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7th March 1983

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CABINET
HOME AND SOCIAL AFFAIRS COMMITTEE

THE FUNDING OF LAW CENTRES

Memorandum by the Lord Chancellor

*Prime Minister
The highlighted passages
in paragraphs 7, 8, & 9
summarise the Lord
Chancellor's proposals
for joint central and local
government funding of
law centres.*

*WM
11/3*

1. I am in the process of assembling a response to the recommendations of the Royal Commission on Legal Services (The Benson Commission) which reported in 1979. There is a range of matters on which decisions will be required. One of these is the question of future arrangements for the funding of law centres. We shall also need to have a coherent policy to announce as part of our election manifesto.
2. The annex to this paper contains a brief account of law centres, lists the law centres at present in existence, and shows the disparities in the arrangements for their funding. It will be seen that 7 are supported entirely by the relevant local authority, 28 receive assistance under the Urban Programme from the Department of the Environment while 7 are supported by direct grants from my Department.
3. The present financial arrangements are inconsistent and unsatisfactory. There is no justification for the more generous financial arrangements enjoyed by the 7 centres which my Department funds. The grants under the Urban Programme are not intended to provide continuing revenue support but can only be used as essentially temporary, pump-priming measures. If and when these grants are withdrawn there is likely to be pressure that the centres affected should be added to those that receive direct assistance from my Department. In the absence of any settled policy I would be most reluctant to offer this and in any case I have no specific statutory authority for paying these grants. If the grants were to be consolidated under my aegis on a permanent basis, or even continued for long, I would need to seek Parliamentary approval. Also, I understand that DOE have received a number of applications for assistance under the Urban Programme for new law centres, and that these are being held in abeyance until the policy is settled.
4. I do not share the previous Government's unqualified enthusiasm for law centres. Nevertheless I recognise that they do have a role to play in helping

to alleviate tension particularly in Inner City areas and in providing legal services where there are insufficient practising solicitors. They can enable those in need of representation in such places to have access to the due process of law in disputes such as those between landlord and tenant. Apart from the inherent justice of this, such access would reduce the risk that disaffected people might seek to take the law into their own hands. I am sure, therefore, it would be wrong for the Government to turn its back entirely on law centres. In any case if we did so there would be a considerable and justified public outcry.

5. The Benson Commission recommended that all law centres should be supported entirely by grants from central funds, and that a new Quango should be established to administer the grant arrangements. Not surprisingly this view is shared by the Law Centres themselves, though not by me.

6. This recommendation was examined by a working party of officials, which reported early last year. This took a different view and recommended that funding should be the responsibility of local authorities. In principle I share this opinion. I see law centres essentially as providing a local service. The local authority is best placed to judge both the services required in its own area, and the priority which law centres should receive in relation to other programmes. But there are serious difficulties in making the local authorities the sole source of finance. Given current pressures, they would say we were being inconsistent in urging them to reduce expenditure while we were adding to their obligations. The law centre movement, probably rightly, would regard a move to wholly local authority funding as the kiss of death. There would be a great outcry as centres closed, and close they surely would.

7. I would therefore like to propose a compromise. This would treat law centres as an essentially local service, but would allocate some measure of financial support from central Government in the form of a specific grant representing an agreed percentage, say 50%, of the net cost. Whether or not a centre should be provided in a particular area would be for the local authority to decide, subject in a particular case to the availability of Government support. The local authority and not the Government would therefore be responsible for the provision of centres although they would be required, as a condition of receiving the specific grant, to conform to the guidelines which I presently lay down for all law centres. (Amongst other prohibitions these include a ban on any political activity). I am of course aware of the theoretical objections to specific grants. In this instance I believe the advantages outweigh them.

8. The introduction of a scheme of specific grants need not entail provision for any additional public expenditure. I would transfer to the new programme my existing provision in respect of the 7 centres which I fund, and I would trust that DOE would similarly transfer the appropriate proportion of their provision for Urban Programme grants. So far as local authority expenditure goes, the new regime need not entail any additional expenditure; in any case, as the figures in the annex show, the sums involved are trivial in relation to the totality of local authority expenditure. Legislation would be needed to provide for the new scheme, but should not be either difficult or controversial.

Ministerial Responsibility

9. The other unsettled question is which Minister should have responsibility for grants to law centres. This is not a matter for this Committee, but hitherto the absence of any settled Government policy towards law centres has made it difficult to decide it. In my view it is constitutionally improper for me, as the Minister responsible for the administration of justice, to have direct responsibility for the provision of a salaried professional service. It is also highly undesirable on practical grounds and, over a period of years in the hands of a Lord Chancellor who did not maintain a sufficiently firm grip on it, might prove unpleasantly expensive. Although it would not wholly eliminate it, the provision of funds through local authorities, assisted by specific Government grants, would at least reduce the force of this objection. If my colleagues can agree to my suggestion for the introduction of a scheme of specific grants and if the Prime Minister were to consider it desirable I would be prepared, without much enthusiasm, to accept Ministerial responsibility for it.

10. What I am sure of is that this is no sleeping dog and we cannot let it lie. We must solve the problem before we face the electorate.

H of St M

Lord Chancellor's Department

7th March 1983

LAW CENTRESAIMS AND GUIDELINES

Law centres exist to provide access to professional legal advice for the general public in the areas which they serve. Most of them are situated in the poorer areas of large cities, and their bias is towards providing legal assistance to lower income groups. Their major areas of activity are housing, welfare rights, employment and immigration matters. There are restrictions in the services they can provide in other areas, eg they may not undertake conveyancing, probate or divorce work and they may only act in criminal matters for juveniles. For the most part, they offer their services without charge, though they claim legal aid on behalf of their clients where appropriate. Though individually independent, the centres operate under the general umbrella of the Law Centres Federation. Centres receiving aid from LCD and DOE are obliged, as a condition of their grant, to abide by the following guidelines, which were issued by the then Lord Chancellor in 1978.

1. A law centre shall be independent - from its funding agent, local or central Government and the Law Society.
2. "Independence" means freedom to choose its own areas of work and freedom from interference in the advice given by the law centre to those who consult it.
3. A law centre shall be under the control of a management committee, the majority of whose members should normally represent the interests of the recipients of the law centre's services. No local or central Government representatives should be ex officio Chairman, Vice-Chairman or Secretary of the Committee.
4. A law centre's primary objective should be to provide a legal service for people living or working within its catchment area. In performing this service it is entitled to identify those who are either not aware of their legal remedies or who may have a fear of law and lawyers.
5. A law centre in receipt of public funds should not engage in party political activity. It should not, for example, display in its premises posters indicating support for, or hostility towards, any political party or ideal. Neither should it participate in any campaign of a party political nature or allow its premises to be used for that purpose.

6. While a law centre must enjoy freedom from interference from its funding agent, it must do its utmost to maintain the confidence of its funding agent. That confidence calls for a continuing partnership and mutual respect between the funding agent, the Management Committee and the staff.

SOURCES OF FUNDING

Although there is no statutory or universally recognised definition of a law centre, the following agencies in England and Wales are generally recognised as law centres:

Funded by the Lord Chancellor

| | <u>Annual Grant 1982/83</u> |
|--|---------------------------------|
| Adamsdown Community Advice Centre | £ 66705 |
| Cambridge House and Talbot Advice Centre | £ 30625 |
| Harehills and Chapeltown Law Centre* | £ 68740 |
| Newham Rights Centre | £ 83575 |
| North Kensington Law Centre | £128630 |
| Saltley Action Centre | £ 52945 |
| Tower Hamlets Law Centre | £ 98990 |
| | <hr/> |
| | £530210 |

Funded under the Urban Programme

| | <u>Annual Grant 1982/83</u> | <u>Grant due to expire</u> |
|--|---------------------------------|--------------------------------|
| Benwell Community Law Project | £ 59000 | 1984 |
| Bradford Law Centre | £116400 | 1986 |
| Brent Community Law Centre | £ 95400 | 1984 |
| Central London (Westminster) Law Centre | £ 80000 | 1985 |
| Coventry Legal and Income Rights Service | £ 45000 | 1985 |
| Gateshead Law Centre | £ 44000 | 1986 |
| Hammersmith and Fulham Law Centre | £118000 | 1984 |
| Handsworth (Birmingham) Law Centre | £ 25000 | 1983 |
| Harehills and Chapeltown Law Centre* | £ 60000 | 1985 |
| Hounslow Law Centre | £ 75000 | 1986 |
| Hyson Green (Nottingham) Law Centre | £ 36000 | 1986 |
| Leicester Law Centre | £ 48700 | 1984 |
| Middlesbrough Law Centre | £ 17000 | 1987 |
| North Lambeth Law Centre | £ 83700 | 1984 |
| North Lewisham Community Law Centre | £111700 | 1983 |
| North Manchester Law Centre | £ 53250 | 1985 |
| Plumstead (Greenwich) Law Centre | £ 87500 | 1984 |
| Sandwell Law Centre | £ 48250 | 1986 |
| Small Heath (Birmingham) Law Centre | £ 29000 | 1983 |
| Stockton-on-Tees Law Centre | £ 43000 | 1987 |
| South Islington Law Centre | £102600 | 1984 |
| South Manchester Law Centre | £112000 | 1984 |
| Southwark Law Centre | £ 90000 | 1987 |
| Stockwell & Clapham Law Centre | £ 84200 | 1984 |
| Thamesdown Law Centre | £ 47000 | 1987 |
| Tottenham Law Centre | £ 95000 | 1987 |
| Vauxhall (Liverpool) Law Centre | £ 23400 | 1985 |
| Warrington Law Centre | £ 49400 | 1987 |
| | <hr/> | |
| | £1879500 | |

The figures for annual grant represent the total sum which will be paid by the local authority to the law centre. The authority itself meets 25% and the remaining 75% is paid to the local authority by the DOE under the urban programme.

Grants normally expire on 31st March of the year shown.

Funded by Local Authorities

(figures for annual grants not available)

Camden Community Law Centre
Hackney Law Centre
Hillingdon Law Centre
Lambeth Community Law Centre
North Islington Community Law Centre
Paddington Advice and Law Centre
West Hampstead Community Law Centre

Funded by Charities and other grants

(figures for annual grants not available)

Bristol Resource Centre
North Wales Employment Resource and Action Centre

7th March 1983

PRIME MINISTER

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H Committee: Law Centres

You expressed some disquiet about the Lord Chancellor's proposals for the funding of law centres. H Committee shared your doubts (minutes attached). Apart from the public expenditure implications, the Committee agreed that it would be wrong for the Lord Chancellor to be responsible for the provision of a service which gave advice to litigating parties; the Secretary of State for the Environment was thought to be the more appropriate Minister. More general doubts were also expressed about law centres themselves. Many of them were politically motivated and associated with the Far Left. (This is true certainly of the London law centres) and, in any event, it was not a proper function of local authorities to provide subsidised legal help for their residents. On the other hand, good law centres do provide a valuable service. The Committee invited the Lord Chancellor and Secretary of State for the Environment to make further proposals.

TIM FLESHER

16 March, 1983