



## **3<sup>rd</sup> Annual Equal Opportunities Report**

**Legal Services Research Centre**

**August 2003**

## **1. Introduction**

The Legal Services Research Centre (LSRC) has conducted equal opportunities research for the Legal Services Commission (LSC) since 2000. The first report, published in 2001<sup>1</sup>, was a benchmark survey of all solicitors' firms both applying for and awarded contracts for legal aid work in 2000. The 2002 report<sup>2</sup> consisted of an equal opportunities review of the contracting process, focusing specifically on management audits. This third report adds to the earlier data collected for the 2001 Equal Opportunities report, by detailing the results of a survey of not-for-profit (NfP) organisations holding the LSC's Quality Mark (QM). This is the first time that equal opportunities monitoring of NfPs has been conducted for the LSC.

This report will also update the data from the 2000 survey of solicitors' firms. A second monitoring exercise of firms was conducted in 2002/3. While the response rates were low, where new information was received for firms, this data has been added to the 2000 database. Also, information on the types of contracts held by firms has been updated. Finally, we have analysed figures relating to the LSC's new training contracts scheme for firms introduced in September 2002.

This report will first present the findings from the NfP survey conducted in 2002. This data will thus provide a baseline by which future equal opportunities surveys of QM organisations can be measured. Second, the report will discuss solicitors' firms data, particularly relating to changes in contracts. Third, the report will outline the plans for future research on Equal Opportunities, relating to the introduction of new solicitor contracts in 2004.

## **2. Monitoring of QM organisations**

In 2000, the Legal Services Commission formally introduced the Quality Mark for advice providers in the legal services system. Prior to its introduction, the Legal Services Commission (LSC) asked suppliers to express an interest, or intention, to apply for the QM. A database with all suppliers that did so was established, named the 'Commitments' database. When a supplier on the Commitments database actually did apply for the Quality Mark, their details were then removed from this database and stored separately on a new 'Quality Mark' database. Our monitoring exercise included both Commitments and QM organisations; those that did apply for the QM, and those that in principle, had an interest in applying for the QM, but ultimately, did not thus proceed. The inclusion of both groups of organisations in our analysis thus enables a determination of whether any particular type of organisation

(in terms of staff make-up or target client group) was less likely to apply for the Quality Mark.

The LSRC has conducted equal opportunities monitoring for the LSC since 2000, but this monitoring had heretofore been limited to solicitors' firms<sup>3</sup>. The monitoring of advice providers, many of whom are not-for-profit agencies, introduced new factors to the research process.

For example, in the monitoring of solicitors' firms, identifying those with ownership and control was relatively easy, and it was also straightforward to categorise fee-earners as either solicitors or non-solicitor fee-earning staff. The profiling of organisations in the QM database was not quite as straightforward. First, rather than partners with ownership and control, these organisations often have management committees (although in some cases, such as councils, such terms are simply not relevant). Second, staff are often a combination of those employed (i.e. receiving a salary) by the organisation, and those volunteering time. Third, often organisations have a particular target client group (e.g. refugee advice organisations, or organisations dedicated to one or other ethnic group). An organisation's staff will much more often than not be a reflection of those for whom it is working.<sup>4</sup>

Organisations can therefore be characterised in a number of ways; by the composition of the management committee, by salaried staff, by volunteering staff, and by the target client group. Analyses based on all these options can be found below.

The LSRC produced two versions of a letter outlining the purpose of the research exercise – one for Commitments organisations, and one for the QM group. The monitoring form was also printed off in two batches – different colours for each of the groups<sup>5</sup>. Organisations were provided with their database reference number in the letter, and asked to print this on the top of the monitoring form before completion. Finally, pre-addressed envelopes were included in the package, which were then posted to the LSRC P.O. Box, to ensure confidentiality.

The first mailshot was sent out in late March 2002, with a reminder mailshot going out a fortnight later (also containing forms and envelope etc). Organisations were given until May to respond. Altogether 6432 forms were sent out, 4252 to the Quality Mark database, and 2090 to the Commitments database. In response, we received

1630 forms back from organisations on the QM database (38.3% response rate) and 557 forms from organisations on the Commitments database (26.7% response rate).

Although the form designed for the exercise was of a 'one size fits all' type, detailed guidance was also distributed to help with form completion. However, some organisations did experience a degree of confusion. Organisations with no management committees contacted the LSRC to check what should be done; likewise organisations with no specific client target groups. Council advice services also had problems completing the forms – often one form was completed for all services across the council, even though the letters from the LSRC expressly asked for details of each service. Due to the different compositions of the organisations, not all categories were completed on every form. This, however, does not create a problem for analysis, as overall response rates for each section of the forms were enough to provide statistically significant results. Numbers below will vary though, according to which category of analysis is being examined.

## **Results**

For all analyses reported below, results are given for composition of management committees (MC), salaried staff, volunteers, and organisations' target clientele.

First, we report the composition of the personnel with regard to black and minority ethnic (BME) groups, then disabled people, age groups, and gender. We then report the results of the analysis relating to organisations' target client groups.

### Black and minority ethnic staff

For all categories (MC, employees, volunteers, target clients) a basic analysis was first conducted to compare the average numbers of minority ethnic people in each group of organisations. It was in general found that the presence of minority ethnic groups in organisations was dispersed quite widely throughout the groups of organisations. However, due to the wide variety of possible categories, it was decided, for ease of analysis, to merge the categories into white (white British, white Irish, white other) and Black and minority ethnic (BME).

In analysing data for the Management Committees, a Mann Whitney<sup>6</sup> test found that on average, organisations in the QM group were less likely than organisations in the Commitments group to have BME members. In a ranking of organisations, where the higher the rank, the more white members on management committees, it was found

that QM organisations had a higher rank than Commitments organisations<sup>7</sup>. Therefore, QM organisations have more white management committee members than Commitments organisations.

Further analysis to explore the composition of management committees found that in general, this reflected a higher proportion of all-white management committees in the QM group. As seen in Table 2.1, nearly 66% of these organisations had all-white management committees, as compared with approximately 59% of the Commitments group<sup>8</sup>. When these organisations were excluded from the analysis, no difference was found in the number of minority ethnic members on management committees between the two groups.

**Table 2.1 Management Committee by Ethnicity**

		<b>BME members</b>	<b>only white</b>	<b>Total</b>
<b>Quality Mark</b>	n.	411	785	1196
	%	34.4%	65.6%	100.0%
<b>Commitments</b>	n.	180	263	443
	%	40.6%	59.4%	100.0%
<b>Total</b>	n.	591	1048	1639
	%	36.1%	63.9%	100.0%

It seems therefore, that in organisations that have *any* minority ethnic members on their management committees, there is little difference between the commitments group and the QM group with regard to the *total* number of minority ethnic management committee members. However, QM organisations were significantly more likely to have *all* white management committees than those in the Commitments group<sup>9</sup>.

A similar pattern was found to exist for salaried staff in organisations. Again, the average rank of the QM group was higher than that of the Commitments group, indicating that QM organisations in general have significantly less minority ethnic salaried staff than those in the Commitments group<sup>10</sup>. When dividing organisations into those with all-white salaried staff and others, it was again found that QM organisations are significantly more likely to be in the former category.

**Table 2.2 Salaried Staff by Ethnicity**

		<b>BME staff</b>	<b>only white staff</b>	<b>Total</b>
<b>Quality</b>	n.	494	890	1384
	%	35.7%	64.3%	100.0%
<b>Commitments</b>	n.	196	251	447
	%	43.8%	56.2%	100.0%
<b>Total</b>	n.	690	1141	1831
	%	37.7%	62.3%	100.0%

We can see in Table 2.2 that 64.3% of QM organisations' had salaried staff who were all white, as compared to 56.2% of the Commitments group<sup>11</sup>. As was the case with the management committees, once looking exclusively at organisations with any minority ethnic salaried staff, there is no difference between the QM and Commitments groups with regard to the average numbers of BME staff per organisation. The key element in the overall difference between the two groups is due to the increased likelihood of QM organisations having all white salaried staff.

In contrast to the above, it was found that there was no difference in the overall average numbers of minority ethnic volunteers working for organisations in either the QM group or Commitments group. It was also found that there was no difference between groups in terms of organisations having only white volunteers, as is shown in Table 2.3 below<sup>12</sup>.

**Table 2.3 Volunteering Staff by Ethnicity**

		<b>BME volunteers</b>	<b>Only white</b>	<b>Total</b>
<b>Quality</b>	n.	435	431	866
	%	50.2%	49.8%	100.0%
<b>Commitments</b>	n.	164	158	322
	%	50.9%	49.1%	100.0%
<b>Total</b>	n.	599	589	1188
	%	50.4%	49.6%	100.0%

#### Disabled Staff

The same types of analyses as above were used for comparing the numbers of disabled people in both QM and Commitments organisations. With regard to the

Management Committees, it was found that the QM group had on average significantly less disabled people on their committees<sup>13</sup>. As in the analysis for BME members, organisations were divided into those with no disabled people on their committees, and those with at least one.

**Table 2.4 Management Committee by Disability**

		No disabled members	Disabled members	Total
<b>Quality Mark</b>	n.	824	523	1347
	%	61.2%	38.8%	100.0%
<b>Commitments</b>	n.	286	213	499
	%	57.3%	42.7%	100.0%
<b>Total</b>	n.	1110	736	1846
	%	60.1%	39.9%	100.0%

There is no significant difference between the QM and the Commitments groups in the proportions of organisations with any disabled people on management committees. The difference is therefore spread among all organisations, and, in contrast to the case with BME management committee members, is not simply due to a higher proportion of management committees without members who are disabled people.

No overall difference was found between the QM and Commitments groups with regard to average overall numbers of disabled people in either the salaried staff or volunteering staff categories<sup>14</sup>. Interestingly, though, there was a significant difference between the two when organisations were divided according to volunteering staff with no disabled people and others.

**Table 2.5 Salaried Staff by Disability**

		No Disabled Staff	Disabled Staff	Total
<b>Quality</b>	n.	1110	470	1580
	%	70.3%	29.7%	100.0%
<b>Commitments</b>	n.	360	152	512
	%	70.3%	29.7%	100.0%
<b>Total</b>	n.	1470	622	2092
	%	70.3%	29.7%	100.0%

As can be seen in Table 2.6 below, Commitments organisations were more likely to have a volunteering staff containing no disabled people<sup>15</sup>. Further analysis of the group of organisations with a volunteering staff containing people with disabilities also showed a significant difference.

**Table 2.6 Volunteers by Disability**

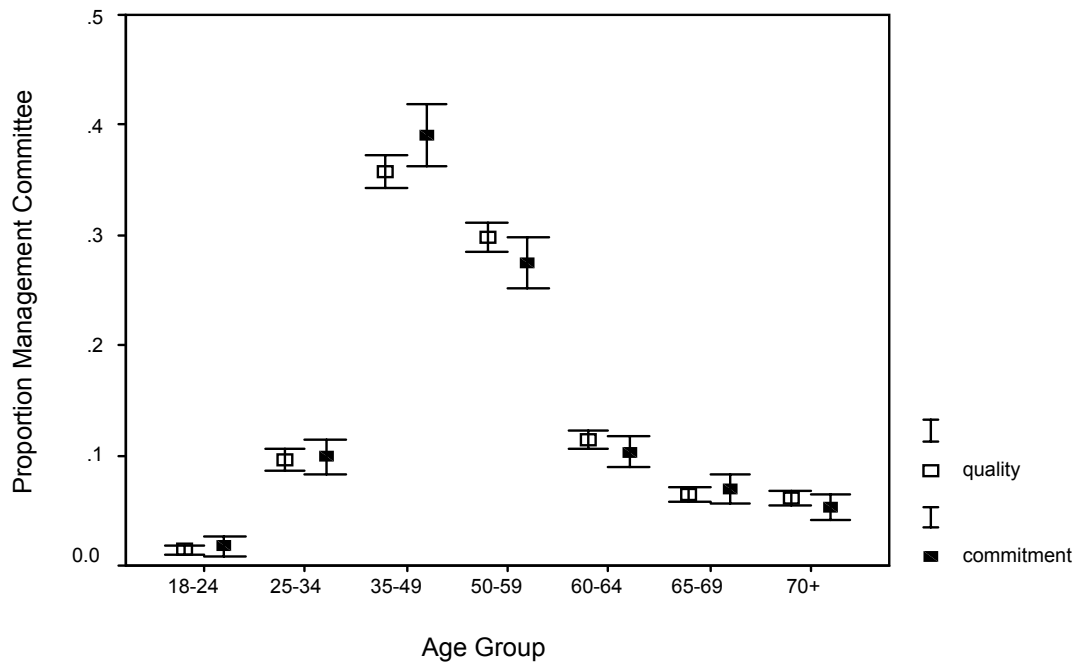
		<b>No Disabled</b>	<b>Disabled Volunteers</b>	<b>Total</b>
<b>Quality Mark</b>	n.	485	492	977
	%	49.6%	50.4%	100.0%
<b>Commitments</b>	n.	207	158	365
	%	56.7%	43.3%	100.0%
	n.	692	650	1342
	%	51.6%	48.4%	100.0%

In this instance, the Commitments group had on average more disabled people among their volunteering staff than QM organisations<sup>16</sup>. Although the Commitments group were less likely to have disabled people on their volunteering staff, if they had *any* they would then, on average, have more disabled volunteers than those in the QM group.

Age Categories

For the analysis of age categories, we plotted the overall proportions of persons in each age category for both QM and Commitments groups in management committees, salaried staff and volunteers.

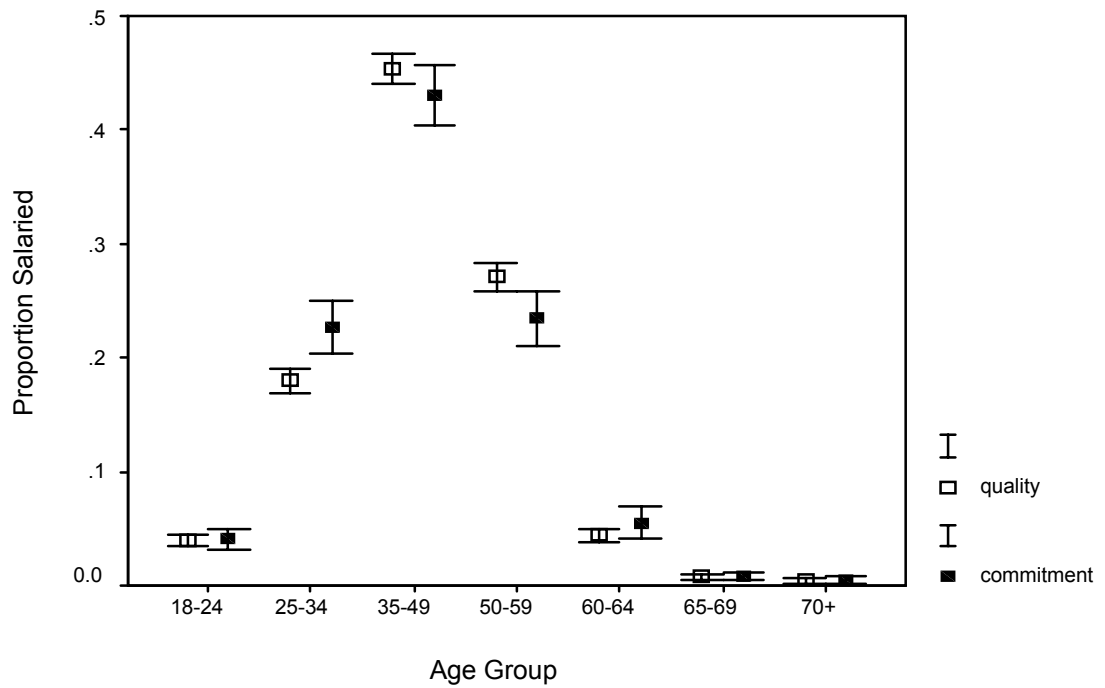
**Fig 2.1 Management Committee by Age Categories**



As is evident from Figure 2.1, there is relatively little difference between the QM and Commitments Group in terms of management committees. Overall, we can see a tendency to have a small proportion of people aged 18-24 on such committees, whereas those aged 65-69 and over 70 account for about 6-7% each of members in both groups.

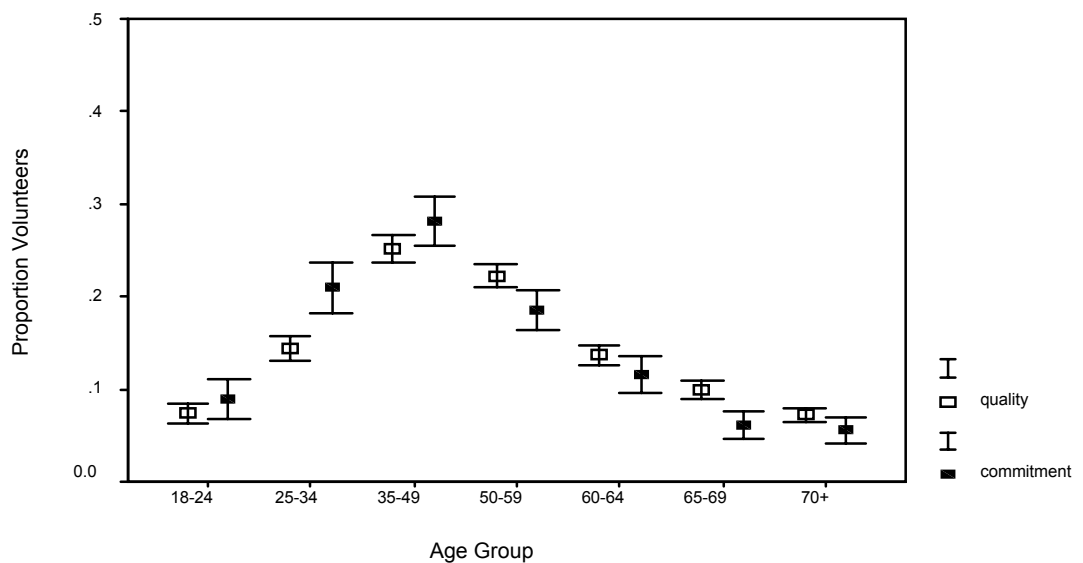
The box plot in Figure 2.1 shows the average age categories for management committees in both the QM and Commitments groups. The filled (black) rectangles refer to Commitments organisations, the blank (white) ones to the QM group. The lines extending above and below each rectangle shows the 95 percent confidence interval for each age category. As we can see above, there are few MC members in the 18-24 age category in either the QM or Commitments group. The groups also have a very similar level of MC membership in the 25-34 age category. In the 35-49 age category, Commitments organisations have a higher average MC membership (about 40%) than the QM organisations. The QM organisations though, have slightly higher averages of MC membership in both the 50-59 (about 30%) and 60-64 age group (about 13%). Both groups of organisations have similar MC membership in both the 65-69 and 70+ age category, about 6-7% in each case.

**Fig. 2.2 Salaried Staff by Age Categories**



With regard to salaried staff, the Commitments group had a higher proportion of staff in the youngest age categories, whereas QM organisations had a higher proportion of salaried staff aged 35-59. Overall, there were much smaller proportions of salaried staff aged over 65 than there were management committee members.

**Fig. 2.3 Volunteers by Age Category**



As can be seen, with regard to volunteers, there is a distinct and significant general pattern: the Commitments group of organisations have greater proportions of younger volunteers (18-49), whereas the QM group has bigger proportions of volunteers in all age categories from age 50 on.

### Gender

With regard to gender, no overall difference between the Commitments and QM organisations were found in any of the categories. The overall proportions of women in all organisations (in all three categories) was high – altogether about 78% for QM organisations and 79% for Commitments organisations. It was found that men had a disproportionately high presence on management committees – just over 50% in the QM group and just over 48% in the Commitments group. However, this slight difference between the two groups is not statistically significant.

### Target Client Groups

First, we examine the proportions of organisations with minority ethnic target clients in both the QM and Commitments datasets.

**Table 2.7 BME Client Group**

		<b>Quality</b>	<b>Commitments</b>	<b>Total</b>
<b>BME</b>	n.	182	88	270
	%	11.2%	15.8%	12.3%
<b>None</b>	n.	1448	469	1917
	%	88.8%	84.2%	87.7%
<b>Total</b>	n.	1630	557	2187
	%	100.0%	100.0%	100.0%

As can be seen, the vast majority of organisations in both the QM and Commitments databases did not have a minority ethnic target client group. However, a significantly higher percentage of organisations in the Commitments group had a BME target clientele<sup>17</sup>. We then conducted analyses on every ethnic category of client group. It was found that in every category except Asian Other and Other, the Commitments Group had significantly higher percentages of organisations with such target client groups.

With regard to gender of client group, again the Commitments Group had a significantly higher percentage of organisations with either men or women as a target client group.

It was also found that Commitments organisations were more likely to have disabled people as a target group (12.7% as opposed to 9.5%<sup>18</sup>), more likely to have a youth target clientele (2.6% to 7.3%<sup>19</sup>) and more likely to have an older target clientele (11.7% to 7.0%<sup>20</sup>).

### Summary

It was found that the QM group of organisations were statistically less likely to have BME representatives on management committees, or BME salaried staff. This was mainly due to a higher proportion of organisations with all white management committees or staff.

QM organisations were also significantly less likely to have disabled people on either management committees or as salaried staff members. In this case, however, the presence of disabled people was spread more evenly throughout the two groups. The difference was not due to different proportion of management committees/staffs *without* disabled people in the two groups of organisations.

Little difference was found between the QM and Commitments group with regard to the age of management committee members. It was found that Commitments organisations had relatively younger salaried and volunteering staffs than QM organisations.

No difference was found between the two groups with regard to gender. It was found though, that men were disproportionately represented on management committees.

In analysing the data relating to target client groups, it was found that the Commitments group had a significantly higher proportion of organisations with a minority ethnic target client group, of organisations targeting either gender as a client group, of organisations targeting people with disabilities, of organisations targeting younger people, and of organisations targeting the older people and the elderly. QM groups were therefore more likely to be generalist organisations, not dedicated to any specific client group.

### Organisations Refused the Quality Mark

All organisations on the QM database had applied for the LSC Quality Mark. 272 organisations were not approved for QM status. Of these, the LSRC had equal opportunities data relating to 38 (13.9%). [This proportion may be relatively low because monitoring forms will have been distributed, in some cases, following refusal of QM status. The incentive then for organisations to complete and return the form will be understandably lesser.] Analysis was conducted on these data to determine whether any particular type of organisation would be less likely to receive the quality mark.

Findings relating to the BME status of organisations' management committees, employed and volunteering staff were statistically insignificant, as were findings relating to the refusal rate to organisations with specific client groups. The findings relating to the presence of disabled management committee members were also not significant. There was no staff gender difference between the organisations refused QM status and those granted the QM. However, it was found that organisations with disabled employed and volunteering staff were significantly less likely to be refused QM status than others.

### **3. LSC-Contracted Organisations**

As of April 2003, there were just under 4000 solicitors' firms working under civil contracts with the LSC. The LSRC currently holds equal opportunities data for 2220 of these firms. Of these firms, 2008 (90.5%) are owned and controlled by white partners, and 212 (9.5%) are owned and controlled by black and/or minority ethnic (BME) partners). This demonstrates a slight decrease in BME ownership and control since the first EO survey (the figure then was 9.9%). The 2001 Census put the white (British) population in England and Wales at 91.3% of the population as a whole. This indicates that BME owned and controlled firms have a slightly higher presence among LSC contracted firms than BME groups do among the population as a whole.

However, the spread of BME owned and controlled firms is not consistent throughout England and Wales. Table 3.1 below presents the distribution of these firms through the LSC regions. As is demonstrated, nearly three-quarters (72.6%) of all BME owned and controlled firms are based in the London region. The West Midlands region is the only other area to have more than 5% of firms owned and controlled by BME partners. Any LSC policies targeting either of these regions will therefore indirectly impact on BME firms with contracts.

**Table 3.1 Ownership and Control of Firms by Region**

<b>Region</b>	<b>OWC White</b>	<b>OWC BME</b>
<b>East Midlands</b>	164 (96.5%)	6 (3.5%)
<b>Eastern</b>	197 (99.5%)	1 (0.5%)
<b>London</b>	196 (56.0%)	154 (44.0%)
<b>Merseyside</b>	44 (100.0%)	0 (0.0%)
<b>North Eastern</b>	137 (98.6%)	2 (1.4%)
<b>North Western</b>	266 (96.0%)	11 (4.0%)
<b>West Midlands</b>	172 (91.0%)	17 (9.0%)
<b>South Eastern</b>	135 (97.5%)	6 (2.5%)
<b>South Western</b>	130 (99.6%)	1 (0.1%)
<b>Wales</b>	160 (95.8%)	7 (4.2%)
<b>Yorkshire &amp; Humberside</b>	204 (96.7%)	7 (3.3%)
<b>Total</b>	2008 (90.5%)	212 (9.5%)

BME owned and controlled firms are not evenly distributed in terms of LSC contract categories either. Table 3.2 presents ownership and control of firms by contract type.<sup>21</sup> As can be seen, the contract profile of BME owned and controlled firms has not changed greatly since 2001.

Of the 212 BME firms for which the LSRC holds data, more than half conduct work under immigration (other) contracts (124: 58.5%) and immigration (asylum) contracts (123: 58%). The majority of firms holding contracts in each of these two areas are

**Table 3.2 Category of Contract by Ownership and Control of Firms (2000 figures in colour where applicable)**

Category of Law	White OWC Firms	BME OWC Firms
<b>Actions Against Police</b>	44 (88.0%)	6 (12.0%)
<b>Community Care</b>	22 (84.6%)	4 (15.4%)
<b>Consumer</b>	42 (89.4%)	5 (10.6%)
	<i>100 (85.5%)</i>	<i>17 (14.5%)</i>
<b>Debt</b>	120 (90.9%)	12 (9.1%)
	<i>241 (89.9%)</i>	<i>27 (10.1%)</i>
<b>Education</b>	24 (85.7%)	4 (14.3%)
<b>Employment</b>	98 (91.6%)	9 (8.4%)
	<i>196 (92.5%)</i>	<i>16 (8.5%)</i>
<b>Housing</b>	253 (80.1%)	63 (19.9%) 87
	<i>370 (81.0%)</i>	<i>(19.0%)</i>
<b>Immigration (asylum)</b>	99 (44.6%)	123 (55.4%)
<b>Immigration (other)</b>	100 (44.6%)	124 (55.4%)
<i>2001 immigration (all)</i>	<i>114 (43.3%)</i>	<i>149 (56.7%)</i>
<b>Matrimonial</b>	1902 (94.7%)	106 (5.3%)
	<i>2471 (94%)</i>	<i>159 (6.0%)</i>
<b>Medical Negligence</b>	22 (100.0%)	0 (0.0%)
<b>Mental Health</b>	178 (93.2%)	13 (6.8%)
	<i>186 (94.0%)</i>	<i>12 (6.0%)</i>
<b>Personal Injury</b>	63 (92.6%)	5 (7.4%)
<b>Public</b>	13 (86.7%)	2 (13.3%)
<b>Welfare Benefits</b>	118 (79.2%)	31 (20.8%)
	<i>242 (81.5%)</i>	<i>55 (18.5%)</i>

BME owned and controlled, therefore any policy targeting immigration firms will inevitably impact disproportionately on BME firms. Nearly half of all BME firms also hold contracts in matrimonial work, but as the vast majority of firms with contracts in this area are white owned and controlled, any policy targeted at family firms would not impact specifically on BME firms.

### 3. Training Contracts

In 2002, the LSC began a new scheme of awarding training contracts to solicitors' firms. The scheme was developed in response to growing concerns about a shortage of Legal Practice Course students opting to do legal aid work, and a shortage of legal aid firms offering training contracts.

Under the proposals the LSC provided grants to meet the tuition fees of students on the Legal Practice Course (LPC) and grants to support the provision of training contracts for successful LPC students. 195 firms received training contracts from the LSC in 2002. The LSRC holds EO data for 98 of these firms. The firms were analysed by ethnic ownership and control; the figures are presented in Table 3.3 below.

**Table 3.3 Training Contracts by Ownership and Control of Firms**

<b>OWC</b>	<b>White</b>	<b>BME</b>
<b>Awarded Training Contracts</b>	88 (89.8%)	10 (10.2%)

The figures show that a higher proportion of BME firms were awarded training contracts than other firms contracted to the LSC. Data was also collected on the individual recipients of training contracts. 126 of the 195 forms were returned to the LSC. 36 (29%) of these recipients were male, while 90 (71%) were female. 125 of the forms contained information on the ethnic background of the recipient. 86 (69%) recipients were of a white British ethnic origin. 5 (4%) recipients were of Irish or other white ethnic origin. The remaining 34 (27%) were of another ethnic origin. In total 9 were black British (2 black African, 7 black Caribbean), 20 were Asian British (2 Indian, 13 Pakistani, 2 Bangladeshi, 3 Asian other), 2 were Chinese, 1 was of 'mixed other' ethnic background, and 2 identified themselves as of 'other' ethnicity. 2 training contract recipients identified themselves as disabled.

#### 4. Equal Opportunities – Future Research

The LSC will let new contracts to solicitors' firms in 2004, for both criminal and civil work. Monitoring forms will be sent to all firms with new contracts. It is expected that by merging the data collection process with the contracting process, a response rate similar to that of the 2000 survey will be achieved. The 2004 survey will then update the LSRC datasets and provide a first baseline for firms working under a criminal contract. The 2004 survey will also expand to collect information on age and disability profiles of solicitors' firms. The next Equal Opportunities report will be published in the summer of 2004.

---

<sup>1</sup> Legal Services Research Centre (2001), *Report on the Findings of the LSRC Equal Opportunities Survey, 2000*, London: Legal Services Commission

<sup>2</sup> Legal Services Research Centre (2002), *Equal Opportunities Report 2002*, London: Legal Services Commission

<sup>3</sup> See LSRC, *Report on the Findings of the Equal Opportunities Survey, 2000*, (2001) and *Equal Opportunities Report 2002* (2002)., London: Legal Services Commission.

<sup>4</sup> Monitoring forms were sent out for consultation with a variety of not for profit organisations.

<sup>5</sup> Copies of both the letters and the monitoring form can be found in Appendix A.

<sup>6</sup> The Mann-Whitney test is a distribution free alternative to the Student's t-test for assessing whether two independent populations come from the same sample. i.e. calculates whether there is a significant difference between two groups when we can not assume the data is normally distributed

<sup>7</sup> 853.36 ( v. 778.52

<sup>8</sup> P = 0.019

<sup>9</sup> The average number of MC members in each group is very similar – 16.9% (QM) as against 18.3% (Commitments). The difference between the two groups is in the spread of minority ethnic MC members - QM organisations management committees are more likely to be all white.

<sup>10</sup> P = 0.01

<sup>11</sup> P = 0.02

<sup>12</sup> P = 0.830

<sup>13</sup> P = 0.01

<sup>14</sup> P = 0.881 and 0.453 respectively

<sup>15</sup> P = 0.021

<sup>16</sup> P = 0.00

<sup>17</sup> P = 0.04

<sup>18</sup> P = 0.03

<sup>19</sup> P < 0.01

<sup>20</sup> P < 0.01

<sup>21</sup> As firms can have more than one LSC contract, there will inevitably be double-counting of firms in this table.