



# Defending the public purse:

## The economic value of the free legal advice sector

Report overview  
26 November 2021



Defending the public purse:

The economic value of the free  
legal advice sector

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Pragmatix Advisory



Community Justice  
Fund

## Objective

To outline the key findings of research into the economic value of the free legal advice sector

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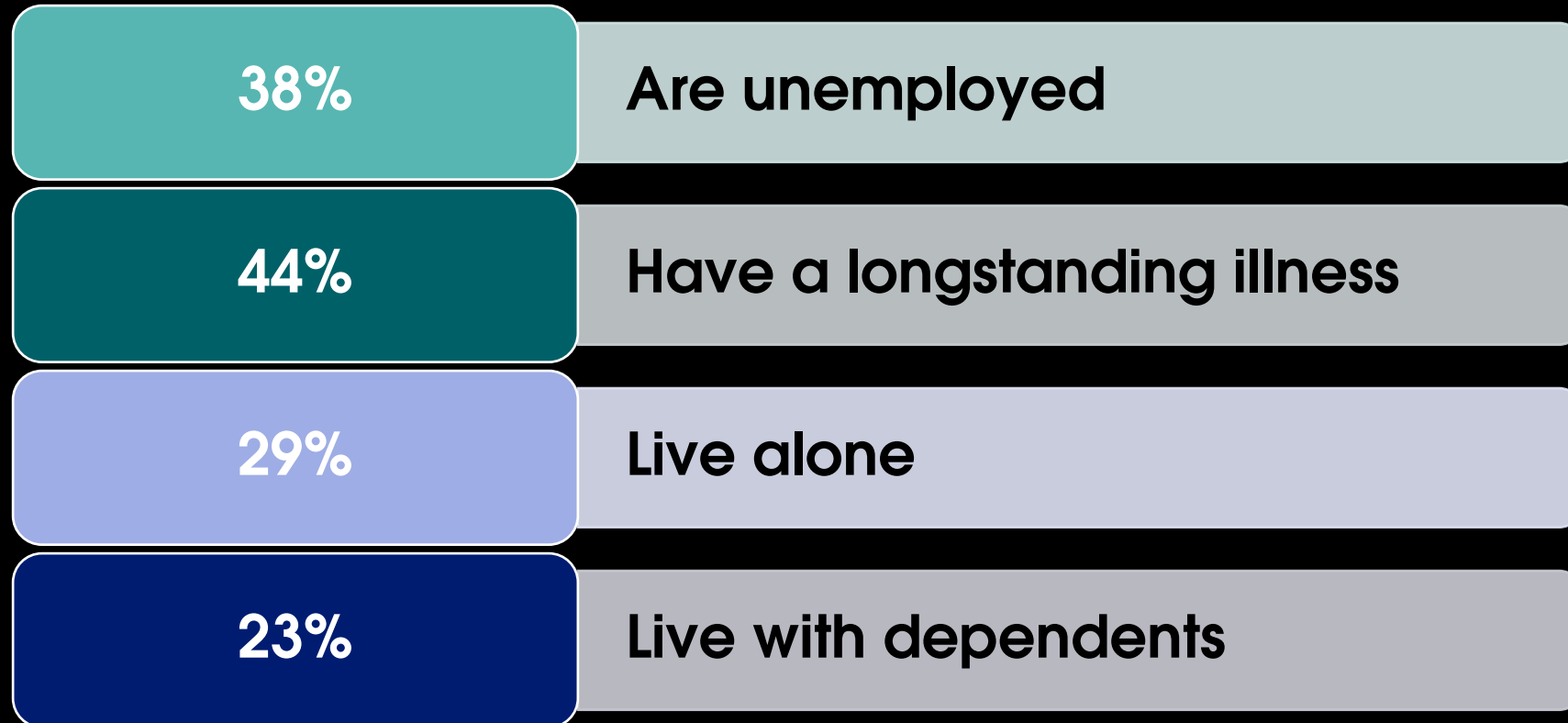
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1. Pressures on the advice sector
  2. Demonstrating the value
  3. Keeping up the pressure

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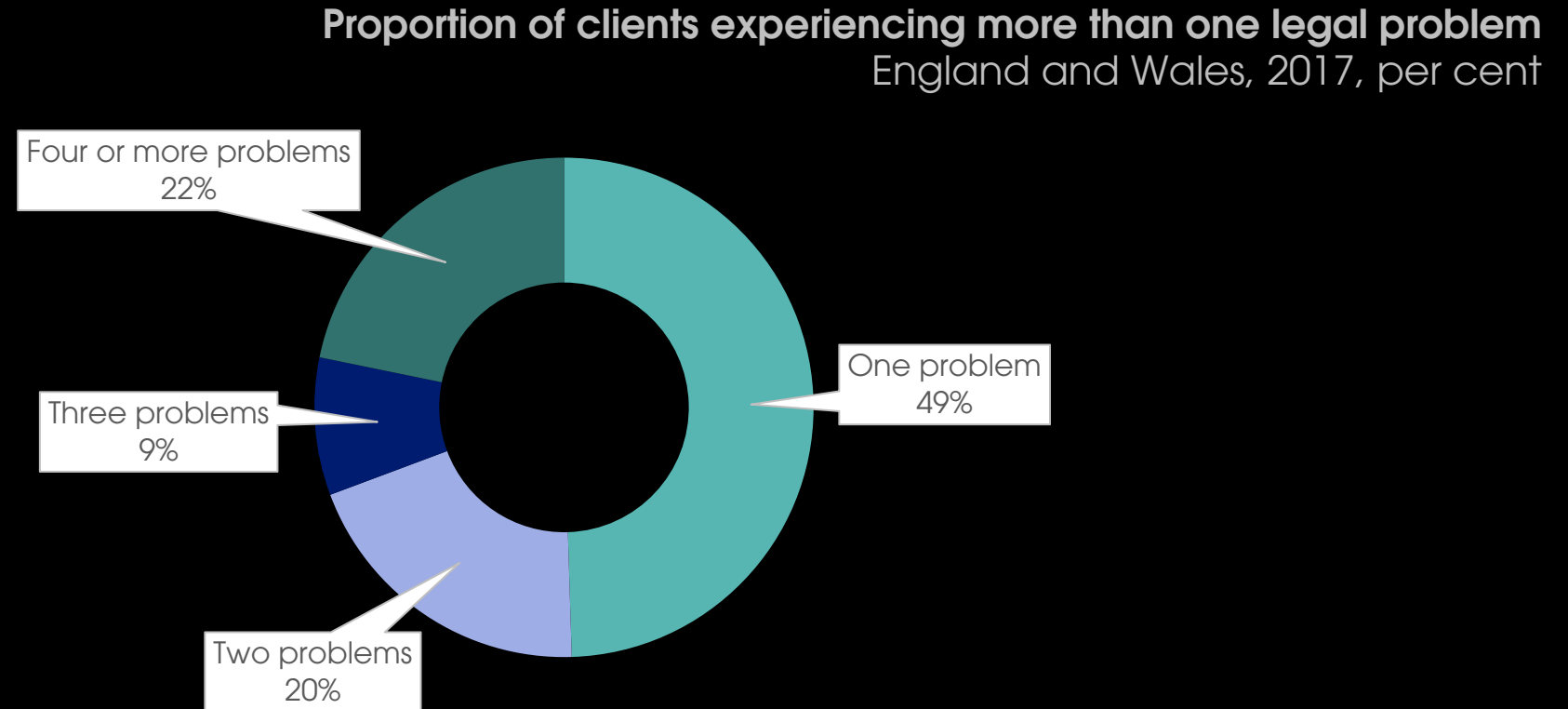
# Many clients are acutely vulnerable



Demographics of free legal advice clients  
United Kingdom, 2019/20

Source: Pragmatix Advisory survey (July-August 2021)

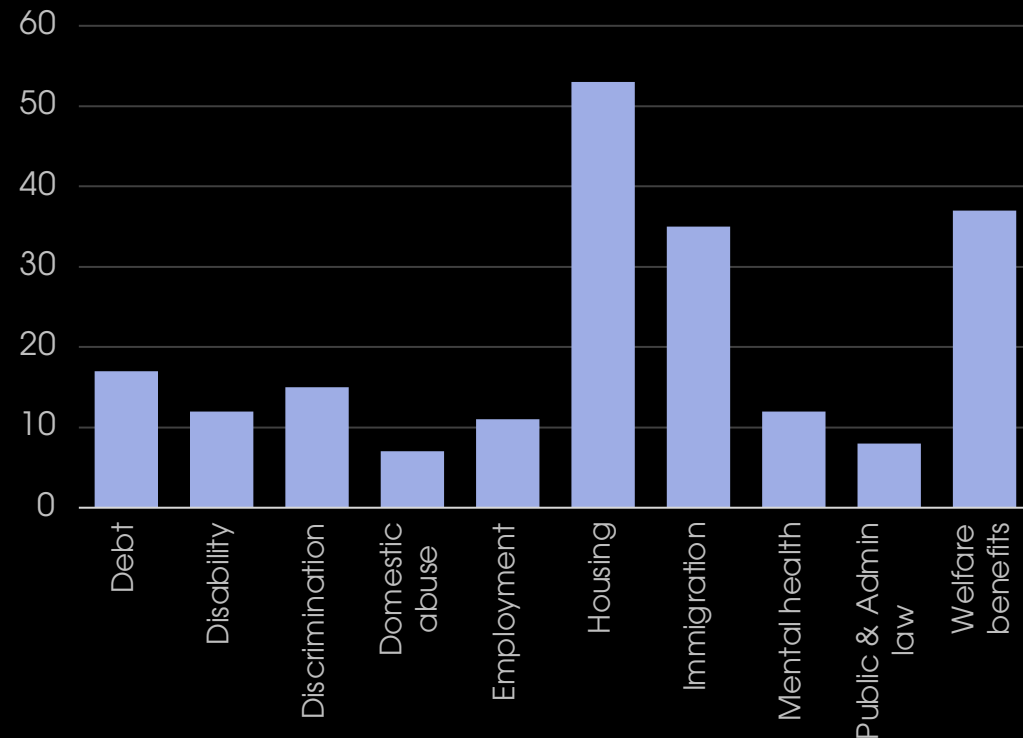
# Households in crisis presenting for advice



Source: Ministry of Justice

# Covid driving even greater demand

Areas of law identified by free legal advice providers  
as seeing the greatest increase during covid  
United Kingdom, 2020, percentage of organisations



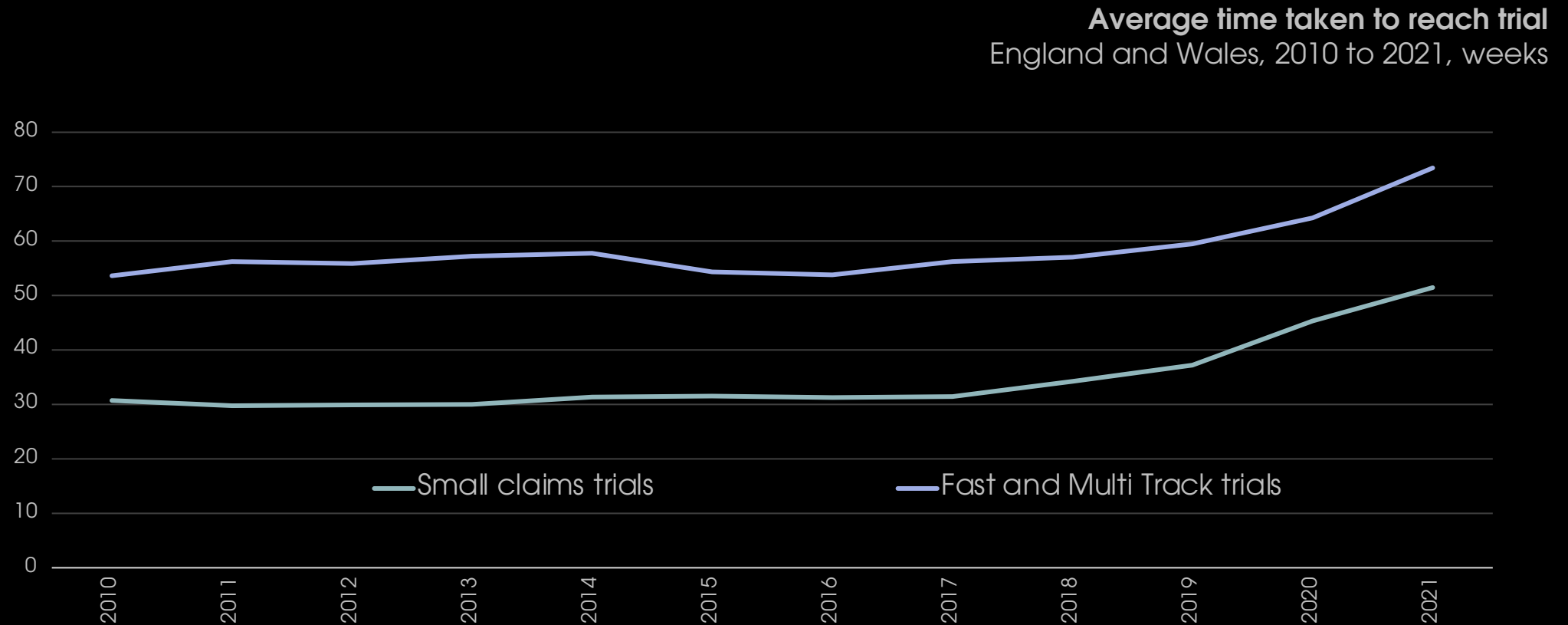
Source: Community Justice Fund

Indexed number of people visiting free legal advice  
provider websites  
United Kingdom, 2020, January 2020=100



Source: Community Justice Fund

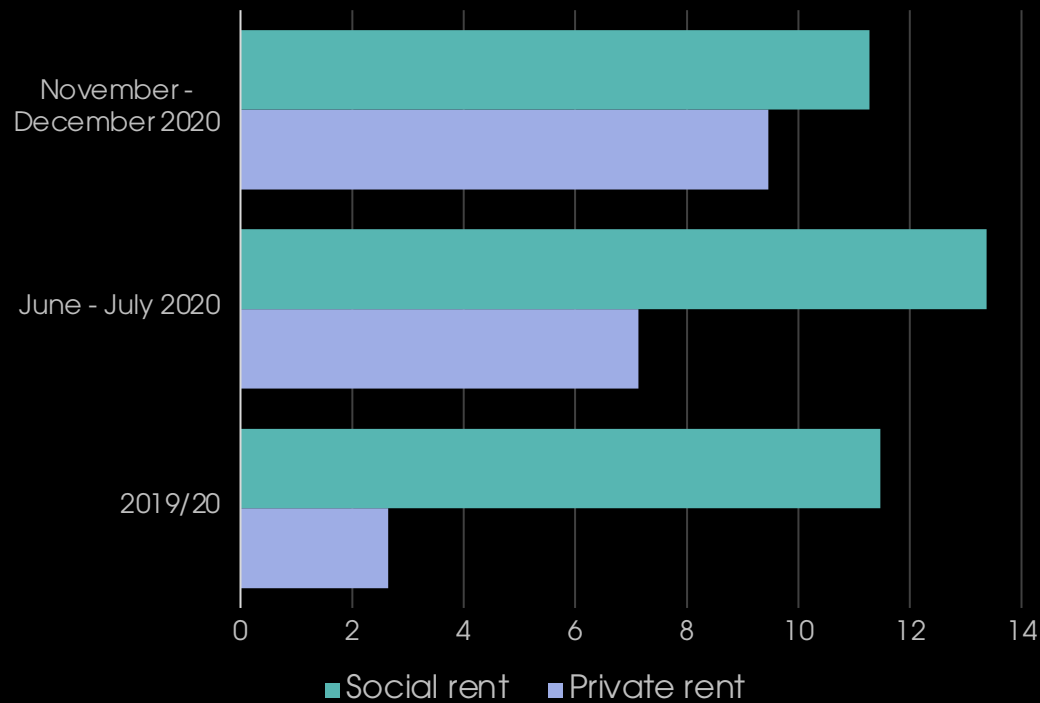
# Court backlog exacerbating problems



Source: Ministry of Justice

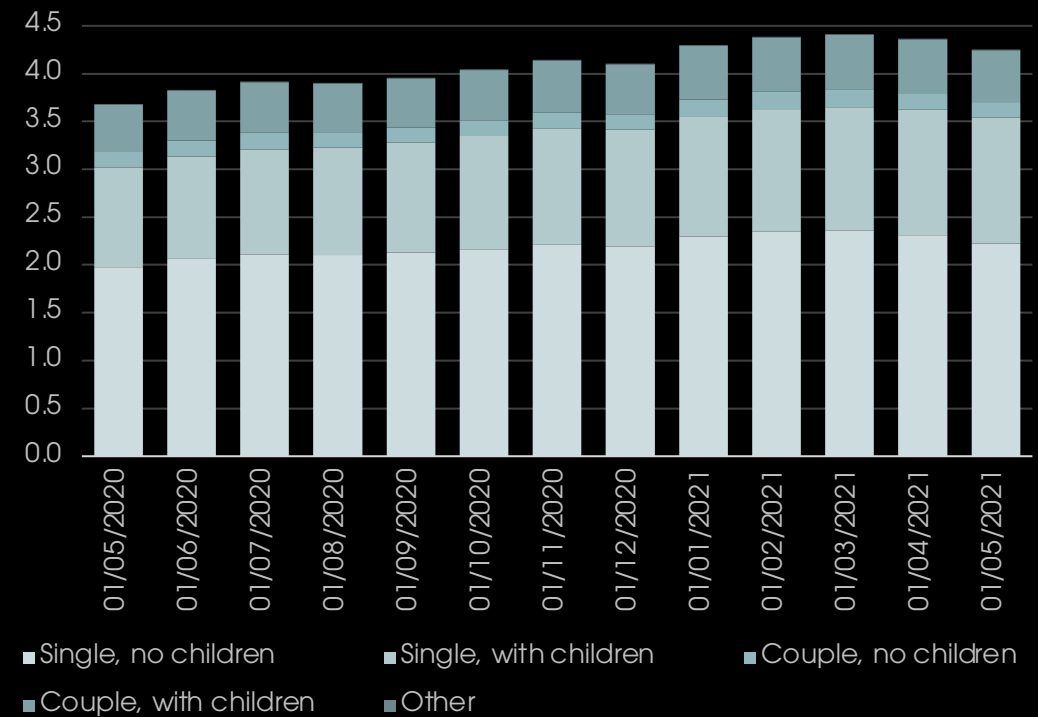
# Providers expecting 'second wave' of demand

Percentage of renters currently in arrears  
England, per cent



Source: Department for Levelling Up, Housing & Communities

Households on Universal Credit  
United Kingdom, millions



Source: Department for Work & Pensions

# Real concerns for year ahead

**Free legal advice providers concerns for the year ahead**  
United Kingdom, 2021, percentage of organisations

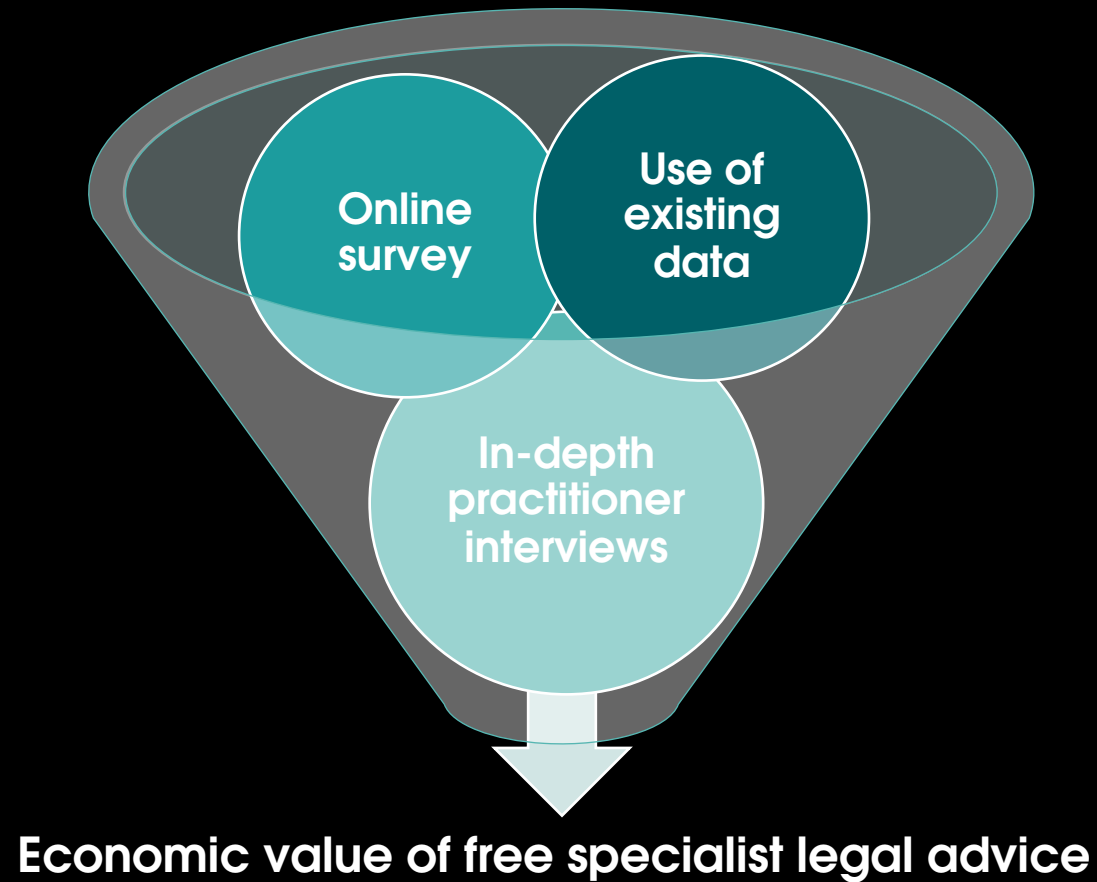


Source: Community Justice Fund

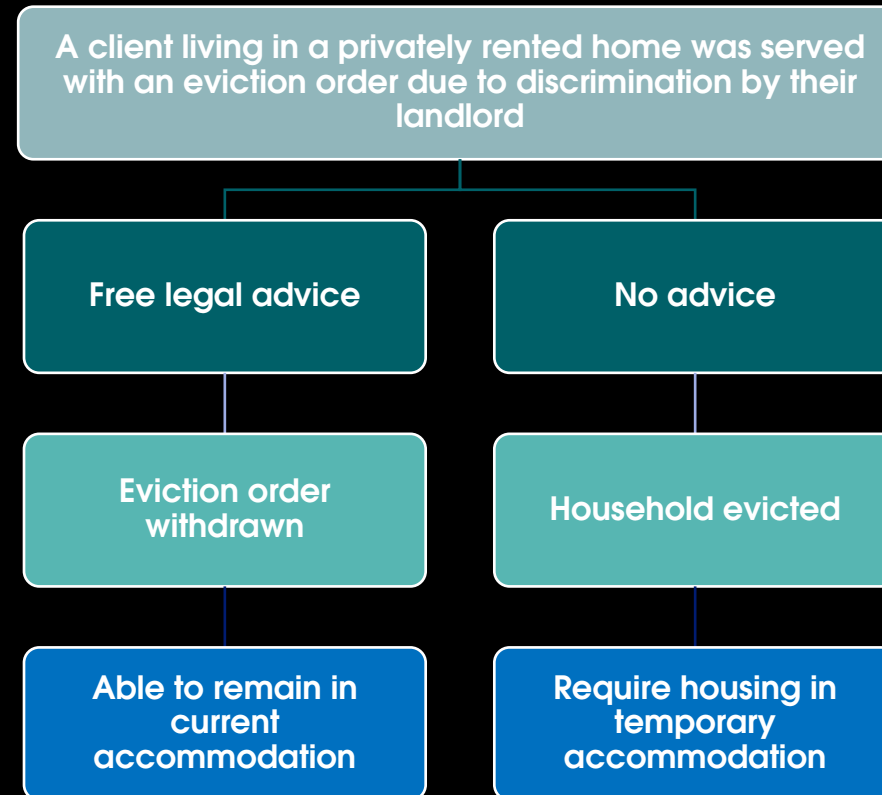
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# Mixed approach to data gathering



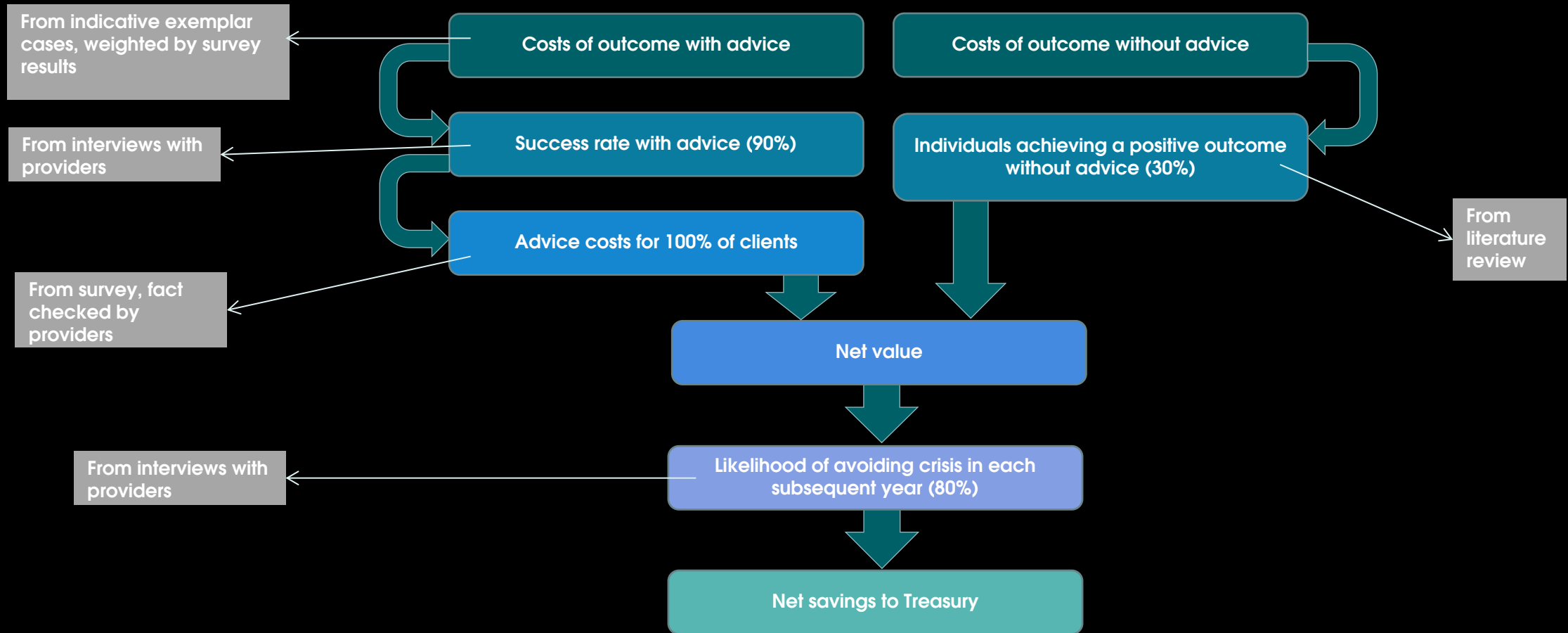
# Counterfactual scenarios used to calculate impact



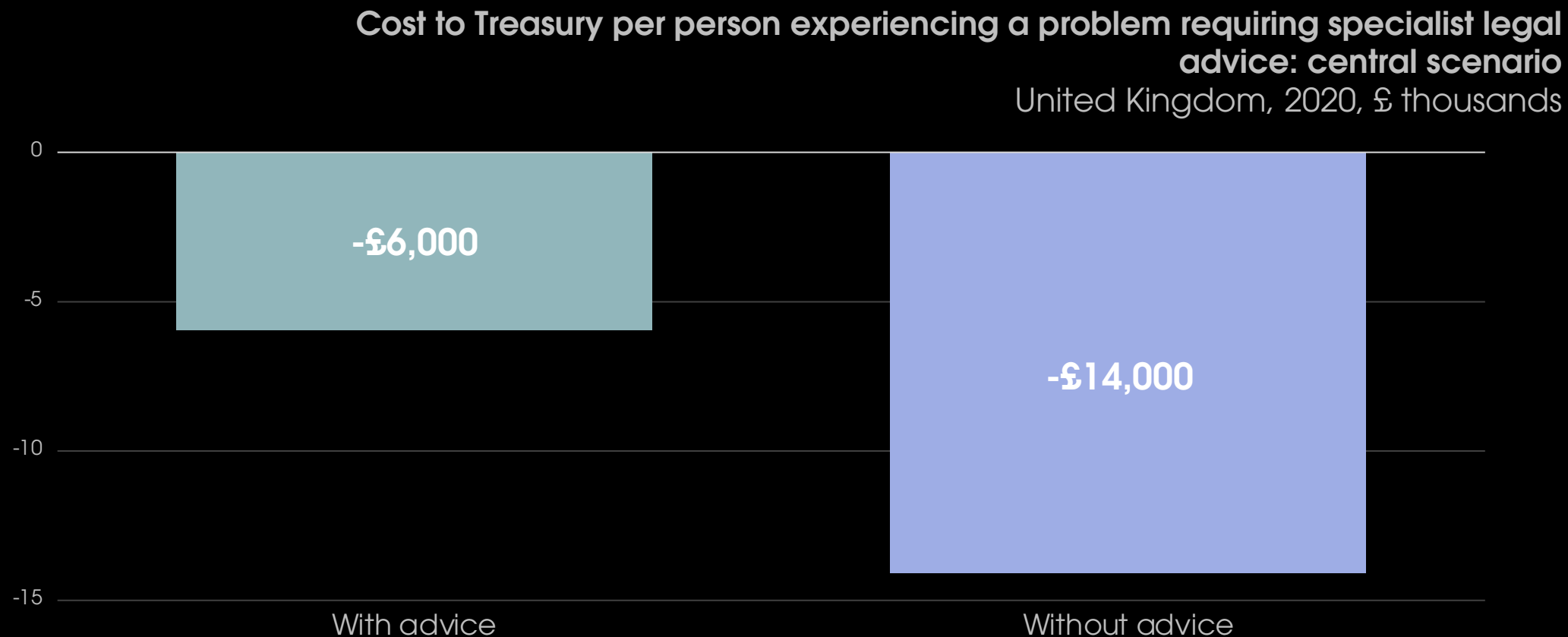
Indicative exemplar case example  
Pragmatix Advisory legal advice sector model

Source: Pragmatix Advisory legal advice model

# Model made use of best available data



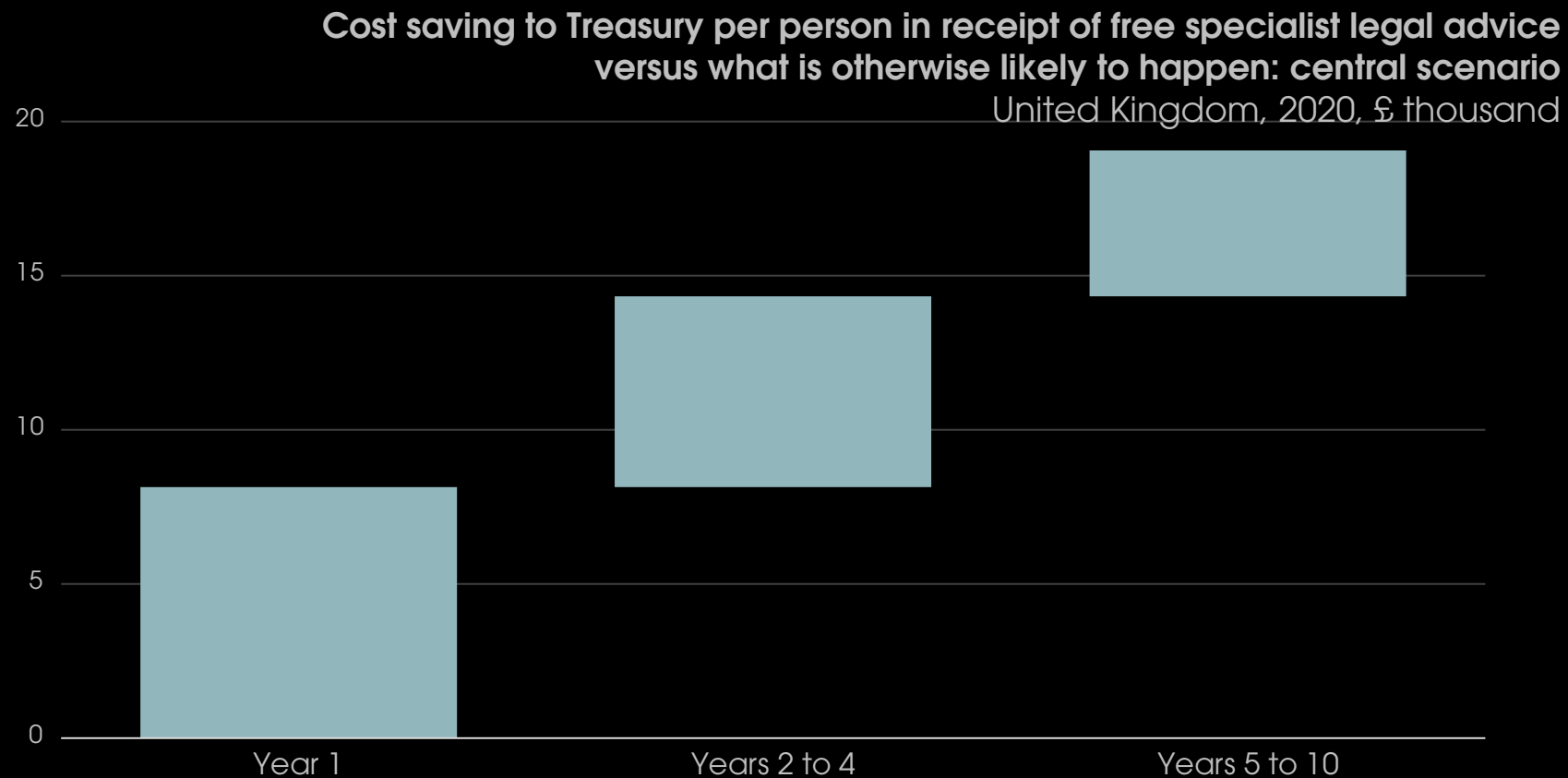
# Status quo is not an option



Source: Pragmatix Advisory legal advice model

# £8,000 saving to Treasury per case this year

**Average  
cost of  
provision  
£510 per  
person**



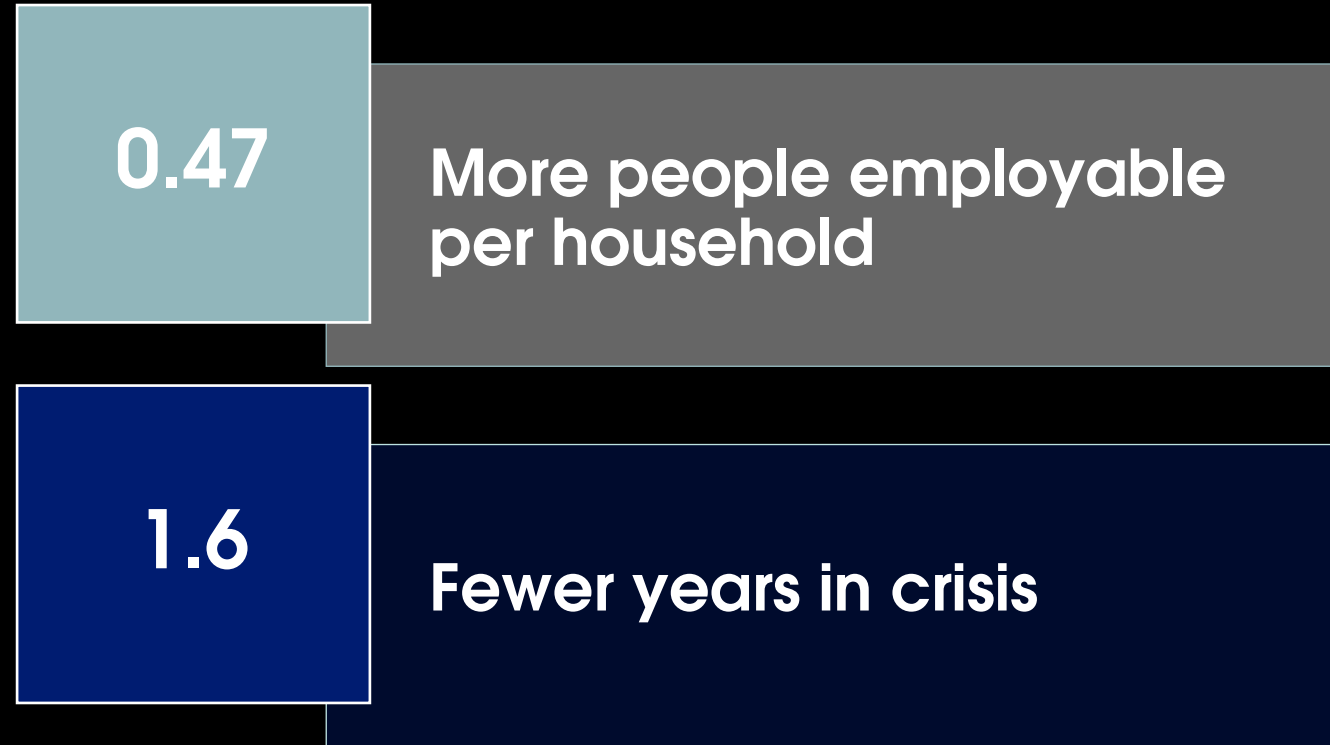
Source: Pragmatix Advisory legal advice model

# £9.5 billion saving over the next decade



Source: Pragmatix Advisory legal advice model

# Additional economic benefits of advice



**Additional benefits of free specialist legal advice**  
United Kingdom, 2020

# Evidence base has its limitations

Evidence exists that shows advice offers economic stability for clients in the short-term, but tracking of outcomes in the medium and longer-term is not routine.

The benefits we have identified are based purely on provision of free legal advice, and do not account for input from other providers.

# But we are confident in the findings

At each stage of the model, assumptions were sense-checked by those in the legal advice sector

The sample size of clients was substantial. The 40+ organisations we spoke to supported 169,000 people over the two years we asked about

Our indicative exemplar cases are deliberately conservative – and don't all show a net benefit

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# Increased data gathering is critical

To support the argument for increased funding, it would be helpful to:

- Attempt to track outcomes beyond case resolution
- Record the number of individuals turned away
- Develop a standardised way of collecting data from multiple advice providers
- Capture data more frequently to help track trends and spot issues in real-time
- Need to better understand the interdependency between agencies

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# Summary

- Advice providers are under increased pressure, and are concerned about the year ahead
- Free legal advice saves the Treasury money
- The sector needs to capture more data more frequently, and in a consistent way



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