

WRITTEN MINISTERIAL STATEMENT

MINISTRY OF JUSTICE

Legal aid reform: competitive tendering and implementation timetable

The Minister of State, Ministry of Justice (Lord McNally):

My right honourable friend the Lord Chancellor and Secretary of State for Justice (Kenneth Clarke, QC) has made the following Written Ministerial Statement:

“The Government set out its intention to introduce competition for the procurement of legally aided services in *Proposals for the Reform of Legal Aid in England and Wales* (November 2010). The consultation paper stated that the immediate focus would be on criminal legal aid, with civil and family legal aid to be addressed over a longer period. The response to the consultation (June 2011) stated that proposals for criminal legal aid competition would be published in a separate consultation paper during 2011. This statement provides an update on the Government’s position in relation to competition and criminal legal aid services, and a timetable for future activity.

“The Government believes that competitive tendering is likely to be the best way to ensure long term sustainability and value for money in the legal aid market. Pressure on legal aid expenditure is likely to continue, increasing the need for further reform of the current arrangements for administratively set remuneration rates in the absence of competition.

“The Government believes that tendering criminal defence work for competition, alongside regulatory changes, has the potential to significantly modernise legal aid provision, improve the service provided to legal aid clients, streamline the procurement process and deliver value for money for the taxpayer.

“Clearly the development of a competition strategy will be likely to have a substantial impact on the market for legally aided services, as will a number of other current developments. These changes will require significant levels of engagement between the Government and the profession. We plan to begin these discussions in early 2013 once the key components of our legal aid reform package, the regulatory changes allowing Alternative Business Structures, and the introduction of the Quality Assurance Scheme for Advocates have had time to bed down. We will publish a full formal consultation document on the competition strategy towards the end of that year. The indicative timetable for the development of our competition strategy is therefore as follows:

Consultation paper published:	Autumn 2013
Response to consultation paper:	Spring 2014
Tender opens in first competition areas:	Autumn 2014
First contracts go live:	Summer 2015

“I would also like to inform the House that we intend, subject to Parliamentary approval of the Legal Aid, Sentencing and Punishment of Offenders Bill, to implement all of the legal aid reforms in April 2013. This will include the abolition of the Legal Services Commission under the Bill and the creation of the new agency in its place.”