁵ Pleace, N and Culhane, DP. 2016. *Better than Cure? Testing the case for Enhancing Prevention of Single Homelessness in England*. London: Crisis.

3.3 Potential further impacts of Legal Aid

There are two groups of impacts of Legal Aid that were not included in the quantified impact analysis: (1) Longer-term impacts that extend beyond the period which we included in our quantified analysis or occur at a later point and (2) likely impacts for which there is currently not sufficiently robust evidence. These impacts, and why they were excluded, are outlined in this section of the report.

Potential longer-term impacts

For our quantified analysis, we considered impacts of Legal Aid and their value in monetary terms during the case and after for a period of up to 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.

Impacts that are likely to extend beyond the period considered for our calculations or can be expected to occur at a later point are:

Impacts on clients in receipt of Legal Aid:

- Better outcomes in terms of housing: eviction avoided
- Better criminal outcome: custodial sentence avoided – loss of income avoided
- Better criminal outcome: custodial sentence avoided – social isolation avoided
- More employment and better employment prospects during the case
- Better mental health during the case
- Access to justice that would otherwise not have happened
- Better educational attainment by children who do not have to live in temporary accommodation

Impacts on public services in Scotland:

- Clients of Legal Aid are in better mental health – NHS

Impacts without sufficiently robust evidence

We were unable to find sufficiently robust evidence for some potential impacts of Legal Aid. The lack of evidence meant that it was either unclear if an impact is indeed an impact of Legal Aid, to what extent the impact is achieved due to Legal Aid or what its estimated value in monetary terms is.

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
- Better outcomes in terms of housing: Housing Health and Safety Rating System (HHSRS) hazards removed
- Better outcome for children of clients in receipt of Legal Aid in terms of residence and contact

Impacts on public services in Scotland:

- Reduction in demand for social work – local authorities
- Smoother court processes and shorter cases – courts
- Loss of income due to written off rent arrears – local authority, housing services
- Increased maintenance costs related to Housing Health and Safety Rating System (HHSRS) hazards – Local authority housing services

Impacts on the wider society:

- Reduced trust in justice system for victims of crime who consider a sentence as unduly lenient or for parties paying privately for legal support
- Employment opportunities for solicitors
- Reduction in crime
- Fewer witnesses being cross-examined by a party litigant



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