

17th June 2010

Refugee and Migrant Justice debated in Parliament - Statement

Caroline Slocock, Chief Executive of Refugee and Migrant Justice has issued the following statement in response to points made in the debate in Parliament this morning.

Ms Slocock said:

“The reason RMJ has gone into administration is a shortage of cash, caused by late payment of legal bills by up to two years. Payments are only made when cases are closed by the Home Office, which has experienced many backlogs in its casework.

“On a factual point, the problem is not unique to RMJ. The last Government announced special support to the South West London Law Centres in January ‘using it to develop a new business model for more sustainable operations in law centres and other specialist advice providers.’ The Legal Services Commission also gave special support to Duncan Lewis when it faced insolvency, according to press reports. Were such support available now, it might be possible to take RMJ out of administration.

“Over a two year period, RMJ’s income per client has fallen by over 40% but through painful restructuring RMJ has cut its costs accordingly. RMJ anticipated enough income to cover its costs in 2010-11 but this did not translate into cash, because of payment delays.

“Whilst this issue is not unique to RMJ, it is a particular problem for the organization because it works with clients with complex cases, and it sees the case through to conclusion, rather than giving a short unit of advice that receives a payment as soon as it ends. Late payment also has an unequal impact on charities because they cannot get bank loans to finance the cash gap.”

Bob Nightingale, Chief Executive of the London Legal Support Trust, said:

"The problem has been partly hidden because charities such as the London Legal Support Trust have assisted dozens of advice agencies who have been threatened with closure due to cash flow problems caused by the Government's funding regime. This cannot continue overall and RMJ cash flow problem is, in any case, certainly too large to be resolved by any charity."

Notes

Other individual organisations and representative bodies have also raised the issue of late payment with the MoJ. The Law Centres Federation report that the average reserves of Law Centres have reduced by 70% since the introduction of the new payment system and, at some Law Centres, are now dangerously low.

For details about the South West London Law Centre rescue package, please see:

<http://www.justice.gov.uk/news/newsrelease280110a.htm>

For press reports re the rescue package of Duncan Lewis, please see:

<http://www.lawgazette.co.uk/news/top-legal-aid-firm-avoids-closure-hmrc>

Refugee and Migrant Justice, formerly the Refugee Legal Centre, is the largest specialist national provider of legal representation to asylum seekers and other vulnerable migrants. RMJ was awarded the Liberty/Justice Human Rights Award in 2005, in particular for its litigation work with Zimbabwean asylum seekers.

RMJ was put into administration earlier this week, although it is possible for an organisation to come out of administration in certain circumstances.

Visit our website: <http://www.rmj.org.uk/>

Caroline Slocock, chief executive of Refugee and Migrant Justice is available for interview. For more information or to arrange interviews please contact Alex Valk at avalk@rmj.org.uk or call 0207 780 3214.