



Association of **Lawyers for Children**

Promoting justice for children and young people

Consultation Response Interest on Lawyers' Client Accounts Scheme

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Response of the Association of Lawyers for Children

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The Association of Lawyers for Children (hereafter “ALC”) is a national association of lawyers working in the field of children law. It has over 1,300 members, mainly solicitors and family law barristers who represent children, parents and other adult parties, or local authorities. Other legal practitioners and academics are also members. Its Executive Committee members are drawn from a wide range of experienced practitioners from both sides of the legal profession practising in different areas of the country. Several leading members are specialists with over 20 years’ experience in children law, including local government legal services. Many have written books and articles and lectured about aspects of children law and hold judicial office. The ALC exists to promote access to and equality of justice for children and young people within the legal system in England and Wales in the following ways:

- i. Lobbying in favour of establishing properly funded legal mechanisms to enable all children and young people to have access to justice.
- ii. Lobbying against the diminution of such mechanisms.
- iii. Campaigning and advocating on against any form of discrimination which may affect children within the family justice system.
- iv. Providing high quality legal training, focusing on the needs of lawyers and non-lawyers concerned with cases relating to the rights, welfare, health and development of children.
- v. Providing a forum for the exchange of information and views on the development of the law in relation to children and young people.
- vi. Being a reference point for members of the profession, governmental organisations and pressure groups interested in children law and practice; and
- vii. Funding or co-funding research where we perceive gaps in knowledge or evidence relating to changes in policy and practice in children proceedings.

The ALC is a stakeholder in respect of all government consultations pertaining to law and practice in the field of children law and welcomes this opportunity to provide its views in respect of this consultation.

Introduction

The Association of Lawyers for Children (ALC) is grateful for the opportunity to respond to this consultation. The ALC notes that many of the questions in the Consultation are for individual firms to answer given it relates to their accounting practices. Accordingly, on behalf our members, we make limited observations in response to Question 1 and the Equality and Diversity Impact of the proposed scheme.

Response

Question 1: *Do you have any views on the proposed scope of the scheme?*

1. The ALC acknowledges that the scheme could be helpful in increasing funds for the justice system. However, the proposal is not supported by a commitment that overall resourcing of the justice system will increase as a result of the scheme. Significant investment is urgently required into civil legal aid – a case for investment has been repeatedly made to the MoJ over many years, with little discernible impact. Absent commitment from the MoJ that the scheme would contribute to an overall increase in funding of the justice system, or a commitment that funds will be allotted to schemes that promote access to justice, the ALC is not confident that the scheme will have a real beneficial impact on the areas of greatest need in the system.
2. The bulk of our members' practices are legally aided. An appreciable number of our members are from small firms. The MOJ are invited to consider exemptions to the scheme for legal aid practices, or those with small levels of income, as such funds will generate little interest and the burden of administration of the scheme within those firms (see below) will be particularly disproportionate.
3. The employment, administration, and management of the scheme will increase our members' workload in an already stretched area of work. Many firms are still feeling the effects of the LAA's data breach and the contingency measures that were in place between June and December 2025. This was a worrying and demanding time for many of our members. The MOJ will be aware of the vast amount of administrative work that legal aid practitioners faced and continue to face due to the data breach, contingency measures, and impending recoupment process. It appears to be widely accepted within the family justice system that this financial stress and unremunerated administrative burden led to providers of family legal aid leaving this area of work altogether. We were aware of a number of firms who were on the verge of shutting their family legal aid departments during the data breach crisis. The ALC is concerned that implementation of the scheme would lead to a further heavy administrative burden and the diminution/elimination of remaining profit margins for some firms who undertake publicly funded work, leading to more firms closing or exiting publicly funded work. This in turn would contribute to ongoing erosion of access to justice.
4. While the ALC acknowledges the new LAA CCMS system is in place, many of our members are experiencing teething issues with this, which include delays in bills being processed and paid, delays in applications being processed and issues with receiving notifications. Further, there is an added burden of dealing with recoupments to payments made under the contingency scheme. The ALC takes the view that firms should have an opportunity to adjust to the new CCMS and recover their financial affairs, followed by a period of stability, before an interest scheme is introduced. The timing of this proposed scheme is flawed.
5. It is noted that the MOJ proposes that it initially administer the scheme. The ALC invites the MOJ to consider appointing an independent third party to manage the scheme, given the recent data breach and the consequent impact upon our members' working relationship with the MOJ. Many of our members feel that there has been a breakdown of trust as a result of the data breach, and that aspects of the contingency scheme, and communications about the same, were poorly managed. Further no explanation for how the data breach was able to occur has been given which reduced confidence in the MOJ's system security. The MOJ should also confirm how confidential and sensitive financial information will be protected under the scheme. There is little or no confidence that the MOJ are capable of protecting this data at this time. Work to rebuild confidence in the legal aid administration system is urgently required and necessary before any steps are taken under this proposal.

Q32-34: Equality Impact

6. The ALC considers a substantial risk of this proposal to be the reduction in the number of legal aid providers in family law; especially those with a small legal aid department or departments in larger firms who operate on extremely tight profit margins. If firms are fixed with a scheme which places a new, unavoidable administrative burden on them which also negatively impacts on their profit margins, they may have little choice but to excise other areas of their work that are loss-leading and admin-heavy, for instance their family legal aid franchise.
7. In our experience the smaller legal aid firms are high street firms embedded in the community in which they serve which in our members experience an appreciable number of the service users are Black and Asian especially in parts of London, in the north west of the country, Birmingham and the north east and in large city conurbations. If those firms close or reduce the number of clients they can deal with then access to justice for minority groups will be disproportionately affected.
8. Moreover we are proud of the diversity of the family law solicitors community, it is well documented that the majority of the solicitor workforce is female in this area of law. The reduction of the numbers of people doing this work will disproportionately affect women. We see no accurate equality impact assessment having been undertaken with this proposal. We consider that these proposals will have a disproportionate impact upon female solicitors and other staff in legally aided firms. We do not see mitigations are possible. The legal aid provider system is under intolerable strain at this time.