

<b>Report to:</b>	The Board
<b>Meeting Date:</b>	24 <sup>th</sup> June 2019
<b>Report Title</b>	Best Value Annual Update Report - 2019
<b>Report Category</b>	For Information
<b>Issue status:</b>	Business as usual

<b>Written by:</b>	Graeme Hill
<b>Director responsible:</b>	Graeme Hill
<b>Presented by:</b>	Graeme Hill
<b>Contact details:</b>	hillgr@slab.org.uk

<b>Delivery of Strategic Objectives</b>	
Select the Strategic Objective(s) relevant to the issues	1. to deliver improvements to legal aid processes that increase efficiency and improve the experience of system users and customers.

<b>Link to Board or Committee Remit</b>
This paper is linked to the Board's role in monitoring the financial position of SLAB.

<b>Publication of the Paper</b>
The Board has previously agreed that this paper should be published as a matter of routine. It will be published on our website in due course.

<b>Executive Summary</b>
This paper gives an update on the progress against the actions set out; and to outline the focus of actions in relation to Best Value going forward. The Board is asked to note the ongoing progress this year and to agree the focus of the process of continuous improvement going forward

<b>Previous Consideration</b>	
<b>Meeting</b>	<b>Detail</b>
N/A	

## 1. BACKGROUND

### 1.1 The Duty of 'Best Value'

April 2002 saw the introduction of a duty on public bodies in the wider public sector (as distinct from Local Authorities, the Scottish Executive and the NHS) to ensure arrangements are in place to secure 'Best Value'.

In all NDPBs, including SLAB, this duty is placed upon the Chief Executive as "Accountable Officer". The duty of Best Value is an auditable requirement and the Scottish Ministers expect all those parts of the Scottish Administration, and all other bodies subject to audit by the Auditor General for Scotland, to comply with this duty.

The main aims of Best Value are to:

- pursue continuous improvement
- achieve a balance between quality and cost
- improve accountability by being more responsive to stakeholders

## 2. ASSESSMENT OF ACHIEVEMENT OF BEST VALUE IN SLAB

### 2.1 Background

Since 2009, SLAB's Internal Audit has been performing an annual review of Best Value, adapting and adopting Audit Scotland's Best Value toolkit. The Best Value toolkit provides an evaluation framework that helps auditors to reach robust judgements on how public bodies are delivering best value. The most recent Internal Audit review of Best Value was undertaken in May 2019.

The duty of Best Value, as set out in the Scottish Public Finance Manual ("SPFM"), is to:

- make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost; and, in making those arrangements and securing that balance, and
- have regard to economy, efficiency, effectiveness, the equal opportunities requirements and to contribute to the achievement of sustainable development.

The Scottish Government now have three levels of performance which are:

- **Basic**
- **Better**
- **Advanced**

The definitions of basic, better and advanced are as follows:

**Basic** - minimum acceptable standards, which would allow an organisation to demonstrate some performance.

**Better** - as basic, with some elements of good or even best practice, but not on a consistent basis.

**Advanced** - consistently demonstrating good or best practice, and contributing to innovation.

Also the Scottish Government has deemed it appropriate to focus on 5 generic key themes and 2 cross-cutting themes which now define the expectations placed on Accountable Officers by the duty of Best Value. This guidance regroups the Best Value characteristics in a way which both emphasises the connections between the characteristics and assists partnership working between Public Bodies and their partners as they deliver their outcomes. The five themes are Vision and Leadership, Effective Partnership Working, Governance and Accountability, Planning & Resource Alignment; and Performance Management. The two cross-cutting themes are Equality and Sustainability.

Internal Audit for assurance purposes has assessed the characteristics as “**satisfactory**” and their assessment as predominantly “**Better**” as per Audit Scotland’s descriptors; however an increase in the advanced assessment across 2 categories has seen an improvement from last year which reflects ongoing progress demonstrated; however for any organisation, the overall reflection of any view on the current position of the Best Value Characteristics will always be for best value a need for continuous improvement.

The table which follows summarises Internal Audit’s assessment in relation to SLAB’s achievement of each of the specific Best Value characteristic.

Audit Scotland has adopted a generic framework for Best Value for all public bodies. This enables a consistent approach to auditing against Best Value principles across the public sector. Sustainable development and equalities are themes that run through the framework. They are committed to ensuring that Best Value auditing across the public sector adds value to existing arrangements.

Best Value provides the building blocks on which to deliver key outcomes by ensuring that they are delivered in a manner which is economic, efficient, sustainable and supportive of continuous improvement. It also provides a common framework for continuous improvement across public services in Scotland. This approach is recognised as being *mainstreamed* into SLAB systems and business processes and this reflects what Audit Scotland deems to be *better or advanced*.

Best Value Characteristic	Auditor’s Assessment
Vision & Leadership	Advanced
Effective Partnership Working	Advanced
Governance & Accountability	Advanced
Planning & Resources Alignment	Better
Performance Management	Better
<i>Cross Cutting Characteristics</i>	
Equality	Better
Sustainability	Better

Continuous improvement is embedded within our approach to Best Value which strives to ensure that we meet the range of challenges and priorities set out within our Corporate and Business Plans, supplemented by the new approach to risk with the introduction of the new Risk Management Framework.

SLAB's purpose and intended outcomes for users and the public are detailed in its Corporate Plan. A set of corporate values was defined during 2018/19 and these will be embedded during 2019/20 and onwards as SLAB continues with its vision to transform the delivery of its functions.

The Corporate Plan is supported by an annual Business Plan which details the key activity that SLAB will undertake during the year that will directly contribute to its vision and priorities. Both documents are aligned to the Scottish Government's (SG) National Performance Framework and are informed by a good understanding of SLAB's key stakeholders. The Executive Team is responsible for delivery of the Corporate Plan. Each project within the Business Plan is assigned to a Director and effective monitoring arrangements are in place to ensure key outcomes are achieved.

SLAB has a well-developed process of planning and resource alignment. The Corporate and Business Plans ensure a clear focus on and allocation of resources which helps deliver its objectives. Specific strategies have been developed which are aligned with the Corporate Plan. The annual budget preparation and review processes ensure that resources are properly aligned with the work that is required to fulfil the Business Plan and other strategies.

Performance management is given a high profile within SLAB and is a key factor in achieving improvement. It is an integral part of SLAB's plans, and reports on performance are provided regularly to the Executive Team and Board, whereby performance issues are able to be identified, monitored and addressed. SLAB's operational performance report is published on its website, as are many of its Board and Committee papers demonstrating its commitment to openness and transparency. SLAB's operational performance measures have been refined during 2018/19 and further work is being undertaken on the remaining elements of the balanced scorecard approach during 2019/20.

## **2.2 Highlights of Characteristics - are available in full detail as Appendix 1**

### **3 BEST VALUE REVIEWS (BVR)**

The work carried out by Internal Audit of adapting and adopting Audit Scotland's Best Value toolkit to evaluate each of the best value characteristics confirms that best value is effectively mainstreamed into SLAB's processes and procedures, with outcomes reported as appropriate through specific reports to the Executive Team and the Board.

Over time, the principles of best value have become more and more embedded in our day to day approach, and we no longer undertake specific 'Best Value Reviews'. This is consistent with the mainstreaming of the concept of best value.

Work that falls within the definition of a best value review is now considered through the relevant governance structure i.e. a project board, Steering Group, the Executive Team or a Board Committee. This provides a foundation confirming that the principles and characteristics of best value continue to be mainstreamed into SLAB policies, procedures and processes.

Our work on introducing a new Performance Management Framework has been given a high profile within SLAB and has been is a key factor in developing a different approach to performance and supports a framework of achieving improvement. It is an integral

part of SLAB's plans, and reports on performance are provided regularly to the Executive Team and Board (SOPOR), whereby performance issues are able to be identified, monitored and addressed. A significant investment of resource has gone into reviewing SLAB's performance measures, which will continue in 2018/19.

SLAB's contribution to the achievement of sustainable development is reflected in its plans, strategies and risk registers. SLAB's Information & Communication Technology (ICT) & Digital Strategy, People Strategy, Property Asset Management Plan, Carbon Management Plan, Procurement Strategy and Travel Policies contain clear statements on sustainability. SLAB has worked closely with the SG and other bodies during 2018/19 on planning and prioritising the implementation of recommendations made in the Independent Strategic Review of Legal Aid, published in February 2018.

SLAB's commitment to equalities is reflected in its plans and strategies. The achievement of SLAB's 3 equality outcomes 2017/20 are driven by the Equalities Project Group (EPG) which provides leadership and decision making. SLAB reported good progress across a number of areas in its Equalities Outcomes and Mainstreaming Report, October 2018, and equalities are embedded across the business in a number of different ways. SLAB has a history of investing in research and evidence gathering around equalities and works in partnership with other organisations on the advancement of equalities issues.

#### **Public Defence Solicitors' Office & Civil Legal Assistance Office**

The recent projects for PDSO and CLAO identified revised scope and improvements, many of which have already been implemented, with the remainder for PDSO to be introduced over 2019/20.


#### **4. CONCLUSION**

The 2018/19 assessment by Internal Audit again re-affirms that SLAB's overall assessment in relation to SLAB's achievement of each of the new specific Best Value characteristics is "Better", but with real improvement, and heading towards "Advanced".

SLAB's work in 2018/19 on Performance Management and the continued development of the new measures, the introduction of the new Risk management Framework and various projects including GALA, along with advice to Ministers are driven by and appropriately support SLAB's ongoing approach to the efficient administration and delivery of legal aid. This includes work on improving our digital platforms as can be seen by the delivery of new Accounts online systems with new services not previously available, the move to the Oracle Cloud for Finance, HR, Payroll, Purchasing and Expenses completed in April 2019, along with the work planned around our people strategy. The various work streams and projects continue to be evaluated to ensure that they provide that positive impact.

The review of Legal Aid which has now concluded will also offer opportunities to test and enhance our approach to best value through change which will further enhance customer service and efficiency.

Best Value is firmly embedded across our business. The principles of best value will continue to inform our approach to our ongoing development of the performance management framework, customer satisfaction, our new Risk Management Framework



and the development of our own capability and capacity as an organisation, to ensure that we continue to operate efficiently and make best use of taxpayers' money while delivering positive outcomes.

Governance Links	
1	<b>Finance and Resources</b> No additional points to note.
2	<b>Risk</b> No additional points to note.
3	<b>Legal and Compliance</b> This meets our statutory obligation to annually report on SLAB's continuous improvement as set out in the Scottish Public Finance Manual ("SPFM").
4	<b>Performance</b> No additional points to note.
5	<b>Equalities Impact</b> An Equality Impact Assessment is not required for this paper.
6	<b>Privacy Impact and Data Protection</b> No privacy or data protection issues identified.
7	<b>Communications and Engagement</b> It has previously been agreed that his paper could be published.
Appendices/Further Reading	
Appendix 1 Highlights of characteristics.	

Conclusion and next steps
N/A

## Appendix 1

**Vision & Leadership:** The Corporate Plan and associated Business Plan are aligned with and detail the strategic aims which contribute to the Scottish Government's National Outcomes and its justice strategy.

Specific strategies / plans have been developed which are aligned with the Corporate Plan. These are in place for Information & Communication Technology (ICT) and Digital Strategy; Property Asset Management Plan (PAMP); Carbon Management Plan (CMP); Communications Strategy.

SLAB's vision of Best Value and its contribution towards sustainable development are clearly expressed in its purpose, strategic objectives and priority outcomes detailed in the Corporate Plan. These centre upon continuous improvement as an organisation, further streamlining of the legal aid system and the formulation of a transparent performance framework. They are also implicit in many of the individual projects / activities specified in SLAB's Business Plans. The Board are provided with an Annual Best Value report by the Director of Corporate Services & Accounts

The Corporate Plan 2017/20 sets out SLAB's purpose, strategic objectives and priorities. These priorities will deliver a number of outcomes which will enable SLAB to deliver against its strategic objectives up to 2020. The Corporate Plan is supported by an annual Business Plan (2019/20) which details the key activity that SLAB will undertake during the year that will directly contribute to the vision and priorities set out in the Corporate Plan. Each activity within the Business Plan is aligned with at least one strategic objective and priority outcome in the Corporate Plan. The Corporate and Business Plans are aligned with four of the National Outcomes detailed within the SG's National Performance Framework.

The Executive Team is responsible for delivery of the Corporate Plan. Each project in the Business Plan is assigned to a Senior Responsible Owner (SRO) at Director level, and is the means to which they are held to account. Monitoring of the delivery of key outcomes is achieved through monthly updates (highlight reports) to the Executive Team and quarterly updates to the Board. Each project / activity within the Business Plan has its own internal reporting arrangements, normally managed by a Project Board structure, and detailed updates are provided on individual projects to the Executive Team as and when required.

Strategic priorities are agreed, reviewed and updated regularly through scheduled reporting to the Executive Team and Board. A new Business Plan is created each year which ensures that the key projects which will impact upon the achievement of SLAB's objectives and priority outcomes are included. The draft Business Plan 2019/20 was presented to the Board in May 2019 and will be published shortly. Planning for the next Corporate Plan (2020/2023) is due to get underway soon and will be one of the main topics at the upcoming Board Strategy Day, November 2019. Business Plans are in place for PSDO and CLAO (2017/2020) and arrangements are in place for monitoring progress against these. Regular Strategic Planning Group meetings are held with the Executive Team and SG representatives, the purpose of which is to develop and implement a strategic approach to the management and development of legal aid. Regular review of the Strategic Risk Register also contributes to revisions of SLAB's strategies, policies and procedures.

As well as being aligned to the SG's National Performance Framework, SLAB's overall strategic objectives and priorities are informed by a good understanding of its key

stakeholders. An annual research programme is in place which informs the strategic policy decision-making process and contributes evidence that supports the Business Plan. Projects cover a range of work including stakeholder engagement which incorporates the views of applicants, solicitors, 3<sup>rd</sup> party advice sector and staff.

A fundamental review of SLAB's Performance Framework has been underway for the last 2 years which has resulted in the development of a range of new operational performance measures. These performance measures have been refined during 2018/19 and are reported in SLAB's Operational Performance Overview Report (SOPOR) to the Executive Team on a monthly basis, and to each meeting of the Board. The Board receive quarterly updates on progress against the Business Plan and the Executive Team discuss progress on a monthly basis.

The identification and management of risk is embedded within the statements, strategies and plans of SLAB. A new risk management framework (RMF) was introduced during 2018/19. The SRO (and Project Manager) responsible for each project within the Business Plan are responsible for identifying and managing the risks associated with it. The Executive Team and Board regularly review the Strategic Risk Register, as does the Audit Committee. A Risk Management Forum (the Corporate Governance and Risk Management Group) has recently been set up and meets every second month to discuss various aspects of risk. Functional risk registers are in place and managers are given responsibility for these.

The Board and Audit Committee carry out regular self-assessments on their effectiveness (these took place in December 2017 and July 2018 respectively). A review of the LAPC will take place during 2019/20.

***Effective Partnership Working:*** SLAB has an organisational culture which recognises the value of working with wider stakeholders and partners. Clear statements on partnership working are included in the Corporate, Business Plans and Strategic Risk Register.

SLAB are actively involved in joint working with the SG, justice sector bodies / SG agencies (COPFS, Scottish Courts and Tribunal Service, Police Scotland, Scottish Prison Service, Community Justice Scotland; Children's Hearings Scotland), lawyers and representative bodies (Faculty of Advocates, Law Society of Scotland, Sheriff Principal's; Bar Associations), 3<sup>rd</sup> sector agencies and other not-for profit organisations. Senior managers actively encourage partnerships and SLAB is represented on a number of high profile boards, groups and programmes. SLAB is a key partner in the SG's Justice Board which involves strategic collaboration between a range of justice agencies.

SLAB have been managing a number of grant funding programmes on behalf of Money Advice Service (MAS) and SG since 2009. During 2018/19, 45 projects were funded across 3 programmes (Economic Downturn; Making Advice Work; Tackling Money Worries), including 2 standalone projects. MAS devolved its funding for debt advice to SG in January 2019 and 2019/20 will be a transitional year for the projects while SG consider their longer term priorities. Various exits have been facilitated by SLAB's Policy Department since March 2019, some projects have continued and discussions are underway with SG on future commissioning.

SLAB engages in others' consultations and development processes to play a full part in improving the justice system and the operation of legal aid within it. Recent consultations include the Establishment of a Consumer Body for Scotland; Vulnerable

Witnesses (Criminal Evidence) Scotland Bill; Post Mortem Examinations (Defence Time Limit) Scotland Bill. SLAB provided a response to the Independent Review of Legal Service Regulation in May 2018 and recently attended a meeting with the SG to discuss their views on the report. The Chief Executive and other SLAB representatives have been involved in regular meetings over 2018/19 with the SG on the Independent Review of Legal Aid and have provided a range of technical and policy guidance to assist the SG in developing its response to the review and the forthcoming consultation

The Chief Executive is a member of a range of bodies / groups, including:

- SG Justice Board;
- Scottish Civil Justice Council;
- NDPB Chief Executives Forum;
- Scottish Leaders Forum;
- International Legal Aid Group;
- Evidence and Procedure Review Programme Board;
- Justice Digital Strategy Programme Direction Group (Co-Chair);
- Legal Aid Joint Consultative Committee;
- Expert Payment Panel;
- Criminal Quality Assurance Committee (Chair).

The Director of Corporate Services & Accounts is a member of a range of relevant bodies / groups / partnerships, including:

- Justice Board Finance Sub-Group;
- Justice Board GDPR Sub-Group;
- Public Bodies Director of Finance Forum;
- SG Procurement Shared Services Steering Board;
- Scottish Civil Justice Council - Information and Communications Technology Committee;
- Civil Quality Assurance Committee;
- SG Accountability meetings.

The Director of Operations is similarly involved in various partnership initiatives / groups, including:

- Children's Hearing Improvement Partnership;
- Making Justice Work Programme 1 Board (Effective Courts and Tribunals Programme);
- Evidence & Procedure Review;
- Scottish Civil Justice Council - Rules Rewrite Project Working Group (workstream 4);
- Scottish Civil Justice Council - Personal Injury Committee;
- Justice Systems Planning Group (which is a sub-group of the Justice Board);
- Review Group for the Management of Sexual Offence Cases;
- Children's Quality Assurance Committee (Chair);
- Civil Quality Assurance Committee.

The Director of Strategic Development is actively involved in the following groups:

- Scottish Civil Justice Council - Access to Justice Committee;
- Scottish Civil Justice Council - Rules Rewrite Working Group (workstream 5);
- Grant Funding Programme Board;

- Scottish National Standard for Information and Advice Providers (SNSIAP) Project Board.

SLAB are currently managing the SNSIAP accreditation process on behalf of the SG (2016-2020). The process is being undertaken by an SNSIAP performance auditor and a group of 12 peer reviewers, employed by SLAB. A business case has recently been approved by the Board and will be submitted to the SG proposing that SLAB continue to manage the accreditation process until 2023.

SLAB are involved in various projects which involve the development and implementation of various measures to streamline legal aid processes and procedures; these involve collaboration with justice partners and the legal profession, including improvements to the online accounting system, digital transformation of services (e.g. form 2 digitisation); work with the Law Society of Scotland on the feasibility of models for a single grant of legal aid.

Examples of projects working in collaboration with the legal profession and justice partners include:

Joint work with the SG following the publication of the Independent Legal Aid Review. A range of technical and policy advice have been provided to the SG in developing their formal response to the Review, published November 2018, and on a range of improvements to the current system of judicare; advice to the SG in respect of the remit and status of a payment panel which has been set up from April 2019; research is currently underway on the operation of quality assurance arrangements for legally aided services, again as a response to the Legal aid Review.

SLAB explore and promote opportunities for efficiency savings and service improvements through shared service initiatives with partners, example of which are:

- SLAB provides Internal Audit Shared Services to the Scottish Public Services Ombudsman (SPSO).
- SLAB's Head Office (Thistle House) provides accommodation for 7 tenants, the arrangements are managed by SLAB's Facilities Manager.
- SLAB's procurement department utilises Scottish Procurement's collaborative contracts where possible;
- SLAB has worked jointly with Scottish National Heritage (SNH) on shared services for Payroll and HR during 2018/19 (this arrangement ceased in April 2019 following SLAB's move to Oracle Cloud for Payroll and HR Services, however HR are still working collaboratively with the SNH on other areas of HR (e.g. Oracle Cloud recruitment; sharing of training materials).
- SLAB has made use of some of SNH's procurement services during 2018/19 whilst it considered options regarding the future of procurement within SLAB.
- SLAB's HR department participate in the Mediation Partnership Team which is comprised of volunteers from public sector organisations. SLAB have been involved in 3 mediations for other organisations during 2018/19.
- SLAB's Facilities Manager engages with partners to deliver the Carbon Management and Property Asset Management Plans, including the Scottish Futures Trust and the Sustainable Scotland Network.

**Governance & Accountability:** SLAB's strategic objectives and outcomes show clear lines of accountability for delivery which are underpinned by its corporate governance arrangements. These arrangements have been reviewed and improved upon during

2018/19 by the Chief Executive's Office. The latest internal audit review of SLAB's corporate governance arrangements, which focused on the administration and governance of Boards and Committees (May 2019), confirmed the existence of satisfactory controls in the area.

SLAB's accountabilities are clearly detailed in the Governance and Accountability Framework Document which has been drawn up in conjunction with SLAB's Sponsor Directorate within the SG. This outlines the distinct responsibilities of the Board, Chairman, Board Members and the Accountable Officer and was approved during June 2018

The Board is responsible for providing leadership, direction, support and guidance to ensure SLAB delivers its functions effectively and efficiently and in accordance with the aims, policies and priorities of the Scottish Ministers. Board Committees are in place to deal with audit and risk; legal aid policy; complex, sensitive or high profile legal aid cases; remuneration and appointments; Section 31 referrals; and review cases. Standing Orders set out the remit, membership, pattern of meetings and other arrangements regarding the Board and its Committees. These are subject to annual review, and as and when changes dictate (the most recent update was approved by the Board in May 2018).

The Chief Executive is the Accountable Officer whose responsibilities include the propriety and regularity of public finances, keeping proper records, safeguarding SLAB's assets as well as maintaining a sound system of internal control. The Executive Team has delegated responsibility for managing the affairs of SLAB. It reports, and is accountable to the Board for the achievement of performance targets and fulfilling the objectives set out in the Corporate and Business Plans.

As well as a staff code of conduct, corporate training sessions on Fraud and Awareness have been undertaken by all staff. An Anti-Fraud and Corruption Policy Statement and Whistleblowing Policy is in place, both of which are due to be reviewed during 2019. A Counter Fraud review was completed by Internal Audit (May 2019), which confirmed the existence of satisfactory controls in this area.

A suitable framework is in place which provides assurance to stakeholders that there are effective internal control systems in operation. The main elements of this are:

- **Internal Audit** undertake reviews of SLAB's key areas / processes which are detailed in the annual audit activity plan. Regular reports are produced for the Accountable Officer, Executive Team and Audit Committee on the adequacy and effectiveness of SLAB's system of internal control and recommendations are made for improvement.
- **Annual Assurance** is a rolling programme of assurance over the system of internal control which requires managers to confirm the existence of the main internal controls for their areas. Internal Audit performs tests of key controls to validate the manager's assurance and on an annual basis, Directors are required to certify that they are satisfied that the controls are working and that there are no significant matters in their area of responsibility which would require to be raised in the annual corporate governance statement.
- **Risk Management Framework (RFM)** - SLAB's approach to risk management was reviewed during 2017/18, resulting in new RMF and Risk Appetite which was approved by the Board in 2018. The main elements of this are clear documentation

and training for staff; formal processes for the identification and evaluation of risks and implementation of suitable response to risks; multi-level reporting processes; regular review of the continuing appropriateness of risks and responses.

- The **Annual Corporate Governance Statement** is the means by which the Accountable Officer declares his approach to, and responsibility for, risk management, internal control and corporate governance. It is also used to highlight any significant weaknesses which have been identified in the internal control system. The statement is reviewed by the external auditors for its consistency with evidence collected in their review of the financial statements and other work, and the 2018/19 statement was recently approved by the Board.

The views of stakeholders are regularly sought as part of the consultation process on the delivery of plans (a consultation on the proposed changes to the Criminal Quality Assurance Scheme and Peer Review Criteria took place in 2018 and a consultation on criminal fee reforms is due to take place in Autumn 2019). Research was undertaken during 2017/18 on users of the legal aid handbooks to inform the GALA review and further views were sought from staff during 2018/19. A series of external firm visits by the Civil Merits area have taken place since 2016, focusing on training and discussion about the problems firms have with civil legal assistance work. Accounts Assessment staff have also been visiting firms recently to assist in the submission of accounts to SLAB. These initiatives have helped improve relations with the profession and a more co-ordinated approach across SLAB's operational areas is to be developed during 2019/20. Criminal Applications staff have been visiting colleagues in the PDSO offices with a view to improving the quality of information submitted in applications to enable quicker decisions with less continuations. A programme of user experience research was recently undertaken by the Projects Office to review the use of legal aid systems which has identified a number of findings and areas for improvement.

SLAB's plans, priorities and actions are informed by an understanding of the needs of its stakeholders, citizens, customers and employees. An annual research programme is in place and recent work includes a criminal applicant survey; research into rural issues for people accessing civil legal services; experiences of people seeking to resolve child contact disputes; CLAO clients and contact survey. SLAB continually seeks the views of stakeholders to help with delivery of their plans. The current review of the performance framework has taken into account feedback received by way of survey results, complaints and discussions with the profession and other customers. Solicitor satisfaction surveys form an integral part of SLAB's performance framework and from April 2018, solicitors have been receiving a 3 question email survey asking about their satisfaction with the service they received in recent transactions with SLAB

Information on complaints is recorded so that SLAB can address the cause of complaints and introduce service improvements. SLAB's Complaints Handling Procedure is based on the model approach recommended by the SPSO and this was last updated in October 2018. SLAB's complaints handling processes were subject to audit during 2018/19 which reported an overall audit conclusion of satisfactory.

SLAB's Equality Impact Assessment (EqIA) process helps to mainstream equality by getting staff to think about the impact of new and current policies / projects on different groups of people, and allows changes or new policies to assess the impact on equality groups and to introduce measures that might be taken to advance equality.

SLAB takes steps to understand the needs of its staff, with activities including staff surveys; staff consultation on HR and other policies (staff were recently invited to consult on a Travel Disruption Policy; Dispute Resolution Policy and Framework; Interim Grievance Procedure); Chief Executive briefings with staff, the latest of which have involved visits to CLAO and PDSO offices in late 2018; Joint Consultative Committee with the GMB Union and its members; team meetings; performance reviews; regular staff communications on IntraSLAB.

SLAB has a well-developed process in place for high level planning. The Board and Executive Team set the strategic direction for SLAB through the development and publication of the Corporate Plan. The Executive Team is responsible for delivery of the Business Plan and progress is reported to the Board regularly. SLAB's Business Plan takes into account its approved budgetary provision and any forecast income. Budgets and other resources are allocated and regularly monitored.

SLAB has a well-developed process in place for monitoring performance. Monitoring of the delivery of key outcomes is achieved through the monthly Business Plan updates to Executive Team and quarterly updates to the Board. A regular Performance Report and Finance and Resources Report is provided to the Board which reports on financial and operational performance, and is similarly reported to the Executive Team. Departmental updates are provided to the Executive Team in accordance with a pre-determined timetable, and project specific updates are provided to both the Executive Team and within the established reporting structures of the projects themselves.

SLAB produces an Annual Report & Accounts which enables it to discharge its statutory requirements, as well as providing concise, relevant and accessible information that is of use to the public and other stakeholders.

### ***Planning & Resources Alignment:***

SLAB has a well-developed process of planning and resource alignment. The Board and Executive Team set the strategic direction for SLAB through the development of a 3 year Corporate Plan, supported with annual Business Plans which include the key activities that are corporate in nature. These documents ensure a clear focus on and allocation of resources which helps deliver SLAB's priority outcomes and manage its strategic risks.

Specific strategies / plans have been developed which are aligned with the Corporate Plan (e.g. ICT & Digital; People; Property Asset Management; Communications). These strategies are reviewed regularly and the Board receives regular updates on progress against these.

Accounting & Budgeting staff, Cost Centre Managers (CCMs) and HR are involved in the annual budget preparation process which ensures that resources are properly aligned with the work that is required to fulfil the Business Plan and other strategies. Monthly management statements are sent to CCMs and detailed quarterly budget reviews are completed. Monthly Finance Reports are provided to the Executive Team which provide a detailed update on the Administration and Fund position, as well as detailed information following the quarterly budget reviews. The Board are also provided with Finance and Resources reports on a regular basis which summarises the aforementioned information, as well as providing staffing statistics. SLAB submit monthly monitoring statements to the SG and bi-monthly 'Finance and Accountability' meetings take place to discuss the current financial position, forecast and any pertinent issues (from April

2019, these have been moved to quarterly and will incorporate Corporate Governance issues, referred to now as ‘Accountability’ meetings).

The People Strategy 2018/22 provides a direction for the development and implementation of people management policies, practices and activities in support of SLAB’s strategic aims. SLAB delivers on its Corporate and Business Plans through the effective leadership, management and engagement of its staff. The Executive Team and Board are provided with regular information on staff resources, and regular meetings are held between HR and Directors to discuss resourcing requirements.

Employees are treated as a key strategic resource. The People Strategy was recently developed and approved by the Board in November 2018. This includes further development of workforce planning and a review of the competency framework, which will provide a greater understanding of SLAB’s strengths, capacity, capability and its need for the future.

SLAB’s performance management system is about continuous improvement, supporting the achievement of business targets and encouraging personal growth. This is achieved through reviews of employee personal performance and agreement of objectives for the year ahead; consideration of the core skills required for the job level and prioritisation of learning activities to improve performance; access to fair processes where performance does not meet requirements. Employees are supported in various ways to manage how they bring further learning to their role and add value to SLAB, e.g.:

- Free learning is accessible to all via Learning Management System (LMS) which provides a range of e-learning opportunities for staff (staff can also enrol in paralegal courses, arranged for and paid by SLAB);
- A comprehensive corporate induction is provided to new staff at SLAB and ongoing corporate training is provided to staff on topical areas (e.g. GDPR; Business Continuity; Mental Health);
- Certain qualified staff are required to maintain a formal record of their learning, support for which is provided by their line manager and the HR Officer, Development; and
- Involvement in corporate, departmental training and authorised further education or lifelong learning.

SLAB’s commitment to their staffing resource is acknowledged via the completion of regular staff surveys which seek to explore the views of staff on their working lives, with a view to improving these. The last staff survey was undertaken in Autumn 2017. The results were generally positive, although some negatives were identified. Various themes / findings from the staff survey were incorporated in the development of the People Strategy. Staff achievements are acknowledged via articles on IntraSLAB. Staff are consulted on HR and other policies, there is a Joint Consultative Committee with the GMB Union and its members. Regular team meetings and staff performance reviews are also evidence of SLAB’s commitment to their staffing resource.

Staff are involved in the contributing to the continuous improvement of SLAB. Staff have been involved in developing new ways of working, for example:

- Bi-weekly meetings are held with merits, accounts and civil finance staff to discuss better ways of working (the group was originally set up to discuss sanction requests but has continued to meet to discuss ongoing issues / improvements.

- There are plans for merits and accounts staff to work closer together going forward. The aim of these meetings is to explore issues of concern or to discuss matters which crop up in applications and accounts where the perspective of other departments is not known.
- Staff are being encouraged to speak to solicitors / customers on the telephone rather than sending online notifications to clarify simple issues - this can improve the time it takes to take decisions on applications / accounts, therefore improving the service provided to solicitors / customers.
- Staff are encouraged to become involved on various project boards across the organisation. Recent examples include staff involvement in the GALA project; digitisation of form 2; re-write of summary applications onto the APEX system.
- The Accounts Working Group and Civil Finance Working Groups comprise of key members of staff from across the different operational areas working together to improve processes / deal with common issues. These groups have not met recently but the governance structures are there should an issue arise.

The Procurement Strategy and Procurement Policy set out SLAB's position on purchasing and contract management, including the requirement for SLAB to conduct its business manner in a way which demonstrates appropriate competitive practice. SLAB is committed to using collaborative public sector contracts wherever possible and all new / renewed contracts are evaluated to determine if a suitable collaborative contract exists or is due to be developed. Regular updates are provided to the Executive Team on procurement activities and the 2018/19 audit of this area gave an overall audit conclusion of satisfactory.

An Information Records Management Steering Group provides a robust framework for the management of information across SLAB, PDSO and CLAO. The framework covers managing information governance; information compliance; quality assurance; records management; information sharing; and roles and responsibilities. The Group keeps under review SLAB's approved Model Records Management Plan and ensures that it is followed. A General Data Protection Regulation (GDPR) group is in place which meets regularly to ensure the ongoing management of GDPR issues / compliance. Internal Audit also provides independent assurance to the Chief Executive and reports to the Executive Team and Audit Committee on information governance, including reviews of GDPR and freedom of information.

### ***Performance Management:***

A fundamental review of SLAB's performance measures has been underway during the last 2 years and will continue as a key project within the 2019/20 Business Plan. The aim is to deliver an approach to performance measurement and reporting which both reflects and supports achievement of SLAB's strategic objectives through the adoption of a balanced scorecard approach. The first phase has seen the development of a range of operational performance measures and the second phase has recently considered a range of non-operational performance measures.

The needs of SLAB's stakeholders are taken into account in the development of the Corporate Plan which includes the development of SLAB's performance framework. The performance framework review took into account feedback from a range of stakeholders. Solicitor satisfaction surveys form an integral part of SLAB's performance framework. From April 2018, solicitors have been receiving a 3 question email survey

asking about their satisfaction with the service they received in recent transactions with SLAB. The results of the surveys are reported in the SOPOR and the feedback is fed into various strands of ongoing work with a view to making improvements to the services delivered by SLAB. Some action has already been taken (e.g. system enhancements) and other areas are being picked up on as part of the GALA project.

Performance management is linked to risk management via SLAB's RMF. Failure to deliver outcomes / achieve customer satisfaction is recognised in both strategic and functional risk registers, and so support prioritisation and decision making at Executive level.

Alongside the development of a People Strategy, the review of performance management will drive clearer objective setting and performance review at an individual level. The new approach will ensure alignment of work objectives with SLAB's purpose and strategic objectives, by supporting continuous improvement and personal growth and continuous professional development. Training needs continue to be identified via the performance review process and incorporated in the budget setting process. The development of the balanced scorecard approach has involved input from staff to ensure that achievement of the measures becomes part of 'business as usual'. Some of the current measures, which focus on durations, interactions with customers and different elements of customer experience (satisfaction; accuracy) are well established within the operational areas and are key factors in the management of workflow, allocation of work and training and development of staff.

Performance measures are in place across the main applications and accounts areas. Recently, a set of benchmarks have been agreed against which operational performance over time will be measured. Operational performance is reported in the SOPOR to the Executive Team on a monthly basis and to each meeting of the Board. A range of non-operational performance has recently been developed and reporting on these will commence from August 2019. Progress with Business Plan projects is measured via monthly reporting to Executive Team and quarterly progress updates to the Board. Individual projects have their own performance measures / plans and arrangements are in place (via project board structures) for measuring progress / performance.

One of the key factors in a balanced scorecard approach is to be sufficiently flexible to allow for differences across the organisation. This has been a key factor in its development. The development of a set of benchmarks against which operational performance can be measured have recently been developed. The benchmarks have been set based on the average of the past 2 year's figures but they have been customised to the specific measure depending on a number of factors including the degree of sensitivity required, known process changes and other management objectives. The development of a range of non-operational performance measures across different areas of SLAB has required to be flexible given the broad spectrum of activities that are captured by these measures. The performance management framework is based on a culture of constructive challenge at Executive Team and Board meetings. Reasons for areas of underperformance are requested from managers and remedial action is agreed and implementation monitored at subsequent meetings. Opportunities to share good practice are identified on an ongoing basis.

Reports on performance are discussed in para 4.5.6. Performance reports are available to authorised staff on the shared directory. They follow a standard format which has been requested by the Executive Team and Board. Review of the latest reports

confirmed that they provide clear, comprehensive, honest and balanced information on SLAB's performance. Changes to corporate reporting were implemented during 2018/19 and further enhancements will be made during 2019/20. Performance reports have been available on SLAB's website since November 2018, along with a range of Board papers improving transparency and accountability across SLAB.

SLAB's annual report, which contains performance information, is published on the website. The annual report allows stakeholders to make a reasonable and informed judgement on how SLAB is likely to perform in the future. Review of the performance information in the annual report confirmed that it was comprehensive and clearly shows whether SLAB's strategic and operational objectives are being met.

**Equality:** SLAB's contribution to the achievement of equal opportunities is reflected in its Corporate, Business Plans and other operational strategies (e.g. ICT & Digital; Communications; Procurement; People). Equality outcomes and corporate planning cycles are matched to allow both outcomes to be co-ordinated. The equalities outcomes 2017/20 are aligned with 3 of 4 of SLAB's strategic objectives.

Leaders and senior managers are committed to equalities matters. The governance arrangements on equality work were revised during 2018/19 and are being delivered through the following mechanisms:

- Executive Team - reviews progress on work to achieve equality outcomes every 6 weeks;
- Business Plan - progress reported on all equality priorities through monthly business plan updates;
- Equalities Project Group - led by the Director of Strategic Development, this group manages SLAB's equality reporting requirements, monitors our equality work and leads on policy specific projects and external equality projects.
- Board Members receive an annual report on equalities work. Papers provide decision makers with an update on equality as appropriate to the topic to ensure strong governance and transparency.

SLAB is required to publish Equalities and Mainstreaming Reports, at 2 yearly intervals. The last final report was published in April 2017, which reported on SLAB's previous set of equality outcomes. In October 2018, a report on progress with SLAB's current equality outcomes, how equalities are mainstreamed into core business processes and how equality monitoring data is gathered and used (including statistics on the gender pay gap and employee equality information) was published.

SLAB embeds equalities across its business in a number of ways, such as:

- Leadership, governance and business planning
- Board diversity and succession planning;
- Equality impact assessment (EqIA)
- Procurement processes and award criteria;
- Youth employment and work experience;
- CLAO projects and grant funding programme;
- Partnership working in the public sector and on justice issues;
- Stakeholder feedback;
- Corporate training and awareness raising.

SLAB has a history of investing in research and evidence gathering around equalities. All large surveys include questions about stakeholder demographic and analysis by

equality groups. A project is underway to review and set a framework for improved equality data capture across applicants and solicitors. SLAB works in partnership with other organisations on the advancement of equality issues (e.g. SLAB's Corporate Policy Officer (Equalities) is Chair of the NDPB Equality Forum; Justice Equality and Diversity Sub-Group; Working Group on Interpreting and Translation).

SLAB's equalities work is supported by its EqlA process which are undertaken where new or amended policies are likely to have an impact on equality groups. Since April 2017, the following EqlAs have been published: Legal Aid Online (review); Streamlining Programme; Criminal Justice (Scotland) Act 2016; SNSIAP; CLAO Oracle database; CLAO - Implementation. A review of the EqlA process has recently been completed which has introduced various changes to the toolkit and governance arrangements.

Progress has been made in the following areas in relation to the 2017/20 equality outcomes:

- Mental health workshops for managers have been completed. A See Me Scotland mental health check survey is currently underway which will help measure the impact of the work done on mental health at work (includes Mental Health Awareness week; Time to Talk events during 2019).
- Office accessibility - SLAB, PDSO and CLAO websites now contain information on physical access and how we can support reasonable adjustments where needed. All employees now have guidance on their office accessibility.
- Review of template letters for civil is nearing completion.
- Form 2 digitisation which will improve accessibility for some groups - a prototype is under development.
- Legal aid handbook review - refreshed EqlA will be applied as each piece of guidance is reviewed.

Communications Strategy - focus is on redevelopment of the SLAB website. An independent audit of the website is complete and the results are being used to develop an improved website, the contract for which has recently been awarded. Performance management is given a high profile within SLAB and is a key factor in achieving improvement. It is an integral part of Corporate and Business Plans, and reports on performance are provided regularly to the Executive Team and Board, whereby performance issues are able to be identified, monitored and addressed.

## ***Sustainability***

SLAB's contribution to the achievement of sustainable development is reflected in its Corporate Plan, Business Plan and Strategic Risk Register. Specific strategies / plans have been developed in respect of ICT & Digital, Procurement, Carbon Management, Property Asset Management and People, which demonstrate the ways in which SLAB contributes to the achievement of sustainable development. Some of the most notable projects which have been underway during 2018/19 include: ongoing review of legal aid handbooks; progress with a range of projects contained in the carbon management plan; evidence and procedure review; transition to cloud based services for payroll and HR services; development of a people strategy; ongoing development of the online accounting system; provision of technical and policy advice to the SG on how to respond to and progress with the recommendations made in the Independent Legal Aid Review.

The Digital Strategy for Justice in Scotland sets out how digital technology should be used to transform the way in which we deliver justice services in the civil, criminal and

administrative justice systems. SLAB's ICT & Digital Strategy is fully aligned with the SG's Digital Strategy and proudly hosts an online applications and accounts system, which is being continually developed and improved.

SLAB's CMP 2015/22 sets out the ways in which its carbon footprint will be reduced (an overall reduction of 10% in SLAB's carbon emissions over the period of the CMP has been set with specific targets in relation to energy use, recycling, business travel and water use). Progress against these is measured and reported upon. SLAB submitted its third annual report to the Sustainable Scotland Network in November 2018. SLAB's carbon footprint for 2017/18 was reported as 315.29 tCO<sub>2</sub>e (which has reduced by 26% since the baseline year of 2015/16).

SLAB's Procurement Strategy has 'Buying Sustainably' as one of its Key Principles. The Procurement Policy states that SLAB is committed to buying goods, services and works in a sustainable manner in a way that: achieves value for money on a whole life cost basis; and delivers benefits not only for SLAB but for society, the economy and the environment. All SLAB tenders consider sustainability, giving budget holders and purchasers the opportunity to work together to ensure sustainability factors are considered and included in specifications for goods and services.

SLAB's Travel Policy recognises the need to travel in the most carbon efficient manner possible, i.e. reducing travel by car and using public transport where possible.