

# **Legal Services Society**

## **2017/18 – 2019/20 SERVICE PLAN**

**September 2017**



**Legal  
Services  
Society**

British Columbia  
[www.legalaid.bc.ca](http://www.legalaid.bc.ca)



For more information on the Legal Services Society, contact:

Mark Benton, QC  
Chief Executive Officer  
Legal Services Society  
400 – 510 Burrard Street  
Vancouver, BC V6C 3A8  
604-601-6000

Or visit our website at:

[legalaid.bc.ca](http://legalaid.bc.ca)

## Board Chair Accountability Statement



The 2017/18 – 2019/20 Legal Services Society (LSS) Service Plan was prepared under the Board's direction in accordance with the *Budget Transparency and Accountability Act*. The plan is consistent with government's strategic priorities and fiscal plan. The Board is accountable for the contents of the plan, including what has been included in the plan and how it has been reported. The Board is responsible for the validity and reliability of the information included in the plan.

All significant assumptions, policy decisions, events, and identified risks, as of August 10, 2017, have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act* and the society's mandate and goals, and focus on aspects critical to the organization's performance. The targets in this plan have been determined based on an assessment of the society's operating environment, forecast conditions, risk assessment, and past performance.

A handwritten signature in black ink, appearing to read "Celeste Haldane".

---

Celeste Haldane  
Chair, LSS Board of Directors

## Table of Contents

<b>Board Chair Accountability Statement .....</b>	<b>3</b>
<b>Strategic Direction and Operating Environment.....</b>	<b>5</b>
Strategic Direction .....	5
Operating Environment.....	5
<b>Performance Plan.....</b>	<b>7</b>
Goals, Strategies and Performance Measures .....	7
<b>Financial Plan.....</b>	<b>17</b>
Summary Financial Outlook .....	17
Key Forecast Assumptions, Risks and Sensitivities .....	19
Management's Perspective on the Financial Outlook .....	20
<b>Appendix A: Hyperlinks to Additional Information .....</b>	<b>21</b>
Corporate Governance .....	21
Organizational Overview .....	21

## **Strategic Direction and Operating Environment**

### **Strategic Direction**

To advance LSS strategic goals, we will work on three priority actions for 2017/18, as described below. These actions advance the priorities outlined in the mandate letter from the Attorney General (AG) to improve and support legal aid, including First Nations services. We also look forward to discussing with the AG the expansion of duty counsel, family law services, and the development of poverty law services to increase access to justice, as identified in the AG's mandate letter. Our priority actions also support the government's commitment to deliver the services that people can count on, as well as true and lasting reconciliation with B.C.'s First Nations, as set out in the our mandate letter ([legalaid.bc.ca/about/ourMandate.php](http://legalaid.bc.ca/about/ourMandate.php)).

The first priority action is to implement Phase II of the Client Information System (CIS) Transition Initiative, which will focus on enhancing the system's functionality and user experience. The second is to continue to implement, monitor, and evaluate Justice Innovation Transformation Initiatives (JITI) projects to support improvements in the accessibility and efficiency of criminal, child protection, and family law services. Additional annual funding of \$2.8 million was approved for initial expansion of JITI, including the addition of a Surrey Parents Legal Centre location, in 2017/18. The third priority action is to work with the AG, affected ministries, and Aboriginal communities to continue to develop action plans based on recommendations from the *Truth and Reconciliation Commission of Canada: Calls to Action* and any other relevant reports. LSS will also work with the Office of the Chief Judge to support First Nations Courts, in particular the training of First Nations Elders.

### **Operating Environment**

To operate within our funding envelope, LSS sets strict eligibility guidelines for all services but faces limited flexibility to respond to fluctuating service demands. We continue to apply robust budgeting and planning practices, supported by business intelligence and program evaluation information, to deliver effective and cost-efficient legal aid services to clients most in need.

Early intervention and access to justice for Aboriginal clients, especially in remote locations, is a significant priority for LSS as well as for provincial and federal governments. In 2017/18, we will take steps to incorporate the United Nations Declaration of Rights of Indigenous Peoples and the Truth and Reconciliation Commission's Calls to Action in the delivery of legal aid services to Aboriginal people, with a focus on child protection issues. LSS's approach needs to be systemic and community-focused to respond to expectations emerging from the Calls to Action. While we are eager to make improvements in this area and see many opportunities for doing so, we also recognize the risk of creating expectations that we cannot meet. We must be clear on what we can deliver within the available resources.

Governments and other legal aid agencies recognize LSS as a national and international leader in several domains, including board governance, online innovation, social service networking, access to justice, and innovative legal service delivery. Requests, from within and outside B.C., for the society to dedicate its skills, knowledge, and resources towards collaborative system reform initiatives are in increasing demand. Participating in system reform is strategically important to LSS in order to serve

our clients better without increasing costs. We plan to support justice system change by providing facilitative leadership, offering access to justice expertise, and collaborating with stakeholders. LSS is keen to continue building and sharing our expertise, but we risk over-extending our already constrained resource capacity without additional resources.

As the prominence of digital services increases, we will keep looking for opportunities to deliver services in an innovative and accessible way. As part of this strategy, we will promote and strengthen MyLawBC, an interactive online platform that features guided pathways to connect users with tools and resources they need to resolve several common legal issues. This platform is one of the tools we use to provide early intervention to clients, directing them to other justice services outside of the court process.

LSS continues to address outdated business-critical systems. We recognize the fast pace of technological change and the opportunities and risks that this provides. We have identified the risk of increasingly intelligent cybersecurity threats to our IT systems, and will be mitigating this risk with enhanced security features. Responding to other technological changes will require ongoing innovation, collaboration, and systems thinking.

LSS engagement with the bar and overall lawyer satisfaction remain a focus. Phase II of the CIS Transition Initiative is an opportunity to make positive changes to the lawyers' experience when they interface with LSS. If we are unable to improve the functionality of CIS for lawyers quickly enough or substantially enough, there is a risk that some lawyers will take fewer or no legal aid files. This compounds the impact of long-standing low tariff rates on the society's ability to attract and retain legal aid lawyers. A lawyer supply risk is particularly problematic in rural and remote communities, where the loss of even one lawyer can affect the availability of legal aid services to the surrounding region. We will mitigate this risk by focusing on CIS improvements, monitoring lawyer supply issues, and developing a lawyer recruitment and retention strategy.

## Performance Plan

### Goals, Strategies and Performance Measures

To advance the LSS vision, we develop goals, strategies, and performance measures that engage LSS staff, our service partners, and our clients in finding timely and lasting solutions to clients' legal issues while managing to budget.

LSS conducts four major stakeholder surveys, which provide data for many of our performance measures. We develop action plans to address the survey results and implement identified relevant operational and service improvements. The client satisfaction, work environment, and tariff lawyer surveys are conducted triennially, and the public opinion poll is conducted biennially. LSS staff develop the survey questions and methodology, and independent research organizations carry out the data collection, analysis, and presentation of a final report.

The society also monitors and reports on key internal operational and financial data, which are tested internally. In this service plan, we introduce five new performance measures, which are operational in nature, to complement our suite of outcome-focused performance measures. While outcome measures are meaningful because they assess the ultimate effectiveness of our services, they are difficult to measure and require more intensive data collection methods such as surveys. Output measures rely on data that is easier to collect and, therefore, allow for more frequent reporting. LSS believes that both types of measures are valuable and help illustrate our performance. In addition to introducing five new performance measures, LSS is undertaking a review of all of our performance measures as well as data collection methodologies.

LSS benchmarks its performance against like organizations, where possible, using the Common Measurement Tool (CMT). CMT is an independent client satisfaction benchmarking tool and data service that allows us to compare client satisfaction results against agencies providing similar services. BC Stats benchmarks our work environment survey against work units within the BC public sector.

We set survey targets by considering benchmark data and evaluating the level of improvement possible given the strategies and activities planned in the coming period. For operational and financial measures, we set targets based on a reasonable expectation of performance based on historical results. Meeting our targets would demonstrate continuous improvement in stakeholder satisfaction with, support for, and use of our services, as well as financial responsibility, all of which are necessary to achieve our goals.

## Goal 1: People with low incomes who have legal issues use LSS services.

LSS services will help clients achieve lasting resolutions to their legal problems if people are aware the services are available, and are accessible, address clients' legal needs, are culturally appropriate, and engage clients in finding solutions.

### Strategies

- Make it easier for clients to access legal aid services.
- Partner with Aboriginal and other underserved communities to deliver services that support positive client outcomes.
- Support service partners and front-line workers to deliver effective and efficient services.
- Support clients to be active participants in solving their legal issues.

### Performance Measure 1.1: Client satisfaction with accessibility

Performance Measure	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Percent of clients satisfied with the accessibility of LSS services	N/A	73%	N/A	N/A

**Data Source:** Triennial Client Services Survey.

### Discussion

Client satisfaction with the accessibility of LSS services shows that we are providing services when and where clients need them. In 2014/15, 69 percent of clients were satisfied with the accessibility of LSS services. LSS set the target for 2017/18 based on a reasonable expectation of improvement over this result, taking into consideration strategies in place to improve the accessibility of services during that period. We will set a target for the next iteration of the survey after we receive the result for 2017/18.

### Performance Measure 1.2: Client satisfaction with helpfulness

Performance Measure	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Percent of clients satisfied with the helpfulness of LSS services	N/A	72%	N/A	N/A

**Data Source:** Triennial Client Services Survey.

### Discussion

Client satisfaction with the helpfulness of LSS services shows that we are delivering legal aid services that meet clients' needs. In 2014/15, 68 percent of clients were satisfied with the helpfulness of LSS services. We set the target of 72 percent for 2017/18 based on a reasonable expectation of improvement over our 2014/15 performance, taking into consideration strategies in place to improve the helpfulness of our services during that period. We will set a target for the next iteration of the survey after we receive the result for 2017/18.

**Performance Measure 1.3: Client satisfaction overall**

<b>Performance Measure</b>	<b>2016/17 Actual</b>	<b>2017/18 Target</b>	<b>2018/19 Target</b>	<b>2019/20 Target</b>
Percent of clients satisfied overall with LSS services	N/A	70%	N/A	N/A

**Data Source:** Triennial Client Services Survey.

**Discussion**

Overall client satisfaction with LSS services shows that we are fulfilling our mandate to help people solve their legal problems and to facilitate access to justice. The result for this measure was 66 percent in 2014/15. We set the target of 70 percent for 2017/18 based on a reasonable expectation of improvement over our 2014/15 performance, taking into consideration strategies in place to increase client satisfaction with our services. We will set a target for the next iteration of the survey after we receive the result for 2017/18.

**Performance Measure 1.4: Client satisfaction with support for participation in resolution**

<b>Performance Measure</b>	<b>2016/17 Actual</b>	<b>2017/18 Target</b>	<b>2018/19 Target</b>	<b>2019/20 Target</b>
Percent of clients satisfied with LSS support to help them participate in resolving their legal issues	N/A	70%	N/A	N/A

**Data Source:** Triennial Client Services Survey.

**Discussion**

This measure assesses the degree to which LSS is meeting clients' needs for support to participate in resolving their legal issues. Research indicates that client participation in resolving their legal problems helps strengthen resolutions and prevent new legal issues from arising. The result for this measure was 66 percent in 2014/15. We set the target of 70 percent for 2017/18 based on a reasonable expectation of improvement over our previous performance, taking into consideration strategies in place to increase support for clients to participate in resolving their legal issues. We will set a target for the next iteration of the survey after we receive the result for 2017/18.

**Performance Measure 1.5: Approved applicants receiving same day contract**

<b>Performance Measure</b>	<b>2016/17 Baseline</b>	<b>2017/18 Target</b>	<b>2018/19 Target</b>	<b>2019/20 Target</b>
Percent of approved applicants receiving a representation contract within the same day of applying	56%	58%	TBD	TBD

**Data Source:** LSS client information system.

**Discussion**

Timely application approval supports timely resolution of the client's legal matter. It also supports court efficiency by minimizing court delays while clients await legal aid approval and minimizing the risk that clients will abandon their applications and proceed without legal representation. LSS set the target for 2017/18 based on improvements in business processes and system performance as part of

the CIS transition project. LSS will track this new annual measure closely. We will set targets for future periods after determining a reasonable expectation for improvement given capacity, systems, and policies to support efficient processing of applications and lawyer assignment.

## Goal 2: People with low incomes get help with related legal issues so they can solve and prevent legal problems.

Clients' legal problems often arise from or lead to other problems such as health, housing, and debt issues. By working with other service providers to help clients get support for these issues, LSS can improve client outcomes as well as reduce clients' use of justice, health, and social services over the long-term.

### Strategies

- Collaborate with service partners to assess and refer clients to services for their related legal issues.
- Support front-line workers to assess and refer clients to services for their related legal issues.

#### Performance Measure 2.1: Clients referred to services to address related issues

Performance Measure	2016/17 Actual	2017/18 Baseline	2018/19 Target	2019/20 Target
Percent of clients referred by LSS intake to services to address related issues <sup>1</sup>	N/A	N/A	N/A	N/A

**Data Source:** LSS client information system.

<sup>1</sup> LSS is updating its client information system in 2017/18 to capture reliable data to support this measure.

### Discussion

This measure indicates whether LSS support for front-line workers to assess and refer clients to services for their related legal issues is resulting in the targeted proportion of clients being referred. Targets will be set based on an assessment of the appropriate level of referrals and a reasonable expectation of improvement over baselines.

#### Performance Measure 2.2: Client satisfaction with support to address their related issues.

Performance Measure	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Percent of clients satisfied with the level of support LSS gave them to address their related legal issues	N/A	63%	N/A	N/A

**Data Source:** Triennial Client Services Survey.

### Discussion

This measure assesses the degree to which the support LSS provides clients to help them address their related legal issues is meeting clients' needs. The result for this measure was 59 percent in 2014/15. We set the target of 63 percent for 2017/18 based on a reasonable expectation of improvement over the 2014/15 result, taking into consideration strategies in place to increase support for clients to address their related legal issues. We will set a target for the next iteration of the survey after we receive the result for 2017/18.

**Performance Measure 2.3: Lawyer satisfaction with support to help clients address related legal issues**

Performance Measure	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Percent of lawyers satisfied with LSS support for increasing their ability to help clients address related legal issues	25%	N/A	N/A	28%

**Data Source:** Triennial Tariff Lawyer Satisfaction Survey.

**Discussion**

The ability of lawyers to help clients address their related legal issues depends in part on support from LSS. Measure 2.3 assesses the degree to which LSS is meeting lawyers' expectations for support to enable them to provide this additional help. The 2016/17 result for this measure was considerably under the target of 35 percent for that year, which was set based on the previous result of 33 percent in 2012/13. Our target for 2019/20 recognizes the constraints on our ability to support lawyers in this area while we focus on improving the user experience of our lawyer portal and billing system, and continue to operate in an environment of low tariff rates.

**Performance Measure 2.4: Lawyer support for integrated approach**

Performance Measure	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Percent of lawyers who support the integrated approach to providing legal aid services	68%	N/A	N/A	71%

**Data Source:** Triennial Tariff Lawyer Satisfaction Survey.

**Discussion**

Measure 2.4 indicates the level of support from lawyers for this approach to providing legal aid services. Our 2016/17 result fell slightly short of the target of 69 percent for that year and did not meaningfully improve over the 2012/13 result of 67 percent. Our 2019/20 target reflects lawyer feedback that indicates support for this approach is unlikely to rise until tariff rates are increased.

## Goal 3: LSS manages resources soundly.

LSS must manage resources effectively and efficiently to ensure we are achieving the optimum benefit for the society's clients within available funding.

### Strategies

- Foster employee engagement and retention of key staff through professional development, succession management, and organizational communication.
- Engage with and develop stronger relationships with legal aid lawyers.
- Improve information technology systems to respond to a changing environment.
- Improve the nimbleness and flexibility of LSS business processes to support capacity.

### Performance Measure 3.1: Employee engagement

Performance Measure	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Overall average employee engagement	71	N/A	N/A	74

**Data Source:** Triennial Work Environment Survey.

### Discussion

High employee engagement in the public sector is linked to improved service for clients. Targets are set based on a reasonable expectation of improvement over previous performance.

### Performance Measure 3.2: Lawyer satisfaction with LSS support

Performance Measure	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Percent of lawyers satisfied with the overall support provided by LSS	57%	N/A	N/A	60%

**Data Source:** Triennial Tariff Lawyer Satisfaction Survey

### Discussion

This measure qualitatively assesses our progress on maintaining a sustainable supply of lawyers to provide services to clients across B.C. Overall lawyer satisfaction declined in 2016/17 from the previous score of 60 percent in 2012/13. LSS set the 2019/20 target based on expectations of improved performance as we address lawyer concerns with our lawyer portal and billing system. However, we do not expect substantial improvements in this measure until tariff rates are increased.

**Performance Measure 3.3: Lawyers taking more than three contracts in first six months**

<b>Performance Measure</b>	<b>2016/17 Actual</b>	<b>2017/18 Target</b>	<b>2018/19 Target</b>	<b>2019/20 Target</b>
Number of new lawyers taking more than three contracts in the first six months <sup>1</sup>	54 <sup>2</sup>	60	63	66

**Data Source:** LSS client information system.

<sup>1</sup> A “new” lawyer is a lawyer who received an LSS vendor number within the fiscal year.

<sup>2</sup> This result was reported in error as 88 in the LSS Annual Service Plan Report 2016/17.

**Discussion**

This annual measure assesses our progress on building a sustainable supply of lawyers to provide services to clients across B.C. The 2016/17 result reflects a decline from the previous year, but based on enhancements to systems and processes underway, LSS expects to improve performance on this measure in future years.

**Performance Measure 3.4: Lawyers paid within 20 days**

<b>Performance Measure</b>	<b>2016/17 Baseline</b>	<b>2017/18 Target</b>	<b>2018/19 Target</b>	<b>2019/20 Target</b>
Percent of lawyer invoices paid within 20 days	98.7%	N/A	N/A	N/A

**Data Source:** LSS client information system.

**Discussion**

This annual measure tracks the efficiency of our lawyer invoicing system and processes. Based on performance in 2017/18, LSS will review the measure and targets for future periods.

**Performance Measure 3.5: Lawyer invoices processed without review**

<b>Performance Measure</b>	<b>2016/17 Actual</b>	<b>2017/18 Baseline</b>	<b>2018/19 Target</b>	<b>2019/20 Target</b>
Percent of lawyer-submitted invoices processed for payment without review <sup>1</sup>	N/A	N/A	N/A	N/A

**Data Source:** LSS client information system.

<sup>1</sup> LSS is improving its client information system in 2017/18 to support collection of reliable data for this measure.

**Discussion**

This annual measure tracks the effectiveness of our lawyer invoicing system and processes. Targets will be set based on a reasonable expectation of improvement over baseline set in 2017/18.

**Performance Measure 3.6: Public support for legal aid**

<b>Performance Measure</b>	<b>2016/17 Actual</b>	<b>2017/18 Target</b>	<b>2018/19 Target</b>	<b>2019/20 Target</b>
Percent of the public that supports the provision of legal aid services	N/A	>90%	N/A	>90%

**Data Source:** Biennial Public Opinion Poll.

**Discussion**

Sustained public support for legal aid confirms the importance of investment in legal aid services. LSS maintains the target of greater than 90 percent based on the consistency and high level of past performance.

**Performance Measure 3.7: Third-quarter expense forecast**

<b>Performance Measure</b>	<b>2016/17 Actual</b>	<b>2017/18 Target</b>	<b>2018/19 Target</b>	<b>2019/20 Target</b>
Third-quarter expense forecast accuracy <sup>1</sup>	0.46%	0.19%	0%	0%

**Data Source:** LSS finance system.

<sup>1</sup> This measure is calculated using the following formula: (Q3 year-end expense forecast – actual year-end expense)/(Q3 year-end expense forecast).

**Discussion**

This annual measure tracks the accuracy of our year-end expense forecast by comparing our third-quarter forecast and the year-end actual. Targets will be set based on a reasonable expectation of improvement over previous performance.

## Goal 4: LSS provides leadership in justice innovation.

LSS believes that innovation is needed to bring about the fundamental justice system changes required for clients to achieve timely and lasting resolutions to their legal issues.

### Strategies

- Pilot evidence-based legal aid initiatives to improve access and outcomes.
- Communicate LSS's strategic direction to stakeholders.
- Consult with Aboriginal communities and other stakeholders to identify opportunities to develop innovative services and increase access to justice for Aboriginal people.

#### Performance Measure 4.1 References to LSS and justice innovation

Performance Measure	2016/17 Actual	2017/18 Target	2018/19 Target	2019/20 Target
Volume of references to LSS and justice innovation <sup>1</sup>	29	35+	40+	40+

**Data Source:** Internet search of academic literature, stakeholder reports, and media.

<sup>1</sup> LSS tracks references to LSS in relation to its justice transformation ideas and projects using specific and consistent search terms through Google Scholar, Canadian Newsstand Major Dailies, HeinOnline, and stakeholder websites. There are some limitations to this measure's accuracy (in favour of under-reporting) because we use a manual collection method.

### Discussion

Measure 4.1 reflects the reach of LSS's influence in justice reform work. A high volume of references to LSS's justice innovation work in academic literature, government reports, and the media indicates that our ideas are being reviewed and considered by key justice system decision-makers and opinion-setters. Incremental target increases are based on gradual improvement from initial 2013/14 results and with consideration for when Jiti project launches have increased our media exposure.

#### Performance Measure 4.2: Clients served by justice innovation services

Performance Measure	2016/17 Baseline	2017/18 Target	2018/19 Target	2019/20 Target
Volume of clients served by new justice innovation services	4,355	N/A	N/A	N/A

**Data Source:** LSS justice innovation project databases.

### Discussion

This measure tracks the growing impact of these early resolution-focused services on people in B.C. Future targets will be set based on performance in 2017/18 and with consideration of expansion plans.

## Financial Plan

### Summary Financial Outlook

(\$m)	2016/17 Actual	2017/18 Budget <sup>1</sup>	2018/19 Budget <sup>1</sup>	2019/20 Budget <sup>1</sup>
<b>Total Revenue</b>				
Provincial Transfers <sup>2,3,4,5,6</sup>	69.8	68.1	68.2	68.2
Large and Major Cases <sup>2</sup>	5.2	4.7	4.7	4.7
Justice Transformation Initiatives <sup>6</sup>	2.0	2.0	2.0	2.0
Justice Transformation Expansion <sup>7</sup>	0.0	2.8	2.8	2.8
Non-government Revenue <sup>7</sup>	5.0	4.2	4.2	4.3
<b>Total Revenue</b>	<b>82.0</b>	<b>81.8</b>	<b>81.9</b>	<b>82.0</b>
<b>Total Expenses</b>				
Lawyer Fees <sup>2,3,4</sup>	42.3	38.3	38.4	38.4
Duty Counsel Fees	10.1	9.3	9.3	9.3
Disbursements	6.0	5.9	5.8	5.8
Justice Transformation Expansion	0.0	2.8	2.8	2.8
Salaries and Benefits	12.1	12.2	12.4	12.4
Grants and Contracted Services <sup>5</sup>	4.7	5.7	5.6	5.6
Premises	1.9	1.9	2.0	2.1
Local Agents	1.8	1.8	1.8	1.8
Computers	1.1	1.6	1.6	1.6
Office	0.7	0.7	0.7	0.7
Amortization	0.8	0.8	0.9	1.0
Miscellaneous	0.3	0.4	0.2	0.1
Board Expenses	0.1	0.2	0.2	0.2
Travel	0.1	0.2	0.2	0.2
<b>Total Expenses</b>	<b>82.0</b>	<b>81.8</b>	<b>81.9</b>	<b>82.0</b>

(\$m)	2016/17 Actual	2017/18 Budget <sup>1</sup>	2018/19 Budget <sup>1</sup>	2019/20 Budget <sup>1</sup>
<b>Net Income/Excess of Revenue over Expenses/Annual Surplus (Deficit)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Liabilities/Debt (even if zero)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Accumulated Surpluses/Retained Earnings/Equity (even if zero)</b>	<b>5.4</b>	<b>5.4</b>	<b>5.4</b>	<b>5.4</b>
<b>Capital Expenditures</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>	<b>3.7</b>
<b>Dividends/Other Transfers</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<sup>1</sup> The budgets for the years 2018/19 through 2019/20 inclusive are projections and not yet approved. As per section 18 of the *Legal Services Society Act*, LSS will seek budget approval from the Attorney General (AG) in each of those respective years. LSS will provide tariff services budgeting to the bottom line in each year.

<sup>2</sup> Budgets for large and major cases are based on ministry-approved budgets and may not reflect actual costs. In 2017/18, we estimate that Category B cases will cost \$2.8 million (2016/17 — \$2.2 million) and Category C cases will cost \$3.2 million (2016/17 — \$3.4 million) based on our forecasts as of August 16, 2017. LSS will manage expenditures to the available funding provided by the AG as in previous years.

<sup>3</sup> LSS forecasts demand for Family services would increase costs by \$1.0 million if fully funded. LSS will provide services to the available funding.

<sup>4</sup> LSS forecasts demand for Immigration and Refugee services would increase costs by \$1.07 million. To date the federal government has confirmed \$0.385 million in additional funding to the Province of B.C. The society is awaiting a funding decision from the province. LSS will provide services to the available funding.

<sup>5</sup> Grants and Contracted Services includes Community Legal Assistance Society (CLAS), West Coast Prison Justice Society, Brydges Line, Downtown Community Court, and Drug Court costs. LSS is forecasting CLAS will increase costs by \$0.347 million. LSS will provide services to the available funding.

<sup>6</sup> These revenues are funded by the provincial government. Additional annual funding of \$2.8 million was approved for initial expansion of JITI, including the addition of a Surrey Parents Legal Centre location in 2017/18.

<sup>7</sup> Non-government revenue includes funding from the Law Foundation, the Notary Foundation, investment income, and Federally Funded Cases by the Department of Justice (DOJ) Canada.

## **Key Forecast Assumptions, Risks and Sensitivities**

The tariff budgets are based on our best estimate of volume of applications and contracts, contract rates, and average case costs, taking into consideration any known changes to policies, initiatives, and historical trends.

### **External Risk Factors**

1. LSS has been seeing higher than historical volumes of applications and contracts for refugee cases. We are forecasting that we will need an additional \$1.07 million to maintain services to the end of the fiscal year. To date only \$0.385 million of additional funding has been confirmed. LSS will provide services to the available budget.
2. About 5 percent of LSS's revenue (\$4.2 million) is from non-government sources and is interest rate sensitive (i.e., Law Foundation, Notary Foundation, and investment income). With interest rates at historic low levels with only a small increase of 0.25 per cent recently, and an uncertain real estate market due to recent changes, LSS could see a decrease in revenue. This revenue is used to fund the Indigenous Services Department (including Aboriginal Community Legal Workers), the Community and Publishing Services Department (including MyLawBC), the Family LawLINE, and Legal Information Outreach Workers.
3. Complex criminal trials are taking longer because of police investigation techniques, disclosure challenges, undercover operations, and gang-related prosecutions. These factors result in higher costs to LSS, including case preparation and court attendance. Having a fixed budget that does not allow for deficits means that LSS may need to restrict services in other areas in order to manage these cost pressures.
4. LSS, like other Crown corporations, had its executive compensation frozen for the past seven years, which has made it challenging to recruit and retain senior-level management staff. However, with the recent Ministry of Finance directive – BC Public Sector – Phase II, moving out of the freeze and providing further flexibility for both excluded executive and management staff will begin to help address this risk.

### **Internal Risk Factors**

1. LSS has raised tariff rates only once since 1991 (in 2006), due to insufficient budget. The private bar have consistently reported their dissatisfaction with our tariff rates through our lawyer satisfaction surveys. At times, LSS is challenged with recruiting lawyers to provide services in certain communities (e.g., Fort St. John) and has to fly lawyers in, which increases service costs. LSS runs the risk that we will not be able to recruit lawyers, our main service providers, to provide legal aid services in the future without increasing the tariff.
2. LSS's lease on its Vancouver regional office expires on December 31, 2019. We currently pay less than market rate. If conditions remain the same, we will pay more whether we decide to renew the lease and stay in the current facility or move when the lease expires. If we are unsuccessful in negotiating a new lease with the current landlord, we will need to relocate.

## **Management's Perspective on the Financial Outlook**

LSS is dependent on provincial government funding to finance the majority of its expenditures. It also receives revenue from non-government sources that are tied to interest rates. LSS will provide services to the available budget.

### **Mitigation Strategies**

1. LSS will use predictive-risk models for budgeting and forecasting.
2. LSS will increase the use of data analytics and trend analysis, and will seek timely access to other justice system data (e.g., government, courts, and judiciary).
3. LSS will use technology to improve the efficiency and effectiveness of our programs and services.
4. LSS has implemented a Management Succession Plan to ensure continuity of leadership.
5. LSS will pursue increased collaboration and discussions with government and other justice system stakeholders.

## **Appendix A: Hyperlinks to Additional Information**

### **Corporate Governance**

Board Governance: [legalaid.bc.ca/about/ourGovernance.php](http://legalaid.bc.ca/about/ourGovernance.php)

Senior Management: [legalaid.bc.ca/about/ourExecutive.php](http://legalaid.bc.ca/about/ourExecutive.php)

### **Organizational Overview**

Mandate: [legalaid.bc.ca/about/ourMandate.php](http://legalaid.bc.ca/about/ourMandate.php)

Who We Are, and Our Vision, Mission, and Values: [legalaid.bc.ca/about/index.php](http://legalaid.bc.ca/about/index.php)

Legal Aid Services: [legalaid.bc.ca/legal\\_aid/](http://legalaid.bc.ca/legal_aid/)

Legal Aid Locations: [legalaid.bc.ca/legal\\_aid/legalAidOffices.php](http://legalaid.bc.ca/legal_aid/legalAidOffices.php)