

Joint Protocol

Between the

Law Centres Federation (LCF) and the Legal Services Commission (LSC)

The LSC acknowledges that the transition into the Fixed Fee method of payment for contracted work has been difficult for some Law Centres. Many Law Centres are hampered by a lack of investment over the years leading to poor infrastructure, and that Law Centres have had to adjust to a completely different funding environment from that when they started out.

The LSC and LCF are aware that a number of Law Centres are struggling to generate the income they require to meet the needs of their clients, and we have worked together over the last year to assist those who are struggling with the transition to find a way forward.

In working together, we have reached an understanding of the need to assist Law Centres with the transition. The LSC created a dedicated NfP resource at the outset of the transitional process, and this has been a valuable liaison point between the LSC and nfp representative bodies (including the LCF) during the transition to fixed fees. The LSC recognises that Law Centres are an important component of the provider base, with a key role to play in the delivery of social welfare law, and in helping the LSC to deliver its objectives.

The LSC and LCF have worked with several Law Centres and have built up a level of understanding and experience in helping Law Centres to plan their way ahead. This has been successful in helping some struggling Law Centres to maintain services whilst trying to turn things around.

To build on this, the LCF is putting together a “training package” to assist all Law Centres, and the LSC is assisting with this. The package will include:

- A protocol for struggling Law Centres to follow to give them the best chance of continuing to provide services, avoid redundancies and/or closure.
- Business and Finance training, to include IT tools that Law Centres can use in their day-to-day business planning and monitoring.
- Technical training on using LSC Online and recording codes, following feedback on the difficulties Law Centres are having with these areas.

Protocol

If your Law Centre is having difficulty maintaining cashflow:

- Inform both the LSC and LCF at the earliest possible stage.
- Early intervention gives the best possible chance of finding a solution to the problems and it is better for you to advise us that you may be facing difficulties in the next 6-12 months, rather than waiting until you cannot pay salaries the next month.
- Arrange a meeting with your Relationship Manager at the LSC, and your Development Consultant at the LCF to discuss the position you are in and what options are available. The LSC will assist, where it can within the rules applicable to all providers.

The LSC confirms that it will not share any information you provide with any outside body (e.g. other funders) without the express permission of your Law Centre.

You should endeavour to provide an Action Plan containing the following information within 14 days (or sooner, if circumstances dictate) of contacting the LSC:

- Up to date cash flow forecast
- Details of any upcoming changes in other funding
- The amount of work-in-progress (legal help & certificated) that you have
- Projections for likely future claims, together with a rationale for the figures
- Any other relevant information which may affect your business in the coming months (e.g. staff joining/leaving; premises issues etc)

In developing the Action Plan you will also need to think about:

- Are you generating enough income to meet expenditure each month?
- If not, can you alter the work that you do to have a positive impact on your income streams?
- Are caseworkers tied up doing non-funded work for large periods of time?
- Can you attract further funding?
- Can you reduce expenditure?

Having an honest and open dialogue about the issues you are facing, and advising of developments in a timely fashion will increase the probability of finding a positive solution. The LCF and LSC should be viewed as a resource to add value in helping you work through your options, and may improve your chances of overcoming any financial difficulties.

The LCF agrees to work with the LSC in the best interests of member Law Centres whilst acknowledging that member Law Centres are independent organisations.