Community Legal Services Program Reform

Modernising and improving accountability and administration of CLC funding

Options paper

**August 2017**

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# Glossary

|  |  |
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| CLASS | Community Legal Assistance Services System – the database used by many funded CLCs as of April, 2017 |
| CLC | Community Legal Centre |
| CLSIS | Community Legal Services Information System – the database used by manyfunded CLCs until March 2017 |
| CLSP | Community Legal Services Program |
| DJR | Department of Justice and Regulation (State Government) |
| NACLC | National Association of Community Legal Centres |
| NPALAS | National Partnership Agreement on Legal Assistance Services |
| VLA | Victoria Legal Aid |

# About this Options Paper

Community Legal Services Program (CLSP) reform is an opportunity for community legal centres and Victoria Legal Aid to collectively reset the funding relationship. Based on a strong set of agreed design principles, it allows us to better align system accountability and reporting requirements with centres’ operational needs. This Options Paper is part of the CLSP Reform Project, which is creating a new framework to govern the administration and accountability of funding between VLA and CLCs. Phase 1 of the Project is designing the new funding and accountability framework. Implementation of the framework, including development and consultation on details of the agreement, will follow in Phase 2.

This Options Paper follows on from the [CLSP Reform Discussion Paper](http://www.legalaid.vic.gov.au/clsp) May 2017, which provides essential context and background.

Since releasing the Discussion Paper, most CLCs (Board members and staff), key VLA staff and other relevant organisations (including Department of Justice and Regulation, Commonwealth AGD and other funders) have taken part in consultations, through workshops, focus groups and individual meetings. The level and quality of CLC input has been crucial to the development of these proposed reforms.

We’ve developed the proposals in this Options Paper based on that feedback, our analysis of the gaps and obstacles in the current agreement, and consideration of viable ways to address the issues identified. As such the proposals are intended to achieve:

* simpler and more appropriate accountability measures, through introducing distinct requirements for different types of funding (distinguishing between core and special purpose funding) and streamlining accountability for funding from different organisations
* greater funding certainty, through longer duration agreements and earlier notification of allocations
* greater clarity, flexibility and future-proofing, by having the new agreement linked to external policies and guidelines (such as VLA funding guidelines, centres of concern protocol, others to be created)
* clearer expectations and greater assurance about the quality of CLC services and governance, by developing core elements and competencies that centres will be required to demonstrate to be eligible for funding.

## Consultation questions

In this options paper we have set out potential reforms to create for a more contemporary and effective framework, and invite you to reflect on:

1. How these ideas for reform might create an accountability system that differs from the current CLSP?
	1. How it would differ?
	2. What would be better or worse under a system like this?
2. Do you have any concerns or questions about these ideas for reform and how they might work together to create whole-of-system reform?
3. How could these ideas for reform be improved?

# Opportunities to provide feedback

VLA is seeking your feedback on the questions and issues raised in this options paper.

You can provide feedback until **31 October 2017** using any of the methods detailed below.

### Email

Written responses can be submitted via email to clspreform@vla.vic.gov.au.

### Workshops or in person

You can also provide your feedback verbally, either by participating in one of two workshops or through an interview with the project team.

Workshops will be announced in August and held on 18 and 20 September 2017.

To register for a workshop or arrange an interview please email the project team at clspreform@vla.vic.gov.au.

### Online

You can also make comments on the concepts and issues raised in this paper by logging onto the CLSP Reform pages of VLA’s Yammer feed ([www.yammer.com](http://www.yammer.com)):

* CLSP Reform – General
* CLSP Reform – Accountability
* CLSP Reform – Supporting CLCs to do their work
* CLSP Reform – Quality.

You will need to register for yammer before you can view these pages.

Please email the project team at clspreform@vla.vic.gov.au to request to participate, nominating which Yammer group you would like to join. You may join more than one.

# About the CLSP Reform Project

The CLSP Reform Project is funded and managed by VLA.

It aims to produce a new funding program that reflects contemporary expectations of service design, implementation and governance.

## CLSP reform objectives

These objectives are from the CLSP project plan, and were endorsed by the project’s steering committee:

* Active, aligned collaboration between CLCs and other providers of legal assistance
* Meaningful accountability, including through outcomes measurement
* Targeted service planning and service delivery for the benefit of locally defined priority clients and communities
* Quality focus

The project will not address legal need, CLC funding allocations, or work on sector planning. It will provide the mechanism that enables VLA to make and implement more informed and strategic decisions about those priorities in the future.

## The process leading to reform

This options paper will be open for consultation until 31 October 2017. After this:

1. We will consolidate feedback received, clarifying or expanding where needed
2. The Project Steering Committee will consider all stakeholder feedback and provide direction for drafting the final report in November 2017
3. The final report will be drafted on the basis of stakeholder feedback and Project Steering Committee direction in late 2017
4. The final report will be put to the Project Steering Committee, VLA’s Board and publicly released in early 2018
5. Phase 2 of the project will be planned in detail in early 2018. Phase 2 will look at all reforms in greater detail before implementation, and will involve in-depth consultation with CLCs.

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# The CLSP Reform Project stakeholder engagement process

The project team has developed these proposed reforms based on previous stakeholder input, and is presenting them for further consideration as the basis of the future framework.

The proposed reforms will be presented to stakeholders for feedback at two further consultation workshops, before being finalised in a report that will be presented to VLA’s Board for consideration, early in 2018.

**Phase 1** of the project has engaged stakeholders in a consultative process to:

* identify the strengths and weaknesses of the current framework
* listen to the experience of CLCs using the current framework
* generate ideas and options for an alternative framework.

**Phase 2** will act on the VLA Board’s direction to develop any new funding program for implementation between 1 July 2018 and June 30 2019.

## Methods used to gather stakeholder feedback in phase 1

The following CLC and other stakeholder input/data has been collected and synthesised:

* online forums (Yammer group discussions on: supporting CLCs, quality, accountability and general discussion)
* eight centre (CLC) visits to gather information about local systems and processes for managing the funding relationship
* two consultation workshops (one in Melbourne, one in Ballarat) covering the discussion paper and other matters raised by participants
* direct submissions by three contributors
* interviews with five other funders of CLCs
* interviews with four other CLSP State Program Managers
* internal interviews with key sections in VLA, including finance and legal practice

Further consultation, including two workshops, will be undertaken on this options paper.

For more detail on previous stakeholder engagement and feedback, see [Appendix 2 CLSP Consultation findings – a summary](#_Appendix_2:_CLSP).

# The 16 key questions that underpin reform

These questions underpin CLSP reform and were put to stakeholders as part of the [CLSP Reform Discussion Paper](http://www.legalaid.vic.gov.au/clsp):

1. What should be the purposes of a CLC funding program?
2. What do you think are the strengths and weaknesses of the current CLSP?
3. What are your thoughts on the administrative burden of the current CLSP?
	1. How could that burden be reduced or improved?
4. What types and levels of accountability are needed?
5. Have we missed any desirable or necessary accountabilities?
6. How frequently should CLCs report on their finances to VLA as a funder?
	1. What information should be provided in what form?
	2. Can high-quality reporting be promoted and supported without consistency of format and content across all CLSP funded CLCs?
7. How could we make future arrangements more compatible with the needs/requirements of other funding programs?
8. In a situation where VLA is the minority funder of a CLC or CLC host agency, how could CLSP accountability be provided for in a more compatible and more administratively efficient manner?
9. What structure might be best for a service agreement or contractual document under a new funding framework?
10. How could a new reporting framework ensure that CLCs are meeting the requirements of the NPALAS and demonstrate that they target their services towards particular client groups or places, provide tailored and proportionate services, facilitate prevention and early resolution and carry out integrated planning and service delivery?
11. How could a new reporting framework support collaboration and co-operation on planning between CLCs and other contributors to the legal assistance sector (including VLA)?
12. How could a new framework establish more structured feedback mechanisms between CLCs and VLA and what could this feedback focus on?
13. How could a new reporting framework articulate standards regarding service and organisational quality?
14. How could a new reporting framework be robust enough to adapt to future changes in priorities and re-examinations of funding allocations?
15. What are your views on whether CLC planning and accountability should be responsive to and/or compatible with government priorities?
16. What scope of years should a new funding program cover – one, three, four, five, other?

# Design principles underpinning this reform

Deeper analysis of stakeholder feedback has informed VLA’s development of key areas for reform. The principles below were developed in consultation with stakeholders who attended the workshops conducted during May and June 2017.

Principles informing the proposed reforms are:

|  |  |
| --- | --- |
| * Efficiency & simplicity
 | * Flexibility
 |
| * Collaboration
 | * Partnerships
 |
| * Trust
 | * Outcomes & impact
 |
| * Certainty
 | * Transparency
 |
| * CLC independence
 | * Clarity of shared purpose
 |
| * Accountability
 | * Evidence based planning
 |

# Ten key reforms

Ten key areas for reform have been identified as viable, timely and consistent with stakeholder feedback and VLA’s direction as a funder. These are:

1. [Transparent criteria and eligibility for funding](#_Option_1_–)
2. [Reform the service agreement](#_Option_2:_Reform)
3. [Performance accountability – the elements and the process](#_Option_3:_Performance)
4. [Modernising the CLSP workplan](#_Option_4:_Modernising)
5. [Reforming financial accountability – the elements and the process](#_Option_5:_Reforming)
6. [Elevated reporting and compliance](#_Option_6:_Elevated)
7. [A second funding stream for short-term projects](#_Option_7:_A)
8. [Funding certainty](#_Option_8:_Funding)
9. [Leverage technology to share information and support to centres](#_Option_9:_Leveraging)
10. [Rationalising multiple-source funding and/or accountability](#_Option_10:_Rationalising).

# Reform 1: Transparent criteria and eligibility for funding

Throughout the consultation, CLCs raised concerns about the need for a more robust and transparent system for VLA allocating and managing funding to CLCs, including transparent criteria and eligibility for VLA funding. VLA agrees that we need a transparent system, clear criteria and eligibility, and funding that is targeted to address legal need.

## Improved VLA systems and processes to manage CLC funding

* VLA will undertake to better manage the notification, allocation and disbursement of funding, including consulting with the sector about financial needs that are linked to individual service and sector plans
* VLA will develop new, clear funding guidelines, based on the Guiding Principles for Decisions on CLC funding 2012, which also reflect the attributes and competencies of CLCs (to be settled with the sector in phase 2)
* guidelines will be consistent with the National Partnership Agreement on Legal Assistance Services principles and priorities for funding
* eligibility for funding could include adoption of the CLC sector’s Outcomes Measurement Framework (currently being developed by the Federation of CLCs)
* funding eligibility will be linked to CLC obligations under the NACLC Accreditation Scheme, and compliance with the Risk Management Guide

### Eligibility for funding

In future, funded CLCs will be expected to demonstrate (and maintain) agreed attributes and competencies to be eligible for funding. These will be developed during stage 1 of the process and finalised during stage 2 of the project, drawing on a range of perspectives about and documents that consider what defines CLCs.

Some attributes for consideration include:

* capacity and capability to undertake a mixed model of individualised service delivery (information, advice and casework), alongside community legal education, strategic case work, advocacy and social change work
* CLCs being reflective and responsive to community and meeting the needs of clearly defined priority clients and/or community
* a commitment to working in collaboration and partnership with other services and organisations
* a commitment to evidence-based service planning
* a commitment to providing high quality services through continuous learning and improvement
* a capacity and willingness to reflect on, monitor and evaluate services
* sound management and governance
* a commitment to managing staff and services in accordance with key legislation and best practice principles and values – including OH&S, Equal Opportunity, and other legislation that protects and advances human rights
* being a capable, independent, not-for-profit legal entity that meets its legal and regulatory requirements.

While most CLCs have (or are cultivating) these attributes, they are not currently adequately expressed through the funding framework and agreement. There is an inconsistency in the quality and standards of service delivery, reporting and compliance. VLA seeks a stronger emphasis on these attributes, linking them to more rigorous monitoring and intervention where required, aimed at improving quality, which then produces better outcomes for clients.

# Reform 2: Reform the service agreement

Reforms 2–6 relate to the service agreement (the legal agreement), and the reporting and compliance that flow from that agreement. These reforms collectively represent a major opportunity for change in line with a shared desire to clarify, simplify and strengthen the agreement between CLCs and VLA.

VLA proposes a shorter, clearer agreement that is connected to service quality and to detailed and transparent policies that clarify expectations, mutual responsibilities and complaints mechanisms (for both parties).

Under the current agreement there is a strong focus on reporting and compliance. The new agreement aims to reset the balance between mutual obligations and a meaningful focus on standards and quality.

## Key elements of a new agreement

The key elements of a new agreement will include:

* shared intent, including reference to the key goals and elements of the NPALAS and VLA’s guiding principles for funding CLCs (or similar) as program guidelines
* mutual obligations, especially around service planning, evidence-based decision making, performance standards and reporting
* formal measures for dealing with agreement obligations and breaches of the agreement, and a complaints mechanism
* references and links to policies and procedures. For example, VLA’s policy framework for responding to concerns about CLC operations or performance and other quality standards and frameworks (such as NACLC Accreditation Scheme, PII scheme, and requirements under relevant legislation)
* alignment of relevant other standards and quality frameworks
* potential for CLCs to access more VLA resources including PLE, precedents etc.
* exit provisions for all parties.

The main characteristic of the change is having a stronger focus on policies and procedures that are linked to the agreement. All policies and procedures will aim to improve and maintain standards and quality across all funded services.

# Reform 3: Performance accountability – the elements and the process

Accountability achieved through reporting and compliance mechanisms should not cause an unnecessary burden. This reform seeks to reduce and streamline the nature and timing of monitoring and reporting, while having more efficient and meaningful accountability.

Consultation confirmed there is broad agreement that the current CLSP work plan is burdensome and inefficient in capturing and monitoring CLC performance. In the future, there is opportunity for a new approach that reduces the compliance burden, improves the quality of the data available to VLA and CLCs, and satisfies our obligation to be accountable for our use of public funds.

Consultation also confirmed there is strong interest in re-designing and modernising our sector into a well-resourced system that monitor outputs, outcomes and impact.

The key difference between the current state and the desired future state will be a transparent and consistent mechanism for capturing key information and data. Some centres are already collecting and measuring data well. Their experience and capability will inform future sector-wide models for monitoring CLC performance.

As noted below in the future state, there would ordinarily be no requirement for centres to submit an annual report (as under current reporting system), instead centres will report through commentary on an agreed dashboard with shared, de-identified data and indicators throughout the period of the agreement, and other key qualitative information such as client stories or progress on strategic advocacy work

## Key elements of the current state

* Workplan focused on outputs
* CLASS data entry
* Six-month progress report against workplan
* Twelve-month progress report against workplan
* Organisational annual report

## Key elements of a future state

* Service plan that includes measurement of outputs, outcomes, impact
* CLASS data entry
* Six-month report through commentary on an agreed data dashboard
* Twelve-month report through commentary on an agreed data dashboard
* Shared de-identified data based on key indicators of progress through the dashboard, and other key qualitative information such as client stories or progress on strategic advocacy work.

The aim of this reform is to ease the reporting workload and create an agreed and transparent mechanism to share meaningful, real-time information about service performance against a new model service plan.

# Reform 4: Modernising the CLSP Workplan

The current workplan is out-of-date and unfit for purpose. Originally, the workplan was intended to be the primary means of clarifying planned activities and outputs, and simultaneously provide VLA with the information it needed, to fulfil its role as the fund manager.

Regular reports are generated against these plans.

Whilst some CLCs submit high quality plans and reports, there is very little consistency and quality in the design and articulation of the vision, goals, objectives and activities across the sector, and limited focus on outcomes and impact.

Workplans and reports are frequently returned to centres for adjustment and improvement before approval. This creates enormous frustration and inefficiency between VLA and CLCs.

VLA seeks to replace the CLSP Work Plan with a newly developed, fit-for-purpose CLSP Service Plan that provides meaningful oversight and accountability.

## The current CLSP Workplan

Key elements of performance accountability under the current CLSP Workplan are:

* objectives
* measures, with a focus on outputs
* agreed targets
* requirement to consult and seek approval before making any significant change.

Separate to the workplan are requirements to:

* have service guidelines
* participate in coordinated sector planning.

## Options to create a new and improved CLSP Service Plan

Key elements of a new CLSP Service Plan may include:

* a plan that is linked to local and coordinated sector planning
* a clear statement of vision and objectives underpinned by evidence-based service design (rather than business-as-usual or not through evidence)
* goals and commitments that show how the centre will meet specific legal need and outcomes for priority clients, using clear processes like Program Logic and Theory of Change (which many centres are already using)
* clear identification of priority clients (using a relevant process and evidence)
* an agreed data dashboard that enables centres to share data and regularly report on their priority clients/communities, service trends and development
* a plan that is linked to service quality and accessibility standards, including providing culturally safe services to Aboriginal clients, refugee and immigrant communities, people with disabilities, and other priority client groups
* indicators of evidence-based planning that reflect local legal needs analysis done by many Victorian CLCs
* casework guidelines linked to that evidence
* outcomes indicators in the form of outputs and outcomes, including case studies and stories articulating client journeys and outcomes
* active and planned collaboration/partnerships that improve client access and outcomes
* a requirement to consult and seek approval before making any significant change.

Feedback from the sector reported both a desire for flexible, centre-specific arrangements for CLSP planning, and a set format for these arrangements.

NSW made similar changes to its CLSP. It retained the structure of the existing CLSP and its reporting processes, but reformed the workplan to include evidence-based planning, priority setting and partnership and collaboration.

These and other options (as they arise through the consultation) can be explored in more detail in Phase 2 of the project.

# Reform 5: Reforming financial accountability – the elements and the process

There was strong consensus from stakeholders that the current financial reporting mechanisms are out of date, inefficient and burdensome. This was the most frequently raised opportunity for reform, alongside a shared desire to meet current standards for financial accountability.

## Key elements for consideration

* agree to a new report format that is compatible with Australian Accounting Standards (AAS)
* remove the obligation of financial reporting through CLASS
* accept financial reports in formats that centres already use to report to their Boards, alongside annual audited financial statements
* consider applying standards/indicators of financial health, for example, referencing applicable best practice records management standards of the Victoria Auditor General Office (VAGO) <https://www.audit.vic.gov.au/records-management-checklist>.

VLA is committed to working with centres, their auditors and others to consider these options in more detail in phase 2.

For more detail on these options, see [Appendix 3 Different Options for Financial Accountability](#_Appendix_3:_CLSP).

# Reform 6: Elevated reporting and compliance

Overall the project aims to make reporting more meaningful and less burdensome.

If a CLC is underperforming or failing to meet its agreed outcomes, financial management or governance responsibilities, there should be a policy framework to address this. The existing VLA policy framework for responding to concerns about CLC operations or performance, which was developed in consultation with the sectors, forms a good basis for such a policy framework.

## Key elements for consideration

* A policy on centres of concern, based VLA’s existing policy, will be adopted in VLA’s service agreement with centres
* temporary remedial measures such as more rigorous reporting, accountability and monitoring regime will apply
* the aim would be to return the centre to regular accountability and monitoring as soon as possible, and for VLA to support the centre to achieve this.

For more detail on when and how elevated reporting and compliance requirements might be used, See [Appendix 4: CLSP Reform – possible provisions for elevated reporting and compliance](#_Appendix_4:_CLSP).

# Reform 7: A second funding stream for specific purpose and short-term projects

VLA administers short and longer term funding to CLCs.

The current CLSP framework does not have a consistent, transparent or systematic administration framework for managing specific or short-term projects and programs. Consequently, funds have sometimes been allocated without a fully competitive and transparent process (for example, at the end of the financial year). Monitoring and compliance of this short-term funding has been inconsistent and, at times, inadequate. VLA seeks to strengthen the framework and processes for managing short-term funding.

## Key elements for consideration

This funding stream would cover:

* specific purpose grants, for example, Family Violence Duty Lawyer services and the Child Protection Services Pilot
* innovation and transformation funds for testing new ideas or approaches
* specific organisational development and capital costs, either through a special fund or attached to another fund, such as Innovation and Transformation or end of financial year grants.

This stream would have flexibility to manage specific or short-term funding provided through other sources, e.g. Consumer Affairs Victoria (CAV), Department of Health and Human Services (DHHS) and others

For more detail on this Reform, see[Appendix 5 Funding Accountability for specific and short-term programs and projects](#_Appendix_5:_CLSP).

# Reform 8: Funding certainty

There was strong consensus from stakeholders about the need for greater funding certainty for CLCs, including the need for multi-year funding and a longer-term funding commitment from VLA. VLA agrees that funding certainty optimises centres’ capacity to do long-term planning and retain staff and that the current situation makes this difficult.

Options for increasing funding certainty will need to be considered in the context of VLA’s legal and financial capacity to provide earlier notification of funding and enter multi-year agreements, given the process for and timing of government notification to VLA of funding. VLA is undertaking further work on possible options given the significant implications for VLA’s finances.

## Key elements for consideration

* longer funding agreements with consideration of indicative funding (excluding indexation)
* shifting the funding year from 1 July–30 June to 1 Oct–30 Sept to provide centres with earlier and more definite notice of funding for the following year following government budget announcements

Options for change would have significant financial and reporting implications for VLA. This impact will be explored now and in more detail in Phase 2 of the project.

VLA is committed to working with CLCs on funding security, acknowledging the difficulty for centres providing a budget or planning without confirmation of funding, and that insecurity has a strong impact on CLCs’ capacity to plan services and retain staff.

# Reform 9: Greater use of technology to share information and support CLCs

As part of the modernisation of CLSP arrangements, there is opportunity to use technology to enable VLA and CLCs to easily access all systems and frameworks related to CLSP (for example, through an online portal). There are many technology solutions used in other sectors that simplify access and administration that can be explored further, along with what capacity building and resources may be needed to support their use in this sector.

Throughout the consultation, stakeholders noted the need to introduce new systems that ease the burden of reporting. This reform proposes a new platform where CLCs will have access to shared data, information and tools to support their work.

There was also a call for greater transparency in allocating and managing funding. This information could be made publicly accessible through the platform.

## Key elements for consideration

The following are key elements to consider in developing a portal:

* transparent, shared information and data across the sector and with others (for example other funders, CLC partners and the public)
* CLC have access to documentation, such as settled agreements, casework and funding guidelines
* policies and procedures are transparent and accessible
* centralised reporting by upload or use of online forms, rather than in hardcopy or by email
* CLC access to consistent, purpose-built templates and tools
* social media spaces for mutual support and collaboration
* links to other key sites and references (for example, the FCLC, CLC Accreditation, Legal Services Board and Commission and other relevant stakeholders and regulators)
* notice of funding and other capacity building opportunities, including access to pro bono assistance and support
* access to training calendars and training modules, with capacity to book online
* a combination of public zones accessible to a broad range of stakeholders, and closed areas for more confidential communications.

# Reform 10: Rationalising multiple-source funding and/or accountability

Most CLCs are funded through multiple sources, and for some centres VLA is their minor funder. Others receive most of their funds through the CLSP (administered by VLA). Multiple sources of funding results in multiple reporting and compliance obligations and, consequently, inefficiency.

The Access to Justice Review 2017 recommended that multi-source funding accountability be rationalised for efficiency and simplicity, including aligning the CLSP with the monitoring and accountability requirements and processes of other sources of CLC funding.

Reforms proposed here are intended to improve efficiency and bring a closer focus on clients.

### Key elements for consideration

Each of the following proposals involves VLA acting as ‘agent’ for other funders – whether completely or with a limited role.

This may include:

* administering funds to CLCs on behalf of other funders in accordance with their instructions and guidelines (like the current model for the Commonwealth)
* collecting data and accountability reports on behalf of other funders, so that CLCs have only one set of reports
* aligning CLSP reports timing and format/substance as much as possible (like the current model for some CLCs funded by multiple sources).

As noted earlier, initial consultation with other funders revealed limited scope for this reform now. Most funders expressed an interest in exploring this once there was a proposal for a new CLSP framework.

The work in phase 2 of the CLSP Reform Project could explore timelines and the nature of reports to develop better compatibility. Individual centres could lead this by facilitating meetings with funders to discuss reforms.

# Next steps

* We will continue to gather and synthesise input from Stakeholders **August-October 2017**
* The Final Report will be drafted **November-December 2017**
* The VLA Board reviews and decides on content and next Steps, (phase 2) **early 2018.**

This diagram below describes next steps leading into phase 2



# Further reading options

* [Community Legal Services Program Reform, Discussion paper](http://www.legalaid.vic.gov.au/clsp), May 2017
* Victorian Access to Justice Review Report – <https://engage.vic.gov.au/accesstojustice> - Chapters 1, 2, 3 & 6
* Productivity Commission 2014, Access to Justice Arrangements, Inquiry Report No.72, Canberra – <http://www.pc.gov.au/inquiries/completed/access-justice/report> – Chapter 20 The legal assistance landscape (pp665-702) and Chapter 21 Reforming legal assistance services (pp703-760); pp728-733 in particular.
* [Reshaping legal assistance services: building on the evidence base; a discussion paper](http://www.lawfoundation.net.au/ljf/app/%26id%3DD76E53BB842CB7B1CA257D7B000D5173), Law and Justice Foundation of NSW, April 2014
* [Lawyering for Change: seven principles of strategic legal practice; a VLF CLC Fellowship report](https://www.victorialawfoundation.org.au/sites/default/files/attachments/2015_web_CLCReport_final.pdf), Agata Wierzbowski, Victoria Law Foundation, November 2015
* [Reclaiming community legal centres: maximising our potential so we can help our clients reach theirs](http://consumeraction.org.au/wp-content/uploads/2012/04/Reclaiming-community-legal-centres.pdf)*; VLF CLC Fellowship report*, Nicole Rich, Victoria Law Foundation, 2008

# Appendices

The following appendices support this paper:

* Appendix 1: [Community Legal Services Program Reform Discussion Paper](http://www.legalaid.vic.gov.au/clsp), May 2017
* Appendix 2: CLSP Reform consultation findings – a summary
* Appendix 3: CLSP Reform – different options for financial accountability
* Appendix 4: CLSP Reform – possible provisions for elevated reporting and compliance
* Appendix 5: CLSP Reform – a second stream of funding to support specific and short term programs and projects

# Appendix 2: CLSP Reform consultation findings – a summary

We consulted stakeholders during May and June on the issues raised in the [CLSP Reform discussion paper](http://www.legalaid.vic.gov.au/clsp). The range of consultation platforms has given all CLCs the opportunity to engage with the project, and the vast majority of centres participated. This high level of engagement has significant benefits for development of the proposed reforms.

We used the following methods of consultation:

1. Two workshops, attended by a range of CLC participants representing a variety of large, small, regional, metropolitan, specialist and generalist centres
2. Yammer (social media) discussion groups
3. Eight centre visits to gain an on-the-ground perspective of the CLSP compliance requirements and how they could be improved
4. Interviews with five other funders of CLCs
5. Interviews with four other CLSP State Program Managers
6. Internal interviews with VLA stakeholders, including program areas, finance and legal practice
7. Direct submissions from three contributors.

A summary of the findings from each of those methods is now provided below. Please contact us if you would like more detail about the consultation and its outcomes.

## Workshops

The two workshops considered a range of consultation questions and topics.

### What is wrong with the current CLSP?

* Funds reporting under CLSIS/CLSP format.
* Timing of reports submissions and budgets. Maybe need proactive communication of process and timelines about funding decisions, including transparent communications about the process ahead of time.
* Not getting data from all CLCs, then trying to aggregate State data.
* Tension in the relationship – VLA as funder and provider/competitor; VLA as ‘big brother’; VLA doesn’t always understand the power differential that it being a funder creates; need greater clarification of roles.
* Communication – notably of expectations; inconsistent messaging – e.g. from multiple players in VLA; appropriateness of communications – respect, language, tone.
* Lack of flexibility – inability to support CLCs at different stages of maturity; using the CLSP to help CLCs develop – CLSP doesn’t allow for this; doesn’t allow for highlighting centre independence, centre uniqueness.
* Reporting – completely outputs based; tedious; plans uninspiring and underwhelming; workplans – lack of consistency; applies uniformity.
* Planning – need to understand client needs/expectations; improved negotiations at planning stage.
* Focus on innovation can be at expense of core services.
* Overlaps with other accountability arrangements – other funders; CLC accreditation.

### What is right with the current CLSP?

* Trust, despite frustration.
* Relationships based on collaboration and communication. People talk to each other. This needs to be maintained and nurtured.
* VLA is not there to make life difficult.
* Maturity through the sector.
* Feedback comes when asked for.
* Flexibility in workplans format. Centres can create one that works for them based on their needs.
* VLA’s commitment to the mixed model.
* Relatively simple allocation of additional funding.
* Level of trust in ability to do work.
* Existing system is fairly reliable – can predict income; like the stability.

### Ideas for how the system could be made better

* Should a new funding program compel people to use a database?
* Why is data needed? So, that we can read, interpret and pass on to government and for making decisions regard funding. It’s a necessary evil.
* No duplication. Compatible data.
* Consistency about what reports are used to come with the data for reports.
* Some reports duplicate information that is available from other sources or required by other sources. We need to look at eliminating this as much as we can.
* Trajectory is towards outcomes rather than outputs.
* De-couple financial, organisational and performance accountability.
* Theory of change – but being realistic so that you’re not creating a theory of change based on dressed-up widgets.
* Reporting timelines matching reality. Shift start of the funding year to October?
* Meaningful reporting – that works for the CLC in the first instance rather than the funder.
* Multiple funders for the same category of activity. How to split?
* Genuine multi-year funding; certainty of funding.
* Attitude of ‘in this together’.
* A program that has the capacity to accommodate things like outcomes focus/planning or collaborative planning and resource administration etc. Not necessarily ‘deliver all of this now’.
* A package that provides for compatible data requirements, no duplication of reporting, outcomes planning and accountability using outcomes-based plans and reports, supported by agreed meaningful outputs measures and access to data, i.e. dashboard outputs measurement matched by/supported by narrative reporting on outcomes and individual contributions to change, against a theory of change (i.e. outcomes)
* Could there be different sorts of funding models for different scenarios – fully directed, tender, negotiated, peer/regional, project-based?
* Negotiation over agreement.

### Key design elements for any new CLSP

|  |  |  |
| --- | --- | --- |
| CLC independence | Evidence-based decision making and planning | Impact/outcomes |
| Collaboration | Partnership | Respect |
| Transparency | Flexibility | Efficiency & Simplicity |
| Clarity of shared purpose | Certainty | Accountability |

### Other feedback

One workshop came up with a statement about the CLSP Reform project:

“Any new administrative program for managing funding to CLCs needs to provide for the accountability and support of CLCs, with a focus on:

* transparency
* efficiency
* outcomes and
* collaboration,

with mutual respect and mutual responsibility to underpin and ensure the delivery of these things.”

The other workshop voted on their key, p design principles, which were:

* impact
* independence
* trust
* flexibility.

## Centre visits and interviews

We visited eight centres to gain an on-the-ground perspective of the CLSP compliance requirements and how they could be improved. We received the following feedback:

### Administrative burden

* Preparing workplans takes <2 working days; not burdensome
* Preparing progress reports takes <1 working day; not burdensome
* Preparing the budget takes <1 working day; not burdensome
* Preparing funds reports takes approx. 1 hour; not burdensome
* Preparing audited financial statements takes <3 working days; not burdensome
* Preparing the organisational annual report takes 6 weeks; burdensome but necessary
* Data collection and recording takes 30 minutes – mainly for intake form data capture; not burdensome

### General comments

CLSP accountability is not as burdensome as the accountability required by other funders.

*What could be improved and how?*

* Workplans – template should be consistent across sector; clarity across sector about purpose of workplan, what it is; should be reflective of what centres actually do, but is largely an accountability tool
* Progress reports – easier format would be good; VLA needs to be clear about what it’s looking for/needing
* Financial accountability (budget, funds reports, audited statements) – make them more compatible with Australian Accounting Standards
* Data collection and use – be clear about who it’s for (i.e. clients and case management); the centre’s service planning and monitoring; sector planning; accountability to funder; link the CLSP accountabilities to data as much as possible

## Interviews of other funders of CLCs

We interviewed six other CLC funders, all programs of State Government, to gauge the scope for greater integration between their accountability processes and expectations of CLCs and those of a new CLSP. We made the following observations:

* At present, there is limited interest in VLA acting as an agent of those other funders by administering the CLC funding on their behalf or by collecting data and accountability reports so that CLCs have only one set of reports to make.
* There may be scope for adjusting the timing of CLSP accountability reports to match the accountability timings of some funders but not all, because where a CLC is funded by multiple funders in addition to CLSP, the accountability timings of the funders would have to be adjusted to make them match.
* More discussion and negotiation is needed before any substantive progress on these two areas for potential reform can take place. Most other funders felt that this will be more possible once a proposed model is available.
* The DHHS desktop review process provides significant scope for ‘flipping’ the responsibility for initiating and framing reporting.
* The standard State Government grant agreements don’t provide much scope for substantive reform of the CLSP processes. They could replace, or improve, the existing CLSP Service Agreement but the experience of other State Government funding programs is that purpose-built accountability processes and related reports are needed to allow for meaningful accountability and relationships with funded centres.

## Yammer (social media) discussions

To date, there has been limited engagement by stakeholders with the Yammer groups. However, some useful discussions have emerged and are continuing.

The discussions have considered:

* the key elements of a typical CLC
* fostering a culture of quality in CLCs
* financial accountability requirements for CLCs depending on their circumstances.

For more detail on these discussions go to the four Yammer pages set up for CLSP Reform discussions.

## Direct submissions by email

We received three direct submissions. Overall feedback from these three contributions was that the CLSP should be based on a clear understanding of the need for and work of *each* CLC, mutual trust and flexibility to support:

* determining community need specific to area of law
* targeting assistance to meet the need
* setting KPIs to address the need
* reporting on how they have been met.

Other ideas and feedback included:

* An agreement with overarching clauses common to all, but tailored schedules particular to each CLC, developed in consultation with CLCs.
* Share KPIs and outcomes based reports with other centres; not financials.
* Workplans to cover 2 years; reporting annually not six-monthly.
* At least 4-year funding.
* Financial reports created using a centre’s financial management format.
* Synchronised reporting schedules and requirements with other funders.
* Current format of service agreement works.
* Encourage and support centres to develop logic models/theories of change or other similar outcome focused tools to support major projects.
* The requirement to consult with other services during service planning.
* A formal process for regular feedback to canvass what is going well, what could be improved and how a centre sits in relation to others.
* Updating standard forms and resources provided by the VLA, as many forms are out of date and not easy to use.
* Planning and needs analysis requirements need to be kept in perspective according to the size and funding of a centre.

# Appendix 3: CLSP Reform – options for financial accountability

This is the most frequently raised area for reform.

Regardless of which option is preferred and adopted, it would be useful to involve centre auditors and finance officers in discussion in Phase 2 of this project, to design these accountability requirements so that they are as user-friendly and AAS-compatible as possible.

There are three basic levels of reform of this area of CLC accountability:

1. Agree to a set format that is more compatible with AAS (Australian Accounting Standards) for separate CLSP financial reports – budgets and reports against those budgets – for six-monthly (or quarterly) CLSP financial reports.
2. Still require separate, six-monthly or quarterly CLSP financial reports (budgets and funds reports) but allow centres to submit them in a format that is familiar to them and administratively easy for them to use.
3. Dispense with separate CLSP financial reports, relying instead on annual audited financial statements.
* This might require agreement on how CLSP information is to be presented in these audited financial statements.
* It might also include the use of ‘spot checks’, using a process that could be developed with the CLC sector.

NB: Queensland has adopted this simplified approach.

In Victoria, this third level of reform might result in the following:

|  |  |
| --- | --- |
| **CLCs receiving longer-term funding might be required to do the following:**1. At the start of a funding period, provide a budget for how the CLSP funds will be spent
2. Ensure that accounting adequately reflects and records CLSP funding and how it is being spent
3. Annually, provide VLA with audited organisational financial statements
4. Respond to VLA’s feedback on its analysis of these audited organisational financial statements, engaging with VLA to address any issues that arise
5. Provide VLA with copies of internal organisational financial reports (or just those related to CLSP funding) when requested by VLA
6. Engage with VLA to address any issues that arise from VLA financial ‘spot checks’
7. At the end of a funding period, provide a full audited financial acquittal for the use of the CLSP funds.
 | **while VLA would be required to:**1. Consider and approve the CLC’s budget for the use of the funding at the start of a funding period
2. Review and provide feedback on the CLC’s audited organisational financial statements, annually, engaging with the CLC to address any issues that arise from that feedback
3. Conduct random financial spot-checks by reviewing the CLC’s most recent relevant financial report(s) to its Board, engaging with the CLC to address any issues that arise.
 |

# Appendix 4: CLSP Reform – possible provisions for elevated reporting and compliance

Elevated reporting and compliance might be applied when a centre is experiencing persistent difficulties in:

* achieving its agreed outputs and targets
* managing its CLSP funds or its finances generally, or not being able to clearly show how its CLSP funds have been used
* managing its staff, including retaining a stable staff base and recruiting staff in a timely fashion
* managing special projects, to a point where its overall management capacity is questionable
* governing itself.

Elevated reporting and compliance might involve:

* additional support of centres experiencing difficulties in their management or performance
* more frequent performance or financial monitoring
* performance or financial reporting in a more structured form
* formal meetings and in-person collaboration between the CLC and VLA
* ability to check quality of specific services such as through file audits or reviews of services
* the development and application of a Performance Improvement Plan
* VLA visibility of and/or involvement in any performance or organisational improvement in the CLC’s CLC Accreditation Scheme workplan
* any combination of the above options.

The aim would be for this more rigorous regime to be temporary, so that the CLC returns to the regular long-term funding accountability regime in an improved, more capable state.

The detail around these processes (including when and how they might be applied) could be settled with the sector in phase 2, with specific reflection on VLA’s existing policy framework (*Victoria Legal Aid Policy Framework: responding to concerns about CLC operations or performance*).

# Appendix 5: CLSP Reform – a second stream of funding to support specific and short term programs and projects

The current CLSP does not have a structure that allows for robust and meaningful accountability for specific programs and short-term, specific projects.

There could be a second stream of funding for specific programs (that might also be funded longer-term) and specific, time-limited projects. These might include:

* family violence duty lawyer funding, and similar funding, that comes with specific requirements or expectations of external parties (including other sections or costs-centres/funding sources within VLA) who are not involved in the long-term funding service agreement and/or time-limits
* pilot projects that seek to test service delivery methods, approaches, locations, focusses or theories. These could be conceived of or initiated by VLA as funder, the organisation as service provider or others. They fit into this second, specific funding stream because they might require more rigor around planning, monitoring and evaluation that might benefit from VLA involvement, support or oversight
* innovation and transformation or other development, special focus projects
* one-off, time-limited development, pilot or exploratory projects that other funders wish to explore with CLCs.

This second stream could accommodate and support the engagement of other funders with CLCs. Effectively, VLA might offer or provide grants program management services (in part or in full) to other funders. This addresses at least two key recommendations of the Access to Justice Review.

This second, specific stream could be open to a broader range of organisations than just CLCs funded through the CLSP for longer-term, more general funding.

For CLCs that are longer-term funded, their existing service agreement could be used to establish the legal basis and terms for the provision of specific funding. This could apply to specific funds provided by VLA or other funders.

The difference between this funding stream for those centres and the longer-term funding stream would be the service commitment and reporting arrangements for this specific or shorter-term funding. These would be specific to each funding stream, but use a general process. This may result in a single organisation having one service agreement (the longer-term agreement) with several commitment schedules – a general service one and others for each specific, time-limited grant. This is similar to the current arrangements, but could clarify and formalise that process.

For organisations that are not funded with longer-term general CLSP funding, there could be a different and simpler service agreement to support these grants. They may receive multiple specific grants over time, but just have one updatable service agreement to reflect and record the contractual relationship between VLA and the organisation.

The planning and reporting under this stream could be specific to each funding purpose, but could include:

* a project/program plan, ideally based on program logic
* at least six-monthly performance reporting, in a set format
* simple but clear financial accountability built around an agreed budget and reports.