

**THE SCOTTISH LEGAL AID BOARD
MINUTE OF MEETING OF THE SCOTTISH LEGAL AID BOARD HELD AT 1.30PM
ON MONDAY 21 JULY 2008 AT 44 DRUMSHEUGH GARDENS, EDINBURGH**

Present: Iain Robertson, Chairman
Paul McBride
David Nicol
Graham Bell
Kenneth Ross
Denise Loney
Les Campbell

In attendance: Lindsay Montgomery, Chief Executive
Andrew Menzies, Director of Corporate Services and Accounts
Ian Middleton, Director of Audit and Compliance
Colin Lancaster, Head of Policy and Development
Colin Sim, Communications Manager (item 9 only)
Clare Duffy, Assistant Manager, Policy and Development (item 8 only)
Stuart Foster, Board Administrator

1. APOLOGIES FOR ABSENCE

Joseph Hughes, Susan McPhee, Elaine Rosie, Ellen Morton, Graham Watson.

2. DECLARATIONS OF INTEREST

No interests not previously registered in the Register of Board Members' Interests were declared.

3. DRAFT MINUTE OF MEETING HELD ON 16 JUNE 2008

The draft minute of the meeting of 16 June 2008 was approved.

4. DRAFT MINUTE OF THE LEGAL SERVICES POLICY COMMITTEE HELD ON 23 JUNE 2008

The draft minute of the Legal Services Policy Committee held on 23 June 2008 was noted.

5. DRAFT MINUTE OF THE LEGAL SERVICES CASES COMMITTEE HELD ON 23 JUNE 2008

The draft minute of the Legal Services Cases Committee held on 23 June 2008 was noted.

6. CHAIRMAN'S INTRODUCTION

The enormous effort Board staff had made to implement the summary justice reforms on time was covered in the Chief Executive's update and the whole Board expressed their appreciation of this effort and achievement.

7. CHIEF EXECUTIVE'S UPDATE

Members considered a report by Lindsay Montgomery updating them on matters of interest since the previous Board meeting.

Updates were provided on: reform of summary criminal legal assistance; staff survey; Board accommodation; legal aid online; Part V; and pay remit.

It was reported that since the implementation of the summary criminal legal assistance reforms, summary criminal applications had dropped by 20% and ABWOR had increased by 40%, in line with expectations. The Chairman and Chief Executive had issued a newsletter to staff thanking all those involved for the hard work, dedication and expertise exhibited in delivering such a very difficult and complex project on time against an extremely challenging deadline.

Members noted the position.

8. RECRUITMENT AND RETENTION RESEARCH

Members considered a paper and heard a presentation on the findings from a research project commissioned by the Board to explore the nature and extent of current recruitment and retention practices across the legal profession, identify where recruitment and retention difficulties may be occurring and the reasons for that, and to predict possible future recruitment and retention problems, all with a particular focus on legal aid provision.

It was noted that the final findings report would be presented to the Board in September, along with a dissemination strategy and recommendations for actions, with the overall aim of developing a strategic approach to ensuring future supply.

After discussion, it was AGREED to:

- consider any differences in findings between civil and criminal trainees;
- give further consideration to the idea of shared traineeships provided by the Board, whether alone or in partnership with other organisations or firms, and other means of supporting entry into relevant areas of the profession.

ACTION: CL/CD

9. EXTERNAL COMMUNICATIONS STRATEGY

Members considered a paper outlining the proposed approach reflected in the Board's draft external communications strategy for 2008-2010. The strategy set out the key messages the Board wished to convey, the audiences to which they should be conveyed and the means by which this would be done.

It was noted that for the strategy to be delivered, managers and directors would become more proactive in identifying, planning and taking forward opportunities for communicating key messages. Subject to approval of the draft strategy, a more detailed corporate action plan would be developed and incorporated into the operational plan, with progress reported on a quarterly basis.

In discussion, the view was expressed that in proactively engaging with key audiences such as the profession and the media the Board should take care to avoid being seen as defensive when seeking to counter the spreading of inaccurate negative information. Audiences such as Sheriffs and MSPs were receptive and should be regularly briefed with factual information about legal

aid as part of the wider initiative to increase public awareness of the many positive messages about the Board and its work.

After discussion, it was AGREED:

- subject to reflecting the terms of the discussion, to approve the proposed draft strategy and proposals for further work.

ACTION: CL/CS

10. BUDGET AND PERFORMANCE AND RESOURCES

Members considered a paper updating the position on operational performance and resources for the period from 1 April to 31 May 2008.

It was reported that:

- Children's, A&A and Civil Applications and Accounts Assessment had all met the headline performance indicators for the year to date.
- Criminal Applications was slightly below the target headline performance indicator for the year to date as a result of the implementation of a new computer system in April. It was anticipated that performance would improve over time as had been seen in previous years with other new system implementations.
- Total Grant-in-Aid expenditure YTD for 2007/08 was £2.0m compared to a budget of £2.3m.
- Legal Aid Fund cash spend was £25.5m compared to an expected £27.3m.
- There had been a drop in performance in invoice payment turnaround in May because the Board's payments function had suffered from significant staffing problems over recent months. The sickness issue had now largely been resolved, and a review of the business process had identified improvements which it was anticipated would allow the Board to meet the overall target for the year.

In noting the position, members commended the performance in Criminal Applications, which had almost met target despite the introduction of the new systems.

11. ANNUAL ACCOUNTS 2007-08

Members considered a paper presenting the Board's Statement of Accounts for the year ending 31 March 2008. This comprised the paper provided to the Audit Committee earlier in the day in relation to the Accounts, and the Accounts themselves. The accounts were those after the completion of the Audit, and reflected any changes suggested by the Auditors. The Audit Committee had also considered reports from KPMG Scotland on the 2007/08 Audit. KPMG would issue an unqualified audit opinion.

The Convener of the Audit Committee reported some relatively minor changes to the Accounts agreed by the Audit Committee in the course of recommending their adoption to the Board and the Accountable Officer, and these were noted by the Board. He also commented that the Audit Committee had received a very positive report from the Board's external auditors on the Accounts and associated matters, and had noted the Director of Audit's paper on the soundness of the Board's internal control system.

After discussion, it was AGREED:

- on the basis of a satisfactory recommendation from the Audit Committee, to recommend to the Accountable Officer that he sign the accounts as amended to reflect the points agreed by the Audit Committee, make the arrangements for their publication in the Board's Annual Report, and arrange for their submission, through KPMG, the Auditor General and Scottish Government, to the Scottish Parliament.

ACTION: AM

Members asked that their thanks to Andrew Menzies and his Finance team, the Board's external auditors and Ian Middleton and his Internal Audit team for all the good work done on the Accounts and in relation to the audit be recorded.

12. ANNUAL REPORT

Members considered a paper setting out the proposed approach to the production and content of the Annual Report and the Annual Review.

It was noted that it was intended to publish both an Annual Report and an Annual Review; the Report being text and data heavy as a document of record, the Review effectively summarising the main issues from the Report in the style of a business "magazine". Together, the documents would cater for the different needs of different audiences.

The paper set out the key themes and main activities from the year to be reported. A full draft of the report would be circulated to members in early August, and subject to re-drafting to reflect members' comments (if necessary, any significant divergence of views could be discussed at a meeting), a final version would be cleared by the Chairman and Chief Executive.

After discussion, it was AGREED to proceed as proposed.

ACTION: CS

13. OPERATIONAL PLAN 2008/09

Members considered a paper updating the position on progress in the first quarter against the Operational Plan 2008/09.

It was noted that progress in the first quarter had been very good, particularly given the extremely challenging objectives set for the quarter. The Summary Criminal Reform changes, one of the Board's highest priorities and highest risk projects for the year had been implemented, and whilst this had utilised a substantial amount of Board resources, good progress continued to be made on most other projects.

Discussions had resumed with the Scottish Government on grant funding and legal aid funding for the advice sector, and a report on this would be made to the September Board meeting. In quarter two, substantial work was to be done on civil simplification, the transfer of power to grant solemn legal aid to the Board, and continued development work on legal aid online. There was a very substantial list of regulatory changes required to implement a significant number of the projects, and the sponsor Directorate was being pressed for an early planning meeting to discuss these and agree what is to be taken forward.

It was AGREED:

- the Chairman raise the issue of the delay in holding Planning Board meetings at his forthcoming meeting with Ken Thompson;

ACTION: IR

- otherwise, to note the position.

14. AUDIT COMMITTEE TERMS OF REFERENCE

Members considered a paper proposing changes to the terms of reference of the Audit Committee to reflect the latest draft guidance issued to public bodies sponsored by the Scottish Government.

It was noted that the Audit Committee had considered the guidance, which included model terms of reference, at its meeting in May. Although the Board's terms of reference for the Audit Committee (which were to be read in conjunction with Standing Orders) generally fitted well with the guidance and the model terms of reference, the Audit Committee had recommended some alterations to its terms of reference in relation to membership, frequency of meetings, annual reporting, and additional, non-audit related reporting, and these were detailed in the paper.

It was AGREED to approve the revised terms of reference of the Audit Committee as proposed.

ACTION: CEO OFFICE

DATE OF NEXT MEETING: Monday 1 September 2008

The meeting ended at 3.15pm.