

Legal Services Society

2019/20 – 2021/22 SERVICE PLAN

February 2019



**Legal
Services
Society**

British Columbia
www.legalaid.bc.ca



For more information on the Legal Services Society contact:

400 – 510 Burrard Street
Vancouver, BC V5C 3A8

604-601-6000

Or visit our website at
legaid.bc.ca

Board Chair Accountability Statement



The 2019/20 – 2021/22 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 February 7, 2019, have been considered in preparing the plan. The performance measures presented are consistent with the *Budget Transparency and Accountability Act*, LSS’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 LSS’s operating environment, forecast conditions, risk assessment, and past performance.

A handwritten signature in black ink, appearing to read 'Celeste Haldane', written over a faint circular watermark or background.

Celeste Haldane
Chair, LSS Board of Directors

Table of Contents

Board Chair Accountability Statement	3
Strategic Direction and Alignment with Government Priorities.....	5
Operating Environment.....	7
Performance Plan	8
Goals, Objectives, Strategies, Measures, and Targets	8
Financial Plan.....	18
Summary Financial Outlook.....	18
Key Forecast Assumptions, Risks and Sensitivities	20
External Risk Factors	20
Internal Risk Factors	20
Management’s Perspective on the Financial Outlook.....	20
Risk Mitigation Strategies.....	20
Appendix A: Hyperlinks to Additional Information.....	21
Corporate Governance	21
Organizational Overview	21

Strategic Direction and Alignment with Government Priorities

LSS is a non-profit organization created by the Legal Services Society Act in 1979 to provide legal information, advice and representation services to people with low incomes in British Columbia.

To advance LSS strategic goals, we will work on four priority actions for 2019/20, as described below. These actions advance the commitments to British Columbians outlined in the mandate letter to LSS from the Attorney General (AG) to make life more affordable and to deliver the services that people count on. LSS is also committed to supporting true and lasting reconciliation with Indigenous people in British Columbia.

The first priority action is to continue to work with Indigenous communities and leaders, the AG, and other ministries to identify ways to improve access to justice for Indigenous people. This includes advancing the justice provisions of the Calls to Action of the Truth and Reconciliation Commission (TRC), the *United Nations Declaration on the Rights of Indigenous Peoples* (the Declaration), Grand Chief Ed John's report on Indigenous child welfare in BC, and the *Draft Principles that Guide the Province of British Columbia's Relationship with Indigenous Peoples* (the Draft Principles) based on respect and recognition of inherent rights. Specific initiatives include implementing new Parents Legal Centres (PLCs) in additional high-need locations, supporting First Nations Courts, and enhancing our Gladue report program.

Our second priority action is to continue work with the AG, affected ministries, and relevant stakeholders to determine opportunities to better meet the legal needs of families with low incomes. Specific initiatives include developing new and refining current representation and advice services that focus on Indigenous clients and unrepresented litigants, and responding to the new Provincial Court (Family) Rules.

Our third priority action is to continue to explore and implement digital delivery of services to improve access to justice. This includes online applications and user-friendly websites that integrate direct services with information. Our development and implementation approach will rely on research, user testing, and collaboration.

Our fourth priority action is to work with the AG to find mechanisms that will support attraction and retention of legal aid lawyers to sustain delivery of legal aid services, particularly in rural areas.

In addition, in alignment with the mandate letter, LSS and the ministry will keep one another informed in a timely manner of both potentially contentious issues and issues that may have a significant impact on the operations of the society and ministry. LSS will also establish a target for reducing the percentage of funding spent on administrative costs to below current levels. We will report publically on our progress toward achieving our administrative cost target.

LSS will also provide Mr. Jamie Maclaren QC with complete access and information required at his discretion to complete his work as assigned by the AG, and support the AG in implementing ministry identified recommendations made in the Maclaren report once that report is received. The AG acknowledges that LSS has legal obligations to maintain the confidentiality of client information, of FOIPPA, and is not being asked to provide Mr. MacLaren information that will contravene any of the society's roles and responsibilities.

In delivering on our priorities, we will ensure that our organization's operations align with the provincial government's new climate plan, as well as with its key priorities, as outlined in the following table. LSS provides free legal representation and advice to people with low incomes, and

free public legal education and information (PLEI) to all. Our services increase the affordability of legal help in BC, and people count on these services to access justice.

Government Priorities	LSS Aligns with These Priorities By:
Making life more affordable	<ul style="list-style-type: none"> • Objective 1.2: Increase the accessibility and quality of legal aid services for Indigenous people. • Objective 2.2: Support more people to achieve timely and lasting resolutions to their legal problems.
Delivering the services people count on	<ul style="list-style-type: none"> • Objective 2.1: Increase the accessibility of legal aid services to address people’s interrelated needs. • Objective 3.1: Increase staff’s and service providers’ ability and capacity to provide quality services. • Objective 3.2: Increase the availability of qualified staff and service providers in all regions. • Objective 3.3: Increase the timeliness of LSS service delivery. • Objective 4.2: Promote innovations that help people resolve their legal issues.

Operating Environment

LSS faces new uncertainties in its operating environment in 2019/20, including the introduction of new Provincial Court (Family) Rules, potential changes to the administration of Gladue reports, and the outcomes of the Jamie Maclaren review of legal aid service delivery models.

Client volumes and costs for the new family, child protection, and criminal representation services introduced in 2018/19 are expected to grow throughout 2019/20, including for the new PLCs in seven communities across BC. To ensure these new services deliver cost-effective legal aid to clients most in need without exceeding the funding envelope, LSS will apply our robust cost-tracking and outcome-assessment practices, and adjust services accordingly.

Service improvements made in 2018/18 enable LSS to better respond to the demand for family law services, but the proportion of family applicants receiving a representation contract remains under 50 percent. Family service gaps present a significant risk to LSS achieving its service plan goals. As noted, LSS will continue to work with the ministry to identify opportunities to help more people with family law issues find resolutions to their legal problems.

Despite the increase in our funding in 2018/19, tariff rates remain unchanged. Lawyer dissatisfaction with current rates is an ongoing concern and creates a risk that we will not be able to attract or retain highly skilled lawyers, resulting in service disruptions. Our clients will be at a disadvantage if they do not receive the same high-quality legal counsel as others. In 2019/20, we will continue to work with the ministry to find mechanisms to attract and retain qualified lawyers for our clients.

LSS experienced significant organizational change in 2018/19, including the hiring of new staff across the province, internal movement of staff to new roles, and changes to systems and processes to support the delivery of new services. At the same time, LSS continues to face challenges in hiring and retaining skilled staff, in particular due to the cost of living in the Lower Mainland. To mitigate the change impacts and ensure that LSS is well positioned to deliver quality services, we will retain our focus on organizational health and employee engagement. A key strategy is providing enhanced training programs, including cultural competency training for all staff.

Digital delivery of legal aid services is an increasingly important part of LSS's strategy to provide innovative and accessible services. In 2019/20 we will build on the advances made in 2018/19 to expand the digital delivery of services, including introducing online applications and piloting online dispute resolution for family matters.

Performance Plan

Goals, Objectives, Strategies, Measures, and Targets

The 2019/20 service plan continues the goals, supporting objectives, and strategies that were introduced in 2018/19. It is intended to guide LSS through and beyond the three-year period of this plan and help us achieve our renewed vision to provide client-focused legal aid that ensures access to justice for all.

In 2018/19, we refined our performance measures and reduced the number of measures to focus on those most relevant to measuring our progress toward achieving our goals. We will continue to refine the strategies, objectives, and related measures if needed as we meet implementation milestones.

The changes made to the 2019/20 plan compared with the 2018/19 plan are outlined in the table below.

Change	2018/19 plan	2019/20 plan
Under Goal 1, removed measures 1.1a and 1.2a, and replaced 1.3a and 1.3b with a direct output measure of our engagement efforts. This reduces the number of measures and provides a more meaningful assessment of our performance.	<p>1.1a Percent of staff and number of service providers who received cultural competency training.</p> <p>1.2a Percent of Indigenous clients who are satisfied with the accessibility of legal aid services.</p> <p>1.3a Percent of Indigenous clients who say they received culturally appropriate services.</p> <p>1.3b Percent of Indigenous clients who say the legal aid services they received met their needs.</p>	1.3a Number of people reached through engagement activities LSS held with Indigenous people and communities.
Under Goal 1, reframed Objective 1.3 for clarity.	1.3 Increase Indigenous people’s and communities’ engagement in improving access to justice.	1.3 Increase LSS’s engagement with Indigenous people and communities to improve their access to justice.
Under Goal 2, removed measures 2.1a and 2.1b and revised measure 2.1c to better track the impact of LSS services to help clients address interrelated needs. This reduces the number of measures and provides a more meaningful assessment of our performance.	<p>2.1a Percent of staff and number of service providers who participated in a training program who say the program helped them better address people’s interrelated needs.</p> <p>2.1b Percent of clients satisfied overall with LSS services.</p> <p>2.1c Percent of clients who are referred to services to address interrelated issues.</p>	2.1a Number of clients provided legal aid services or referred to other services for interrelated needs.

Change	2018/19 plan	2019/20 plan
Under Goal 2, revised Objective 2.2 to remove reference to family law. This broadens the objective.	Support more people with family law issues to achieve timely and lasting resolutions to their legal problems.	Support more people to achieve timely and lasting resolutions to their legal problems.
Under Goal 2, revised Objective 2.2's strategy to include reference to criminal law. This expands the strategy.	Enhance family law services.	Enhance family and criminal law services.
Under Goal 2, replaced measure 2.2a with a new outcome measure of LSS's overall performance on meeting client needs. This provides a more direct measure of our progress against this goal.	2.2a Percent of family law clients who resolved their legal issues.	2.2a Percent of clients who say legal aid met their needs overall.
Under Goal 3, refined the performance measure to assess more broadly the reach of LSS training.	3.1a Percent of staff and number of service providers who participated in a training program who say the program helped them better address people's interrelated needs.	3.1a Number of staff and service providers who participated in an LSS-sponsored training program to increase their ability to provide quality services.
Under Goal 3, revised Objective 3.2's strategy to remove reference to "service providers," which are now the focus of an additional strategy.	Attract and retain qualified staff and service providers in all regions.	Attract and retain qualified staff in all regions.
Under Goal 3, added a strategy to Objective 3.2 to refer directly to tariff lawyers, our key service provider.	N/A	Work with the Attorney General to find mechanisms that will support attraction and retention of qualified tariff bar lawyers in all regions.
Under Goal 4, removed a performance measure that was no longer providing valuable information.	4.1b Volume of references to LSS and justice reform.	N/A

Goal 1: LSS advances reconciliation with Indigenous people by improving access to justice.

This goal articulates our aim to improve Indigenous access to justice. We can achieve this outcome through our work with Indigenous people, the ministry, and other stakeholders. This work includes advancing the justice provisions of the TRC Calls to Action, the UN declaration, and Grand Chief Ed John’s report on child welfare.

Objective 1.1: Ensure the cultural competence of staff and service providers.

Key Strategies:

- Develop and deliver cultural competency training for staff and service providers.

Performance Measure(s)	Baseline	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.1a Percent of Indigenous clients who say they received culturally appropriate legal aid services ¹	67% (2017/18)	67%	—	—	TBD	—

¹ Data Source: Biennial LSS Client Survey and/or Indigenous Client Survey.

Linking Performance Measures to Objectives:

- 1.1a This outcome measure assesses the impact of training for LSS staff and service providers on Indigenous clients’ experiences of legal aid services as culturally appropriate. Targets for future periods will be set based on results from our Indigenous Client Survey in 2018/19.

Discussion:

LSS identifies specialized training of staff and service providers as a key strategy to achieving this objective and ultimately advancing the goal. The baseline data for this measure is from our general client survey conducted in 2017/18. In 2018/19, we conducted a specialized survey of Indigenous clients to better assess their opinions. Based on other research, we anticipate this specialized survey will yield lower results than the general survey. We will report the results for 2018/19 in our annual service plan report. We plan to conduct a separate Indigenous Client Survey every two years, with our second wave scheduled for 2020/21. Over time, LSS will determine the most appropriate tool for measuring the views of Indigenous clients.

Objective 1.2: Increase the accessibility and quality of legal aid services for Indigenous people.

Key Strategies:

- Develop and implement expanded Indigenous legal aid services.

Performance Measure(s)	Baseline	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.2a Percent of Indigenous clients who say legal aid met their needs overall ¹	76% (2017/18)	76%	—	—	TBD	—

¹ Data Source: Biennial LSS Client Survey and/or Indigenous Client Survey.

Linking Performance Measures to Objectives:

1.2a This outcome measure assesses whether Indigenous clients believe they received services that met their needs. The degree to which clients think that services met their needs is an indicator of both the accessibility and quality of the services. Targets for future periods will be set based on results from our Indigenous Client Survey in 2018/19.

Discussion:

LSS identifies Indigenous people’s access to high quality legal aid services as an essential component of access to justice. We believe Indigenous clients can provide the most meaningful assessment of whether our services are accessible to them and meet their legal needs. As in the previous objective, baseline data for this measure is gathered from our general client survey conducted in 2017/18, which we compared against the results of a specialized survey of Indigenous clients conducted in 2018/19. Based on other research, we anticipate this specialized survey will yield lower satisfaction than the general survey. We will report the results for 2018/19 in our annual service plan report and conduct the second Indigenous Client Survey in 2020/21. Over time, LSS will determine the most appropriate tool for measuring the views of Indigenous clients.

Objective 1.3: Increase LSS’s engagement with Indigenous people and communities to improve their access to justice.

Key Strategies:

- Engage with Indigenous people and communities to set priorities and design services.
- Facilitate understanding and build relationships between Indigenous people and communities and the justice system.

Performance Measure(s)	Baseline	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
1.3a Number of people reached through engagement activities LSS held with Indigenous people and communities ¹	—	—	Baseline set	TBD	TBD	TBD

¹ Data Source: LSS operational data (annual measure).

Linking Performance Measures to Objectives:

1.3a Increased engagement is an important step toward advancing reconciliation. However, it is difficult to directly measure the level of engagement of Indigenous people and communities. This output measure will track the Indigenous people reached through LSS’s engagement activities, and ensure these efforts are sustained over time. Targets for future periods will be set based on results from 2018/19.

Discussion:

LSS introduced a new output measure to track the results of its activities engaging with Indigenous people and communities. Data was gathered throughout 2018/19 and the baseline set at the end of year will be reported in the annual service plan report. Over time we will assess the effectiveness of this measure and refine it as needed.

Goal 2: LSS delivers services tailored to people’s needs.

This service-focused goal is based on evidence that legal aid services that are tailored to people’s needs will be more likely to help clients achieve early and lasting resolutions to their legal problems. LSS plans to adapt current services to better ensure that clients’ unique needs — such as mental health, domestic violence, or poverty issues — are understood and addressed.

Objective 2.1: Increase the accessibility of legal aid services to address people’s interrelated needs.

Key Strategies:

- Provide training to staff and service providers to help them better address people’s interrelated needs.
- Develop and implement services for people with interrelated needs.
- Enhance online access to legal aid services.

Performance Measure(s)	Baseline	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
2.1a Number of clients provided legal aid services or referred to other services for interrelated needs ¹	—	—	Baseline set	TBD	TBD	TBD

¹ Data Source: LSS client information system and other operational data (annual measure).

Linking Performance Measure to Objective:

2.1a This outcome measure counts the number of clients who received direct services from LSS for interrelated issues, or were referred to outside services for help with these issues. An increased number indicates that more clients are getting access to the services they need.

Discussion:

Clients’ legal problems often arise from or lead to interrelated needs such as health, housing or debt. By working with 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. Data was gathered for this measure throughout 2018/19, and the baseline set at the end of the year will be reported in the annual service plan report.

Objective 2.2: Support more people to achieve timely and lasting resolutions to their legal problems.

Key Strategies:

- Enhance family and criminal law services.

Performance Measure(s)	Baseline	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
2.2a Percent of clients who say legal aid met their needs overall ¹	55% (2017/18)	55%	—	57%	—	59%

¹ Data Source: Biennial LSS Client Survey.

Linking Performance Measure to Objective:

- 2.2a This measure assesses whether clients believe their needs were met overall by LSS. An increase in the proportion of clients who say their needs were met is a strong indicator that we are providing them with the appropriate services to meet their needs and achieve a resolution to their legal problems.

Discussion:

A key objective of delivering services tailored to people's needs is to help them find early and stable resolutions to their legal problems. LSS uses survey responses to determine whether clients believe their issues have been resolved through the use of legal aid services.

Goal 3: LSS operates a cost-effective, quality-assured legal aid plan.

Operating a cost-effective, quality-assured legal aid plan will help us achieve optimum benefit for the people we serve within our funding envelope.

Objective 3.1: Increase staff’s and service providers’ ability and capacity to provide quality services.

Key Strategies:

- Develop and implement a quality assurance program.

Performance Measure(s)	Baseline	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
3.1a Number of staff and service providers who participated in an LSS-sponsored training program to increase their ability to provide quality services ¹	—	—	Baseline set	TBD	TBD	TBD

¹ Data Source: Operational data (annual measure).

Linking Performance Measure to Objective:

3.1a Our strategy of implementing a quality assurance program is intended to increase staff’s and service providers’ ability and capacity to deliver quality services, which is a step toward the goal. This measure assesses the reach of our training, a key component of the quality assurance program. LSS will determine a more direct measure as part of the development and implementation of the quality assurance program.

Discussion:

To assess progress against this objective, LSS tracks the number of staff and service providers who undertake training to increase their ability to provide quality services to clients. LSS developed and implemented a quality assurance training program in 2018/19, and gathered data to set a baseline set at the end of the year. This result will be reported in the annual service plan report. .

Objective 3.2: Increase the availability of qualified staff and service providers in all regions.

Key Strategies:

- Attract and retain qualified staff in all regions.
- Work with the Attorney General to find mechanisms that will support attraction and retention of qualified tariff bar lawyers in all regions.

Performance Measure(s)	Baseline	2017/18 Actuals	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
3.2a Percent of lawyers satisfied with the overall support provided by LSS ¹	68% (2005)	57% (2016/17)	60%	—	TBD	TBD
3.2b Overall employee engagement ²	70 (2008)	71 (2016/17)	—	74	—	TBD

¹ Data Source: Biennial Tariff Lawyer Survey.

² Data Source: Triennial LSS Workplace Environment Survey.

Linking Performance Measures to Objective:

- 3.2a An increasing level of satisfaction would indicate that LSS’s attraction and retention activities are having a positive impact, and provide a qualitative measure of the sustainability of this key resource.
- 3.2b High employee engagement in the public sector is linked to increased staff retention and improved service for clients.

Discussion:

LSS is currently using two long-standing performance measures to track our progress against this objective. While these are proxy measures, lawyer satisfaction and employee engagement are strong indicators of our ability to attract and retain staff and service providers. As we implement quality assurance and attraction/retention initiatives in the coming years, we will establish measures that more directly assess our supply of qualified staff and service providers.

Objective 3.3: Increase the timeliness of LSS service delivery.

This objective focuses on the need to improve the efficiency of LSS business processes related to service delivery to advance both cost-effectiveness and service quality.

Key Strategies:

- Optimize business systems to improve service delivery.

Performance Measure	Baseline	2017/18 Actual	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
3.3a Percent of approved applicants receiving a representation contract within the same day of applying ¹	56% (2016/17)	55%	58%	59%	60%	61%

¹ Data Source: LSS client information system (annual measure).

Linking Performance Measure to Objective:

- 3.3a The measure tracks the timeliness of application approval, a primary indicator of the timeliness of overall LSS service delivery. An immediate decision on the application and assignment of the contract minimizes delay in resolving the client’s legal issue (for example, a delay in legal aid approval can delay court proceeding).

Goal 4: LSS influences systemic changes that improve the outcomes of people who use our services.

This goal articulates our intention to bring about the justice system changes required to improve outcomes for our clients. LSS needs to influence and innovate to achieve these fundamental changes.

Objective 4.1: Increase LSS’s influence on changes that improve access to justice.

This objective recognizes that the greater our influence, the more LSS can do to advance justice system changes.

Key Strategies:

- Take a network approach to realize change.
- Demonstrate the value of legal aid services through evidence-based analysis, including evaluation and data analysis.

Performance Measures	Baseline	2017/18 Actual	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
4.1a Percent of the public that supports the provision of legal aid services ¹	89% (2005)	93%	—	>90%	—	>90%

¹ Data Source: Biennial LSS Public Opinion Poll.

Linking Performance Measures to Objectives:

4.1a Sustained public support for legal aid contributes to LSS’s influence on justice system changes. LSS maintains the target of greater than 90 percent based on the consistent high level of past performance.

Objective 4.2: Promote innovations that help people resolve their legal issues.

This objective recognizes that LSS will drive systemic change by supporting, developing, and implementing innovative justice services that improve the outcomes of people who use them.

Key Strategies:

- Develop and pilot innovative services that improve the outcomes of people who use them.

Performance Measure	Baseline	2017/18 Actual	2018/19 Forecast	2019/20 Target	2020/21 Target	2021/22 Target
4.2a Number of clients accessing innovative legal aid services who resolve their legal issues ¹	248 (2017/18)	248	265	>265	>265	>265

¹ Data Source: LSS client information system.

Linking Performance Measure to Objective:

- 4.2a This measure reflects the impact of innovative, resolution-focused services on people in BC. For 2017/2018 the data includes the Vancouver PLC and Port Coquitlam Expanded Criminal Duty Counsel.

Discussion:

This objective recognizes that LSS will drive systemic change by supporting, developing, and implementing innovative justice services that improve the outcomes of people who use them. The forecast for 2018/19 projects an increase with the PLC expansion, but it will be too early for most clients at the new PLC locations to have completed their cases. Targets for future periods will be set after examining 2018/19 data.

Financial Plan

Summary Financial Outlook

(\$m)	2018/19 Q3 Forecast	2019/20 Budget ¹	2020/21 Budget ¹	2021/22 Budget ¹
Total Revenue				
Provincial Transfers ^{1,3,4}	77.9	73.5	73.5	73.5
Large and Major Cases ²	5.5	4.7	4.7	4.7
Justice Transformation Initiatives ⁵	1.6	1.6	1.6	1.6
Parents Legal Centres ⁶	4.2	7.0	7.0	7.0
Non-Government Revenue ⁷	6.2	5.1	5.2	5.2
Total Revenue	95.4	91.9	92.0	92.0
Total Expenses				
Lawyer Fees ^{1,2,3,4}	49.9	41.3	43.6	43.5
Duty Counsel Fees ¹	8.9	9.6	9.4	9.4
Disbursements ¹	5.9	5.2	5.4	5.5
Salaries and Benefits	15.0	19.0	19.0	19.0
Grants and Contracted Services ⁴	7.7	6.8	4.8	4.9
Premises	2.8	2.8	2.8	2.8
Local Agents	1.8	1.9	1.9	1.9
Computers	0.7	1.4	1.0	0.7
Office	0.6	1.0	1.0	1.0
Amortization	0.8	1.6	1.8	2.0
Miscellaneous	1.0	0.9	0.9	0.9
Board Expenses	0.1	0.2	0.2	0.2
Travel	0.2	0.2	0.2	0.2
Total Expenses	95.4	91.9	92.0	92.0
Net Income/Excess of Revenue over Expenses/Annual Surplus (Deficit)	0.0	0.0	0.0	0.0
Total Liabilities/Debt (even if zero)	0.0	0.0	0.0	0.0

(\$m)	2018/19 Q3 Forecast	2019/20 Budget ¹	2020/21 Budget ¹	2021/22 Budget ¹
Accumulated Surpluses/Retained Earnings/Equity (even if zero)	3.9	3.9	3.9	3.9
Capital Expenditures	3.4	1.7	1.7	1.7
Dividends/Other Transfers	0.0	0.0	0.0	0.0

¹ In the final 2019/20 Budget Management Plan, lawyer fees, duty counsel fees and disbursements are expected to exceed the amounts indicated in the 2019/20-2021/22 Service Plan, a risk that the ministry has recognized and for which the ministry is developing mitigation plans. LSS will deliver services based on the expectation that unless otherwise notified, it will be able to receive this funding by monthly invoicing.

² Budgets for large and major cases are based on ministry-approved budgets and may not reflect actual costs. Based on our forecast of December 31, 2018, we estimate that in 2019/20 Category B cases will cost \$3.0 million (Forecast 2018/19 — \$3.2 million) and in 2019/20 Category C cases will cost \$3.3 million (Forecast 2018/19 — \$2.2 million) LSS will manage expenditures to the available funding provided by the ministry, as in previous years.

³ LSS forecasts that demand for immigration and refugee services will cost \$2.9 million in 2019/20, which exceeds the available budget by \$0.973 million. The forecast is based on projected volumes of cases and historical billing patterns. LSS will provide services to the available funding.

⁴ Grants and Contracted Services includes Community Legal Assistance Society (CLAS), West Coast Prison Justice Society, Brydges Line, Downtown Community Court, and Drug Treatment Court costs. LSS will provide services to the available funding.

⁵ Justice Transformation Initiatives funding includes Expanded Criminal Duty Counsel Port Coquitlam, Expanded Family Duty Counsel Victoria, and Family LawLINE.

⁶ Parents Legal Centres (PLC) funding includes \$2.8 million provided in *Budget 2017*, \$3.8 million provided in *Budget 2018*, and \$0.4 million transferred from Justice Transformation Initiatives \$2.0 million for the operation of PLC Vancouver.

⁷ 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. About 5 percent of LSS's revenue (\$5.1 million) is from non-government sources and is interest-rate sensitive (i.e., Law Foundation, Notary Foundation, and investment income). With interest rates rising from historically low levels, LSS is anticipating increased revenue, but an uncertain real estate market 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.
2. 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.
3. A risk LSS continues to face is the recruitment and retention of senior level management staff. Greater flexibility to provide compensation adjustments within existing budgets for both excluded executive and management staff will begin to mitigate this risk.

Internal Risk Factors

As noted on page 7, lawyer dissatisfaction with low tariff rates is an ongoing concern for LSS. The last time LSS raised tariff rates was in 2006. If we are unable to address their dissatisfaction, there is a risk that we will not be able to attract or retain highly skilled lawyers for our clients.

Management's Perspective on the Financial Outlook

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

LSS opened seven new PLCs in 2018/19. In 2019/20 the ministry's funding of \$7.0 million will be fully spent on operating all nine PLC.

Risk Mitigation Strategies

1. LSS will use predictive-risk models for budgeting and forecasting.
2. LSS will use data analytics, trend analysis, and seek timely access to other justice system data (for example, 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

Senior Management: legalaid.bc.ca/about/ourExecutive.php

Organizational Overview

Mandate: legalaid.bc.ca/about/ourMandate.php

Who We Are, and Our Vision, Mission, and Values: legalaid.bc.ca/about/index.php

Legal Aid Services: legalaid.bc.ca/legal_aid/

Legal Aid Locations: legalaid.bc.ca/legal_aid/legalAidLocations.php