

Legal Aid SROI FAQs

Who are the recipients of legal aid?

An individual who is eligible for public funding which is paid direct to their solicitor for legal services provided to that individual.

What does the term 'impact' mean?

Impact is the term used by economists and policy makers to mean the change to a person, organisation or service as a result of an intervention. Here Rocket Science talks about the impact that legal aid has on the client, NHS, court services, Local Authorities, and the Scottish Prison Service. For example,

- What change in demand for NHS services occurs as a result of legal aid?
- What change to the number of people in prison occurs, and therefore the cost to the government of prison services, as a result of legal aid?
- What change in the life of the client occurs as a result of legal aid – for example to their health, relationships and financial situation?

What impacts are included in the SROI?

Impacts that are included in the ratio are:

- Housing –
 - Impact on the clients who avoid being evicted including social, health and financial impact
 - Impact on the client of being legally supported through the process including health, employment and relationship with family and friends
 - Impact on society of having fair access to justice – measured by the clients feeling like they live in a society they can trust
 - Impact on the court services of having fewer cases go to court because legal aid helps resolve issues earlier
 - Impact on public services which save money due to clients being less stressed during the process, and not being evicted at the end of the process. This includes the impact on NHS, Local authority housing departments

- Family –
 - Impact on the client of being legally supported through the process including health, employment and relationship with family and friends
 - Impact on society of having fair access to justice – measured by the clients feeling like they live in a society they can trust
 - Impact on the court services of having fewer cases going to court because legal aid helps resolve issues earlier

- Criminal –
 - Impact on the clients who avoid a custodial sentence including the impact on their income and relationships with family and friends
 - Impact on the client of being legally supported through the process including health, employment and relationship with family and friends
 - Impact on society of having fair access to justice – measured by the clients feeling like they live in a society they can trust
 - Impact on the court services of having fewer cases go to trial because legal aid helps resolve issues earlier
 - Impact on the Scottish Prison Service from fewer people receiving a custodial sentence and being sent to prison.

Not all clients are assumed to have all impacts. Impacts have only been included for those clients for whom they were true. For example, not all legal aid housing clients avoided eviction. Only those who did were included in the calculation for this impact.

What impacts are not included in the SROI?

Not all likely impacts of legal aid could be included in the calculation. Rocket Science were unable to include likely impacts where:

- They were unable to quantify these.
- There were long term impacts beyond the 1 year period of this calculation – such as the long term impacts of a conviction on employment prospects.

For family and criminal cases impacts were much harder to include, which is one of the reasons why the ratio for those case types is lower than housing.

What is social value? What does the £5 or £11 mean?

Social return does not equate to financial savings to services. In economic analysis, the impacts that equate to financial savings are called cashable benefits. Rocket Science did not specifically study which of the impacts would produce cashable savings to organisations as this was not the scope of their task.

Rocket Science anticipates that the impacts included in their 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 Rocket Science has 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, they 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 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.

What is the time period that the benefits are measured for?

12 months in total from the start of the case. Rocket Science's research showed that cases on average last for less than 12 months, so several months are included for after the conclusion of the case. Benefit types are split broadly into benefits that occur during the case, and benefits that occur following the case's decision. It is anticipated that the benefits that occur following the case's decision would continue on beyond the period within the SROI.

Why is the housing SROI higher than the criminal and family cases?

Rocket Science's analysis does not confirm that housing has a higher rate of return than criminal and family cases. Quantifying the impacts of legal aid for housing cases was much easier to do, therefore, the housing calculation represents a fuller analysis. The ratios for family and criminal cases must be read alongside the other impacts they were able to evidence that could not be quantified for this analysis.

Why did Rocket Science use a 40% optimism bias for benefits? And what does that mean?

40% optimism bias is the recommended level given by the Manchester New Economy guidance on cost-benefit analysis. It means that Rocket Science reduced the benefits by 40% to reflect that each benefit calculation required an element of informed expert judgement.

Why did Rocket Science use an SROI calculation?

The Law Society wanted to understand the benefits of legal aid. To do this, a Social Return on Investment was chosen for several reasons:

- It considers both the benefits and costs of legal aid so shows a balanced picture
- It considers the social, economic and financial benefits and costs of legal aid so it shows a wider perspective than just traditional economic analysis.

Does legal aid have a preventative benefit?

This analysis concludes that yes there is a preventative benefit for legal aid. For example:

- Legal aid prevents evictions, which prevents greater suffering for clients, and prevents an increase in the use of homelessness, social housing, and health services.
- Legal aid prevents people from being unable to access justice and prevents growing distrust and inequality in society.

Who was involved in the development of this analysis?

Rocket Science was commissioned to complete an independent analysis of legal aid. Their results are independent and have not been unduly influenced by any individual or organisation. Their research and analysis is informed by consultation with a range of stakeholders as well as extensive literature research. Stakeholders consulted included a variety of solicitors from private and third sector organisations and the Scottish Legal Aid Board.

The literature at footnote 24 from Australia is out of date and relates to the family court. How is this relevant?

This is the only evidence available from a robust source. Rocket Science's assessment is that the impact is similar enough to use, but they have heavily discounted this impact to take into account the age and application of the data – 40% optimism bias.

How do you calculate a 9% impact of fewer custodial sentences for the Scottish Prison Service?

14% of all cases lead to a conviction with a criminal sentence. Scottish Government, Criminal Proceedings in Scotland 2015-16, Statistical Bulletin January 2017.

Rocket Science estimated that around 64% of those clients would avoid a custodial sentence because of legal aid. This 64% is the midpoint between (1) Dewar et al. (2000): Litigants in Person in the Family Court of Australia, A report to the Family court of Australia, Research Report No 20, p. 2 59% would have been disadvantaged without representation and (2) Solicitor case studies where 9 out of 13 case studies showed that a custodial sentence was avoided.

Multiply 14% and 64% and you get around 9%. Note these figures are all rounded to the nearest %.

Rocket Science reduced this impact by 40% to account for the fact that:

- The data might be overly optimistic about the extent to which legal aid reduces custodial sentences
- That they had to use Scottish Government data on the proportion of convictions that were custodial rather than the proportion of cases that were custodial.

The 40% optimism bias is the recognised way for ensuring that the quality of the data used is accounted for in the calculations.

How were Rocket Science's figures and statistics verified?

The figures on case numbers, average duration of cases, cost of cases were provided by SLAB and the researchers' use of them was approved by SLAB. Figures and statistics used from literature were only taken from credible sources and adjusted for optimism bias by 40%.



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